

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number

26-331

SAP Number

Project and Facilities Management Department

Department Contract Representative	Sarah Riley
Telephone Number	(909) 387-5000
Contractor	Morillo Construction Inc.
Contractor Representative	Antoine B. Morillo
Telephone Number	
Contract Term	577 Calendar Days
Original Contract Amount	\$15,530,000
Amendment Amount	N/A
Total Contract Amount	\$15,530,000
Cost Center	10.10.1699
Grant Number (if applicable)	N/A

Briefly describe the general nature of the contract:

Design-Build Agreement with Morillo Construction Inc. for the design, management, and construction of the 303 W. 5th Street Design-Build Project

FOR COUNTY USE ONLY

Approved as to Legal Form

Daniel Pasek
Daniel Pasek / Apr 30 2026 07:53:02 PDT
Daniel Pasek, County Counsel

Date Apr 30, 2026

Reviewed for Contract Compliance

► _____
Date _____

Reviewed/Approved by Department

► _____
Date _____

DESIGN-BUILD AGREEMENT

FOR

SAN BERNARDINO COUNTY

303 W. 5TH STREET DESIGN-BUILD PROJECT

PROJECT NUMBER 10.10.1699



DESIGN-BUILD AGREEMENT

This Design-Build Agreement ("Agreement") is made effective this **May 5, 2026** ("Agreement Date") by and between SAN BERNARDINO COUNTY ("County"), and Morillo Construction, Inc., a Stock Corporation ("Design-Builder") for the design, management, and construction of the 303 W. 5th Street Design-Build Project located at San Bernardino, CA ("Project").

ARTICLE I CONTRACT DOCUMENTS AND INTERPRETATION

1.1 DEFINITIONS

The meanings of all capitalized terms used in the Contract Documents and not otherwise defined herein are contained in the General Conditions. If not defined in the General Conditions, they shall have the meanings assigned to them elsewhere in the Contract Documents. If not defined in the General Conditions or elsewhere, they shall have the meanings reasonably understood to apply to them by the context of the portion of the Contract Documents where such terms are used.

1.2 CONTRACT DOCUMENTS

The "Contract Documents" except for modifications issued after execution of this Agreement, consist of the following documents, all of which are either attached hereto as exhibits or are incorporated herein by this reference:

1.2.1 This Agreement, including all Exhibits and attachments:

- a. **Exhibit A** – Site Legal Description
- b. **Exhibit B** – Project Description & Index of Criteria Documents
- c. **Exhibit C** – Performance Bond – Original to be inserted when provided by Design Builder
- d. **Exhibit D** – Payment Bond (Labor and Material) – Original to be inserted when provided by Design Builder
- e. **Exhibit E** – Design-Builder's Project Representation and Key Personnel
- f. **Exhibit F** – Design and Construction Schedule
- g. **Exhibit G** – Design Build General Conditions

1.2.2 RFP Documents, Design-Builder Proposal, Best and Final Offer. The RFP Documents, the Design-Builder Proposal (if no Best and Final Offers have been submitted) or (if Best and Final Offers have been submitted) the Design-Builder's last submitted Best and Final Offer (including, in the case of a Best and Final Offer that is an amendment to a Design-Builder Proposal, any portion of the Design-Builder's Proposal expressly stated to be a part of the Design-Builder's Best and Final Offer); provided, however, that, with the exception of Approved Deviations, the Contract Documents shall not include any portion of the Design-Builder Proposal or a Best and Final Offer that deviates from the Project criteria.

1.2.3 General Conditions

Refer to Exhibit G for General Conditions

1.2.4 Supplemental and Special Conditions. The following Supplemental and Special Conditions:

Document	Title	Pages
RFP Exhibit C	Special Conditions	5

1.2.5 Final Construction Documents. The Final Construction Drawings to be hereafter prepared by the Design-Builder and its Subconsultants that are approved by the County in accordance with the terms of the Contract Documents; provided, however, that, in the exception of Approved Deviations, the Contract Documents shall not include any portion of the Design-Builder Proposal or a Best and Final Offer that deviates from the Project criteria.

1.2.6 Addenda. The following Addenda listed below:

Number	Title	Pages
1	Addendum No.1 signed on 10/14/25	2
2	Addendum No.2 signed on 11/17/25	1

1.2.7 Project Safety Program

To be provided by Design-Builder.

1.3 REFERENCE DOCUMENTS

The following Reference Documents are not considered Contract Documents and were provided to the Design-Builder for informational purposes. Design-Builder may rely upon the technical data contained in such documents but not upon non-technical data, interpretations, opinions or provisional statements contained therein:

Document	Title	Pages
RFP Exhibit E	Criteria Document Drawings	13
RFP Exhibit M	303 W. 5 th Street Remodel Record Drawings	19
RFP Exhibit N	ALTA Survey	3
RFP Exhibit O	Phase I ESA Report	1,335
RFP Exhibit P	Exhibit Site Plan Information	7
RFP Exhibit Q	Geotechnical Feasibility Report	92
RFP Exhibit R	Property Assessment Report	101
RFP Exhibit S	Ralph Roach Conceptual Area Plan	3
RFP Exhibit T	San Bernardino County Facility Planning Space Standards	5
RFP Exhibit U	CDH & OHS Program	3
RFP Exhibit V	Programming Questionnaire	13

RFP-Addendum No.1 Additional Ref. Doc.	SBC-Limited Asbestos Lead-Based Materials Survey Report 9.8.23	81
RFP-Addendum No.1 Additional Ref. Doc.	SBD-Supplemental Asbestos Survey Report 1.17.25	33
RFP-Addendum No.1 Additional Ref. Doc.	250903 303 W. 5 th Pre-Bid Conference-Power Point	21
RFP-Addendum No.1 Additional Ref. Doc.	Dry Due Diligence Report 7.9.25	5
RFP-Addendum No.1 Additional Ref. Doc	Exhibit U - Revised CDH & OHS Program 10.6.25	1
RFP-Addendum No.2 Additional Ref. Doc	Supplemental Geotechnical Study dated November 13, 2025	110

1.4 ENTIRE AGREEMENT

The Contract Documents represent the entire and integrated agreement between County and Design-Builder, all other representations or statements, whether verbal or written, are merged herein. The Design-Build Contract may be amended only by written modification.

ARTICLE II THE WORK

2.1 SCOPE OF WORK

Design-Builder shall provide, furnish, and perform all necessary planning, architectural, engineering, and all other design services of any type, procurement, permitting and support services, construction, landscaping, clean-up, and all other construction services of any type, provide and furnish all necessary supplies, materials and equipment (except those to be provided by County, if any) and all necessary supervision, labor, and services required for the complete engineering, design, procurement, quality assurance, construction and all necessary installation, start-up and testing required for a complete, operational, and fully functional Project, as further described in Design-Builder's Best and Final Proposal (hereinafter, the all-inclusive obligations of the Design-Builder set forth in this sentence shall be referred to as the "Work"). Except with regard to any material to be provided and/or installed by County, Design-Builder shall fully commission and turn over a complete operational, and fully functional Project to County. Without limiting the generality of this Section, Design-Builder shall provide the following work and services:

2.1.1 Design-Builder shall prepare complete designs, engineering, working drawings, shop drawings and generate drawings and/or engineering analysis setting forth in detail the specifications and requirements for the purchasing and procurement of the services, materials and equipment and for the construction of the complete, operational, and fully functional Project, and shall furnish the services of all necessary supervisors, engineers, designers, draftsmen, and other personnel necessary for preparation of those drawings and specifications required for the Work, including the pertinent information for natural gas, water supply, and any other utilities, as required.

2.1.2 Design-Builder shall provide, install and complete as specified and pay for all labor, materials and equipment, tools, supplies, construction equipment and machinery, construction, start-up and testing, utilities, transportation, and other facilities and services (including any

temporary materials, equipment, supplies and facilities) necessary for the proper execution and completion of the complete, operational, and fully functional Project, including the permanent interconnection for electricity, natural gas, water supply, and any other utilities and demonstration of fully satisfactory operation of all systems and equipment.

2.1.3 Design-Builder shall supervise and direct the Work, and shall furnish the services of all supervisors, forepersons, skilled and unskilled labor, and all other personnel necessary to design and construct the complete, operational, and fully functional Project. Design-Builder shall provide, manage and organize such personnel as necessary to complete the Work in accordance with all requirements of the Contract Documents.

2.1.4 Design-Builder shall obtain, at Design-Builder's expense, all governmental and private approvals, licenses, and permits required to complete the Work; provided, however, County will be responsible for paying the cost of all County imposed fees. Design-Builder shall design and construct complete, operational, and fully functional Project in full compliance with all applicable laws, codes and standards (both public and private), including but not limited to, the standards included and warranties expressed in the Contract Documents and manufacturer's recommendations pertaining to individual items of equipment or systems.

2.2 STANDARD OF PERFORMANCE

In addition to and without limiting Design-Builder's other obligations under the Contract Documents, Design-Builder shall at all times in its performance of its obligations under the Contract Documents conform to the following general standards of performance:

2.2.1 Comply with the requirements of the Contract Documents;

2.2.2 Comply with Applicable Laws;

2.2.3 Conform to the standard of care applicable to those who provide design-build project services and construction of the type called for by this Design-Build Contract for projects of a scope and complexity that is comparable to the Project;

2.2.4 Furnish efficient business administration of the Work, utilizing sufficient senior level management and other qualified personnel to manage the Work; and

2.2.5 Apply its best and highest skill and attention to completing the Work in an expeditious and economical manner, consistent with the expressed best interests of the County and within the limitations of the Contract Sum and Contract Time.

ARTICLE III TIME FOR PERFORMANCE

3.1 CONTRACT TIME

The Date of Commencement of the Work shall be fixed in a Notice to Proceed issued by the County. If County's issuance of a Notice to Proceed is delayed due to Design-Builder's failure to return a fully-executed Agreement, insurance documents or bonds within fourteen (14) calendar days after the date of award of the Contract, one (1) calendar day will be deducted from the number of days to achieve Substantial Completion of the Work for every day of delay in County's receipt of such documents. This right is in addition to and does not affect County's right to demand

forfeiture of Design-Builder's bid Security, or any other rights or remedies available to County if Design-Builder persistently delays in providing the required documentation. Design-Builder agrees to promptly commence the Work after the Notice to Proceed is issued by the County, to achieve Substantial Completion of the entire Work within **577 calendar days** after the Date of Commencement ("Contract Time") and to achieve Final Completion of the Work within the time fixed by the County in the Certificate of Substantial Completion. The Contract Time may be extended only with the written authorization of the County.

3.2 LIQUIDATED DAMAGES

3.2.1 County and Design-Builder recognize that time is of the essence of this Agreement and that the County may suffer financial loss in the form of lost grant funds, additional contract administration expenses, loss of public use if the Work is not completed within the Contract Time, including any extensions thereof allowed in accordance with the Contract Documents.

3.2.2 Design-Builder and County agree to liquidate damages with respect to Design-Builder's failure to achieve Substantial Completion of the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Design-Builder acknowledges and agrees that the liquidated damages are intended to compensate County solely for Design-Builder's failure to meet the deadline for Substantial Completion and shall not excuse Design-Builder from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

3.2.3 In the event that Design-Builder fails to achieve Substantial Completion of the Work within the Contract Time, Design-Builder agrees to pay County **\$1,000 per day** for each calendar day that Substantial Completion is delayed.

3.2.4 Design-Builder acknowledges and agrees that the foregoing liquidated damages have been set based on an evaluation by County of damages that it will incur in the event of the late completion of the Work. Design-Builder and County agree that because of the nature of the Project it would be impractical or extremely difficult to fix the amount of actual damages incurred by the County due to a delay in completion of the Work. Accordingly, the County and Design-Builder have agreed to such liquidated damages to fix Design-Builder's costs and to avoid later disputes. It is understood and agreed by Design-Builder that any liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the effective date of this Agreement.

3.2.5 It is further mutually agreed that County shall have the right to deduct liquidated damages against progress payments or retainage and that the County will issue a unilateral Construction Change Directive and reduce the Contract Sum accordingly. In the event the remaining unpaid Contract Sum is insufficient to cover the full amount of liquidated damages, Design-Builder shall pay the difference to County.

ARTICLE IV CONTRACT SUM

4.1 CONTRACT SUM

4.1.1 Total Compensation. County shall pay the Design-Builder in current funds for the Design-Builder's complete performance of the Work in accordance with the Contract Documents

the Contract Sum of Fifteen Million Five Hundred Thirty Thousand Dollars (\$15,530,000). This amount includes approved alternate No. 1 in the sum of Fifty Thousand Dollars (\$50,000).

4.1.2 Design Fee. The Contract Sum includes a Design Fee of One Million Three Hundred Eighty-Four Thousand Dollars (\$1,384,000). The sole purpose of the Design Fee is to determine: (1) the compensation County is obligated to pay to Design-Builder under Article 13 of the General Conditions in the event the Design-Build Contract is terminated, by either the County or Design-Builder, for cause or convenience, prior to commencement of any physical construction at the Site; and (2) the amount that the Design-Builder is entitled pursuant to Paragraph 9.3 of the General Conditions to include in its Applications for Payment seeking progress payments for the design and non-design portions of the Work.

4.1.3 All Inclusive Price. The Contract Sum is the total amount payable by County to Design-Builder for performance of the Work under the Contract Documents and is deemed to cover all costs arising out of or related to the performance of the Work, including, without limitation, the effects of natural elements upon the Work, unforeseen difficulties or obstructions affecting the performance of the Work (including, without limitation, unforeseen conditions at the Site that do not constitute Differing Site Conditions) and fluctuations in market conditions and price escalations (whether occurring locally, nationally or internationally) from any cause, including, without limitation, causes beyond the control or foreseeability of the Design-Builder.

4.2 ALTERNATES

The Contract Sum is based upon the following Alternates described in the RFP Documents, which are hereby accepted by the County:

Number	Description	Dollar Amount
1	Alternate No.1, Shall provide an all-gender restroom.	\$50,000

4.3 UNIT PRICES

The following unit prices are agreed to by the Design-Builder and County:

Description	Measurement Unit	Dollar Amount
Not Applicable		

4.4 PAYMENT BY ELECTRONIC FUND TRANSFER

Design-Builder shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Design-Builder’s designated checking or other bank account. Design-Builder shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.

**ARTICLE V
DESIGN-BUILDER'S DUTIES AND RESPONSIBILITIES**

5.1 GENERAL SCOPE OF WORK

5.1.1 Design-Builder shall furnish all design and other Services, provide all materials and undertake all efforts necessary or appropriate to construct the Project in accordance with the requirements of the Contract Documents, all governmental approvals, the approved Construction Documents, all Applicable Law, and all other applicable safety, environmental and other requirements taking into account the constraints affecting the Project Site. Except as otherwise specifically provided in this Contract, all materials, services and efforts necessary to achieve Substantial Completion of the Project and elements thereof on or before the deadlines provided in the Contract Documents shall be Design-Builder's sole responsibility. The costs of all such materials, services and efforts are included in the Contract Sum.

5.1.2 The scope of Services to be provided by Design-Builder is set forth in the Contract Documents as more particularly described in Exhibit B and the Criteria Documents.

5.1.3 The Design-Builder and all Subcontractors shall obtain a Business Tax Registration from the San Bernardino County Permit Services, (909) 387-8311, prior to commencement of Work.

5.2 BEFORE STARTING WORK

Design-Builder shall submit the following to County for review and acceptance within fourteen (14) calendar days after the Date of Commencement fixed in County's Notice to Proceed, and as a condition to payment: (i) detailed Project Schedule including each deadline specified in the Contract Documents; (ii) Schedule of Submittals; (iii) material Procurement Schedule; and (iv) a Schedule of Values in accordance with the requirements of the General Conditions and other Contract Documents.

5.3 INITIAL CONFERENCE

Within twenty (20) calendar days after the Date of Commencement fixed in County's Notice to Proceed, a conference attended by County and Design-Builder and others as appropriate will be held to establish a working understanding among the Parties as to the Work and to discuss the design concepts, updating schedules, progress meetings, procedures for handling submittals, processing Application for Payment, maintaining required records, coordination with Design-Builder Team Members, and other Project administration matters.

5.4 EVALUATION OF PRELIMINARY SUBMITTALS

At least ten (10) calendar days before submission of the first Application for Payment, a conference attended by Design-Builder, County and others as appropriate, will be held to review for acceptability the submittals required by the Contract Documents. No progress payment shall be made to Design-Builder until the required submittals are acceptable to County. The detailed Project Schedule will be acceptable to County as providing an orderly progression of the Work to completion within any specified Milestones and the Contract Time, but such acceptance will neither impose on County responsibility for the sequencing, scheduling or progress of the Work nor interfere with nor relieve Design-Builder from Design-Builder's full responsibility therefore. The format and structure of the Project Schedule will be set forth in the Contract Documents and

approved by County. County's acceptance shall not be deemed to confirm that the schedule is a reasonable plan for performing the Work. Design-Builder's schedule of submittal will be acceptable to County as providing a workable arrangement for reviewing and processing the required submittals.

5.5 DESIGN PROFESSIONAL LICENSING REQUIREMENTS

County does not intend to contract for, pay for, or receive any design services which are in violation of any professional licensing laws, and by execution of this Contract, Design-Builder acknowledges that County has no such intent. It is the intent of the Parties that Design-Builder is fully responsible for furnishing the design of the Project, although the fully licensed design firms designated as members of the Design Team, will perform the design services required by the Contract Documents. Nothing in this Article shall create a contractual relationship between such Persons and the County.

5.6 STANDARD OF CARE

All design Services performed by Design-Builder, the Design Team Members, Subcontractors, and their employees identified by the Design-Builder or other persons approved by the County shall be performed in an expeditious and professional manner using architects, engineers and other professionals properly licensed and duly qualified in the jurisdiction in which the Project is located. The professional obligations of such persons shall be undertaken and performed in the interest of the Design-Builder. All design Services performed pursuant to this Agreement shall be performed with the degree of skill and learning ordinarily possessed by architects and engineers in good standing in the community regularly engaged in the design and construction of an improvement such as this Project and must apply that knowledge with the diligence ordinarily exercised by reputable architects and engineers under similar circumstances ("Standard of Care").

5.7 CONSTRUCTABILITY AND COORDINATION REVIEWS

On at least a monthly basis or such other intervals identified in the Contract Documents, Design-Builder shall meet with the County, its Separate Contractors, and consultants to coordinate the Construction Documents, including the design of building systems delegated to the Design-Builder, for the purpose of continuing construction feasibility, identifying conflicts, missing information or gaps in the planned scope of Work and to take appropriate action to ensure the full scope of intended Work is performed efficiently and economically.

5.8 DESIGN DEVELOPMENT DOCUMENTS – PHASE 1

After County's issuance of the Notice to Proceed and within the times set forth in the Project Schedule accepted by County, Design-Builder shall:

5.8.1 Consult with County to fully understand County's requirements for the Project and review available data;

5.8.2 Advise County as to the necessity of County's providing or obtaining from others additional reports, data or services and assist County in obtaining such reports, data, or services;

5.8.3 Identify and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Project designed or specified by Design-Builder with whom consultation is to be undertaken in connection with the Project; and

5.8.4 Review Criteria Documents provided by County.

5.8.5 Prepared plot plans, landscape, irrigation, civil, architectural, structural, mechanical and electrical floor, elevations, cross-sections and other required drawings; and outline specifications describing the size, character, and quality of the entire Project in its essentials as to kinds and locations of materials, and type of structural, mechanical and electrical systems.

5.8.6 Furnish the above documents, drawings, calculations and specifications to and review them with County for approval within the time indicated in the approved Project Schedule at increments of at least 50% and 100% completion of the Design Development Documents.

5.9 CONSTRUCTION DOCUMENTS – PHASE 2

After written acceptance by County of the Design Development Documents, Design-Builder shall:

5.9.1 On the basis of the accepted Design Development Documents, prepare final Construction Documents showing the scope, extent, and character of the construction to be performed and furnished by Design-Builder including technical drawings, schedules, diagrams, calculations, and specifications (which, unless otherwise approved by County, will be prepared, where appropriate, in general conformance with the Construction Specifications Institute) setting forth the requirements for construction of the Work which shall provide information customarily necessary for the use of those in building trades.

5.9.2 Provide technical criteria, written descriptions and design data required for obtaining approvals of such governmental authorities as have jurisdiction to review or approve the final design of the Project, and assist County in consultations with appropriate authorities.

5.9.3 Furnish the above documents, drawings, calculations and specifications to and review them with County for approval within the time indicated in the approved Project Schedule at increments of at least 50% and 100% completion of the Construction Documents. After County's approval of the final Construction Documents, said documents shall be deemed to be incorporated as Contract Documents. Design-Builder shall not proceed with the construction phase unless and until it receives County's written approval of the Construction Documents or portions thereof.

5.9.4 Design-Builder shall submit to County Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting. The parties shall have a design review meeting to discuss, and County shall review and approve, the Construction Documents in accordance with the procedures set forth herein. Design-Builder shall proceed with construction in accordance with the approved Contract Documents and shall submit one set of approved Construction Documents by County prior to commencement of construction.

The Design-Builder shall prepare Construction Documents for the entire Project in full compliance with all applicable building codes, ordinances, and other regulatory authorities. The Construction

Documents shall at a minimum comply with all applicable California State Building Codes to include, but not limited to, Title 8 (Industrial Relations) Title 17 (Public Health), and Title 24 (Building Standards). The completed Construction Documents are to be delivered to the County and shall consist of the following: (1) Drawings – Provide one reproducible original and ten (10) printed copies of all approved Construction Document drawings. Provide one copy of all approved Construction Document drawings on compact disks (CD) using Computer-Aided Design (CAD) software, using the latest version of AutoCAD; and (2) Specifications – Provide an original and ten(10) printed copies of approved specifications, bound and organized. Provide approved specifications on compact disks for all sections for all work applicable to the Project in a format complying with the current edition of the Construction Specifications Institute's "MasterFormat", as directed by the County in accordance with the following:

a. Electronic computer software in Microsoft Word, latest version for Windows.

b. For articles, materials and equipment identified by brand names, at least two names shall be used, and such names shall be followed by the words "or equal." Specifications shall not contain restrictions that will limit competitive bids. Exceptions shall only be permitted by California Public Contract Code Section 3400.

c. All disks produced shall be clearly labeled to indicate files contained and date produced.

5.9.5 County's review and approval of interim design submissions and the Contract Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither County's review nor approval of any interim design submissions and Construction Documents shall be deemed to transfer any design liability from Design-Builder to County.

5.10 CONSTRUCTION – PHASE 3

Design-Builder shall perform Construction Phase Series in accordance with the requirements of the General Conditions.

5.10.1 Construction Services shall be performed by Design-Builder and/or by qualified and licensed Design-Builder, Subcontractors and suppliers who are selected, paid and acting in the interest of the Design-Builder in accordance with the procedures outlined in the Contract Documents.

5.10.2 The Design-Builder shall keep the County informed of the progress and quality of the Work in the form of periodic written reports, as determined by the County but no less than monthly.

5.10.3 As a condition to final payment to Design-Builder, each Design Team Member shall provide written certification that the Work has been constructed in accordance with the Contract Documents and the design provided by such person.

5.10.4 Design-Builder acknowledges that release of any portion of the retention withheld by County will not occur until, at a minimum, thirty-five (35) days following the County's filing of the Notice of Completion. Release of any retention is subject to the requirements in the General

Conditions, including, but not limited to General Conditions Section 9.6, Substantial Completion, and Section 9.8, Final Completion.

5.11 SENATE BILL 854 (CHAPTER 28, STATUTES OF 2014) AND SENATE BILL 96 (CHAPTER 28, STATUTES OF 2017) REQUIREMENTS

5.11.1 Design-Builder shall comply with Senate Bill 854 (signed into law on June 20, 2014) and Senate Bill 96 (signed into law on June 27, 2017). The requirements include, but are not limited to, the following:

a. No contractor or subcontractor may be listed on a bid proposal (submitted on or after March 1, 2015) for a public works project unless registered with the Department of Industrial Relations (DIR) pursuant to Labor Code Section 1725.5, with limited exceptions from this requirement for bid purposes only as allowed under Labor Code Section 1771.1(a).

b. No contractor or subcontractor may be awarded a contract for public work or perform work on a public works project (awarded on or after April 1, 2015) unless registered with the DIR pursuant to Labor Code Section 1725.5.

c. This Project is subject to compliance monitoring and enforcement by the DIR.

d. As required by the DIR, Design-Builder is required to post job site notices, as prescribed by regulation, regarding compliance monitoring and enforcement by the DIR.

e. Design-Builder and all of its subcontractors at every tier must submit certified payroll records online to the Labor Commissioner for all new public works projects issued on or after April 1, 2015, and for all public works projects, new or ongoing, on or after January 1, 2016.

(1) The certified payroll must be submitted at least monthly to the Labor Commissioner.

(2) The County reserves the right to require Design-Builder and all subcontractors at every tier to submit certified payroll records more frequently than monthly to the Labor Commissioner.

(3) The certified payroll records must be in a format prescribed by the Labor Commissioner.

f. Registration with the DIR and the submission of certified payroll records to the Labor Commissioner are not required if the public works project is \$25,000 or less when the project is for construction, alteration, demolition, installation or repair work, or if the public works project is \$15,000 or less when the project is for maintenance work.

g. Labor Code Section 1771.1(a) states the following: "A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the

contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.”

5.12 INSURANCE

Design-Builder agrees to provide the County with Certificates of Insurance evidencing the required insurance coverage at the time Design-Builder executes the contract with the County.

5.13 SKILLED AND TRAINED WORKFORCE

The Design-Builder shall comply with all of the requirements of Public Contract Code Section 22164(c). As required by this section Design-Builder agrees that it “and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades.” Design-Builder agrees that it and all of its subcontractors at every tier will comply with the requirements of Public Contract Code Section 22164(c) and will provide the County with written evidence that Design-Builder and all of its subcontractors at every tier are complying with these requirements by the 10th day of each month that Work is performed.

ARTICLE VI DESIGN-BUILDER'S REPRESENTATIONS AND WARRANTIES

In order to induce County to enter into this Agreement, Design-Builder makes the following representations and warranties:

6.1 Design-Builder has visited the Site and has reasonably examined the nature and extent of the Work, Site, locality, actual conditions, as-built conditions, and all local and federal, state and local laws and regulations that in any manner may affect cost, progress, performance or furnishing of Work or which relate to any aspect of the design and the means, methods, techniques, sequences or procedures of construction to be employed by Design-Builder and safety precautions and programs incident thereto.

6.2 Design-Builder has reasonably examined all reports of exploration and tests of subsurface conditions, as-built drawings, drawings or reports, available for design and construction purposes, of physical conditions, including those which are identified in Paragraph 1.3 hereinabove, or which may be apparent at the Site and accepts the criteria set forth in these documents and the General Conditions to the extent of the information contained in these documents upon which the Design-Builder is entitled to rely. Design-Builder agrees that except for the information so identified, Design-Builder does not and shall not rely on any other information contained in these documents.

6.3 After contract award, Design-Builder, will conduct or obtain any additional examinations, investigations, explorations, tests, reports and studies, including but not limited to geotechnical investigations upon which the design will be based, that pertain to the surface and subsurface conditions, as-built conditions, underground facilities and all other physical conditions at or contiguous to the Site as Design-Builder considers necessary for the performance or furnishing of Work at the Contract Sum, within the Contract Time and in accordance with the other terms and conditions of the Contract Documents.

6.4 Design-Builder has correlated its knowledge and the results of all such observations, examinations, investigations, explorations, test, reports and studies with the terms and conditions of the Contract Documents.

6.5 Design-Builder has given County prompt written notice of all conflicts, errors, ambiguities, or discrepancies that it has discovered before contract award in or among the Contract Documents and as-built drawings and actual conditions and the written resolution thereof through Addenda issued by County is acceptable to Design-Builder.

6.6 Design-Builder is duly organized, existing and in good standing under applicable state law, and is duly qualified to conduct business in the State of California.

6.7 Design-Builder has duly authorized the execution, delivery and performance of this Agreement, the other Contract Documents and the Work to be performed herein. The Contract Documents do not violate or create a default under any instrument, agreement, order or decree binding on Design-Builder.

6.8 Design-Builder confirms its intent to include in the project the following pre-qualified subcontractors, who were listed in the Design-Builder's Statement of Qualifications earlier in this design-build procurement process. Design-Builder acknowledges its responsibility to provide County with a complete and updated list of subcontractors as they become known on the project, and that such listing shall be in accordance with the requirements of California Public Contract Code Section 22166. As required by Public Contract Code Section 22166(b), following the County's approval of the Contract, the Design-Builder shall award construction subcontracts with a value exceeding ½ of 1% of the Contract Sum allocable to construction Work as follows: (1) Provide public notice of the availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process used by the County, including a fixed date and time when qualification statements, bids or proposals will be due; (2) Establish reasonable qualification criteria and standards; and (3) Award the subcontract either on a best value basis or to the lowest responsible bidder – this process may include prequalification or short-listing and does not apply to construction subcontractors listed in the Design-Builder's Proposal. All construction subcontractors that were identified in the Proposal and awarded as required under Public Contract Code Section 22166 shall be afforded all the protections of Public Contract Code Section 4100 *et seq.*

NAME OF SUBCONTRACTOR AND LOCATION OF MILL OR SHOP	DESCRIPTION OF WORK: REFERENCE TO BID ITEMS	SUBCONTRACTOR'S LICENSE NO.
Westland Mechanical	HVAC	894940
Tri Power Electrical Contractors, Inc	Electrical	1050901

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

7.1 INDEPENDENT DESIGN-BUILDER

Design-Builder is, and shall be, acting at all times in the performance of this Agreement as an independent Design-Builder. Design-Builder shall secure at its expense, and be responsible for any and all payment of all taxes, social security, state disability insurance compensation,

unemployment compensation and other payroll deductions for Design-Builder and its officers, agents and employees and all business licenses, if any, in connection with the services to be performed hereunder.

7.2 COUNTY EMPLOYEES AND OFFICIALS

Design-Builder shall employ no County official nor any regular County employee in the Work performed pursuant to this Agreement. No officer or employee of County shall have any financial interest in this Agreement in violation of applicable provisions of law.

Design-Builder agrees to provide or has already provided information on former San Bernardino County administrative officials (as defined below) who are employed by or represent Design-Builder. The information provided includes a list of former County administrative officials who terminated County employment within the last five years and who are now officers, principals, partners, associates or members of the business. The information also includes the employment with or representation of Design-Builder. For purposes of this provision, "County Administrative Official" is defined as a member of the Board of Supervisors or such officer's staff, Chief Executive Officer or member of such officer's staff, County department or group head, assistant department or group head, or any employee in the Exempt Group, Management Unit or Safety Management Unit.

7.3 IRAN CONTRACTING ACT OF 2010

(Public Contract Code sections 2200 et seq.)

(Applicable for all Contracts of one million dollars (\$1,000,000) or more)

In accordance with Public Contract Code section 2204(a), the Design-Builder certifies that at the time the Contract is signed, the Design-Builder signing the contract is not identified on a list created pursuant to subdivision (b) of Public Contract Code section 2203 (<http://www.dgs.ca.gov/pd/Resources/PDLegislation.aspx>) as a person (as defined in Public Contract Code section 2202(e)) engaging in investment activities in Iran described in subdivision (a) of Public Contract Code section 2202.5, or as a person described in subdivision (b) of Public Contract Code section 2202.5, as applicable.

Contractors are cautioned that making a false certification may subject the contractor to civil penalties, termination of existing contract, and ineligibility to bid on a contract for a period of three (3) years in accordance with Public Contract Code section 2205. Design-Builder agrees that signing the Contract shall constitute signature of this Certification.

7.4 DEBARMENT AND SUSPENSION

The Design-Builder certifies that neither it nor its principals, or other key decision makers, or subcontractors is presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency

or on the Federal Government Excluded Parties List System (www.epls.gov). Design-Builder agrees that signing this Contract shall constitute signature of this Certification.

7.5 INACCURACIES OR MISREPRESENTATIONS

If, during the course of the administration of this agreement, the County determines that the Design-Builder has made a material misstatement or misrepresentation or that materially inaccurate information has been provided to the County, this Agreement may be immediately terminated. If this Agreement is terminated according to this provision, the County is entitled to pursue any available legal remedies.

7.6 NOTICES

Any notices or special instruction required to be given in writing under this Agreement shall be given either by personal delivery to Design-Builder's agent (as designated in Section 1 hereinabove) or to County's Engineer and County Counsel as the situation shall warrant, or by enclosing the same in a sealed envelope, postage prepaid, and depositing the same in the United States Postal Service, addressed as follows:

COUNTY	DESIGN-BUILDER
Project and Facilities Management Department	Morillo Construction Inc.
<hr/> 620 South E Street	<hr/> 227 North Holliston Ave.,
<hr/> San Bernardino, CA 92415-0184	<hr/> Pasadena, CA 91106

7.7 CONTRACTOR'S LICENSE NOTICE

Contractors are required by law to be licensed and regulated by the Contractors State Licensee Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, California 95826.

7.8 ELECTRONIC SIGNATURES

This Agreement may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, and such counterparts shall together constitute one and the same Agreement. The parties shall be entitled to sign and transmit an electronic signature of this Agreement (whether by facsimile, PDF or other mail transmission), which signature shall be binding on the party whose name is contained therein. Each party providing an electronic

signature agrees to promptly execute and deliver to the other party an original signed Agreement upon request.

WHEREFORE, this Design-Builder Contract is entered into as of the day and year first written above.

SAN BERNARDINO COUNTY

► *Dawn Rowe*
Dawn Rowe, Chair, Board of Supervisors

Dated: MAY 05 2026
SIGNED AND CERTIFIED THAT A COPY OF THIS DOCUMENT HAS BEEN DELIVERED TO THE CHAIR OF THE BOARD

By *Lynna Monzelli*
Lynna Monzelli
Clerk of the Board of Supervisors
San Bernardino County
Deputy



Morillo Construction, Inc.

(Print or type name of corporation, company, contractor, etc.)

By ► *Antoine B. Morillo*
Antoine B. Morillo (Apr 28, 2026 13:55:25 PDT)
(Authorized signature - sign in blue ink)
Antoine B. Morillo

Name
(Print or type name of person signing contract)

Title President
(Print or Type)

Dated: Apr 28, 2026

Address _____

FOR COUNTY USE ONLY

Approved as to Legal Form
Daniel Pasek
Daniel Pasek (Apr 29, 2026 08:20:35 PDT)
Daniel Pasek, Deputy County Counsel
Date Apr 29, 2026

Reviewed for Contract Compliance
Sarah Riley
Sarah Riley (Apr 29, 2026 08:24:07 PDT)
Sarah Riley, Chief of Project Management
Date Apr 29, 2026

Reviewed/Approved by Department
Moe Yousif
Moe Yousif (Apr 29, 2026 08:43:42 PDT)
Moe Yousif, Interim Director PFMD
Date Apr 29, 2026

EXHIBIT A

SITE LEGAL DESCRIPTION

FOR

SAN BERNARDINO COUNTY

**303 W. 5TH STREET DESIGN-BUILD
PROJECT**

PROJECT NUMBER 10.10.1699



EXHIBIT B

PROJECT DESCRIPTION AND INDEX OF CRITERIA DOCUMENTS

FOR

SAN BERNARDINO COUNTY

303 W. 5TH STREET DESIGN-BUILD PROJECT

PROJECT NUMBER 10.10.1699



PROJECT DESCRIPTION

The 303 West 5th Street Design-Build Project consists of a full interior and exterior modernization of the facility to accommodate the co-location of the Community Development & Housing Department (CDH) and the Office of Homeless Services (OHS). The renovated facility will include a new secure ground-floor lobby and secured parking area. The second floor will be configured to allow each department to operate independently while sharing common amenities, including conference rooms, a command center, huddle rooms, restrooms, a break room, and secure storage areas. The completed facility will accommodate a total of 92 staff members.

The project includes comprehensive upgrades to all major building systems, including mechanical, electrical, plumbing, fire protection, and security systems. Work will also include replacement of the roof, exterior doors, windows, and exterior façade components, as required. The Design-Builder shall coordinate closely with the County's furniture vendor and Information Technology Department to ensure proper integration of furniture systems with associated power, data, and structural backing requirements.

The project site shall be designed to meet all applicable parking requirements. The westerly portion of the site will accommodate parking, a trash enclosure, the existing transformer, and water quality management measures. As-built documentation indicates that an existing electrical easement may run beneath the building and may contain the primary electrical distribution serving the site. The County is currently investigating this condition, and additional information will be issued in a forthcoming addendum.

INDEX OF CRITERIA DOCUMENTS

- Design-Build Request for Proposal – 303 W. 5th Street Design Build Project 10.10.1699
- Exhibit A – Design-Build Agreement
- Exhibit B – Design-Build General Conditions
- Exhibit C – Special Conditions
- Exhibit D – Criteria Documents – Basis of Design
- Exhibit E – Criteria Documents Drawings
- Exhibit F – Reserved
- Exhibit G – Proposal Packet
- Exhibit H – Email Acknowledgement
- Exhibit I – Payments – Performance Bonds
- Exhibit J – Evaluation Criteria
- Exhibit K – Prevailing Wage Determination
- Exhibit L – Conflict of Interest
- Exhibit M – 303 W. 5th Street Remodel Record Drawings
- Exhibit N – ALTA Survey
- Exhibit O – Phase I ESA Report
- Exhibit P – Existing Site Plan Information
- Exhibit Q – Geotechnical Feasibility Report
- Exhibit R – Property Assessment Report
- Exhibit S – Ralph Roach Conceptual Area Plan
- Exhibit T – San Bernardino County Facility Planning Space Standards
- Exhibit U – CDH & OHS Program
- Exhibit V – Programming Questionnaire
- Addendum No. 1 – RFP – Narrative – 303 W. 5th Street Design Build Project

Exhibit B – Project Description
303 W. 5th Street Design Build Project
Project No. 10.10.1699

- SBC-Limited Asbestos Lead-Based Materials Survey Report 9.8.23
- SBC – Supplemental Asbestos Survey Report 1.17.25
- 250903 – 303 W 5th Street Pre-Bid Conference Power Point
- Seismic Assessment Draft Report 3.4.25
- SBC_Landscape Requirements
- Dry Utility Due Diligence Report 7.9.25
- Exhibit U – Revised CDH & OHS Program 10.6.25
- Addendum No.2 – RFP Narrative – 303 W. 5th Street Design Build Project
 - Supplemental Geotechnical Study dated November 13, 2025

**THE FINAL PREMIUM IS
PREDICATED ON THE
FINAL CONTRACT PRICE**

*** In Triplicate ***

Performance Bond No. 7901277816

PERFORMANCE BOND

WHEREAS, the San Bernardino County ("County") has awarded [Morillo Construction, Inc.] designated as the "Principal" herein, a contract for the work described as follows:

303 W. 5TH STREET DESIGN-BUILD PROJECT - PROJECT NUMBER 10.10.1699

WHEREAS, on or about May 5th, 2026, the Principal entered into a Design-Build Contract with the County for the design and construction of the work of improvement, which Design-Build Contract and all Contract Documents set forth therein are incorporated herein and made a part hereof by this reference; and

WHEREAS, Principal is required to furnish a bond guaranteeing the faithful performance of its obligations under the Contract Documents concurrently with delivery to County of the executed Design-Build Contract.

NOW, THEREFORE, Principal and Nationwide Mutual Insurance * ("Surety"), a duly admitted surety in the State of California, are held and firmly bound to County for payment of the penal sum of \$ 15,530,000.00 ("the Bonded Sum"), in lawful money of the United States, for payment of which sum Principal and Surety jointly and severally bind themselves and their heirs, executors, administrators, successors and assigns. * Company

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if Principal shall promptly and faithfully perform all of its obligations under the Contract Documents, including any and all amendments and supplements thereto, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

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

1. The Design-Builder and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to County for the complete and proper performance of the Design-Build Contract, which is incorporated herein by reference.
2. If the Design-Builder completely and properly performs all of its obligations under the Design-Build Contract, the Surety and the Design-Builder shall have no obligation under this Bond.
3. If there is no County Default, the Surety's obligation under this Bond shall arise after:
 - 3.1 County has declared a Design-Builder Default under the Design-Build Contract pursuant to the terms of the Design-Build Contract; and
 - 3.2 County has agreed to pay the Balance of the Contract Sum to:
 - 3.2.1 The Surety in accordance with the terms of this Bond and the Design-Build Contract; or
 - 3.2.2 The contractor selected to perform the Design-Build Contract in accordance with the terms of this Bond and the Design-Build Contract.
4. When County has satisfied the conditions of Paragraph 3, the Surety shall promptly (within thirty (30) days) and at the Surety's expense elect to take one of the following actions (provided, that unless and until County

has actually terminated Design-Builder for default, the Surety need only respond to County and commence a diligent investigation, not make an election):

- 4.1 Arrange for the Design-Builder, with consent of County, to perform and complete the Design-Build Contract (but County may withhold consent, in which case the Surety must elect an option described in Paragraphs 4.2, 4.3 or 4.4, below); or
 - 4.2 Undertake to perform and complete the Design-Build Contract itself, through its agents or through independent contractors, but County may reject use of the Design-Builder as an agent or independent contractor; or
 - 4.3 Obtain bids from qualified Design-Builders acceptable to County for a contract for performance and completion of the Design-Build Contract (other than the original Design-Builder), and, upon determination by County of the lowest responsible bidder, arrange for a contract to be prepared for execution by County and the Design-Builder selected with County's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Design-Build Contract; and, if the Surety's obligations defined in Paragraph 6, below, exceed the Balance of the Contract Sum, then the Surety shall pay to County the amount of such excess; or
 - 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new Design-Builder and with reasonable promptness under the circumstances, and, after investigation and consultation with County, determine in good faith its monetary obligation for which it may then be liable to County under Paragraph 6, below, for the performance and completion of the Design-Build Contract and, as soon as practicable after the amount is determined, tender payment therefor to County with full explanation of the payment's calculation. If County accepts the Surety's tender under this Paragraph 4.4, County may still hold Surety liable for future damages then unknown or unliquidated resulting from the Design-Builder Default. If County disputes the amount of Surety's tender under this Paragraph 4.4, County may exercise all remedies available to it at law to enforce the Surety's liability under Paragraph 6 below.
5. If the Surety does not proceed as provided in Paragraph 4, above, then the Surety shall be deemed to be in default on this Bond ten (10) days after receipt of an additional written notice from County to the Surety demanding that the Surety perform its obligations under this Bond. At all times County shall be entitled to enforce any remedy available to County at law or under the Design-Build Contract including, without limitation, and by way of example only, rights to perform work, protect work, mitigate damages, or coordinate work with other consultants or Design-Builders.
 6. The Surety's monetary obligation under this Bond is limited to the amount of this Bond, plus the Balance of the Contract Sum paid hereunder. Subject to these limits, the Surety's obligations under this Bond are commensurate with the obligations of the Design-Builder under the Design-Build Contract. The Surety's obligations shall include, but are not limited to:
 - 6.1 The responsibilities of the Design-Builder under the Design-Build Contract for completion of the Design-Build Contract and correction of defective work;
 - 6.2 The responsibilities of the Design-Builder under the Design-Build Contract to pay liquidated damages, and for damages for which no liquidated damages are specified in the Design-Build Contract, actual damages caused by non-performance of the Design-Build Contract, including but not limited to, all valid and proper backcharges, offsets, payments, indemnities, or other damages;

- 6.3 Additional legal, design professional and delay costs resulting from the Design-Builder Default or resulting from the actions or failure to act of the Surety under Paragraph 4, above.
7. No right of action shall accrue on this Bond to any person or entity other than County or its heirs, executors, administrators, or successors.
8. The Surety hereby waives notice of any change, alteration or addition to the Design-Build Contract or to related subcontracts, purchase orders and other obligations, including changes of time. The Surety consents to all terms of the Design-Build Contract, including provisions on changes to the Contract. No extension of time, change, alteration, modification, deletion, or addition to the Contract Documents, or of the work required thereunder, shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond.
9. Any proceeding, legal or equitable, under this Bond shall be instituted in any court of competent jurisdiction where a proceeding is pending between County and the Design-Builder regarding the Design-Build Contract, or in the courts of the County of San Bernardino, or in a court of competent jurisdiction in the location in which the work is located.
10. Notice to the Surety, County or the Design-Builder shall be mailed or delivered to the address shown on the signature page.
11. Any provision in this Bond conflicting with any statutory or regulatory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein.
12. Definitions.
- 12.1 Balance of the Contract Sum: The total amount payable by County to the Design-Builder pursuant to the terms of the Design-Build Contract after all proper adjustments have been made under the Design-Build Contract, for example, deductions for progress payments made, and increases/decreases for approved modifications to the Design-Build Contract.
- 12.2 Design-Build Contract: The agreement between County and the Design-Builder identified on the signature page, including all Contract Documents and changes thereto.
- 12.3 Design-Builder Default: Material failure of the Design-Builder, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Design-Build Contract.
- 12.4 County Default: Material failure of County, which has neither been remedied nor waived, to pay the Design-Builder progress payments due under the Design-Build Contract or to perform other material terms of the Design-Build Contract, if such failure is the cause of the asserted Design-Builder Default and is sufficient to justify Design-Builder termination of the Design-Build Contract.
13. Qualification Regarding Extended Warranties. The Surety's liability for extended warranties for Subcontractors and suppliers shall not apply to a breach of any such extended warranty under the Design-Build Contract that occurs more than one year after the applicable warranty commencement date under the Design-Build Contract.

IN WITNESS WHEREOF, three (3) 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 of the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant

to authority of its governing body. Principal and Surety have caused this Bond to be duly executed and delivered as of this 13th day of May, 2026.

SURETY:

PRINCIPAL:

Nationwide Mutual Insurance Company
Name

Morillo Construction, Inc.
Name

1100 Locust Street - Dept 2006, Des Moines, IA 50391
Principal Place of Business

227 N Holliston Avenue, Pasadena, CA 91106
Address

By:


Signature

By:


Signature

Randy Spohn
Attorney-In-Fact

ANTOINE B. MORILLO
Printed Name

Signature

Its:

PRESIDENT
Title

(Attach Attorney-in-Fact Certificate, Corporate Seal and Surety Seal)

END OF DOCUMENT

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS THAT:

Nationwide Mutual Insurance Company, an Ohio corporation

hereinafter referred to severally as the "Company" and collectively as "the Companies" does hereby make, constitute and appoint:
ASHLEY M SPOHN; ELI STALZER; ERIKA G MORGAN; HAMILTON KENNEY; MATTHEW ROBERT DOBYNS; RANDY SPOHN

each in their individual capacity, its true and lawful attorney-in-fact, with full power and authority to sign, seal, and execute on its behalf on the date thereof any and all: (i) bonds and undertakings; (ii) Proposal Bonds; (ii) Letters of Surety; (iv) Consent of Surety; and (v) other obligatory instruments of similar nature, in penalties not exceeding the sum of

UNLIMITED

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority given are hereby ratified and confirmed.

This power of attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the board of directors of the Company:

"RESOLVED, that the president, or any vice president be, and each hereby is, authorized and empowered to appoint attorneys-in-fact of the Company, and to authorize them to execute and deliver on behalf of the Company any and all bonds, forms, applications, memorandums, undertakings, recognizances, transfers, contracts of indemnity, policies, contracts guaranteeing the fidelity of persons holding positions of public or private trust, and other writings obligatory in nature that the business of the Company may require; and to modify or revoke, with or without cause, any such appointment or authority; provided, however, that the authority granted hereby shall in no way limit the authority of other duly authorized agents to sign and countersign any of said documents on behalf of the Company."

"RESOLVED FURTHER, that such attorneys-in-fact shall have full power and authority to execute and deliver any and all such documents and to bind the Company subject to the terms and limitations of the power of attorney issued to them, and to affix the seal of the Company thereto; provided, however, that said seal shall not be necessary for the validity of any such documents."

This power of attorney is signed and sealed under and by the following bylaws duly adopted by the board of directors of the Company.

Execution of Instruments. Any vice president, any assistant secretary or any assistant treasurer shall have the power and authority to sign or attest all approved documents, instruments, contracts, or other papers in connection with the operation of the business of the company in addition to the chairman of the board, the chief executive officer, president, treasurer or secretary; provided, however, the signature of any of them may be printed, engraved, or stamped on any approved document, contract, instrument, or other papers of the Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be sealed and duly attested by the signature of its officer the 23rd day of October, 2025.

[Handwritten signature of Antonio C. Albanese]

Antonio C. Albanese, Vice President of Nationwide Mutual Insurance Company

ACKNOWLEDGMENT

STATE OF OHIO COUNTY OF FRANKLIN: ss
On this 23rd day of October, 2025, before me came the above-named officer for the Company aforesaid, to me personally known to be the officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposes and says, that he is the officer of the Company aforesaid, that the seal affixed hereto is the corporate seal of said Company, and the said corporate seal and his signature were duly affixed and subscribed to said instrument by the authority and direction of said Company.



Karen L. Karn
Notary Public, State of Ohio
No. 2018-RE-719796
Commission Expires July 7, 2028

[Handwritten signature of Karen L. Karn]
Notary Public
My Commission Expires
July 7, 2028

CERTIFICATE

I, Lezlie F. Chimienti, Assistant Secretary of the Company, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney issued by the Company; that the resolution included therein is a true and correct transcript from the minutes of the meetings of the boards of directors and the same has not been revoked or amended in any manner; that said Antonio C. Albanese was on the date of the execution of the foregoing power of attorney the duly elected officer of the Company, and the corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority of said board of directors; and the foregoing power of attorney is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of said Company this 13th day of May, 2026.

[Handwritten signature of Lezlie F. Chimienti]
Assistant Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA

County of ORANGE

On May 13th, 2026 before me, ERIKA G. MORGAN, NOTARY PUBLIC,

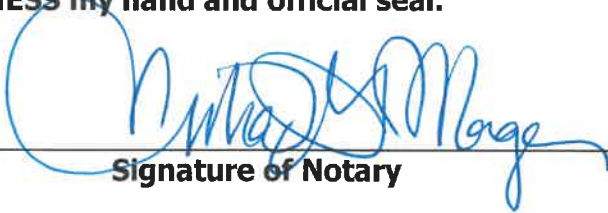
personally appeared RANDY SPOHN

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity (ies), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.


Signature of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	_____
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input checked="" type="checkbox"/> ATTORNEY-IN-FACT	_____
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	_____
<input type="checkbox"/> OTHER: _____	_____
SIGNER IS REPRESENTING:	_____
NAME OF PERSON(S) OR ENTITY(IES)	_____

Payment Bond No. 7901277816

PAYMENT BOND
(Labor and Material Bond)

WHEREAS, the San Bernardino County ("County") has awarded [Morillo Construction, Inc.] designated as the "Principal" herein, a contract for the work described as follows:

303 W. 5TH STREET DESIGN-BUILD PROJECT - PROJECT NUMBER 10.10.1699

WHEREAS, on or about May 5th, 2026, the Principal entered into a Design-Build Contract with the County for the design and construction of the work of improvement, which Design-Build Contract and all Contract Documents set forth therein are incorporated herein and made a part hereof by this reference; and

WHEREAS, by terms of the Design-Build Contract, as well as California Civil Code §9550, Principal is required to furnish a bond guaranteeing payment of claims.

NOW, THEREFORE, Principal and Nationwide Mutual Insurance * ("Surety"), a duly admitted surety in the State of California, are held and firmly bound to the County for payment of the penal sum of \$ 15,530,000.00 ("the Bonded Sum"), in lawful money of the United States, for payment of which sum Principal and Surety jointly and severally bind themselves and their heirs, executors, administrators, successors and assigns. * Company

THE CONDITION OF THIS OBLIGATION IS SUCH THAT if Principal shall fail to pay any of the persons named in California Civil Code §9100 for all labor, materials, equipment, or services used or reasonably required for use in performance of the Work of the Project, then Surety shall pay for the same in an amount not-to-exceed the Bonded Sum, otherwise this obligation shall be null and void.

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

1. The Design-Builder and the Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to County and to Claimants, to pay for labor, materials and equipment furnished for use in the performance of the Design-Build Contract, which is incorporated herein by reference.
2. With respect to County, this obligation shall be null and void if the Design-Builder:
 - 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and
 - 2.2 Defends, indemnifies and holds harmless County from all claims, demands, liens or suits by any person or entity who furnished labor, materials or equipment for use in the performance of the Design-Build Contract, provided County has promptly notified the Design-Builder and the Surety (at the address described in Paragraph 10) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to the Design-Builder and the Surety, and provided there is no County Default.
3. With respect to Claimants, this obligation shall be null and void if the Design-Builder promptly makes payment, directly or indirectly through its subcontractors, for all sums due Claimants. However, if Design-Builder or its subcontractors fail to pay any of the persons named in California Civil Code section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department

from the wages of employees of Design-Builder or subcontractors pursuant to the Unemployment Insurance Code section 13020, with respect to such work and labor, then Surety will pay for the same, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the Court.

4. Consistent with the California Mechanic's Lien Law, California Civil Code §§ 8000, et seq., the Surety shall have no obligation to Claimants under this Bond unless the Claimant has satisfied all applicable notice requirements.
5. The Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by the Surety under this Bond.
6. Amounts due the Design-Builder under the Design-Build Contract shall be applied first to satisfy claims, if any, under any Construction Performance Bond and second, to satisfy obligations of the Design-Builder and the Surety under this Bond.
7. County shall not be liable for payment of any costs, expenses, or attorney's fees of any Claimant under this bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.
8. The Surety hereby waives notice of any change, including changes of time, to the Design-Build Contract or to related subcontracts, purchase orders and other obligations.
9. Suit against Surety on this Payment Bond may be brought by any Claimant, or its assigns, at any time after the Claimant has furnished the last of the labor or materials, or both, but, pursuant to California Civil Code §9558, must be commenced before the expiration of six months after the period in which stop notices may be filed as provided in Civil Code §9356.
10. Notice to the Surety, County or the Design-Builder shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, County or the Design-Builder, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.
11. This Bond has been furnished to comply with the California Mechanic's Lien Law, including, but not limited to, Civil Code §§9550, et seq. Any provision in this Bond conflicting with said statutory requirements shall be deemed deleted and provisions conforming to such statutory or other legal requirements shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Upon request by any person or entity appearing to be a potential beneficiary of this Bond, the Design-Builder shall promptly furnish a copy of this Bond or shall permit a copy to be made.
13. DEFINITIONS
 - 13.1 Claimant: An individual or entity having a direct contract with this Design-Builder or with a subcontractor of the Design-Builder to furnish labor, materials or equipment for use in the performance of the Contract, as further defined in California Civil Code §9100. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Design-Build Contract, architectural and engineering services required for performance of the work of the Design-Builder and the Design-Builder's subcontractors, and all other items for which a stop notice might be asserted. The term Claimant shall also include the Unemployment Development Department as referred to in California Civil Code §9554(b).

- 13.2 Design-Build Contract: The agreement between County and the Design-Builder identified on the signature page, including all Contract Documents and changes thereto.
- 13.3 County Default: Material failure of County, which has neither been remedied nor waived, to pay the Design-Builder as required by the Design-Build Contract, provided that failure is the cause of the failure of Design-Builder to pay the Claimants and is sufficient to justify termination of the Design-Build Contract.

IN WITNESS WHEREOF, three (3) 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 of the date set forth below, the name of each corporate party being hereto affixed and these presents duly signed by its undersigned representative(s) pursuant to authority of its governing body. Principal and Surety have caused this Bond to be duly executed and delivered as of this 13th day of May, 2026.

SURETY:

PRINCIPAL:

Nationwide Mutual Insurance Company
Name

Morillo Construction, Inc.
Name

1100 Locust Street - Dept. 2006, Des Moines, IA 50391
Principal Place of Business

227 N. Holliston Avenue, Pasadena, CA 91106
Address

By: 
Signature

By: 
Signature

Randy Spohn
Attorney-In-Fact

ANTONIO B. MORILLO
Printed Name

Signature

Its: 
Title

(Attach Attorney-in-Fact Certificate, Corporate Seal and Surety Seal)

END OF DOCUMENT

Power of Attorney

KNOW ALL MEN BY THESE PRESENTS THAT:

Nationwide Mutual Insurance Company, an Ohio corporation

hereinafter referred to severally as the "Company" and collectively as "the Companies" does hereby make, constitute and appoint: ASHLEY M SPOHN; ELI STALZER; ERIKA G MORGAN; HAMILTON KENNEY; MATTHEW ROBERT DOBYNS; RANDY SPOHN

each in their individual capacity, its true and lawful attorney-in-fact, with full power and authority to sign, seal, and execute on its behalf on the date thereof any and all: (i) bonds and undertakings; (ii) Proposal Bonds; (iii) Letters of Surety; (iv) Consent of Surety; and (v) other obligatory instruments of similar nature, in penalties not exceeding the sum of

UNLIMITED

and to bind the Company thereby, as fully and to the same extent as if such instruments were signed by the duly authorized officers of the Company; and all acts of said Attorney pursuant to the authority given are hereby ratified and confirmed.

This power of attorney is made and executed pursuant to and by authority of the following resolution duly adopted by the board of directors of the Company:

"RESOLVED, that the president, or any vice president be, and each hereby is, authorized and empowered to appoint attorneys-in-fact of the Company, and to authorize them to execute and deliver on behalf of the Company any and all bonds, forms, applications, memorandums, undertakings, recognizances, transfers, contracts of indemnity, policies, contracts guaranteeing the fidelity of persons holding positions of public or private trust, and other writings obligatory in nature that the business of the Company may require; and to modify or revoke, with or without cause, any such appointment or authority; provided, however, that the authority granted hereby shall in no way limit the authority of other duly authorized agents to sign and countersign any of said documents on behalf of the Company."

"RESOLVED FURTHER, that such attorneys-in-fact shall have full power and authority to execute and deliver any and all such documents and to bind the Company subject to the terms and limitations of the power of attorney issued to them, and to affix the seal of the Company thereto; provided, however, that said seal shall not be necessary for the validity of any such documents."

This power of attorney is signed and sealed under and by the following bylaws duly adopted by the board of directors of the Company.

Execution of Instruments. Any vice president, any assistant secretary or any assistant treasurer shall have the power and authority to sign or attest all approved documents, instruments, contracts, or other papers in connection with the operation of the business of the company in addition to the chairman of the board, the chief executive officer, president, treasurer or secretary; provided, however, the signature of any of them may be printed, engraved, or stamped on any approved document, contract, instrument, or other papers of the Company.

IN WITNESS WHEREOF, the Company has caused this instrument to be sealed and duly attested by the signature of its officer the 23rd day of October, 2025.

[Handwritten signature of Antonio C. Albanese]

Antonio C. Albanese, Vice President of Nationwide Mutual Insurance Company

ACKNOWLEDGMENT

STATE OF OHIO COUNTY OF FRANKLIN: ss
On this 23rd day of October, 2025, before me came the above-named officer for the Company aforesaid, to me personally known to be the officer described in and who executed the preceding instrument, and he acknowledged the execution of the same, and being by me duly sworn, deposes and says, that he is the officer of the Company aforesaid, that the seal affixed hereto is the corporate seal of said Company, and the said corporate seal and his signature were duly affixed and subscribed to said instrument by the authority and direction of said Company.



Karen L. Kam
Notary Public, State of Ohio
No. 2018-RE-719796
Commission Expires July 7, 2028

[Handwritten signature of Karen L. Kam]
Notary Public
My Commission Expires
July 7, 2028

CERTIFICATE

I, Lezlie F. Chimienti, Assistant Secretary of the Company, do hereby certify that the foregoing is a full, true and correct copy of the original power of attorney issued by the Company; that the resolution included therein is a true and correct transcript from the minutes of the meetings of the boards of directors and the same has not been revoked or amended in any manner; that said Antonio C. Albanese was on the date of the execution of the foregoing power of attorney the duly elected officer of the Company, and the corporate seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority of said board of directors; and the foregoing power of attorney is still in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of said Company this 13th day of May, 2026

[Handwritten signature of Lezlie F. Chimienti]

Assistant Secretary

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of CALIFORNIA

County of ORANGE

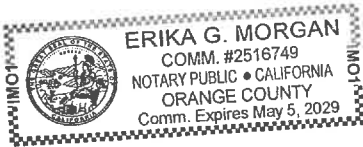
On May 13th, 2026 before me, ERIKA G. MORGAN, NOTARY PUBLIC,

personally appeared RANDY SPOHN

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity (ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Erika G. Morgan

Signature of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER	DESCRIPTION OF ATTACHED DOCUMENT
<input type="checkbox"/> INDIVIDUAL	_____
<input type="checkbox"/> CORPORATE OFFICER	_____
<input type="checkbox"/> PARTNER(S) <input type="checkbox"/> LIMITED	_____
<input checked="" type="checkbox"/> ATTORNEY-IN-FACT	_____
<input type="checkbox"/> TRUSTEE(S)	_____
<input type="checkbox"/> GUARDIAN/CONSERVATOR	_____
<input type="checkbox"/> OTHER: _____	_____
SIGNER IS REPRESENTING:	_____
NAME OF PERSON(S) OR ENTITY(IES)	_____

EXHIBIT E

DESIGN BUILDER'S PROJECT REPRESENTATION AND KEY PERSONNEL

FOR

SAN BERNARDINO COUNTY

303 W. 5TH STREET DESIGN-BUILD PROJECT

PROJECT NUMBER 10.10.1699





COUNTY LIASONS



GENERAL CONTRACTOR TEAM



SUB-CONTRACTOR TEAM



DESIGN TEAM



DESIGN CONSULTANTS



LEGEND



-  Primary Team Member as per RFP Section 2.05; listed on page 11, subpart B
-  Key Individual as per RFP Section 2.05; page 12, subpart C

EXHIBIT F

DESIGN & CONSTRUCTION SCHEDULE

FOR

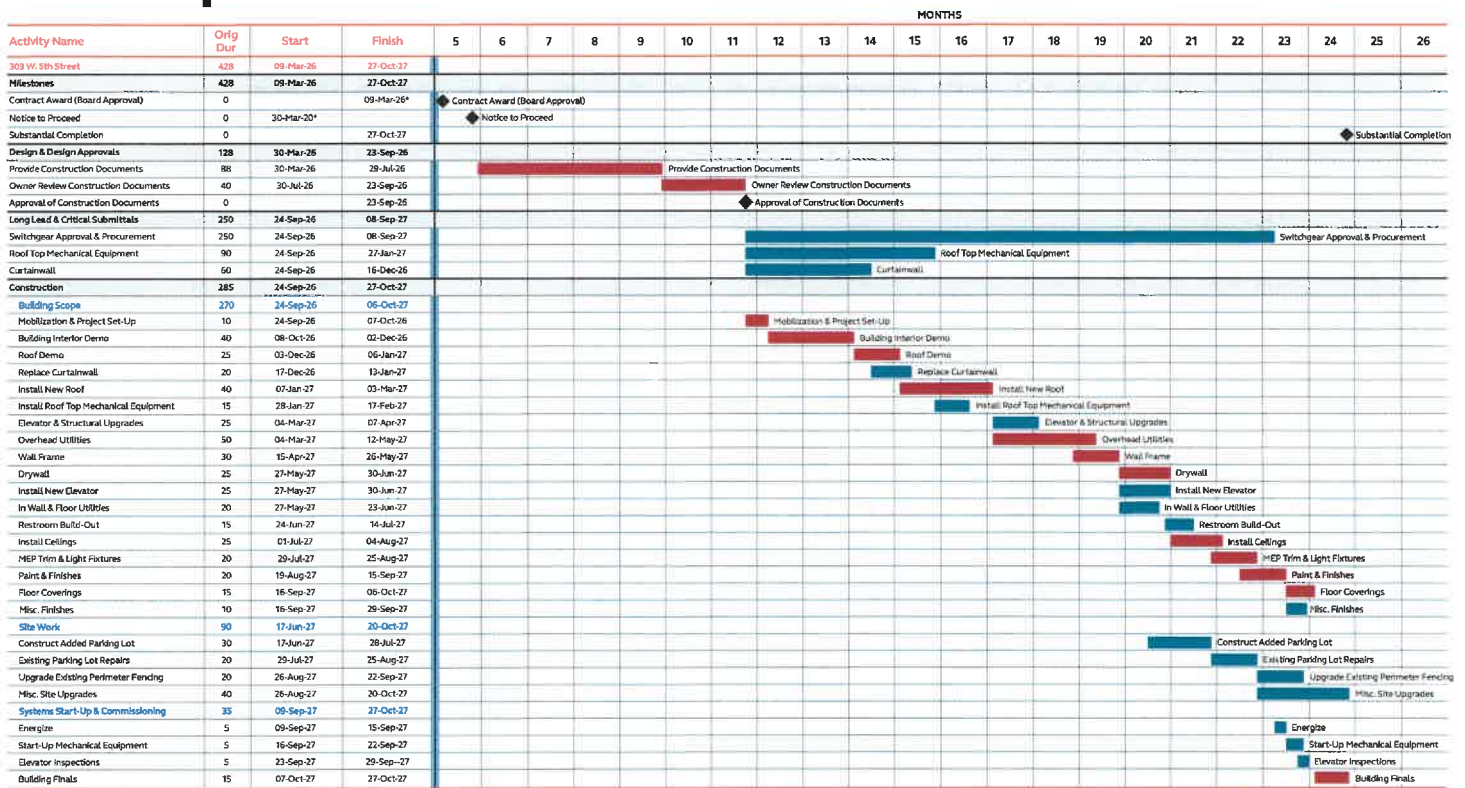
SAN BERNARDINO COUNTY

303 W. 5TH STREET DESIGN-BUILD PROJECT

PROJECT NUMBER 10.10.1699



Development Schedule



■ Remaining Level of Effort
■ Actual Work
■ Remaining Work
■ Critical Remaining Work
◆ Milestone



EXHIBIT G

DESIGN-BUILD GENERAL CONDITIONS

FOR

SAN BERNARDINO COUNTY

303 W. 5th.STREET DESIGN-BUILD PROJECT

PROJECT NUMBER 10.10.1699



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GENERAL CONDITIONS OF THE
DESIGN BUILD CONTRACT

1. GENERAL PROVISIONS

1.1 Basic Definitions

1.1.1 Acceleration Proposal Request. County's written request to Design-Builder to submit an itemized proposal for Extraordinary Measures in order to achieve early completion of all or a portion of the Work when the need for such measures is not due to the fault of the Design-Builder.

1.1.2 Addenda. The Addenda or Addendum consist of the written clarifications of the Proposal Requirements, Criteria Documents, or the Contract Documents issued by the County prior to the execution of the Agreement.

1.1.3 Allowance. An amount carried in the Contract Sum for a particular scope of Work insufficiently defined so as to allow the Design-Builder to adequately determine fair value on the Proposal Deadline.

1.1.4 Applicable Law. State, federal and local laws, statutes, ordinances, building codes, rules, and regulations relating to the Work.

1.1.5 Change Order. A Change Order is a written document prepared by the County using the form attached as an exhibit to the Agreement reflecting the agreement between the County and Design-Builder for: a change in the terms or conditions of the Contract, if any; a specific Scope Change in the Work; the amount of the adjustment, if any, in the Contract Sum; and the extent of the adjustment, if any, in the Contract Time.

1.1.6 Change Order Request (COR). As more specifically described in herein below, a Change Order Request is a written document originated by the Design-Builder, which describes an instruction issued by the County after the effective date of the Contract, which Design-Builder believes to be a Scope Change that may result in changes to the Contract Sum or Contract Time or, which describes the need for or desirability of a change in the Work proposed by Design-Builder.

1.1.7 Construction Change Directive. A Construction Change Directive is an unilateral written order prepared and signed by the County, directing Design-Builder to perform a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both.

1.1.8 Construction Documents (CDs). All technical drawings, shop drawings, working Drawings, Specifications, schedules, diagrams and samples, setting forth in detail the requirements necessary for construction of the Project in accordance with the Contract Documents, approved by the County and incorporated into the Contract after such approval. All amendments to the Construction Documents must be approved by County prior to incorporation into the Contract and prior to the construction of the Work affected by the change.

1.1.9 Contract. The Contract Documents form the Design-Build Contract ("Contract").

1.1.10 Contract Documents. The Contract Documents consist of the documents enumerated as such in the Agreement between County and Design-Builder (hereinafter "Agreement"), all Addenda issued prior to and all Modifications issued after the effective date of the Agreement.

GC-1

1.1.11 Criteria Documents. Criteria documents may include, but are not limited to, conceptual documents, preliminary drawings, outline specifications, design and performance criteria, and other documents provided to Proposers by the County establishing the Projects basic elements and scale, and their relationship to the Work Site.

1.1.12 Date of Commencement. The date for commencement of the Work fixed by County in a Notice to Proceed to Design-Builder.

1.1.13 Day(s). The terms "day" or "days" mean calendar days unless otherwise specifically designated in the Contract Documents. The term "Work Day" or "Working Day" shall mean any calendar day except Saturdays, Sundays and County-recognized legal holidays.

1.1.14 Design-Build. The terms "Design-Build" and "Design-Build Services" mean a method of construction in which the Contractor furnishes both professional design services and construction services for portions of the Work so designated in the Contract Documents. Contractor shall be solely responsible for all design, construction means and methods, cost overruns, defects, errors, omissions and delays arising from its Design-Build Services delegated to Contractor by the Contract Documents.

1.1.15 Design-Build Team Members. The Design-Builder, licensed Design Consultants and any subcontractors who are part of the design-build entity and listed in the bid submission and identified in the Agreement.

1.1.16 Design-Builder. The Design-Builder is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The term "Design-Builder" means the Design-Builder or the Design-Builder's authorized Project Manager. The Design-Builder and all Consultants and Subcontractors shall be properly licensed to perform all Work they are contracted to perform.

1.1.17 Design Consultant. A qualified licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or anyone under contract with Design-Builder or a Subcontractor, to furnish design services required by the Contract Documents.

1.1.18 Design Development Documents. Design Development Documents may include, but are not limited to, prepared plot plans, landscape, irrigation, civil, architectural, structural, mechanical and electrical floor, elevations, cross-sections and other required drawings; and outline specifications describing the size, character, and quality of the entire Project in its essentials as to kinds and locations of materials, and type of structural, mechanical and electrical systems.

1.1.19 Drawings. The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location, and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

1.1.20 Extraordinary Measures. Measures implemented by Design-Builder at County's direction to expedite the progress of design or construction of all or a portion of the Work, including, without limitation, (i) working additional shifts or overtime, (ii) supplying additional manpower, equipment, and facilities, and (iii) submitting a recovery schedule for resequencing performance of the Work or other similar measures, as more specifically described in Paragraph 2.8.

1.1.21 Final Completion. The term Final Completion is the date, evidenced by the County's approval of Design-Builder's Final Application for Payment, when the Work has been completed and the requirements for Project closeout set forth in the Contract Documents including, but not limited to, those set

forth in Paragraph 9.8 below, have been satisfactorily completed.

1.1.22 Final Payment. County's payment of the Contract Sum due to Design-Builder for the entire Work, less only the sums which County is specifically allowed to withhold under the terms of the Contract Documents and Applicable Law.

1.1.23 Modifications. A Modification is (i) a written amendment to the Agreement signed by duly authorized representatives of the Parties, (ii) a Change Order, or (iii) a Construction Change Directive.

1.1.24 Notice of Completion. County intends to record a Notice of Completion when all Work called for in the Construction Documents has been completed.

1.1.25 Notice to Proceed. The Notice to Proceed is a document issued by the County fixing the date for commencement for the Work or Services. The Contract Time for Design-Builder's performance of the Work is measured in calendar days (not Work Days).

1.1.26 Parties. The County and Design-Builder may be referred to in the Contract Documents from time to time as the Parties.

1.1.27 Project. The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the County or by Separate Contractors.

1.1.28 Project Manager. County's Project Manager, identified by County in writing, is County's Project Representative, who interprets and defines County's policies, renders decisions with respect to Design-Builder's performance of the Work, approves Design-Builder Applications For Payment, reviews and approves Design-Builder schedules and submittals, reviews and approves Change Order Requests and Change Orders, reviews all quantity calculations related to pay quantities, reviews and approves changes in the Contract Time, concurs in any defective Work notification, and reviews and determines Substantial Completion of the Work and Final Completion of the Work. The extent and limits of the authority of any designee of County's Project Manager shall be set forth in writing. Design- Builder shall be entitled to rely on the decisions and information provided by such written designee subject to the limitations of authority set forth in writing. All correspondence and electronic communication shall flow through the Project Manager.

1.1.29 Project Manual/Specification. The terms "Project Manual" and "Specification" refer to the assembly of Contract Documents which may include, but is not limited to, the RFP Documents, standard specifications, reference specifications, special provisions and specifications in agreements between the Design-Builder and County.

1.1.30 Project Representative. Those individuals designated by the Parties in writing with authority to render decision in connection with the Work and the Contract.

1.1.31 Proposal. A "Proposal" is a complete and properly executed offer by the Design-Builder to perform the Work for the sums stipulated therein, submitted in accordance with the RFP Documents. The Proposal includes all documents prepared by Design-Builder for this Project.

1.1.32 Proposer. A "Proposer" is a person or entity who, as the lead Design-Build Team Member, submits a Proposal to the Owner.

1.1.33 Request for Qualifications ("RFQ"). The Pre-Qualification questionnaire issued by the County, including any and all Addenda.

1.1.34 Request for Proposals ("RFP"). The Request for Proposals issued by the County, including any and all Addenda.

1.1.35 RFP Documents. RFP Documents include the Proposal Requirements and the proposed Contract Documents.

1.1.36 Scope Change. A Scope Change is Work that is not reasonably inferable from the Contract Documents upon which the Contract Sum is based, by a design-builder with the skill, experience, and expertise necessary for the proper, timely, and orderly completion of the Work or a project of this type and quality, and is (i) materially inconsistent with, or (ii) a material change in the quantity, quality, programming requirements, or other substantial deviation in, the Contract Documents upon which the Contract Sum is based; and are necessary to correct an error, omission or defect in the Criteria Documents, which cannot reasonably be corrected in the design and construction process.

1.1.37 Separate Contractors. The term Separate Contractors means licensed contractors performing portions of the Project under separate contracts with the County.

1.1.38 Site. The physical area designated in the Contract Documents for Design-Builder's performance of the Work.

1.1.39 Specifications (Technical Specifications). The outline Specifications included in the Criteria Documents as well as the Specifications included in the Construction Documents approved by the County, consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, warranties, and performance of related Services.

1.1.40 Subcontractor. A Subcontractor is a person or entity who has a direct contract with the Design- Builder to perform a portion of the Work at the Site. The term "Subcontractor" does not include a Separate Contractor or subcontractors of a Separate Contractor.

1.1.41 Sub-subcontractor. A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the Site.

1.1.42 Substantial Completion. Substantial Completion is defined to mean the stage in the progress of the Work when the Work is sufficiently complete in accordance with the Contract Documents as determined by the County so that the County can occupy and utilize the Work for its intended use (for which a Temporary Certificate of Occupancy ("TCO") has been issued by the County) and as further defined in the Agreement.

1.1.43 Work. The term "Work" means the design, construction and other services required by, and reasonably inferable from the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Design-Builder to fulfill the Design-Builder's obligations. The Work may constitute the whole or a part of the Project.

1.2 Correlation and Intent of the Contract Documents

1.2.1 Complementary Documents. The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. All Work mentioned or indicated in the Contract Documents, and all Work reasonably inferable from them, shall be performed by the Design-Builder as part of the Contract unless it is specifically indicated in the Contract Documents that such work is to be done by others.

Order of Precedence. In the event of conflict between any of the Contract Documents, the provision placing a more stringent requirement on the Design-Builder shall prevail. The Design-Builder shall provide the better quality or greater quantity of Work and/or materials unless otherwise directed by County in writing. In the event none of the Contract Documents place a more stringent requirement or greater burden on the Design-Builder, the controlling provision shall be that which is found in the document with higher precedence. In the event of conflicts or discrepancies among the Contract Documents, interpretations will be based on the following order of precedence, with "(1)" being the highest:

- (1) Permits;
- (2) Modifications;
- (3) The Agreement, including all exhibits, and Addenda with later Addenda having priority over earlier Addenda;
- (4) Supplementary Conditions, if any;
- (5) General Conditions;
- (6) The most current Construction Documents prepared by Design Builder and approved by County;
- (7) Criteria Document prepared by County; and
- (8) RFP Documents (other than Criteria Documents).

1.2.2.1 Nothing herein shall relieve the Design-Builder of its obligation to notify the County of any inconsistencies in the Contract Documents. Should it appear that the Work to be done or any of the matters relative thereto are not sufficiently detailed or explained in the Contract Documents, the Design-Builder shall apply to the County in writing for such further written explanations as may be necessary.

1.2.2.2 All Work shall conform to the Contract Documents. No change therefrom shall be made without review and written acceptance by County.

1.2.3 Organization. Organization of the Criteria Documents into divisions, sections, and articles, and sequential order of Drawings shall not control the Design-Builder in dividing the Work among Design Consultants or Subcontractors or in establishing the extent of Work to be performed.

1.2.4 Well-Known Terms. Unless otherwise stated in the Contract Documents, words which have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

1.2.5 Design-Builder Deviations. No deviation by the Design-Builder from the Contract Documents relating to any portion of the Services, materials, labor, or equipment required for the Work shall be construed to set a precedent with respect to subsequent interpretation of the Contract Documents or performance of the Work unless such a deviation is memorialized in a Modification to the Contract.

1.3 Capitalization

Terms capitalized in these General Conditions include those which are (i) specifically defined, (ii) the titles of numbered articles, and identified references to paragraphs, subparagraphs and clauses in the document or (iii) the titles of other Contract Documents or forms.

1.4 Interpretation

1.4.1 Omitted Articles. In the interest of brevity, the Contract Documents frequently omit articles such as "the" and "an", but the fact that an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

1.4.2 References to Contract Documents. Where "as indicated", "as detailed", or words of similar import are used, it shall be understood that the reference is made to any one of the Contract Documents.

1.4.3 Severability. In the event any article, section, sub-article, paragraph, subparagraph, sentence, clause, or phrase contained in the Contract Documents shall be determined, declared, or adjudged invalid, illegal, unconstitutional, or otherwise unenforceable such determination, declaration, or adjudication shall in no manner affect the other articles, sections, sub articles, paragraphs, subparagraphs, sentences, clauses, or phrases of the Contract Documents, which shall remain in full force and effect as if the article, section, sub-article, paragraph, subparagraph, sentence, clause, or phrase declared, determined, or adjudged invalid, illegal, unconstitutional, or otherwise unenforceable was not originally contained in the Contract Documents.

1.4.4 Provisions Deemed Inserted. Each and every provision and clause required by law to be inserted in the Contract Documents shall be deemed to be inserted herein and the Contract Documents shall be read and enforced as though such provision or clause is included herein and, if through mistake or otherwise, any such provision is not inserted or not correctly inserted, then upon application of either Party, the Contract Documents shall forthwith be physically amended to make such insertion or correction.

1.4.5 Headings Not Controlling. The various headings contained in the Contract Documents are inserted for convenience only and shall not affect the meaning or interpretation of the Contract or any provision thereof.

1.5 Execution of Contract Documents

1.5.1 Signatures. The Agreement shall be signed by the County and Design-Builder.

1.5.2 Design-Builder Representations Concerning Contract Documents and Site Investigation. By executing the Agreement, Design-Builder represents and warrants that: (i) the Contract Documents are sufficiently detailed to enable Design-Builder to determine the cost of the Work within the Contract Sum and Contract Time; (ii) it has generally familiarized itself with the local conditions under

which the Work is to be performed including, without limitation, the conditions contained in any test results and/or reports provided to or obtained by the Design-Builder, and the conditions reflected on any Site surveys provided to or obtained by the Design-Builder; (iii) it is fully experienced, qualified and competent to perform the Services set forth in the Contract Documents; (iv) it is properly equipped, organized and financed to perform the Work; (v) it is properly permitted and licensed by the State of the Project and all other governmental entities to perform the Work required by the Contract and that it will retain only properly licensed Design Consultants and Subcontractors to perform the Work of the Contract; (vi) it has familiarized itself with all conditions bearing upon transportation, disposal, handling, and storage of materials; (vii) it has familiarized itself with the availability of labor, water, electric power, and roads; (viii) it has familiarized itself with uncertainties of weather or similar observable physical conditions at the Project Site; (ix) it has familiarized itself with the character of equipment and facilities needed preliminary to and during performance of the Work; (x) it has familiarized itself with the staging and material storage constraints of the Project Site and surrounding buildings and will confine its staging and storage operations to approved areas; (xi) it shall maintain the immediate surrounding areas of the Project Site in a clean and safe manner at all times; (xii) it will coordinate its design construction activities with County's Separate Contractors performing work on the Project Site; (xiii) it will adhere to the assigned transit route identified by the County; and (xiv) it will adhere to and be bound by conditions set forth in the Contract Documents and any regulatory agency, utility, or governmental entity with jurisdiction over the Project. In addition, and without limiting the foregoing warranties, Design-Builder represents and warrants to County that prior to executing the Agreement:

(1) Design-Builder has familiarized itself and will continuously familiarize itself throughout performance of the Work with the nature and extent of the Contract Documents, the Work, the Project Site, the identified as-built conditions of the Project Site and locality, and all laws, rules, ordinances, and regulations of all government authorities and utilities having jurisdiction over the Project that may affect costs, progress, performance, or furnishing of the Work;

(2) Design-Builder has carefully studied all such examinations, investigations, explorations, tests, reports and studies which pertain to the physical conditions at to the Project Site or conditions which otherwise may affect the cost, progress, performance or furnishing of the Work, as Design-Builder considers necessary for the performance hereinafter defined, within the Contract Time and Construction Schedule and in accordance with the other terms and conditions of the Contract Documents and no additional examinations, investigations, explorations, tests, reports, studies or similar information or data are or will be required by Design-Builder for such purposes. Design-Builder may rely upon the accuracy of the technical data contained in such documents.

(3) Design-Builder has reviewed and checked all information and data shown or indicated on the Contract Documents with respect to existing underground facilities at or contiguous to the Project Site;

(4) Design-Builder has coordinated the results of all observations, examinations, investigations, explorations, tests, reports, and studies provided to the Design-Builder as part of the Contract Documents;

(5) As of the effective date of the Agreement, Design-Builder has no knowledge of any conflicts, errors, or discrepancies in the Contract Documents other than those which Design-Builder has notified County of in writing prior to executing the Agreement;

(6) Design-Builder is experienced and competent in the interpretation and use of Specifications and Drawings, and in the use of materials, equipment and construction techniques as are required to successfully complete the Project. Design-Builder shall, at its own expense, employ any and all experts necessary to successfully complete the construction Work required by the Contract

Documents; and

(7) The County assumes no responsibility for any conclusions or interpretations made by the Design-Builder based on the information made available by the County. Nor does the County assume responsibility for any understanding reached or representation made concerning conditions which can affect the Work by any of its Project Managers or agents before the execution of this Contract, unless that understanding or representation is expressly stated in the Contract Documents or any Addenda thereto.

1.6 Ownership and Use of Drawings, Specifications and Other Instruments of Service

1.6.1 Ownership of Contract Documents. All Criteria Documents, sketches and other documents, and copies thereof furnished by the County are and shall remain the property of the County. They are to be used only with respect to this Project and are not to be used on any other project. Submission or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the County's common law copyright or other reserved rights.

1.6.2 Design-Builder's Assignment of Copyrights. The Construction Documents, Project related documents created, prepared, or issued by Design-Builder or its Design Consultants or Subcontractors, including certain design Drawings, Specifications, and electronic data are "work for hire", and shall become the property of County when prepared and shall be delivered to County whenever requested. The Design-Builder hereby assigns to the County, without reservation, all copyrights to all Project-related documents, models, photographs, and other written expressions created by the Design-Builder. Among these Project-related documents are certain "Instruments of Service," including drawings, specifications and other documents required by the Contract Documents. Design-Builder shall obtain a valid written assignment of copyrights from its Design Consultants with items identical to this subparagraph which copyrights Design-Builder hereby assigns to County. The County, in return, hereby grants the Design-Builder a non-exclusive license to reproduce the documents for purposes relating to the Design-Builder's performance of this Project. Design-Builder, its Design Consultants and Subcontractors shall continue to own all right, title and interest in and to their intellectual property rights of any kind whatsoever, in and to any details, specifications, design, processes, source code, or other proprietary systems, documents, materials and information utilized in their ordinary course of business which were created by them independent of this Contract, any Work, or the Project or that otherwise have general applicability (the "Pre-Existing Materials") and are not considered "work for hire." To the extent any Pre-Existing Materials are incorporated into any Contract Documents, Contractor grants to County (and shall cause Design Consultants and Subcontractors to grant to County), a perpetual, irrevocable, royalty-free, non-exclusive, and worldwide right and license to use the Pre-Existing Materials in connection with, as embedded in, and not separate from the Contract Documents.

1.6.3 Submissions to County. A copy of every technical memorandum and report prepared by Design- Builder shall be submitted to the County to demonstrate progress toward completion of Work. In the event County rejects or has comments on any such work product or Instrument of Service, County shall identify specific requirements for satisfactory completion by Design-Builder. Design-Builder shall provide County with Project-related documents in reproducible or electronic format, upon County's written request. Complete Record Documents shall be turned over to County upon termination of this Agreement or Final Completion, whichever occurs first. If the County subsequently reproduces Project-related documents or creates (or causes to create) a derivative work based upon Project-related documents created by the Design-Builder, the County shall remove or completely obliterate the original professional seals, logos, and other indications on the documents of the identity of the Design-Builder and its Design

Consultants. However, where required by law, such identification with appropriate qualifying language or other statutorily prescribed information identifying the original County or the scopes of the reuse of the documents may remain or be applied. In the event this Agreement is terminated prior to completion of the Work, County may terminate the license and County is authorized to allow another Design-Builder, architect, contractor, or the County itself, to use the documents prepared for the County's benefit for the Project and all said documents deemed to be the property of the County.

1.7 Publicity

The Design-Builder, its agents, employees, Design Consultants, Subcontractors, and suppliers shall not engage in any communication or correspondence with persons not directly involved in the construction of the Project, concerning any aspect of the construction of the Project, without the express written consent of County. All communications to the media, or in response to inquiries made by private citizens, shall be issued solely through the County.

2. SAN BERNARDINO COUNTY'S DUTIES AND RESPONSIBILITIES

2.1 General

The County is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The County shall designate the Project Manager(s) defined in Paragraphs 4.1 and 4.2 below, in writing. Whenever the Contract Documents require or permit the County to take or request an action or approve or disapprove of an action or request made by another Party, the reference to "County" shall mean the County's Project Manager unless the Contract Documents or context make it clear that another person is authorized to act as the County's Project Manager. All communications to the County shall be made through the County's Project Manager. The Design-Builder shall not be entitled to rely on directions (nor shall it be required to follow the directions) from anyone outside the scope of that person's authority as set forth in written authorization pursuant to the Agreement. Direction and decisions made by the County's Project Manager shall be binding on the County of San Bernardino.

2.2 County Review of Design Materials

The Design-Builder shall be entitled to proceed with all or a part of the construction phase of the Project upon the County's review for conformity of the design and Contract Documents, and any subsequent submittals or shop drawings for conformance with the Contract Documents, and other Contract Documents. If the County modifies or otherwise changes in a material way the scope of Work called for in the Construction Documents, subsequent submittals or shop drawings, after such review for conformity, the Design-Builder shall be entitled to a Change Order in accordance with Article 7 of the Agreement. In no event shall a Change Order be issued to the extent such modification is due to the fault or neglect of Design-Builder, or in the event the original submittals were not accompanied by annotations showing nonconformance with the Contract Documents, if any.

2.3 Information and Services Required of the County

2.3.1 Approvals for Permanent Structures. Except for the permits, fees, and other such items set forth under Subparagraph 3.7.1, that are the responsibility of the Design-Builder under the Contract Documents, the County shall pay for necessary assessments and charges reasonably required for construction, use, or occupancy of permanent structures or for permanent changes in existing facilities.

2.3.2 Existing Utilities: Removal, Relocation and Protection. In accordance with California Government Code Section 4215, the County shall assume the responsibility for the timely removal, relocation, or protection of existing main or trunkline utility facilities located on the Project Site which are not identified in the Contract Documents provided by County. Design-Builder shall be compensated for the costs of locating, repairing damage not due to the Design-Builder's failure to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Contract Documents with reasonable accuracy, and for equipment on the Project Site necessarily idled during such work. Design-Builder shall not be assessed Liquidated Damages for delay in completion of the Work when such delay is caused by the failure of the County or the utility provider to provide for removal or relocation of such utility facilities. Nothing in this Paragraph shall be deemed to require the County to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the Project Site can be inferred from the presence of other visible facilities, such as buildings, meters and junction boxes, on or adjacent to the Project Site. If the Design-Builder encounters utility facilities not identified by the County in the Contract Documents, the Design-Builder shall immediately notify, in writing, the County and the public utility. In the event that such utility facilities are owned by a public utility, the public utility shall have the sole discretion to perform repairs or relocation work or permit the Design-Builder to do such repairs or relocation work at a price determined in accordance with Article 7 herein.

2.3.3 Surveys. Design-Builder shall be responsible for locating, and shall locate prior to performing any Work, all utility lines, including telephone, cable, television, and fiber optic lines and cables, sewer lines, water pipes, gas lines, electrical lines, including, without limitation, all buried pipelines and buried telephone cables, and shall perform the Work in such a manner so as to avoid damaging any such lines, cables, pipes, and pipelines.

2.3.4 Time for Furnishing. Information or services required of the County by the Contract Documents shall be furnished by the County with reasonable promptness.

2.4 County's Right to Stop the Work

If the Design-Builder fails to correct Work which is not in accordance with the requirements of the Contract Documents as required by Paragraph 12.2 or fails to carry out Work in accordance with the Contract Documents, the County may issue a written order to the Design-Builder to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the County to stop the Work shall not give rise to a duty on the part of the County to exercise this right for the benefit of the Design-Builder or any other person or entity. The County's right to stop the Work is in addition to and without prejudice to any other rights or remedies of the County.

2.5 County's Right to Carry Out the Work

If the Design-Builder defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a forty-eight (48) hour period after receipt of written notice from the County to commence and continue correction of such default or neglect with diligence and promptness, the County may after such forty-eight (48) hour period give the Design-Builder a second written notice to correct such deficiencies within a second forty-eight (48) hour period. If the Design-Builder within such second forty-eight (48) hour period after receipt of such second notice fails to commence and continue to correct any deficiencies, the County, without prejudice to other remedies the County may have, may correct such deficiencies. In such case an appropriate Construction Change Directive shall be issued deducting from payments then or thereafter due the Design-Builder, the cost of correcting such deficiencies, including compensation for any additional design services and expenses made necessary by such default, neglect, or failure. If payments then or thereafter due the Design-Builder are not sufficient to cover such amounts, the Design-Builder

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shall pay the difference to the County. The County's right to carry out the Work is in addition to and without prejudice to any other rights or remedies of the County.

2.6 Suspension of Operations

In addition to the County's right to stop the Work set forth in these General Conditions, the Design-Builder shall, upon receipt of County's written notice and within the time stated therein, suspend shipment and delivery of material and stop any part or all of the Work and operations under the Contract for such period or periods of time as the County may deem advisable and designate in said notice. Upon receipt of such notice to suspend operations, the Design-Builder shall immediately confer with the County concerning the probable duration of such suspension and stoppage, delays, and extensions of time resulting therefrom as well as the reduction and possible elimination of the Design-Builder's field cost and such other costs and expenses as may result directly from such Work stoppage. Upon written notice from the County to resume operations, the Design-Builder shall promptly resume all or any part of the Work and operations including securing of materials required by said resumption notice. Design-Builder shall be compensated for suspension in accordance with Article 13 herein.

2.7 Prohibited Interests

No official of County who is authorized in such capacity and on behalf of County to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting or approving any County structural, engineering, inspection, construction or material supply contract or any subcontract in connection with construction of the Project, shall become directly or indirectly interested financially in this Contract or in any part thereof. No officer, employee, County, attorney, engineer or inspector of or for County who is authorized in such capacity and on behalf of County to exercise any executive, supervisory or other similar functions in connection with construction of Project shall become directly or indirectly interested financially in this Contract in any part thereof. Design-Builder shall receive no compensation and shall repay County for any compensation received by Design-Builder hereunder, should Design-Builder aid, abet or knowingly participate in violation of this Section.

2.8 County's Right to Order Extraordinary Measures

2.8.1 Non-Compensable Extraordinary Measures. In the event the County determines that the performance of the Work, or any portion thereof, has not progressed or reached the level of completion required by the Contract Documents due to causes within the control of Design-Builder, the County shall have the right to order the Design-Builder to take corrective measures necessary to expedite the progress of construction, including, without limitation, (i) working additional shifts or overtime, (ii) supplying additional manpower, equipment, and facilities and (iii) submitting a recovery schedule for re-sequencing performance of the Work or other similar measures as defined as Extraordinary Measures in Paragraph 1.1 above. Such Extraordinary Measures shall continue until the progress of the Work complies with the stage of completion as required by the Contract Documents. The Design-Builder will be entitled to submit a recovery schedule for re-sequencing of work prior to working additional shifts, overtime or providing additional manpower. The Design-Builder shall not be entitled to an adjustment in the Contract Sum in connection with the Extraordinary Measures required by the County under or pursuant to this section. The County may exercise the rights furnished the County under or pursuant to this section as frequently as the County deems necessary to ensure that the Design-Builder's performance of the Work will comply with the Contract Time or interim completion dates set forth in the Contract Documents. If Design-Builder or its Design Consultants or Subcontractors fail to implement or commence Extraordinary Measures within ten (10) calendar days of County's written demand, County may, without prejudice to other remedies take corrective action at the expense of the Design-Builder and shall reduce the Contract Sum.

2.8.2 Compensable Extraordinary Measures. County, in its discretion, may issue a written request to the Design-Builder asking Design-Builder to submit an itemized proposal for Extraordinary

Measures in order to achieve early completion of all or a portion of the Work, due to no fault of the Design-Builder, in a form acceptable to County within ten (10) calendar days after County's issuance of the Acceleration Proposal Request.

3. DESIGN BUILDER'S DUTIES AND RESPONSIBILITIES

3.1 General

The Design-Builder shall perform the Work in accordance with the Contract Documents. The Design-Builder shall not be relieved of obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the County or Owner's Separate Consultants in their administration of the Contract, or by tests, inspections, or approvals required or performed by persons other than the Design-Builder.

3.2 Review of Criteria Documents and Field Conditions By Design-Builder, Its Design Consultants and Subcontractors

3.2.1 Suitability of Preliminary Designs Documents. Design-Builder is responsible for correcting any errors, omissions or defects in the Criteria Documents, which can reasonably be corrected through the design and/or construction process, subject to Change Orders only for Scope Changes, and that it has satisfied itself regarding the adequacy and accuracy of the design information contained in the Criteria Documents and agrees to assume all risk and sole responsibility for all conditions in or among the various parts of the Criteria Documents that (i) constitute errors, omissions, conflicts, ambiguities, or violations of Applicable Laws, or (ii) are unsuitable for construction.

3.2.2 Field Measurements. Prior to commencement of the Work, or portions thereof, the Design-Builder shall take field measurements and verify field conditions at the Site and shall carefully compare such field measurements and conditions and other information known to the Design-Builder with information provided in the Contract Documents. Errors, inconsistencies or omissions discovered must be reported to the County at once.

3.2.3 Request for Information ("RFI"). If the Design-Builder encounters any condition which the Design-Builder believes, in good faith and with reasonable basis, is the result of an ambiguity, conflict, error or omission in the Contract Documents (collectively the "Conditions"), it shall be the affirmative obligation of the Design-Builder to timely notify the County, in writing, of the Conditions encountered and to request information from the County necessary to address and resolve any such Conditions before proceeding with any portion of the Work affected or which may be affected by such Conditions. If the Design-Builder fails to timely notify the County in writing of any Conditions encountered and the Design-Builder proceeds to perform any portion of the Work containing or affected by such Conditions, the Design-Builder shall bear all costs associated with or required to correct, remove, or otherwise remedy any portion of the Work affected thereby without adjustment of the Contract Time or the Contract Sum. The Contract Time shall not be subject to adjustment in the event that the Design-Builder fails to timely request information from the County.

3.2.4 Resolution of Uncertainties. County and Design-Builder acknowledge that questions may arise concerning the level and scope of performance required under the Criteria Documents. County and Design-Builder will in good faith attempt to resolve such conflicts and uncertainties in a manner that is consistent with the express design intent of the Criteria Documents and without adjustment to the Contract Sum or Contract Time. In the event that they are unable, after good faith efforts, to resolve such differences, then, in recognition of their mutual desire that such questions not result in a compromise of the high standards they mutually intend be followed for design and construction of the Project, County and Design-Builder agree that all such unresolved conflicts or uncertainties in respect to the standard of quality shall be interpreted so as to require Design-Builder to perform the Work, without adjustment to the

Contract Sum or Contract Time, in a manner that reflects the higher or better standard indicated by the Criteria Documents.

3.3 Supervision and Construction Procedures

3.3.1 Design-Builder's Means and Methods. The Design-Builder shall supervise and direct the Work, using the Design-Builder's best skill and attention. The Design-Builder shall be responsible for and have control over construction means, methods, techniques, sequences, and procedures for coordinating all portions of the Work under the Contract, unless the Contract Documents give other specific instructions concerning these matters. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Design-Builder shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Design-Builder determines that such means, methods, techniques, sequences, or procedures may not be safe, the Design-Builder shall give timely written notice within ten (10) calendar days to the County and shall not proceed with that portion of the Work without further written instructions from the County. If the Design-Builder is then instructed to proceed with the required means, methods, techniques, sequences, or procedures without acceptance of changes proposed by the Design-Builder, the County shall be solely responsible for any resulting loss or damage.

3.3.2 Design-Builder's Vicarious Liability. Design-Builder shall be responsible to County for acts and omissions of Design-Builder's employees, Consultants, Subcontractors, Sub-subcontractors, and their agents and employees, and any other persons or entities performing any of the Work under a direct or indirect contract (or other arrangement) with the Design-Builder.

3.3.3 Property Lines and Encroachments. Prior to the commencement of the Work on the Project Site, Design-Builder shall have all property corners and benchmarks verified and established by a State licensed land surveyor, shall locate the Project, together with all grades, lines, and levels necessary for the Work, on the Project Site, establishing necessary reference marks from which the Work can progress accurately and shall furnish County with reasonable evidence of such verification, noting any errors, inconsistencies, or omissions discovered during such verification. After all lines are staked out and before foundation Work is commenced, Design-Builder shall review with County the placement of all buildings and other permanent facilities to be constructed on the Site. Any encroachments resulting from the Design-Builder's locating or constructing the Work on adjacent properties to the Project Site as revealed by a survey of the foundations or an "as-built" survey, except for encroachments arising from errors or omissions not reasonably discoverable by Design-Builder in the Contract Documents, shall be the sole responsibility of Design-Builder, and Design-Builder shall commence the remedy of such encroachments within thirty (30) calendar days after discovery thereof (unless circumstances require a more rapid response), at Design-Builder's sole cost and expense, either by the removal of the encroaching improvement (and the subsequent reconstruction of such improvement on the Project Site) or by agreement with the County of the adjacent property, in a form and substance satisfactory to County in its sole discretion, providing a permanent easement for such encroachment.

3.3.4 Inspection of Work in Place. The Design-Builder shall be responsible for the inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work.

3.4 Labor and Materials

3.4.1 Coordination. The Design-Builder shall coordinate its Work with that of all others on the Project including deliveries, storage, installations, and construction utilities. The Design-Builder shall be responsible for the space requirements, locations, and staging of its equipment in areas and locations approved by County. Where the proper and most effective space requirements, locations, and routing

cannot be made as indicated in the Contract Documents, the Design-Builder shall meet with all others involved before installation to plan the most effective and efficient method of overall installation.

3.4.2 Temporary or Permanent Work. Unless otherwise provided in the Contract Documents, the Design-Builder shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, sewer and electrical utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

3.4.3 Labor Discipline. The Design-Builder shall enforce strict discipline and good order among the Design-Builder's employees and other persons carrying out the Contract. The Design-Builder shall not permit employment of unfit persons or persons not skilled in tasks assigned to them.

3.4.4 Skilled Labor. None but skilled workmen shall be employed on any portion of the Work. When required in writing by the County, the Design-Builder or any Design Consultant, Subcontractor shall discharge any person who is, in the reasonable opinion of the County, incompetent, unfaithful, disorderly or otherwise unsatisfactory, and shall not again employ such discharged person on the Work except with the written consent of the County. Such discharge shall not be the basis of any claim for compensation or damages against the County or any of its officers or agents.

3.4.5 Procurement and Installation of Materials and Equipment. Design-Builder shall: (i) place orders for all materials and equipment, taking into account current market and delivery conditions necessary to meet the Construction Schedule; (ii) purchase and expedite the procurement of long lead time items to obtain their delivery by the required dates; and (iii) arrange for alternate sources for the supply of critical materials and equipment to maintain the schedule. Should Design-Builder fail in this duty, County reserves the right to order such materials and equipment as the County may deem advisable to maintain the schedule for the Work or the Contract Time and all expenses shall be charged to and paid for by Design-Builder within the Contract Sum. Design-Builder shall keep the County informed of the status of procurement and shall promptly notify County in writing of any materials or equipment which may not be available within the time scheduled or necessary for the Project. The Design-Builder shall be responsible for the space requirements, locations, and routing of its equipment. In areas and locations where the proper and most effective space requirements, locations and routing cannot be made as indicated, the Design-Builder shall meet with all others involved, including, but not limited to, County, Design Consultants, and Subcontractors before installation, to plan the most effective and efficient method of overall installation.

3.4.6 Substitution of Materials, Process or Equipment

3.4.6.1 Whenever any particular material, process, or equipment is indicated in the Contract Documents by patent, proprietary, manufacturer or brand name, with or without the words "or equal", only such items shall be provided unless the County's prior written approval is obtained for the substitution. The burden of proving the quality of any material, process, or equipment proposed for substitution shall rest with the Design-Builder.

3.4.6.2 If any substitution request offered by the Design-Builder is not found to be equivalent or cannot be delivered to the Site in compliance with the Project Schedule, Design-Builder shall furnish and install the material specified in the Contract Documents.

3.4.6.3 Proposals for substitutions shall be submitted to the County using an approved format. Unless otherwise approved in writing by County, no substitution will be considered or allowed by the County without Design-Builder's delivery of the following to County:

- (1) A full explanation of the proposed substitution and submittal of all

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supporting data including technical information, complete manufacturers catalogs, brochures, drawings, samples, warranties, certified copies of test results, installation instructions, operating procedures, and other descriptive information to substantiate Design-Builder's claim of equivalent quality and necessary for a complete evaluation of the proposal;

(2) A complete description of the difference between the requirements of the Contract Documents and the proposed substitution, the comparative advantages and disadvantages of each, and the reasons the substitution is advantageous and necessary, including the benefits to the County and the Work in the event the substitution is acceptable;

(3) A description of aspects of the Contract Documents affected by the proposal;

(4) The adjustment, if any, in the Contract Sum in the event the substitution is acceptable;

(5) The adjustment, if any, in the Contract Time and impact to the Construction Schedule;

(6) The estimated cost of any engineering, design, or agency fees required for Work of all trades directly or indirectly affected by the substitution;

(7) A list of projects, to the extent known, where the subject of the request was used and the results; and

(8) Other information reasonably necessary to fully evaluate the proposal request.

3.4.6.4 By submitting a substitution request, Design-Builder will be deemed to certify to the County that (i) the proposed substitution is equal to or exceeds all requirements of the pertinent Contract Documents as reasonably determined by Design-Builder; (ii) Design-Builder accepts the warranty and correction obligations in connection with the proposed substitution as if originally specified; (iii) the cost data presented is complete and includes all related costs under Contract, including an estimate of the redesign costs, (iv) Design-Builder will coordinate the installation of the accepted substitute, making such changes as may be required for the Work to be complete in all respects; (v) Design-Builder waives all Claims for additional costs related to the substitution which subsequently become apparent; and (vi) Design-Builder accepts all responsibility for direct or indirect costs and/or time impacts as result of the substitution including impacts to Work not identified in the proposal.

3.4.6.5 Design-Builder shall submit all requests for substitutions, together with substantiating data, prior to the Proposal Deadline. Following commencement of construction or such other time indicated in the Agreement, substitutions requested by the Design-Builder will be considered only when one or more of the following conditions are met and documented by Design-Builder:

(1) Specified item fails to comply with regulatory requirements; or

(2) Specified item has been discontinued by the manufacturer; or

(3) Specified item, through no fault of the Design-Builder, is unavailable in the time frame required to meet the Project Schedule; or

(4) Specified item, through subsequent information disclosure, will not

perform properly or fit in designated space; or

(5) Manufacturer declares specified product to be unsuitable for intended use or refuses to warrant installation of product.

3.4.6.6 The County has reviewed the technical and aesthetic qualities of materials specified, and in no case will the County accept a substitution of a product with a lower cost which does not extend credit to the County.

3.4.6.7 No incomplete request for substitution will be considered by the County, and products for which insufficient information is submitted will be disapproved by the County for lack of substantiating data.

3.4.6.8 Failure of the Design-Builder to submit proposed substitutions for approval in the manner described may be deemed sufficient cause for disapproval by the County of any substitution otherwise proposed.

3.4.6.9 Design-Builder shall proceed with performance of the Work as required by the Contract Documents and shall not modify such requirements in accordance with any value engineering proposal or substitution request unless the County approves such request in a written order. In the event County approves a value engineering or substitution request and Design-Builder furnishes a material, process or article more expensive than that specified, the difference in cost shall be borne entirely by Design-Builder. Any engineering, design fees or agency fees required to make adjustments in material or work of all trades directly or indirectly affected by the approved substituted item shall be borne entirely by Design-Builder.

3.4.7 Reference Standards. Any material specified by reference to the number, symbol, or title of a standard such as that of the American Society for Testing Materials ("ASTM"), Underwriters Laboratories, Factory Mutual, a product or commercial standard, or similar standards, shall comply with the requirements of the latest revisions thereof and any supplement or amendment thereto in effect on the date of the Agreement. The standards referred to, except as specifically modified in the specifications, shall have the same force as if they were printed in full within the Contract Documents. Whenever a product is specified in accordance with such a Reference Standard, the Design-Builder shall present a certification from the manufacturer and test data to substantiate compliance, when requested by the County or required in the Specifications, certifying that the product complies with the particular standard or specification.

3.4.8 Manufacturer's Instructions. Where it is required in the Contract Documents that materials, products, processes, equipment or the like be installed or applied in accordance with manufacturer's instructions, directions or specifications or words to this effect, it shall be construed to mean that said application or installation shall be in strict accord with current printed instructions furnished by the manufacturer of the material concerned for use under conditions similar to those at the jobsite. Unless otherwise stated, Design-Builder shall furnish one copy of said instructions to County. If there is a conflict between manufacturer's instructions and Applicable Law or the Contract Documents, Design-Builder shall notify County in writing to request clarification.

3.5 Warranty and Correction

3.5.1 Warranty. The Design-Builder warrants to the County that: (i) materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the

Contract Documents;

(ii) the Work will be of good quality and free from defects; (iii) the Work will conform to the requirements of the Contract Documents; and (iv) Design-Builder will deliver a Project free of stop notice claims. Work not conforming to these requirements, including substitutions not properly approved by the County, shall be deemed defective. Design-Builder's warranty excludes improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage. If required by the County, the Design-Builder shall furnish satisfactory evidence as to the kind and quality of materials and equipment. This warranty is not limited by the provisions of Paragraph 12.2 herein.

3.5.2 Commencement of Correction Periods. In accordance with Paragraph 12.2 herein, in addition to warranties required elsewhere in the Contract Documents, Design-Builder shall, and hereby does, warrant all Work for a period of one (1) year commencing from the date of final Completion of the Work and shall repair or replace any and all such Work, together with any other Work which may be displaced in so doing, that may prove defective in workmanship and/or materials, without expense whatsoever to County.

3.5.3 No Limitation. Nothing contained in this Paragraph shall be construed to establish a period of limitation with respect to other obligations that the Design-Builder might have under the Contract Documents. Establishment of the one-year period for correction of Work relates only to the specific obligation of the Design-Builder to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Design-Builder's liability with respect to the Design-Builder's obligations other than specifically to correct the Work. Neither the making of Final Payment nor the use or occupancy of the Work, in whole or in part, by County, shall constitute acceptance of Work not in accordance with the Contract Documents or relieve the Design-Builder from liability for faulty or defective Work.

3.5.4 Overlap. Where any warranties provided under the Contract Documents overlap, conflict, or are duplicative, Design-Builder shall be bound by the more stringent requirements.

3.5.5 County's Right to Correct. If Design-Builder fails to commence corrections within forty-eight (48) hours after receipt of written notice, County, under the provisions of Article 12 herein, will proceed to have defects repaired and made good at the expense of Design-Builder and its performance bond surety, plus fifteen percent (15%) for County's overhead and administrative expense. County may charge such costs against any payment due Design-Builder. If, in the opinion of the County, defective work creates a dangerous or hazardous condition or requires immediate correction or attention to prevent further loss to the County or to prevent interruption of operations of the County, the County may take immediate action, give notice, make such correction, or provide such attention and the cost of such correction or attention shall be charged against the Design-Builder. Such action by the County will not relieve the Design-Builder of the warranties provided in this Article or elsewhere in the Contract Documents.

3.5.6 Procurement and Assignment of Warranties. Design-Builder shall obtain in the name of County, or transfer or assign to County or County's designee prior to the time of Final Completion of the Work, any and all warranties or guarantees which Design-Builder is required to obtain pursuant to the Contract Documents and which Design-Builder obtained from any other person or entity other than Design-Builder including, but not limited to, Subcontractors and manufacturers, and further agrees to perform the Work in such a manner so as to preserve any and all such warranties. Design-Builder shall secure written warranties from all Subcontractors in the form approved by County. Design-Builder and its Consultants and Subcontractors shall offer any warranty upgrades or extensions that are offered by manufacturers of any equipment or system in the Project to the County.

3.5.7 Survival of Warranties. The provisions of this Paragraph 3.5 shall survive Design-Builder's completion of the Work or termination of Design-Builder's performance of the Work.

3.6 Taxes

3.6.1 Payment. The Design-Builder shall pay all applicable sales, consumer, use, and similar taxes for the Work provided by the Design-Builder and such taxes shall be included in the Contract Sum.

3.6.2 Liability for Employee Payments. Design-Builder accepts full liability for the payment of any and all contributions, deductions, or taxes for social security, unemployment insurance, old age and survivor's benefits, medical and health benefits, or for any other purpose now or hereafter imposed under any Applicable Law measured by the wages, salary or other remuneration paid to persons employed by or on behalf of Design-Builder for the Work. Design-Builder covenants and agrees to observe and fully comply with all Applicable Law, including procurement of any necessary occupational licenses, permits and inspection certificates.

3.7 Permits, Fees and Notices

3.7.1 Responsibility for Permits and Fees. Design-Builder shall identify and obtain all certificates, licenses, fees, approvals and inspections necessary or required for the proper execution and completion of the Work, or which are customarily secured after execution of the Contract and shall submit to County copies of receipts for reimbursement within the Contract Sum. All such licenses and certificates shall be delivered to the County before Design-Builder submits a final Application for Payment. The County will obtain and pay for all required permits necessary for the Project. The County will pay connection fees directly to the utilities for all permanent water and electrical connections.

3.7.2 Notices. The Design-Builder shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of public authorities applicable to performance of the Work.

3.7.3 Bonds. The Design-Builder shall procure and pay for all bonds required of the County by any public or private entity with jurisdiction over the Project. Design-Builder shall prepare all applications, supply all necessary backup material, and furnish the surety with any required personal undertakings. The Design-Builder shall also obtain and pay all charges for all approvals for street closings, traffic regulation, parking meter removal, and other similar matters as may be necessary or appropriate from time to time for the performance of the Work.

3.7.4 Compliance with Applicable Law.

3.7.4.1 Design-Builder is responsible to ascertain that the Design-Builder's design, submittals, deliverables, including Design-Builder's Construction Documents in CAD format, and Work, are in accordance with Applicable Laws, including life safety codes, storm water runoff, Americans with Disabilities Act (ADA), and other federal and state disabled access requirements. Design-Builder is responsible to perform all Work in accordance with the requirements of local agencies and inspectors having jurisdiction over the Work. If the Design-Builder observes that any portions of the Contract Documents are at variance with Applicable Law, Design-Builder shall promptly notify the County in writing.

3.7.4.2 If the Design-Builder performs any Work when the Design-Builder knows or should have reasonably known it would be contrary to Applicable Law, Design-Builder shall assume full responsibility therefore and shall bear all costs (within the Contract Sum) directly or indirectly attributable to

the correction of the Work. If Design- Builder fails to comply with any such codes, laws, ordinances, rules, and regulations, County may (without prejudice to any of its other rights or remedies) issue an order suspending all or any part of the Work.

3.8 Allowances

Design-Builder shall include in the Contract Sum and Schedule of Values all Allowances provided for in the Contract Documents. Items covered by Allowances shall be supplied for such amounts approved by Owner. All expenditures for Allowances shall be separately itemized in each Application for Payment and are subject to County's prior approval. County shall not reimburse Design-Builder for Allowance costs in excess of the amounts specified in the Schedule of Values without County's prior written approval of such costs.

3.9 Design-Builder's Key Personnel, Design Consultants and Subcontractors

3.9.1 Design-Builder's Project Manager. The Design-Builder's Project Manager, as is designated in Exhibit E to the Agreement or as otherwise approved in writing by County, shall: (i) be present at the Project Site at all times that any Work is in progress and at any time that any Design Consultants, Subcontractor or employee of Design-Builder is present at the Site; (ii) attend all job meetings; (iii) be actively involved throughout all phases of design and construction of the Project; (iv) maintain oversight of the Project at all times; (v) have full authority to represent and act on behalf of the Design-Builder for all purposes under this Agreement; (vi) supervise and direct the Work using his or her best skill and attention; (vii) be responsible for the means, methods, techniques, sequences, and procedures used for the Work; (viii) adequately coordinate all portions of the Work; and (ix) act as the principal contact with County and all Subcontractors and inspectors on the Project. A biography or resume of Design-Builder's Project Manager, or any proposed designee, shall be submitted to the County prior to the preconstruction meeting.

3.9.2 Design-Builder's Key Personnel. In addition to its designated Project Manager, Design-Builder represents to County that certain additional key personnel, including, but not limited to, the designers, the superintendent, approved by County and designated in Exhibit E to the Agreement, will perform services required by the Contract Documents. County may at any time elect to add job categories to the Design-Builder's key personnel list.

3.9.3 Changes in Design-Builder's Project Manager, Key Personnel, Design Consultants and Subcontractors. Design-Builder understands and acknowledges that its selection by County was, in part, based on the Design-Builder's Project Manager, listed Design Consultants, Subcontractors, and key personnel. Design-Builder shall not make changes to its Project Manager, Design Consultants, key personnel or Subcontractors, or reduce their responsibilities for this Project without the prior written approval of the County. Prior to making any changes to the Project Manager, key personnel, Design Consultants or Subcontractors, the Design-Builder shall submit the qualifications and experience of the Design-Builder's proposed replacement for the County's approval. If County determines, in its sole discretion, that the performance of any person or entity employed by Design-Builder is unsatisfactory, then at the written request of County, Design-Builder shall remove, reassign, or replace such individual or entity without increase in the Contract Sum and such individual or entity shall not be reemployed on the Project without the prior written approval of County.

3.9.4 Qualifications and Licenses. Work furnished by or on behalf of Design-Builder shall be performed by persons: (i) qualified to perform the Work assigned to them; (ii) licensed to practice their respective trades or professions where required by Applicable Law in the State where the Project is located; and (iii) who shall assume professional responsibility for any design documents furnished by

them. Design-Builder's Project Manager, key personnel, Design Consultants and Subcontractors shall be experienced in, projects of similar nature and complexity to the Project and must provide County with resumes of education, training, and relevant experience whenever requested and shall be approved by County prior to their assignment to the Project.

3.10 Documents and Samples at the Site

3.10.1 As-Built and Record Documents. Design-Builder shall maintain at the Project Site and shall make available to County, one copy of the Criteria Documents, Addenda, requests for information, bulletins, Change Orders and other Modifications to the Contract Documents, approved Construction Documents, Shop Drawings, Product Data, Samples and mock-ups, permits, inspection reports, test results, daily logs, schedules, subcontracts, and purchase orders in good order (the "Record Documents"). The Record Documents shall include a set of As-Built Construction Documents, which shall be continuously updated during the prosecution of the Work. The prints for As-Built Construction Documents (except for design-build systems, as addressed below) will be a set of blackline prints produced by Design-Builder and approved by County at the start of construction. Design-Builder shall maintain said set in good condition and shall use colored pencils to mark-up said set with "record information" in a legible manner to show; (i) deviations from the County-approved Construction Documents made during construction; (ii) details in the Work not previously shown; (iii) changes to existing conditions or existing conditions found to differ from those shown on any existing Construction Documents; (iv) the actual installed position of equipment, piping, conduits, light switches, electric fixtures, circuiting, ducts, dampers, access panels, control valves, drains, openings, and stubouts; and (v) such other information as County may reasonably request. In addition, Design-Builder shall continuously update its Construction Documents in the latest version of AutoCAD format.

3.10.2 Condition to Payment. Design-Builder's obligation to keep Record Documents current, including As-Built Construction Documents, and to make them available to County is a condition precedent to County's duty to process Applications for Payment. The Design-Builder shall provide a written certification of this monthly review, signed by the County's Project Manager, and attach same to each Application for Payment. Within thirty (30) calendar days after Substantial Completion or earlier termination of the Agreement and as a condition precedent to Final Payment, Design-Builder shall provide final approved Record Documents including, but not limited to, As-Built Construction Documents and approved Shop Drawings. Design-Builder's obligations under Paragraph 3.11 shall survive completion of the Work or termination of Design-Builder's performance of the Work.

3.10.3 Daily Logs. Design-Builder shall maintain a daily log containing a record of weather, Design-Builder's own forces working on Site, Subcontractors working on the Site, number of workers for each Subcontractor on Site, materials delivered, Work accomplished, problems encountered and other similar relevant data as the County may reasonably require. The daily log shall be signed by Design-Builder's Superintendent, submitted within 24 hours (next working day) to County's Project Manager and shall be made available to others as directed by County.

3.11 Shop Drawings, Product Data and Samples

3.11.1 Shop Drawings. Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Design-Builder or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor to illustrate some portion of the Work.

3.11.2 Product Data. Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Design-Builder to illustrate materials or equipment for some portion of the Work.

3.11.3 Samples. Samples are physical examples which illustrate materials, equipment, or workmanship and establish standards by which the Work will be judged.

3.11.4 Purpose. Shop Drawings, Product Data, Samples, and similar submittals ("Submittals") are not Contract Documents. The list of required submittals is designated in the Submittal Schedule Exhibit F. The purpose of these Submittals is to demonstrate for those portions of the Work for which submittals are required by the Contract Documents the way by which the Design-Builder proposes to conform to the information given and the design concept expressed in the Contract Documents. Review by the County is subject to the limitations of Subparagraph 3.11.6 herein. Informational submittals upon which the County is not expected to take responsive action may be so identified in the Contract Documents. Submittals which are not required by the Contract Documents may be returned by the County without action.

3.11.5 Design-Builder's Submittals.

3.11.5.1 Prompt Submittals. The Design-Builder shall review for compliance with the Contract Documents, confirm, and deliver to the County, Submittals within the timeframes required by the Contract Documents. Design-Builder's complete and timely submission of Submittals in conformity with the Submittal Schedule (Exhibit F) is a material consideration of the Contract. In the event that the County reasonably determines that all or any portion of any Submittal fails to comply with the requirements of the Contract Documents and/or such Submittals are not otherwise complete and accurate so as to require re-submission more than one time, Design-Builder shall bear all costs (within the Contract Sum) associated with the review and approval of such resubmitted Submittals. No adjustment to the Contract Time or the Contract Sum shall be granted by the County to the Design-Builder on account of its failure to make timely submission of any Submittals.

3.11.5.2 Design-Builder's Confirmation of Submittals. After checking and verifying all field measurements and after complying with applicable procedures specified in the Specifications, Design-Builder shall submit to County in compliance with the Submittal Schedule for review and approval, or for other appropriate action, one (1) reproducible transparency (sepia) and four (4) opaque prints (unless otherwise specified in the Specifications) of all Shop Drawings and other Submittals, which shall bear a stamp or specific written indication that Design-Builder has satisfied Design-Builder's responsibilities under the Contract Documents with respect to the review of the Submittal. All Submittals will be identified as the County may reasonably require. The data shown on the Shop Drawings must be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data in order to enable County to review the information as required.

(1) Before submission of each Submittal, Design-Builder shall have determined and verified quantities and dimensions, specified performance criteria, installation requirements, materials, catalog numbers, and similar data with respect thereto and reviewed or coordinated each submittal with other submittals and with the requirements of the Work and the Contract Documents.

(2) At the time of each submission, Design-Builder shall give County specific written notice of each variation that the submittal may have from the requirements of the Contract Documents, and, in addition, shall cause a specific notation to be made on each submittal submitted to County for review and approval of each such variation.

(3) By reviewing and submitting Shop Drawings, Product Data, Samples, and

similar submittals, the Design-Builder represents that the Design-Builder has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents.

3.11.6 Review by County. Unless Design-Builder is notified in writing of a specific need for an extended period of time due to the nature or extent of the Shop Drawings being submitted, County shall utilize its best efforts to complete Shop Drawing review within a maximum of ten (10) calendar days. County's review and approval will be only for conformance with the design concept of the Project and for compliance with the information given in the Contract Documents and shall not extend to means, methods, techniques, sequences, or procedures of construction (except where a specific means, method, technique, sequence, or procedure of construction is indicated in or required by the Contract Documents). The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. Design-Builder shall make corrections required by County, and shall return the required number of corrected copies of Submittals and submit as required new Submittals for review and approval. Design-Builder shall direct specific attention in writing to any and all revisions other than the corrections called for by County on previous Submittals.

3.11.7 Performance. The Design-Builder shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar Submittals until the respective Submittal has been approved by the County.

3.11.8 Approved Submittals. The Work shall be performed in accordance with approved submittals required by the Contract Documents and the Design-Builder shall not be relieved of responsibility for variations from requirements of the Contract Documents by the County's approval of Shop Drawings, Product Data, Samples, or similar submittals unless the Design-Builder has specifically informed the County in writing of such deviation at the time of submittal and a Change Order or Construction Change Directive has been issued, authorizing the variations. The Design-Builder shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the County's approval thereof.

3.11.9 Resubmission. Design-Builder shall direct specific attention, in writing on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the County on previous submittals. In the absence of such written notice the County's approval of a resubmission shall not apply to such revisions.

3.11.10 Professional Services.

3.11.10.1 The professional design services and certifications by a design professional related to systems, materials, or equipment shall comply with the Design and Performance Criteria set forth in the Criteria Documents prepared by County. The Design-Builder shall cause such services or certifications to be provided by a properly licensed design professional, who shall comply with the reasonable requirements of County regarding qualifications and insurance and whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional.

3.11.10.2 Design-Builder's design professionals shall certify that design-build Work invoiced in each Application for Payment is installed in accordance with the design prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, shall bear such professional's written approval when submitted to the County. The County shall be entitled to rely upon the adequacy, accuracy and completeness of the Services, certifications or approvals

performed by such design professionals. The County will review, approve, or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the Criteria Documents.

3.12 Site Conditions

3.12.1 The Design-Builder represents that it has taken the necessary steps to ascertain the nature, location and extent of the Work, and that it has reasonably satisfied itself as to the general and local conditions which are applicable to the Work, such as:

- (1) conditions bearing on transportation, disposal and storage of materials;
- (2) the availability of labor, water, power and roads;
- (3) normal weather conditions;
- (4) observable physical conditions at the Site; Work.
- (5) the visible conditions of the ground;
- (6) the character of equipment and facilities needed prior to and during the performance of the

3.12.2 To the extent the Design-Builder encounters subsurface conditions or hazardous materials which differ materially from that actually known by the Design-Builder, or from those ordinarily known to exist or could have been reasonably discovered within the time permitted during the Request for Proposals, or generally recognized as inherent in the area, then notice by the Design-Builder shall be immediately given to the County, before conditions are disturbed, and in no event later than two(2) business days after the first observance of the conditions. If such conditions could not have been reasonably identified by Design-Builder based upon existing data made available to Design-Builder by County, and the Design-Builder incurs significant additional costs or delays as a result of such concealed conditions, such conditions may be the subject of a Change Order. The Design-Builder will not be liable for any expenses or consequential damages arising from the costs of repair, relocation, disruption, or removal of utilities if known utility locations do not exist and the best practices methods of detection are made by Design-Builder and/or it(s) subcontractors.

Should any existing utilities or services be disturbed, disconnected or damaged during construction, the Design-Builder shall be responsible, at no additional cost or time to the County, for all expenses and consequential damages of whatever nature arising from such disturbance or the replacement or repair thereof and shall repair such items as required to maintain continuing service, including emergency repairs.

3.12.3 The Design-Builder is responsible for foreseeable site conditions to the extent described in the Contract Documents.

3.12.4 To the extent the County has provided the Design-Builder with preliminary geotechnical data and site conditions, and title reports, these documents are provided "for information only". Design-Builder shall be responsible to verify the accuracy of the information provided.

3.12.5 The Design-Builder shall verify the location and depth (elevation) of all existing utilities and services before performing any excavation Work.

3.12.6 Reserved

3.13 Use of Site

3.13.1 Site Constraints. Prior to mobilization on the Project Site, the Design-Builder shall submit to the County for approval a Site Constraint Plan including layout drawings to scale as required to fully describe the proposed locations of all temporary construction facilities and controls. This plan shall show the proposed activities in each portion of the Work area and identify the areas of limited use or nonuse. This plan shall also show proposed vehicle access routes and traffic control. Design-Builder shall confine operations at the Project to the areas designated in the Contract Documents and the approved Site Constraint Plan and within the hours permitted by all codes, laws, ordinances, permits, or the County, and shall not unreasonably encumber the Project Site or the adjoining sidewalks, streets, and alleyways with any material, equipment, or debris. In that regard, Design-Builder shall keep the Site and surroundings clean and in a safe condition in accordance with Paragraph 3.15 herein and the Specifications. Design-Builder shall use only those locations designated on the approved Site Construction Plan for locating Design-Builder's trailers, staging areas, lay-down areas, and other construction operations. The Design-Builder shall not unreasonably encumber the Site with any materials or equipment, nor permit any, persons on the Site, or any activity at the Site, except as the presence of those persons, or that activity, is directly related to the Project. The Design-Builder shall be liable for any and all damage caused by it to the County's premises.

3.13.2 Coordination. Design-Builder expressly acknowledges that County, its own forces, and County's Separate Contractors may be working simultaneously with Design-Builder on the Project during certain periods of time in certain portions of the Project Site. Design-Builder and County will take all steps necessary in connection with the construction Work not to interfere with the use and occupancy of the Project Site by County's Separate Contractors and personnel to minimize any interruption of services to such persons, including, without limitation, utilities, ingress and egress, and parking. Design-Builder further agrees to coordinate its construction activities with all others performing work on the Project Site, including deliveries, storage, and installation. Design-Builder shall meet and consult with County from time to time at County's request to insure that Design-Builder and County are fully advised of all other construction activities on the Project Site, and Design-Builder shall take such steps as are reasonably necessary at County's request to coordinate its Work with the Work of County's Separate Contractors on the Project Site.

3.13.3 Security. The Design-Builder shall be responsible for providing security at the Site of the Work with all such costs included in the Contract Sum. A temporary fence shall surround the Project Site unless otherwise requested by County. All security provided by Design-Builder shall be coordinated with County's existing security personnel, if any. In addition, the Design-Builder shall take all necessary precautions and provide enclosures, barricades, security guards, signs, notices, shoring, bracing, passageways, lights, and such other materials, equipment, and services as may be required (including, without limitation, such protections as may be required by applicable laws) for the protection of: (i) all persons who may be on the Project Site or in other areas affected by the Design-Builder's operations; and (ii) the County's and any third party's personal or real property. Design-Builder shall execute all repairs to land, roadways, structures, utilities, sidewalks, parkways and alleys damaged by the operations under this Contract.

3.13.4 Utility Interruption. When it is necessary to interrupt any existing utility service, a minimum of fourteen (14) calendar days advance written request for interruption of services shall be given by the

Design-Builder to the County. Interruption of these services shall be of the shortest possible duration and shall be approved by the County in advance of such interruption. In the event that such notices and approvals are not secured prior to interruption in utility services the Design-Builder shall be financially liable for any and all damages suffered by the County and third parties due to unauthorized interruption.

3.13.5 Parking. The Design-Builder shall coordinate and obtain all construction related parking. The cost of all Design-Builder parking shall be included in the Contract Sum.

3.14 Cutting and Patching

3.14.1 Responsibility. Design-Builder shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly.

3.14.2 Separate Contractors. Design-Builder shall not damage or endanger a portion of the Work or fully or partially completed construction of the County or County's Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. Design-Builder shall not cut or otherwise alter such construction by the County or a Separate Contractor except with written consent of the County.

3.14.3 Finish Surfaces. Cutting, drilling or other mechanical change to surfaces constituting final finish, including but not limited to, glass, marble, tile mosaic, finish wood, finish metals, etc., necessary for the fastening, installation, securing, and/or insertion of any devices, equipment, and/or materials shall be accomplished with special care. If requested by the County, Design-Builder shall submit procedures for finish changes for the County's review and approval. Specific approval must be obtained from the County for such finish changes to be done by any trades other than the one installing the specific finish material. Failure to obtain County approval shall place full responsibility upon the Design-Builder for any extra cost occasioned by unacceptable finish-surface.

3.15 Cleaning Up

3.15.1 Continuous Obligations. The Design-Builder shall keep the Project Site and surrounding area free from accumulation of waste materials or rubbish at all times. As construction is completed on a daily basis, paved surfaces adjoining the Project shall be broomed clean and other surfaces of the Project Site raked clean. If the Design-Builder defaults or neglects to maintain the Project free from accumulation of waste and rubbish as set forth above, and fails within a twenty-four (24) hour period after receipt of oral notice, subsequently confirmed in writing, to commence and continue correction of such default or neglect with diligence and promptness, the County may after such twenty-four (24) hour period, immediately, without prejudice to other remedies the County may have, correct such deficiencies. In such case, an appropriate Construction Change Directive shall be issued deducting from payments then or thereafter due the Design-Builder the cost of correcting such deficiencies. If payment then or thereafter due the Design-Builder is not sufficient to cover such amounts, the Design-Builder shall pay the difference to the County on demand.

3.15.2 Cleaning and Environmental Controls.

- (1) Maintain areas free of waste materials, debris, and rubbish. Maintain site in a clean and orderly condition.
- (2) Remove waste materials, debris and rubbish from site and dispose off site legally.

(3) The Design-Builder shall furnish and operate a self-loading motor sweeper with spray nozzles as directed by the County's Project Manager to maintain the Project in a condition of cleanliness acceptable to the County at all locations affected by the Design-Builder's operation. These affected areas include all haul routes to and from the Project and all areas of construction and restoration which have not been completed. The Design- Builder shall not proceed with Work until job site is clean to the satisfaction of the County's Project Manager.

(4) The Design-Builder shall take appropriate action to ensure that no dust originates from the Project Site.

(5) Spoil sites shall not be located where spoil shall be washed back into a street gutter, storm drain, runoff conveyance or ocean.

(6) Water containing mud, silt, or other pollutants from activities, shall not be allowed to enter the ocean or placed in locations that may be subject to storm runoff.

(7) Any equipment or vehicles driven and/or operated within or adjacent to a street gutter, storm drain, runoff conveyance or ocean shall be checked and maintained daily to prevent leaks of materials that if introduced to water could be deleterious to aquatic life.

(8) No debris, soil, silt, sand, bark, slash, sawdust, rubbish, cement or concrete or washings thereof, oil or petroleum products or other organic or earthen material from any construction, or associated activity or whatever nature shall be allowed to enter into or placed where it may be washed by rainfall or runoff into waters of the State. When operations are completed, any excess materials or debris shall be removed from the work area.

(9) The Design-Builder shall comply with all litter and pollution laws. All Subcontractors and employees shall also obey these laws and it shall be the responsibility of the Design-Builder to ensure compliance.

3.15.3 Water Pollution Control. As part of the County's Storm Water Management Program, implementation of minimum Best Management Practices (BMPs) is required for this Contract. The Design-Builder is directed to comply with applicable requirements of the BMPs that are specified under this section to reduce pollutants from entering the storm drain system.

The Design-Builder shall maintain copies of these BMP fact sheets (guidance paper) at the Project Site and shall make these fact sheets available during construction activities. Best management practices shall be defined as any program, technology, process, siting criteria, operating method, measure, or device that controls, prevents, removes, or reduces pollution. These BMPs have been selected from the California Storm Water Best Management Practice Handbook, Municipal Industrial, and Construction Volumes (May 1993). These handbooks contain a full description of each BMP and provide for its implementation. Copies of the handbook may be obtained from:

San Bernardino County
Environmental Management
Division 825 East Third Street
– Room 201 San Bernardino,
CA 92415-0835 Telephone
No.
(909) 387-8112

As a minimum, the Design-Builder shall implement the following BMPs in conjunction with all its activities construction operations:

B.1. Site Planning Consideration

Preservation of Existing Vegetation (ESC02)

B.2. Construction Practices

Structure Construction and Painting (CA03)

Spill Prevention and Control (CA12)

Dust Control (ESC21)

Storm Drain Inlet Protection (ESC54)

B.3. Vehicle & Equipment Management

Vehicle & Equipment Cleaning

(CA30) Vehicle & Equipment

Maintenance (CA32)

B.4. Material Management

Solid Waste Management

(CA20) Concrete Waste

Management (CA23)

Sanitary/Septic Waste Management (CA24)

3.15.3.1 Additional BMPs. Design-Builder may be required to implement additional BMPs as a result of a change in actual field conditions, contractor activities, or construction operations. When more than one BMP is listed under each category, the Design-Builder shall select the appropriate and necessary BMPs in order to achieve the BMP objective.

3.15.3.2 Enforcement. The County, as a permittee, is subject to enforcement actions by the Regional Water Quality Control Board, U.S. Environmental Protection Agency, environmental groups and private citizens. The Design-Builder shall be responsible for the costs and for any liability imposed by law as result of the Design-Builder's failure to comply and/or less than complete implementation with the requirement set forth in this section "Water Pollution Control". Cost and liabilities include, but are not limited to, fine, penalties and damages weather assessed against the County or the Design-Builder. In addition to any remedy authorized by law, so much of the money due to the Design-Builder under the Contract that shall be considered necessary by the County may be retained by the County until disposition has been made of the costs and liabilities.

3.15.3.3 Maintenance. Design-Builder shall ensure the proper implementation and functioning of BMP's control measures, and shall regularly inspect and maintain the construction site for the BMP's identified in Sections B.1 through B.4. The Design-Builder shall identify corrective actions and time frames to address any damaged measures or reinstate any BMPs that have been discontinued.

3.15.4 Final Completion. In order to achieve Final Completion of the Work, the Design-Builder must remove from and about the Project waste materials, rubbish, the Design-Builder's tools,

construction equipment, machinery, and surplus materials as well as the requirements set forth in the Criteria Documents and other Contract Documents. In addition to the general cleaning, the Design-Builder must perform the following special cleaning requirements:

- (1) Remove putty stains from glazing, then wash and polish glazing;
- (2) Remove marks, stains, fingerprints, and other soil or dirt from glass, painted, stained, or decorated work;
- (3) Remove temporary protection and clean and polish floors and waxed surfaces;
- (4) Clean and polish hardware and plumbing trim; remove stains, dust, dirt, plaster, and paint;
- (5) Remove spots, soil, plaster, and paint from tile work, and wash tile;
- (6) Clean all fixtures and equipment, remove excess lubrication, clean light fixtures and lamps, polish metal surfaces;
- (7) Vacuum-clean carpeted surfaces and remove any stains; and
- (8) Remove debris from roofs, downspout, and drainage system.

3.16 Access to Work

The Design-Builder shall provide the County and its respective Project Managers access to the Work in preparation and progress wherever located.

3.17 Royalties, Patents and Copyrights

3.17.1 Design-Builder Must Secure Rights. The Design-Builder shall secure in writing from all patentees, copyright holders, and assignees of all Project-related documents, all copyrights, assignments, and licenses related to such expression (e.g., designs, drawings, Contract Documents, specifications, documents in computer form, etc.) as necessary to allow the County the full, unlimited, and unencumbered use of that expression for the execution, operation, maintenance, modernization or expansion of the Project. The Design-Builder shall immediately convey all such copyrights, assignments, and licenses to the County without reservation except that which is expressly allowed in Subparagraph 1.6.2 herein. In the case of products, materials, systems, etc., protected by patent, the Design-Builder and its consultants shall not specify or cause to be specified any infringing use of a patent. The Design-Builder shall pay all royalties and license fees.

3.17.2 Infringement. Should the Design-Builder become aware of or receive notice of potential infringement of any intellectual property right related to the Project, regardless of the source of that awareness or notice, in addition to its indemnity obligation, the Design-Builder shall (a) immediately cease the copying and any other activity which is the potential source of infringement; and within seven (7)

calendar days (b) investigate the potential infringement; (c) submit to the County copies of all documents relating to that awareness, the notice, or the object thereof, and (d) issue to the County a complete written response and analysis of the potential infringement and the course of action recommended by the Design-Builder. The Design-Builder shall submit to the County a supplement of the initial report within seven (7) calendar days of the Design-Builder's receipt of, or awareness of, additional related information. Nothing in this Agreement shall be deemed to relieve the Design-Builder of its obligations under this Article, nor shall the County's receipt of the information indicated in this Article give rise to any duty or obligation on the part of County.

3.17.3 Assignment of Rights. The Design-Builder offers and agrees to assign to the County all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act [Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code of the State of California], arising from purchases of goods, services or materials pursuant to the performance of the Work. This assignment will be made and become effective at the time the County tenders Final Payment to the Design-Builder, without further acknowledgement by the Parties.

3.18 Indemnification

3.18.1 Indemnity for Professional Liability. Design-Builder agrees to indemnify, hold harmless, protect and defend the County, its officers, employees, agents, representatives and their successors and assigns ("Indemnitees") from any and all demands, liability, loss, suit, claim, action, cause of action, damage, cost, judgment, settlement, decree, arbitration award, stop notice, penalty, loss of revenue, and expense (including any fees of accountants, attorneys, experts, other professionals, and costs of investigation, mediation, arbitration, litigation and appeal) arising from any negligence, willful misconduct, or fraud of the Design-Builder or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, Design Consultants or any person for whose acts any of them may be liable, in connection with the performance of the Contract, regardless of whether the claim, suit, or demand alleges that it arises in part by virtue of the negligent act or omission of an Indemnitee. Notwithstanding the foregoing, Design-Builder's obligation to indemnify, hold harmless and protect the Indemnitees for any judgment, settlement, decree or arbitration award shall extend only to the percentage of negligence attributed to Design-Builder, its agents, employees, Project Managers, Subcontractors or Design Consultants with regard to such liability, suit, claim, damage, cost, judgment and expense. The Design-Builder's duty to indemnify, hold harmless, protect and defend includes, but is not limited to, bodily injury (including death at any time) and property or other damage (including, but without limitation, economic loss, and liability arising from contract, tort, patent, copyright, trade secret or trademark infringement) sustained by any person or persons, but only to the extent such duty to indemnify arises out of the negligent, reckless, or willful misconduct, of the Design-Builder or any of its officers, agents, employees, Project Manager(s), Subcontractors, Sub-subcontractors, or Design Consultants.

3.18.2 Indemnity for Other Than Professional Liability. To the maximum extent permitted by law, the Design-Builder shall fully indemnify, hold harmless, protect, and defend the Indemnitees from and against any and all demands, liability, loss, suit, claim, action, cause of action, damage, cost, judgment, settlement, decree, arbitration award, stop notice, penalty, loss of revenue, and expense (including any fees of accountants, attorneys, experts or other professionals, and costs of investigation, mediation, arbitration, litigation and appeal), in law or in equity, of every kind and nature whatsoever, arising out of or in connection with, resulting from or related to, or claimed to be arising out of the Work performed by Design-Builder or any of its officers, agents, employees, Subcontractors, Sub-Subcontractors, Design Consultants or any person for whose acts any of them may be liable, including but not limited to:

- (1) Bodily injury, emotional injury, sickness or disease, or death to any persons;
- (2) Infringement of any patent rights, licenses, copyrights or intellectual property which may be brought against the Design-Builder or County arising out of Design-Builder's Work, for which the Design-Builder is responsible;
- (3) Stop notices, and payment claims for labor performed or materials used or furnished to be used in the Work including all incidental or consequential damages resulting to County from such stop notices, and claims;
- (4) Failure of Design-Builder or its Subcontractors to comply with the provisions for insurance;
- (5) Failure to comply with any Applicable Law, statute, code, ordinance, regulation, permit, or orders;
- (6) Misrepresentation, misstatement, or omission with respect to any statement made in or any document furnished by the Design-Builder in connection therewith;
- (7) Breach of any duty, obligation, or requirement under the Contract Documents;
- (8) Failure to coordinate the Work with other contractors;
- (9) Failure to provide notice to any Party as required under the Contract Documents;
- (10) Failure to protect the property of any utility provider or adjacent property County; or
- (11) Failure to make payment of all employee benefits.

3.18.3 Enforcement. Design-Builder's obligations under this Paragraph 3.18 extend to claims occurring after termination of the Design-Builder's performance of the Contract or Final Payment to Design-Builder. The obligations apply regardless of any actual or alleged negligent actor omission of Indemnitees. Design-Builder, however, shall not be obligated under this Agreement to indemnify an Indemnitee for claims arising from the sole negligence, active negligence or willful misconduct of the Indemnitee or independent contractors who are directly responsible to Indemnitees. Design-Builder's obligations under this Paragraph 3.18 are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. In the event of any claim, suit or demand made against any Indemnitees, the County may in its sole discretion reserve, retain, or apply any monies due to the Design-Builder under the Contract for the purpose of resolving such claims; provided, however, that the County may release such funds if the Design-Builder provides the County with reasonable assurance of protection of the County's interests. The County shall in its sole discretion determine whether such assurances are reasonable.

3.18.4 No Limitations. Design-Builder's indemnification and defense obligations set forth in this Paragraph 3.18: (i) are separate and independent from the insurance provisions set forth in Paragraph 11.2 to the Contract; and (ii) do not limit, in any way, the applicability, scope, or obligations set forth in these insurance provisions. In claims, suits, or demands against any Indemnitee by an employee of the Design-Builder, a

Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the Design-Builder's indemnification and defense obligations shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Design-Builder or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

3.19 Signs and Advertising

Design-Builder shall not place or maintain any advertising signs, bills, or posters, nor shall it allow the same to be placed in or about the Project Site, or on any structure, fence, or barricade located on the Site, except as may be specified herein or approved in writing by the County, which approval shall not be unreasonably withheld, delayed, or conditioned. County shall have the right to reasonably approve the size, style, text, and location of any Design-Builder sign placed on the Project Site or on any structure, fence, or barricade located at the Project Site. Notwithstanding any other provision of the Contract Documents, County shall have complete discretion with respect to placement of Consultant and Subcontractor signs on the Project Site.

3.20 Coordination With Neighboring Property

Design-Builder shall coordinate with adjoining property businesses, tenants, and their customers and contractors to provide access to neighboring property and shall implement measures to minimize disruption to operations and occupancy of neighboring property businesses, tenants, and their customers and contractors.

3.21 Nondiscrimination

During the term of the Contract, Design-Builder shall not discriminate against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, sexual orientation, age, or military and veteran status. Design-Builder shall comply with Executive Orders 11246, 11375, 11625, 12138, 12432, 12250, 13672, Title VII of the Civil Rights Act of 1964, the California Fair Housing and Employment Act and other applicable Federal, State and County laws and regulations and policies relating to equal employment and contracting opportunities, including laws and regulations hereafter enacted.

3.22 Travel Management Policy

Design-Builder shall adhere to the County's Travel Management Policy (08-02 and 08-02SP1) when travel is pursuant to this Contract and for which reimbursement is sought from the County. In addition, Design-Builder is encouraged to utilize local transportation services, including but not limited to, the Ontario International Airport.

3.23 California Air Resources Board (CARB) In-Use Off-Road Diesel-Fueled Fleets Regulation Compliance Certification

This Project is subject to the California Air Resources Board (CARB) approved amendments relating to In-Use Off Road Diesel-Fueled Fleets found at California Code of Regulations Title 13, sections 2449, 2449.1, and 2449.2 (the "Regulations"). The Regulations require a Prime Contractor, bidding on a public works project to be awarded by any public works awarding body, to certify that the Contractors off-road diesel-fueled fleets comply with CARB regulations. Section 2449(b) includes a list of off-road diesel-fueled fleets subject to these regulations. It is the responsibility of the Contractor to verify if their fleet is subject to these regulations.

Design-Builder is required to obtain and submit Certificates of Reported Compliance from all subcontractors that are listed in the bid submission.

Design-Builder shall provide the County its CARB compliance certificates, unless the Design-Builder confirms that no equipment subject to the regulation will be used to execute the Contract Work. By executing the Contract, Design-Builder hereby certifies that it is aware of the requirements set forth in Sections 2449, 2449.1, and 2449.2, Title 13, California Code of Regulations and Contractor and its subcontractors shall comply with sections 2449, 2449.1, 2449.2 of Title 13 of the California Code of Regulations, including by providing Certificate(s) of Reported Compliance for In-Use Off-Road Diesel-Fueled Fleets for the fleet selected for the contract and their listed subcontractors, if applicable.

Design-Builder shall not enter into a contract with a fleet for which it does not have a valid Certificate of Reported Compliance for the fleet and Design-Builder's listed subcontractors, if applicable, prior to entering into a new or renewed contract with that fleet. Design-Builder shall only allow fleets with valid Certificates of Reported Compliance on Design-Builder's job sites. The Certificates of Reported Compliance received by the Design-Builder for this Project must be retained for three (3) years after the Project's completion. Upon request by CARB, these records must be provided to CARB within five (5) business days of the request. Between March 1 and June 1 of each year, Design-Builder must collect new valid Certificates of Reported Compliance for the current compliance year, as defined in Regulation Section 2449(n), from all fleets that have an ongoing contract with the Design-Builder as of March 1 of that year. Design-Builder must not write contracts to evade this requirement.

If Design-Builder discovers that any fleet intending to operate vehicles subject to the Regulation for Design-Builder does not have a valid Certificate of Reported Compliance, as defined in Regulation section 2449(n), or if Design-Builder observes any noncompliant vehicles subject to the Regulation on Design-Builder's job site, then Design-Builder must report the required information to CARB within the time period contained in in the Regulations.

Upon request by CARB, Design-Builder must immediately disclose to CARB the name and contact information of each responsible party for all vehicles subject to the Regulation operating at the job site or for Design-Builder. If applicable, Design-Builder shall prominently display signage for any project where vehicles subject to the Regulation as provided and within the time period contained in the Regulation.

Situations in which prime contractors or public works awarding bodies, as applicable, are contracting for projects that are considered emergency operations, as defined in section 2449(c)(18), are exempt from the requirements in section 2449(i)(1)-(3), but must still retain records verifying vehicles subject to the regulation that are operating on the emergency operations project are actually being operated on the project for emergency operations only. These records must include a description of the emergency, the address or a description of the specific location of the emergency, the dates on which the emergency operations were performed, and an attestation by the fleet that the vehicles are operated on the project for emergency operations only.

Design-Builder shall complete and return the "California Air Resources Board (CARB) In-Use Off-Road Diesel-Fueled Fleets Certification of Compliance" form included with the Project Documents.

4. ADMINISTRATION OF THE CONTRACT

4.1 County's Project Representative

The County's Project Manager identified by the County in writing is the County's Project Representative. The

County's Project Manager shall serve as a single point transmission of County's instructions and approvals, and receive all information required to be provided by Design-Builder, County's Project Manager shall be on-site on a daily basis to monitor progress, quality of work, and Contract and schedule compliance.

4.2 Administration of the Contract

4.2.1 Site Visits. The County's Project Manager will visit the Site at intervals appropriate to the stage of the Design-Builder's operations to become familiar with the progress and quality of the portion of the Work completed and to determine if the Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents.

4.2.2 No Estoppel. Neither the County nor its Project Manager will be responsible for the Design-Builder's failure to perform the Work in accordance with the requirements of the Contract Documents. The County and its Project Manager will not be responsible for acts or omissions of the Design-Builder, Design Consultants, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work. Approval and/or acceptance of all or any portion of the Work shall in no way relieve the Design-Builder from its obligation to construct each portion of the Work in accordance with the Contract Documents and the County shall not be estopped or otherwise prevented from asserting any claim it might have against the Design-Builder as a result of any such acceptance or approval.

4.2.3 Determination of Payment Amounts by Project Manager. The County's Project Manager will review Design-Builder's Applications for Payment and determine the amount of payment due Design-Builder.

4.2.4 Rejection of Work Testing and Inspection. The County has the authority to reject Work that does not conform to the Contract Documents. Whenever the County considers it necessary or advisable, it will require inspection or testing of the Work in accordance with Paragraph 15.5 below, whether or not such Work is fabricated, installed or completed. However, neither this authority nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the County to the Design-Builder, its Design Consultants, Subcontractors, material and equipment suppliers, their agents or employees, or other persons or entities performing portions of the Work.

4.2.5 Submittal Review. The County will review and approve or take other appropriate action upon the Design-Builder's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents as described in Paragraph 3.11 herein.

4.2.6 Contract Modifications. The County's Project Manager will prepare Change Orders and Construction Change Directives.

4.2.7 Substantial Completion and Project Closeout. The County's Project Manager will conduct inspections to determine the date or dates of Substantial Completion and the date of Final Completion, review written warranties and related close-out documents required by the Contract and assembled by the Design-Builder, and will issue a final Certificate for Payment upon Design-Builder's satisfaction of the requirements of the Contract Documents.

4.3 Claims and Disputes

4.3.1 Definition. The term "Claim" or "Claims" shall mean a separate demand by the Design-Builder for:

(i) a time extension (ii) payment of money or damages arising from Work done by or on behalf of the Design-

Builder pursuant to this Contract and payment of which is not otherwise expressly provided or the Design-Builder is not otherwise entitled to; or (iii) an amount the payment of which is disputed by the County.

4.3.2 Notification of Third-Party Claims. County shall provide Design-Builder with prompt written notice upon County's receipt of any third party claim relating to the Contract.

4.3.3 Notice and Time Limits on Claims. If the Design-Builder wishes to make a Claim for an increase in the Contract Sum or an extension of the Contract Time, the Design-Builder shall give the County written notice thereof within ten (10) calendar days after the occurrence of the event, giving rise to such Claim. The written notice must comply with the requirements of this Article 4 and Article 8, if applicable, herein. This notice shall be given by the Design-Builder before proceeding to execute Work affected by the event, except in an emergency endangering life or property, in which case the Design-Builder shall proceed in accordance with Article 10 below.

4.3.4 Resolution. The County will issue a Change Order or a Construction Change Directive to Design- Builder within a reasonable period of time after County's approval of any Claim, specifying the additional cost and/or time, if any, approved by County.

4.3.5 Continuing Contract Performance. Design-Builder shall not delay or postpone any Work pending resolution of any disputes or disagreements, except as the County and Design-Builder may otherwise agree in writing. Pending final resolution of a Claim, the Design-Builder shall proceed diligently with performance of the Contract and the County shall continue to make payments for undisputed Work in accordance with the Contract Documents. In the event of disputed work, County shall have the right to unilaterally issue a Construction Change Directive and Design-Builder shall continue performance pending resolution of the dispute and shall maintain the accounting and cost data described in Paragraph 7.4 herein.

4.3.6 Claims for Concealed or Unknown Conditions. The Design-Builder shall notify the County of the following Project Site conditions in writing within ten (10) calendar days upon their discovery and before they are disturbed;

(1) Subsurface or latent physical conditions differing materially from those indicated in the Contract Documents;

(2) Unknown physical conditions of an unusual nature differing materially from those ordinarily encountered and generally recognized as inherent in the Work of the character being performed; and

(3) Material differing from that represented in the Contract Documents which the Design- Builder believes may be hazardous waste, as defined in the California Health and Safety Code, that is required to be removed to a Class 1, Class 2, or Class 3 disposal Site in accordance with the provisions of existing law.

The County will promptly investigate unknown conditions or conditions which appear to be concealed. If the County determines that the conditions fall within one of the three categories set forth above and will materially affect the cost or time to complete the Work, a Change Order or Construction Change Directive will be issued by the County adjusting the compensation for such portion of Work in accordance with the requirements of the Contract Documents. If the County determines that the conditions do not justify an adjustment in compensation or the Contract Time, the Design- Builder will be notified in writing. Should the Design-Builder disagree with the decision, Design-Builder may submit a written notice of potential claim to

the County before commencing the disputed Work. In the event of such a dispute, the Design-Builder shall not be excused from any scheduled completion date provided by the Contract Documents and shall proceed with all Work to be performed under the Contract Documents. The Design-Builder's failure to give notice of changed conditions within ten (10) calendar days of their discovery and before they are disturbed shall constitute a waiver of all Claims in connection therewith.

4.3.7 Claims for Additional Cost and/or Time.

4.3.7.1 General. If Design-Builder wishes to make a Claim for an increase in the Contract Sum and/or Contract Time, Design-Builder shall provide written notice within ten (10) calendar days, as provided in Paragraph 4.3.3 herein, before proceeding to execute the Work. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Article 10. If the Design-Builder believes additional cost is involved for reasons including, but not limited to: (i) any written interpretation; (ii) a Verbal Change in the Work as more specifically described in Subparagraph 7.5.2 below; (iii) failure of payment by the County; or (iv) any order by the County to stop Work where the Design-Builder was not at fault, Design-Builder shall file Claims in accordance with the procedures established herein. Compliance with the notice and Claim submission procedures described in this Paragraph is a condition precedent to the right to commence litigation, file a Government Code Claim, or commence any other legal action. No claim or issues not raised in a timely notice and timely Claim submitted under this Paragraph may be asserted in any Government Code Claim, subsequent litigation, or legal action. The provisions of Section 4.3 and 4.4 constitute a non-judicial claim settlement procedure, and also step one of a two step claim presentment procedure by agreement under Section 930.2 of the California Government Code. Specifically, step one is compliance with this contract claims procedure and filing/administering timely contract claims in accordance with the Contract Documents. Step two is filing a timely Government Code Section 910 claim in accordance with the California Government Code. Any Government Code Section 910 claims shall be presented in accordance with the Government Code and shall affirmatively indicate Design-Builder's prior compliance with the claims procedure herein and previous dispositions under the claims procedure. These provisions shall survive termination, breach or completion of the Contract Documents. Design-Builder shall bear all costs incurred in the preparation and submission of a claim.

4.3.7.2 Certification of Claim.

(1) Design-Builder, under penalty of perjury under the laws of the State of California, shall submit with the Claim its and its Subcontractors' and Design Consultants' certification that:

- (a) The Claim is made in good faith;
- (b) Supporting data are accurate and complete to the best of the Design-Builder's knowledge and belief; and
- (c) The amount requested accurately reflects the Contract adjustment for which the Design-Builder believes the County is liable.

(2) The certification shall be executed by an officer or general partner of the Design-Builder having overall responsibility for the conduct of the Design-Builder's affairs.

(3) If a false claim is knowingly submitted (as the terms "claim" and "knowingly" are defined in the California False Claims Act, California Government Code Sections 12650 et seq.), the County will be entitled to the remedies set forth in the California False Claims Act in addition to all other remedies provided by law. The Design-Builder may be subject to criminal prosecution.

(4) In regard to any Claim or portion of a Claim for Subcontractor or Design Consultant work, the Design-Builder shall fully review said Claim and certify said Claim, under penalty of perjury under the laws of the State of California, to have been made in good faith and in accordance with this Contract.

(5) Failure to furnish certification as required hereinbefore will result in the Design- Builder waiving its rights to the subject the Claim.

4.3.7.3 Content of Written Notice. Design-Builder shall waive all rights to assert a Claim for Additional Cost and/or Time unless such notice is given as required in this Paragraph. The written notice shall set forth:

(1) The date of the event or occurrence giving rise to the claim and, if applicable, the date when the event ceased;

(2) The nature of the event or occurrence and reasons for which the Design-Builder believes additional cost and/or time will or may be due;

(3) The quantification of the costs involved together with the accounting and cost data described in Paragraph 7.4 herein;

(4) A Critical Path Method ("CPM") schedule analysis supporting any request for any additional time; and

(5) Design-Builder's plan for mitigating such costs and/or delay.

Back-up Documentation. In addition to the initial ten (10) day written notice required herein, Design-Builder shall submit detailed backup documentation for its Claim including, but not limited to, contract provisions, specifications, drawings, Request for Information, correspondence, meeting minutes, and the like, within thirty (30) calendar days from Design-Builder's initial written notice. Failure to provide either this backup documentation or an explanation acceptable to the County for the cause of the Design-Builder's delay in submitting this documentation as herein indicated shall constitute Design-Builder's waiver of any and all rights associated with the Claim. Except where provided by law, the County shall not be liable for special or consequential damages, and claims shall not include special or consequential damages.

4.3.7.4 Remedies Related to Delays.

(1) For Claims relating to extensions of Contract Time, due to Compensable County- Caused delays, as described in Article 8 herein, Design-Builder may be entitled to an equitable adjustment of the Contract Sum and Contract Time provided Design-Builder otherwise complies with this Paragraph 4.3.

(2) For Claims relating to extensions of Contract Time due to Non-Compensable Force Majeure events, as described in Article 8 herein, Design-Builder may be entitled to an equitable adjustment of the Contract Time, subject to the limitations set forth in Article 8 below, but shall not be entitled to adjustment of the Contract Sum.

(3) For Claims relating to extensions of the Contract Time due to rain delays/inclement weather, Design-Builder shall not be entitled to adjustment of the Contract Time unless and until the number of unworkable days due to the effects of rain/inclement weather exceed the

number of days set forth in Subparagraph 8.4.1.3 below. In such event, the Contract Time shall be equitably adjusted, but Design-Builder shall not be entitled to adjust of the Contract Sum.

4.4 Dispute Resolution

4.4.1 Claims between the County and the Design-Builder of \$375,000.00 or less shall be resolved in accordance with the procedures established in Part 3, Chapter 1, Article 1.5 of the California Public Contract Code Sections 20104 et seq.; provided however that California Public Contract Code Section 20104.2(a) shall not supersede the requirements of the Contract Documents with respect to the Design-Builder's notification to the County of such claim or extend the time for giving of such notice as provided in the Contract Documents.

4.4.1.1 Pursuant to Assembly Bill 626 (2015-2016 Reg. Sess.) the text of Public Contract Code section 9204 is included as follows:

(a) The Legislature finds and declares that it is in the best interests of the state and its citizens to ensure that all construction business performed on a public works project in the state that is complete and not in dispute is paid in full and in a timely manner.

(b) Notwithstanding any other law, including, but not limited to, Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2, Chapter 10 (commencing with Section 19100) of Part 2, and Article 1.5 (commencing with Section 20104) of Chapter 1 of Part 3, this section shall apply to any claim by a contractor in connection with a public works project.

(c) For the purposes of this section:

(1) "Claim" means a separate demand by a contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) A time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.

(B) Payment by the public entity of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.

(C) Payment of an amount that is disputed by the public entity.

(2) "Contractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who has entered into a direct contract with a public entity for a public works project.

(3) (A) "Public entity" means, without limitation, except as provided in subparagraph (B), a state agency, department, office, division, bureau, board, or commission, the California State University, the University of California, a city, including a charter city, county, including a charter county, city and county, including a charter city and county, district, special district, public authority, political subdivision, public corporation, or nonprofit transit corporation wholly owned by a public agency and formed to carry out the purposes of the public agency.

(B) "Public entity" shall not include the following:

(i) The Department of Water Resources as to any project under the jurisdiction of that department.

(ii) The Department of Transportation as to any project under the jurisdiction of that department.

(iii) The Department of Parks and Recreation as to any project under the jurisdiction of that department.

(iv) The Department of Corrections and Rehabilitation with respect to any project under its jurisdiction pursuant to Chapter 11 (commencing with Section 7000) of Title 7 of Part 3 of the Penal Code.

(v) The Military Department as to any project under the jurisdiction of that department.

(vi) The Department of General Services as to all other projects.

(vii) The High-Speed Rail Authority.

(4) "Public works project" means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

(5) "Subcontractor" means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with a contractor or is a lower tier subcontractor.

(d) (1) (A) Upon receipt of a claim pursuant to this section, the public entity to which the claim applies shall conduct a reasonable review of the claim and, within a period not to exceed 45 days, shall provide the claimant a written statement identifying what portion of the claim is disputed and what portion is undisputed. Upon receipt of a claim, a public entity and a contractor may, by mutual agreement, extend the time period provided in this subdivision.

(B) The claimant shall furnish reasonable documentation to support the claim.

(C) If the public entity needs approval from its governing body to provide the claimant a written statement identifying the disputed portion and the undisputed portion of the claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of a claim sent by registered mail or certified mail, return receipt requested, the public entity shall have up to three days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide the claimant a written statement identifying the disputed portion and the undisputed portion.

(D) Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. If the public entity fails to issue a written statement, paragraph (3) shall apply.

(2) (A) If the claimant disputes the public entity's written response, or if the public entity fails to respond to a claim issued pursuant to this section within the time prescribed, the claimant may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the public entity shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(B) Within 10 business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the public entity shall provide the claimant a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed. Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the public entity issues its written statement. Any disputed portion of the claim, as identified by the contractor in writing, shall be submitted to nonbinding mediation, with the public entity and the claimant sharing the associated costs equally. The public entity and claimant shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

(C) For purposes of this section, mediation includes any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation. Any mediation utilized shall conform to the timeframes in this section.

(D) Unless otherwise agreed to by the public entity and the contractor in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Section 20104.4 to mediate after litigation has been commenced.

(E) This section does not preclude a public entity from requiring arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program, if mediation under this section does not resolve the parties' dispute.

(3) Failure by the public entity to respond to a claim from a contractor within the time periods described in this subdivision or to otherwise meet the time requirements of this section shall result in the claim being deemed rejected in its entirety. A claim that is denied by reason of the public entity's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of the claimant.

(4) Amounts not paid in a timely manner as required by this section shall bear interest at 7 percent per annum.

(5) If a subcontractor or a lower tier subcontractor lacks legal

standing to assert a claim against a public entity because privity of contract does not exist, the contractor may present to the public entity a claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that the contractor present a claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the claim be presented to the public entity shall furnish reasonable documentation to support the claim. Within 45 days of receipt of this written request, the contractor shall notify the subcontractor in writing as to whether the contractor presented the claim to the public entity and, if the original contractor did not present the claim, provide the subcontractor with a statement of the reasons for not having done so.

(e) The text of this section or a summary of it shall be set forth in the plans or specifications for any public works project that may give rise to a claim under this section.

(f) A waiver of the rights granted by this section is void and contrary to public policy, provided, however, that (1) upon receipt of a claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) a public entity may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the provisions of this section, so long as the contractual provisions do not conflict with or otherwise impair the timeframes and procedures set forth in this section.

(g) This section applies to contracts entered into on or after January 1, 2017.

(h) Nothing in this section shall impose liability upon a public entity that makes loans or grants available through a competitive application process, for the failure of an awardee to meet its contractual obligations.

(i) This section shall remain in effect only until January 1, 2020, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2020, deletes or extends that date.

4.4.2 Except as provided for in Subparagraph 4.4.1, any other claims, disputes or other matters in controversy shall be resolved as follows. In lieu of, or prior to litigation, the Parties shall endeavor to settle disputes by mediation in accordance with the Construction Industry Mediation Rules of the American Arbitration Association currently in effect unless the Parties mutually agree otherwise to a different method of alternative dispute resolution. Completion of a mediation or other mutually agreed to alternative dispute resolution is a condition precedent to the commencement of litigation. Mediation shall be non-binding and utilize services of a mediator mutually acceptable to the Parties. If the parties cannot agree, on a mediator, then the American Arbitration Association shall appoint a mediator trained in construction industry disputes.

4.4.3 Any dispute which cannot be resolved between the Parties shall be resolved through litigation in a court of competent jurisdiction of the State of California. Venue for any such litigation concerning this Project or Agreement shall be in the Superior Court of California, County of San Bernardino, San Bernardino District, and Design- Builder agrees to incorporate this provision into all subcontracts. Each Party hereby waives any law or rule of court that would allow them to request or demand a change of venue. If any third party brings an action or claim concerning this Contract, the Parties hereto agree to use their best efforts to obtain a change of venue to the Superior Court of California, County of San Bernardino, San Bernardino District.

5. SUBCONTRACTORS AND DESIGN CONSULTANTS

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5.1 Award of Subcontracts and Other Contracts for Portions of the Work

5.1.1 Subcontractor Listing. The Design-Builder shall list its Subcontractors, and shall make no substitution except in accordance with Public Contract Code Sections 4100 et seq. ("Subcontractor Listing Law"). As required by Public Contract Code Section 22166(b), following the County's approval of the Contract, the Design-Builder shall award construction subcontracts with a value exceeding ½ of 1% of the Contract Sum allocable to construction Work as follows: (1) Provide public notice of the availability of work to be subcontracted in accordance with the publication requirements applicable to the competitive bidding process used by the County, including a fixed date and time when qualification statements, bids or proposals will be due; (2) Establish reasonable qualification criteria and standards; and (3) Award the subcontract either on a best value basis or to the lowest responsible bidder – this process may include prequalification or short-listing and does not apply to construction subcontractors listed in the Design-Builder's Proposal. As soon as practicable after award of the Contract, Design-Builder shall provide County with the description of work, name of Subcontractor, business phone and address and contact person for each Subcontractor performing Work on the Project and shall continuously update the County upon selection of each Subcontractor.

5.1.1.1 Substitution Process. Any request of the Design-Builder to substitute a listed Subcontractor will be considered by the County only if such request is in strict conformity with this Paragraph 5.1 and California Public Contract Code Section 4107. All costs and fees, including all costs of the hearing, incurred by the County in the review and evaluation of a request to substitute a listed Subcontractor shall be borne by the Design-Builder; such costs and fees may be deducted by the County from the Contract Sum then or thereafter due the Design-Builder. For purposes of a hearing for the substitution of subcontractors (pursuant to the Public Contract Code commencing with Section 4100) the awarding authority shall be the Director of the Real Estate Services Department, or his/her designee.

5.1.1.2 Responsibilities of Design-Builder Upon Substitution of Subcontractor. Neither the substitution nor the County's consent to Design-Builder's substitution of a listed Subcontractor shall relieve Design-Builder from its obligation to complete the Work within the Contract Time and for the Contract Sum. In the event that the County determines that revised or additional Submittals are required of the newly substituted Subcontractor, the County shall promptly notify the Design-Builder, in writing, of such requirement and the time for Submittal. In the event that the revised or additional Submittals are not submitted by Design-Builder within the time specified, Design-Builder shall be solely responsible for delays in the Work arising from the untimely Submittal. Design-Builder shall reimburse the County for all fees and costs incurred or associated with the processing, review and evaluation of any revised or additional Submittals required pursuant to this paragraph; the County may deduct such fees and costs from any portion of the Contract Sum then or thereafter due the Design-Builder. In the event that additional or revised Submittals are required pursuant to this paragraph, such requirement shall not result in an increase to the Contract Time or the Contract Sum.

5.2 Design Consultant and Subcontractor Relations

5.2.1 Agreements. By appropriate written agreement, the Design-Builder shall require each Design Consultant and Subcontractor, to the extent of the Work to be performed by the Design Consultant and Subcontractor, to be bound to the Design-Builder by terms of the Contract Documents, and to assume toward the Design-Builder all the obligations and responsibilities, including the responsibility for safety of the Design Consultant or Subcontractor's Work, which the Design-Builder, by Contract Documents, assumes toward the County. Each such agreement shall preserve and protect the rights of the County under the Contract Documents with respect to the Work to be performed by the Design Consultant or Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Design

Consultant or Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies and redress against the Design-Builder that the Design-Builder, by the Contract Documents, has against the County. The Design-Builder shall require each Design Consultant or Subcontractor to enter into similar agreements with their Sub-subcontractors. The Design-Builder shall make available to each proposed Design Consultant or Subcontractor, prior to the execution of the agreement, copies of the Contract Documents to which the Design Consultant or Subcontractor will be bound by this Paragraph. At a minimum, each agreement shall:

(1) Require that the Work being performed pursuant to such agreement, as the case may be, be performed in accordance with the requirements and intent of the Contract Documents and provide no less than five percent (5%) retainage unless otherwise indicated in Agreement between the County and Design-Builder or as authorized under Public Contract Code Section 22167;

(2) Require submission of Applications for Payment in the form required by the Contract Documents, together with invoices and billings supporting such applications and conditional and unconditional lien releases in the form required by the Contract Documents completed by it and by its Sub-Subcontractors as a condition to the disbursement of any progress payment next due and owing to it;

(3) Require the Design Consultant, Subcontractor, Sub-Subcontractor or supplier, as the case may be, to maintain insurance coverage as provided in the Contract Documents and to file required certificates of such coverage and additional insured endorsements with County, and, upon County's request, to provide copies of such insurance policies to County;

(4) Require each Design Consultant, Subcontractor, Sub-Subcontractor, and supplier to furnish to Design-Builder or the applicable Subcontractor, as the case may be, in a timely fashion all information necessary for transmittal of Submittals and the reports required herein;

(5) Require that each Design Consultant, Subcontractor and supplier continue to perform under its subcontract if the Contract is terminated and if County takes an assignment of the subcontract or supply agreement and requests the Subcontractor or supplier to continue such performance;

(6) Require each Design Consultant, Subcontractor, Sub-subcontractor, and supplier to remove all debris created by its activities;

(7) Provide that in the event that County accepts the conditional assignment of the subcontract, County shall only be responsible to the Design Consultant or Subcontractor for those obligations that accrue subsequent to County's acceptance of the assignment; and

(8) Require the Design Consultant or Subcontractor to resolve all disputes involving County according to the dispute resolution procedure established in Paragraph 4.4 herein.

5.2.2 Precedence. If any provision of any Subcontractor supply agreement is inconsistent with any provision of the Contract Documents or the intent of the Contract Documents, then the Contract Documents shall control.

5.2.3 Payments. Design-Builder shall make payment to Subcontractor within seven (7) days of receipt of each progress payment, in accordance with Public Contract Code Section 10262 and Business and Professions Code Section 7108.5. County hereby reserves the right, upon written notice to Design-

Builder, to make, at any time, and from time-to-time, payments directly to each Subcontractor, and, if such rights shall be exercised by County, then such amount shall be credited against the Contract Sum due to Design-Builder hereunder and County shall be relieved and released from the obligation to make such payment to Design-Builder and Design-Builder shall be relieved and released as to County from the obligation to make such payments to each Design Consultant or Subcontractor paid by County, but not from any of the other obligations and responsibilities of Design-Builder to County under the Contract Documents.

5.3 Contingent Assignment of Design Consultant, Subcontractor and Material Supply Agreements

Each Design Consultant, Subcontractor and supplier agreement for a portion of the Work is assigned by the Design- Builder to the County provided that:

(1) Assignment is effective only after termination of the Contract by the County only for those subcontracts which the County accepts by notifying the Design Consultant, Subcontractor or supplier, and Design- Builder in writing;

(2) Assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract; and

(3) Upon exercise of this right of assignment, County has the right to reassign the agreement.

6. CONSTRUCTION BY COUNTY OR BY SEPARATE CONTRACTORS

6.1 County's Right to Perform Construction and to Award Separate Contracts

6.1.1 County's Right to Perform. The County reserves the right to perform construction or operations related to the Project with the County's own forces, and to award separate contracts in connection with other portions of the Project or other construction or operations on the Site. If the Design-Builder claims that delay or additional cost is involved because of such action by the County, the Design-Builder shall make such Claim as provided in Paragraph 4.3 herein.

6.1.2 Interpretation of Contract Documents. When separate contracts are awarded for different portions of the Project or other construction or operations on the Site, the term "contractor" in the Contract Documents in each case shall mean the County's Separate Contractor who executes each Separate Contractor agreement.

6.1.3 Coordination. The County shall provide for coordination of the activities of the County's own forces and of each Separate Contractor with the Work of the Design-Builder, who shall cooperate with them. The Design- Builder shall participate with other Separate Contractors and the County in reviewing their construction schedules when directed to do so. The Design-Builder shall make any revisions to the Construction Schedule deemed necessary after a joint review and mutual agreement. Upon County's written approval, the revised Construction Schedule shall then constitute the schedule to be used by the Design-Builder, Separate Contractors, and the County until subsequently revised and approved by County.

6.2 County's Right to Clean Up

If a dispute arises among the Design-Builder, Separate Contractors, and the County as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the County may clean up and allocate the cost among those responsible.

6.3 Independent Testing

6.3.1 County Testing. The County will employ and pay for services of an independent testing laboratory to perform services specifically required by the governing code authority, and as additionally requested by County.

6.3.2 Design-Builder Duties. The Design-Builder shall:

- (1) Notify the County and the testing laboratory sufficiently in advance of the required test to allow for its assignment of personnel and scheduling of tests;
- (2) Cooperate with testing and inspection personnel, provide access to the work and to off-site fabrication facilities;
- (3) Furnish copies and records of mill test reports;
- (4) Employ and pay for services of the same independent testing laboratory to perform additional inspections, sampling, and testing required when initial tests indicate Work does not comply with Contract requirements;
- (5) Be responsible for all scheduling of inspections and tests; and
- (6) Not proceed with Work requiring inspection if the appropriate inspector is absent.

7. CHANGES IN THE WORK

7.1 General

7.1.1 County's Right to Order Changes. The County, without invalidating the Contract, may authorize changes in the Work consisting of additions, deletions, or other revisions, with the Contract Sum and Contract Time being adjusted accordingly, if necessary. All such changes in the Work shall be authorized by Change Order or Construction Change Directive and Design-Builder shall perform such changes in the Work according to the applicable requirements of the Contract Documents.

7.1.2 Basis for Agreement. A Change Order shall be based upon agreement among the County and Design-Builder. A Construction Change Directive may or may not be agreed to by the Design-Builder.

7.1.3 No Estoppel. Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Design-Builder shall proceed promptly with the change, unless otherwise provided in the Change Order or Construction Change Directive. A change in the Contract Sum or the Contract Time shall be accomplished only by Change Order or Construction Change Directive. Accordingly, no course of conduct or dealings between the Parties, nor express or implied acceptance of alterations or additions to the Work and no Claim that the Contract has

been abandoned or the County has been unjustly enriched by any alteration or addition to the Work shall be the basis of any Claim to an increase in any amounts due under the Contract Documents or a change in any time period provided for in the Contract Documents.

7.2 Change Orders

7.2.1 Computation. Methods used in determining adjustments to the Contract Sum by Change Order may include those listed in Paragraph 7.4 below.

7.2.2 Accord and Satisfaction. Agreement on any Change Order shall be a full compromise and settlement of all adjustments to Contract Time and Contract Sum, and compensation for any and all delay, extended or additional field and home office overhead, disruption, acceleration, inefficiencies, lost labor or equipment productivity, differing site conditions, construction interferences and other extraordinary or consequential damages (hereinafter called "Impacts"), including any ripple or cumulative effect of said Impacts on the overall Work under the Contract arising directly or indirectly from the performance of Work described in the Change Order. By execution of any Change Order, Design-Builder agrees that the Change Order constitutes a complete accord and satisfaction with respect to all claims for schedule extension, Impacts, or any costs of whatsoever nature, character or kind arising out of or incidental to the Change Order. No action, conduct, omission, product failure or course of dealing by the County shall act to waive, modify, change, or alter the requirement that (i) Change Orders must be in writing, signed by the County and Design-Builder and; (ii) that such written Change Orders are the exclusive method for effectuating any change to the Contract Sum and/or Contract Time.

7.3 Construction Change Directives

7.3.1 Use. A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

7.3.2 Duty to Proceed. Upon receipt of a Construction Change Directive, the Design-Builder shall promptly proceed with the Work involved and advise the County of the Design-Builder's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

7.3.3 Disagreement. If the Design-Builder does not promptly indicate its disagreement with the method of pricing provided in the Construction Change Directive, Design-Builder shall be deemed to agree with the method of pricing the change. If the Design-Builder indicates its disagreement with the method of pricing or if no method of pricing is provided in the Construction Change Directive, the increase in cost or credit to the Contract Sum for the change shall be determined by cost in accordance with Subparagraph 7.4.1(3) and the provisions of Subparagraphs 7.4.2, 7.4.3 and 7.4.4 shall apply to the change.

7.3.4 Agreement. A Construction Change Directive is effective immediately whether or not it is signed by the Design-Builder. If the Design-Builder signs a Construction Change Directive such agreement shall be effective immediately and shall be recorded as a Change Order.

7.4 Computation of Cost or Credit for Changes

7.4.1 Cost or Credit. The cost or credit to the County resulting from a change in the Work shall be determined by County by one or more of the following methods:

(1) Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;

(2) Unit prices stated in the Contract Documents or subsequently agreed upon;

(3) By cost, as defined in (a), (b), (c) and (d) below, properly itemized and supported by sufficient substantiating data to permit evaluation, plus agreed markup for overhead and profit as defined in (e) below. Such costs shall be itemized by craft directly allocable to the change in the Work:

(a) Cost of materials, including cost of transportation and delivery;

(b) Cost of labor, including social security, and unemployment insurance, and fringe benefits required by agreement and Workers' Compensation insurance;

(c) Rental value of equipment and machinery, exclusive of hand tools;

(d) Sales tax; insurance; permit costs and bond premiums;

(e) Mark-up to Design-Builder, Subcontractors, and Sub-subcontractor for overhead, profit and other expenses which are not specifically included in (a) through (d) above shall not exceed the following amounts:

(i) If the net cost of changes is less than or equal to \$25,000, the Design- Builder mark-up shall be computed as follows:

a. For changes performed directly by the Design-Builder's forces, the added cost for all expenses, overheads, profit, bond and insurance shall not exceed fifteen percent (15%) of the net cost of the change.

b. For changes performed by a Subcontractor, the cost of combined expenses, overheads, profit, bond and insurance of both the Design-Builder and all Subcontractor(s) and Sub-subcontractor(s) shall not exceed twenty (20%) of the net cost of all Subcontractor performed changes.

(ii) If the net cost of the changes is greater than \$25,000 and less than or equal to \$100,000, the total mark-up shall be computed as follows:

a. For changes performed directly by the Design-Builder's forces the added cost for all expenses, overheads, profit, bond and insurance shall not exceed twelve (12%) of the net cost of the change.

b. For changes performed by a Subcontractor, the cost of combined expenses, overheads, profit, bond and insurance of both the Design-Builder and all Subcontractor(s) and Sub-subcontractor(s) shall not exceed seventeen (17%) of the net cost of all Subcontractor performed changes.

(iii) If the net cost of change is greater than \$100,000, the mark-up shall be computed as follows:

a. For change performed directly by the Design-Builder's forces the added cost for all expenses, overheads, profit, bond and insurance shall not exceed ten percent (10%) of the net cost of the changes.

b. For changes performed by a Subcontractor, the cost of combined expenses, overheads, profit, bond and insurance of both the Design-Builder and all Subcontractor(s) and Sub-subcontractor(s) shall not exceed fifteen (15%) of the net cost of all Subcontractor performed changes.

- (f) Cost of Extra Work shall not include any of the following:
- (i) Superintendent(s)
 - (ii) Assistant Superintendent(s)
 - (iii) Project Engineer(s)
 - (iv) Project Manager(s)
 - (v) Scheduler(s)
 - (vi) Estimator(s)
 - (vii) Incidental Drafting or Detailing
 - (viii) Small tools (Replacement value does not exceed \$300)
 - (ix) Office expenses including staff, materials and supplies
 - (x) On-Site or off-site trailer and storage rental and expenses
 - (xi) Site fencing
 - (xii) Utilities including gas, electric, sewer, water, telephone, facsimile, copier equipment
 - (xiii) Data processing personnel and equipment
 - (xiv) Federal, state, or local business income and franchise taxes

7.4.2 Credits. The amount of credit to be allowed by the Design-Builder to the County for a deletion or change, which results in a net decrease in the Contract Sum, shall be actual net cost as determined herein. The amount of deduct/credit for liquidated damages shall be in accordance with the Agreement. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overheads and profit shall be figured on the basis of net increase/decrease, if any, with respect to that change.

7.4.3 Design-Builder Maintenance of Records. In the event that Design-Builder is directed to perform any changes to the Work, or should Design-Builder encounter conditions which the Design-Builder believes would obligate the County to adjust the Contract Sum and/or the Contract Time, Design-Builder shall maintain detailed records of the cost of such changes on a daily basis. Such records shall include without limitation hourly records for labor and construction equipment and itemized records of materials and equipment used each day in connection with the performance of any change to the Work. In the event that more than one change to the Work is performed by the Design-Builder in a calendar day, Design-Builder shall maintain separate records of labor, construction equipment, materials,

and equipment for each such change. In the event that any Design Consultant, Subcontractor or Sub-subcontractor, of any tier, shall provide or perform any portion of any change to the Work, Design-Builder shall require that each such Design Consultant, Subcontractor and Sub-contractor maintain records in accordance with this Article. Each daily record maintained hereunder shall be signed by Design-Builder's Project Representative; such signature shall be deemed Design-Builder's representation and warranty that all information contained therein is true, accurate, complete, and relates only to the change referenced therein. All records maintained by a Design Consultant, Subcontractor and Sub-subcontractor, of any tier, relating to the costs of a change in the Work shall be signed by such Design Consultant, Subcontractor's authorized Project Manager or Superintendent. Such records shall be forwarded to County's Project Manager on the day the Work is performed (same day) for independent verification. In the event that Design-Builder shall fail or refuse, for any reason, to maintain or make available for inspection, review, and/or reproduction such records, adjustments to the Contract Sum or Contract Time, if any, on account of any change to the Work shall be determined by County which shall be binding upon Design-Builder. Design-Builder's obligation to maintain records hereunder is in addition to, and not in lieu of, any other Design-Builder obligation under the Contract Documents with respect to changes to the Work.

7.4.4 Payment of Undisputed Amounts. Pending final determination of the total cost of a Change, amounts not in dispute for such changes in the Work shall be included in Applications for Payment accompanied by an approved Change Order or Construction Change Directive, indicating the Parties' agreement with part or all of such costs.

7.5 Authority to Approve Changes

7.5.1 County's Project Manager's Authority. The County's Project Manager must authorize any changes in the Work. Such changes shall be effected by written order and shall be binding on the Design-Builder.

7.5.2 Verbal Changes. Any oral order, direction, instruction, interpretation, or determination from the County (collectively "Verbal Change") which, in the opinion of the Design-Builder, causes a Scope Change in the Work, or otherwise requires an adjustment to the Contract Sum or the Contract Time, shall be treated as a Change Order Request only if the Design-Builder gives the County written notice within ten (10) calendar days of the Verbal Change and prior to acting in accordance therewith. Time is of the essence in Design-Builder's written notice pursuant to the preceding sentence, so that the County can promptly investigate and consider alternative measures to address the Verbal Change giving rise to Design-Builder's notice. Accordingly, Design-Builder acknowledges that its failure, for any reason, to give written notice within ten (10) calendar days of such Verbal Change shall be deemed Design-Builder's waiver of any right to assert or Claim any entitlement to an adjustment of the Contract Time or the Contract Sum on account of such Verbal Change. The written notice shall state the date, circumstances, extent of adjustment to the Contract Sum or the Contract Time, if any, requested and the source of the Verbal Change. Any such Verbal Change shall not be treated as a change and the Design-Builder hereby waives any Claim for any adjustment to the Contract Sum or the Contract Time on account thereof.

7.5.3 Unauthorized Work. Any Work performed by the Design-Builder not indicated on the Contract Documents or any changes in the Work performed or provided by the Design-Builder without notice to the County, shall be considered unauthorized by the County and performed at the sole expense of the Design-Builder. Unauthorized work so performed will not be measured or paid for and no extension of Contract Time will be granted on account thereof. Any such unauthorized work may be ordered removed at the Design-Builder's sole cost and expense. The failure of the County to direct or order removal of such unauthorized work shall not constitute acceptance or approval of such work nor relieve the Design-Builder from any liability on account thereof.

7.6 County Originated Proposal Request

County may issue a request, in writing, to Design-Builder, describing a proposed change to the Work and requesting the Design-Builder submit an itemized proposal in a format acceptable to County within ten (10) calendar days after County issues the request. The Design-Builder's proposal shall include an analysis of impacts to cost and time, if any, to perform additional work, or delete Work, as applicable, including the effects and impacts, if any, on unchanged Work, estimates of costs (broken down by the cost categories listed in the Agreement and/or Paragraph 7.4 herein), and Design-Builder's proposed methods to minimize costs, delay, and disruption to the performance of the Work. If Design-Builder fails to submit a written proposal within such period of time, it shall be presumed that the change described in the County's original proposal request will not result in an increase to the Contract Sum or Contract Time and the change shall be performed by Design-Builder without additional compensation. County's proposal request does not authorize the Design-Builder to commence performance of the change, unless otherwise specified in writing. If County desires that the proposed change be performed, the Work shall be authorized according to the Change Order or Construction Change Directive procedures set forth above.

7.7 Design-Builder Originated Change Order Request (COR)

If the Design-Builder alleges that instructions issued by the County after the effective date of the Contract may result in changes to the Contract Sum or Contract Time or if the Design-Builder otherwise becomes aware of the need for or desirability of a change in the Work, Design-Builder may submit a written Change Order Request ("COR") to the County in writing, in a format acceptable to County and in accordance with the notice provisions and other requirements of Paragraph 4.3 above for Claims. The COR must specify the reasons for the proposed change, cost impacts and relevant circumstances and impacts on the Construction Schedule. The document shall be complete in its description of the Work, its material and labor quantities and detail, and must support and justify the Costs and credits claimed by the Design-Builder. A CPM schedule fragment is required to support and justify any additional Time of performance requested by the Design-Builder. The County will not review any COR which is incomplete. The Design-Builder may request additional compensation and/or time through a COR but not for instances that occurred more than ten (10) calendar days prior to the notice date. Design-Builder's failure to initiate a COR within this ten-day period or to provide detailed back-up documentation to substantiate the COR within thirty (30) calendar days of the initial written notice

shall be deemed a waiver of the right to adjustment of the Contract Sum or the Contract Time for the alleged change. Any COR that is approved by the County will be incorporated in a Change Order or Construction Change Directive. If the COR is denied but the Design-Builder believes that it does have merit, the Design-Builder shall proceed with the disputed Work and may submit a Claim in accordance with the procedures set forth herein.

8. SCHEDULE AND EXTENSIONS OF TIME

8.1 Definitions

8.1.1 Contract Time. The Contract Time is the period of time allocated in the Contract Documents from the date of commencement provided in County's Notice to Proceed for Substantial Completion of the Work.

8.1.2 Commencement. The date of commencement of the Work is the date provided in County's Notice to Proceed.

8.1.3 Substantial Completion. The date of Substantial Completion is the date determined by County and certified by the County in accordance with Paragraph 9.6 below and the terms of this Agreement.

8.1.4 Progress and Completion Time is of the Essence. Time limits stated in the Contract

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Documents are of the essence of the Contract. By executing the Agreement and any Modifications relating to Substantial Completion or Contract Time the Design-Builder agrees and confirms that the Contract Time is a reasonable period for performing the Work.

8.1.5 Commencement. The Design-Builder shall not knowingly, except by agreement or instruction of the County in writing, prematurely commence operations on the Site or elsewhere prior to the effective date of insurance required to be furnished by the Design-Builder and County as specified in the Agreement. The Date of Commencement of the Work shall not be changed by the effective date of such insurance.

8.1.6 Completion. The Design-Builder shall proceed expeditiously with adequate labor and supervision to achieve Substantial Completion within the Contract Time.

8.2 Design-Builder's Schedules

8.2.1 Project Schedule. Unless otherwise provided in the Agreement or Technical Specifications, within fourteen (14) calendar days after the Date of Commencement, Design-Builder shall submit a baseline Project Schedule for the Work for comment and approval by County. The baseline Project Schedule shall include, but not be limited to:

(1) A CPM format that incorporates all activities with descriptions, sequence, logic relationships, duration estimates, resource-loading, and other information required for all design, pre-construction and construction activities.

(2) Activities indicating the start and finish dates for preparation of Design Development and Construction Documents, project design, engineering, government agency plan check and the County agency document review.

(3) Activities to be integrated and shown in the CPM network shall include all milestones representing the Design-Builder's submittal dates and activities representing the County's review period of each submittal (which review period shall in no case be scheduled for less than 15 working days); Design-Builder's procurement of materials and equipment; submittals; manufacture and/or fabrication, testing and delivery to the jobsite of special material and major equipment; equipment installation and preliminary, final and performance testing of equipment or systems.

(4) Activities showing the start and finish dates for all temporary works; all construction of mock-ups, and prototypes and/or samples.

(5) Activities showing start and finish dates of owner-furnished items and interface requirement dates with other contractors; regulatory agency approvals; and permits required for the performance of the work.

(6) Activities showing start and finish of tenant programming (as appropriate), modular furniture, tenant improvement work and phased occupancy.

(7) Close-out activities.

(8) The schedule shall consider all foreseeable factors or risks affecting or which may affect the performance of the work, including historical and predicted weather conditions, applicable laws, regulations or collective bargaining agreements pertaining to labor, transportation, traffic, air quality, noise and any other applicable regulatory requirements.

(9) The Design-Builder shall attach a narrative report which explains assumptions used for activity durations, its assumptions regarding crew sizes, equipment requirements and production rates, any potential areas of concern or specific areas requiring coordination it may have identified and any long-lead time materials or equipment.

(10) Time units for all schedules shall be in calendar days, and no construction activity shall have a duration greater than 30 calendar days without County approval.

Upon the County's approval, the Project Schedule shall be deemed to be a Contract Document. Any revisions or updates to the Project Schedule are subject to review and approval by County.

8.2.2 Format. Unless otherwise provided in the Agreement or Technical Specifications, the Project Schedule shall be in a detailed precedence CPM or Primavera-type format satisfactory to the County, which shall also:

(i) provide a graphic representation of all activities and events that will occur during performance of the Work; (ii) identify each phase of design, construction and maintenance; and (iii) set forth dates that are critical in ensuring the timely and orderly completion of the Work in accordance with the requirements of the Contract Documents (hereinafter referred to as Milestone Dates). At a minimum the Project Schedule shall depict the schedule for Work on a discipline by discipline and trade by trade basis and tasks within each discipline and trade. The Project Schedule shall include: (i) a schedule of the Construction Documents issuance dates, including sequentially issued documents for phased construction; (ii) proposed activity sequences and durations; (iii) milestone dates for receipt and approval of pertinent information, including County-supplied information and approvals by public authorities having jurisdiction over the Project; (iv) dates for preparation and processing of Design Development Documents, Construction Documents, Shop Drawings, Product Data, and Samples; (v) dates for delivery of materials or equipment requiring long- lead time procurement; (vi) County's occupancy/use requirements showing portions of the Project having occupancy priority; (vii) the estimated date of Substantial Completion; and (viii) other information reasonably required by County. Upon review and acceptance by the County of the baseline Project Schedule, the baseline Project Schedule shall be deemed part of the Contract Documents. If not accepted, the baseline Project Schedule shall be promptly revised by the Design- Builder in accordance with the recommendations of the County and re-submitted for acceptance.

Updates. With each Application for Payment submitted by Design-Builder (other than the Final Application for Payment), the Design-Builder shall submit to the County an updated Project Schedule revised to include, at a minimum:

- (1) Monthly update/status of electronic database shall include recording of all Actual Start Dates and Actual Finish Dates and status of activities in progress.
- (2) Review of "planned" versus "actual" work force allocations and progress for the preceding month.
- (3) Reviews of revisions, added or deleted work and how those activities are being integrated into the Design-Builder's work plan.
- (4) Review of Design-Builder's interface and coordination with other work on the Project.
- (5) Review of all impacts to the work during the preceding month and to date, Design-

Builder evaluation of those impacts and any recovery plans or remedial actions required to comply with the contract schedule.

If the Design-Builder does not submit an updated Project Schedule with an Application for Payment, County may withhold payment, in whole or in part. In the event any update to the Project Schedule indicates any delays to the Contract Time that are the fault of Design-Builder or others for whom Design-Builder is responsible, the Design-Builder shall propose an affirmative plan to correct the delay, including overtime and/or additional labor, if necessary. In no event shall any Project Schedule Update constitute an adjustment in the Contract Time, any deadline, or the Contract Sum unless any such adjustment is agreed to by the County and authorized pursuant to Change Order or Construction Change Directive.

8.2.3 Extraordinary Measures. In the event the County determines that the performance of the Work has not progressed or reached the level of completion required by the Contract Documents, the County shall have the right to order the Design-Builder to take corrective measures necessary to expedite the progress of construction, including, without limitation, the Extraordinary Measures as provided in Paragraph 2.8 herein.

8.2.4 Early Completion. While the Design-Builder may schedule completion of the Project earlier than the date established by the Contract Documents, no additional compensation shall become due the Design-Builder for the use of float time between the Design-Builder's projected early completion date and the date for Substantial Completion established by the Contract Documents except any bonus or penalty provisions set forth in the Contract Documents, which would take precedence over and supersede this Paragraph.

8.2.5 Schedule of Submittals. Unless otherwise provided in the Agreement or Technical Specifications, within ten (10) calendar days after the Date of Commencement, the Design-Builder shall prepare and keep current, for the County's review and approval, a Schedule of Submittals for Design Development Documents, Construction Documents, Shop Drawings, Product Data, Samples, and similar submittals, coordinated with the baseline Project Schedule and allowing the County reasonable time to review. Design-Builder shall be solely responsible for any delay, disruption, impact, loss of efficiency or other loss, arising directly or indirectly from Design-Builder's failure to manage submittals properly.

8.2.6 Procurement Schedule. Unless otherwise provided in the Agreement or Technical Specifications, within ten (10) calendar days after the Date of Commencement, Design-Builder shall prepare and keep current, for County's approval, a schedule for procurement of materials and equipment which is coordinated with the baseline Project Schedule and allows the County reasonable time to review. Design-Builder is solely responsible for any delay, disruption, impact, loss of efficiency, or other loss arising directly or indirectly from Design-Builder's failure to properly manage procurement of equipment and materials.

8.2.7 Performance. The Design-Builder shall perform the Work in accordance with the most recent Project Schedule and Schedule of Submittals approved by the County. The Design-Builder shall monitor the progress of the Work for conformance with the requirements of the Project Schedule and shall promptly advise the County of any delays or potential delays.

8.3 Delays and Extensions of Time

8.3.1 Non-Compensable Force Majeure Events.

8.3.1.1 Definition. "Force Majeure" shall mean any of the following events, which

materially and adversely affect Design-Builder's obligations hereunder and which event could not have been avoided or prevented by due diligence and use of reasonable efforts by Design-Builder: earthquake, fire, flood, epidemic, blockade, rebellion, war, terrorism, riot, act of sabotage, or civil commotion; industry-wide labor strike which has a material adverse impact on the Project; discovery of any archaeological, paleontological or cultural resources; spill of hazardous substances by a third party at or near the Site which is required to be reported to the Federal or California Environmental Protection Agency, Toxic Substances Control; discovery at, near, or on the Site of any species listed as "threatened" or "endangered" under the Federal or California Endangered Species Act.

8.3.1.2 Remedies. If the critical path of the Work is delayed by Force Majeure events, provided that the aforesaid causes were not foreseeable and did not result from the acts of the Design-Builder, and provided further that the Design-Builder has taken reasonable precautions to prevent further delays owing to such causes, then the Design-Builder may pursue remedies for adjustment of the Contract Time in accordance with Paragraph 4.3 above.

8.3.1.3 Rain Days/Inclement Weather. For purposes of granting time extensions pursuant to this subparagraph and in accordance with the Claims procedures set forth in Paragraph 4.3 herein, resulting from unworkable days due to rain/inclement weather which were not reasonably foreseeable, the Design-Builder and County agree that the impact of rainfall/inclement weather for which the Design-Builder is not entitled to a time extension is a total of ten (10) Work Days per year ("Rain Days"). The Design-Builder shall account for the above number of Work Days for which the effects of rainfall/inclement weather are expected to prevent Work in the Construction Schedule as set forth in Subparagraph 8.3 herein and shall obtain County's approval of Design-Builder's use of each Rain Day before requesting extension of the Contract Time.

8.3.2 Compensable County-Caused Delays. If the date for Substantial Completion of the Work is delayed as a result of the wrongful acts or negligence of the County or anyone for whom County is legally liable and the delays are unforeseeable and are unreasonable under the circumstances involved, the Design-Builder shall be entitled to an equitable adjustment of the Contract Time and/or compensation for reasonable additional costs directly resulting from such delays. County agrees to pay Design-Builder \$1,000 per day for each calendar day that Substantial Completion is delayed due to County-Caused Delays as described in this paragraph provided Design-Builder complies with the notice and procedural requirements of Articles 4 and 7 herein. Such compensable delay reimbursement costs payable to the Design-Builder shall constitute the Design-Builder's exclusive compensation covering all direct and indirect costs, expenses and damages of whatsoever nature (including, but not limited to, home office overhead, extended or added site overheads, productivity losses or inefficiencies, supervision, labor, material, equipment, insurance, taxes, bonds and profit) due to compensable delay(s) that are incurred by Design-Builder and its subcontractors and subconsultants of every tier. No other compensation to Design-Builder for costs, expenses or damages associated with delay shall be permitted.

8.3.3 Concurrent Delays. To the extent the Design-Builder is entitled to an extension of time due to an excusable delay, but the performance of the critical path of the Work would have been otherwise suspended, delayed, or interrupted by the fault or neglect of the Design-Builder or by an unexcusable delay, the Design-Builder shall not be entitled to any additional cost during the period of such concurrent delay.

8.3.4 Float. Critical Work activities are defined as Work activities which, if delayed or extended, will delay the scheduled completion of the milestones and/or time of completion. All other Work activities are defined as non-critical Work activities and are considered to have float. Float is defined as the time that a non-critical Work activity can be delayed or extended without delaying the scheduled completion of the milestones and/or time of completion. Float is considered a Project resource available to either party or

both parties as needed. Once identified, Design- Builder shall monitor, account for, and maintain float in accordance with Critical Path Methodology.

Delays of any non-critical Work shall not be the basis for an extension of Contract Time until the delays consume all float associated with that non-critical Work activity and cause the Work activity to become critical.

It is acknowledged that County-caused time savings (i.e., critical path submittal reviews returned in less time than allowed by the Contract Documents, approval of substitution requests which result in a savings of time for Design- Builder, etc.) create shared float. Accordingly, County-caused delays may be offset by County-caused time savings.

8.3.5 Shortage of Materials. An extension of time will not be granted by the County for a delay caused by a shortage of materials, except County-furnished materials, unless the Design-Builder furnishes to the County documented proof that the Design-Builder has made every effort to obtain such materials from every known source within reasonable reach of the Work. The Design-Builder shall also submit proof, in the form of network analysis data that the inability to obtain such materials when originally planned did, in fact, cause a delay in Final Completion of the Work which could not be compensated for by revising the sequence of operations. County will consider only the physical shortage of material as a cause for extension of time. The County will not consider any claim that material could not be obtained at a reasonable, practical, or economical cost, unless it is shown to the satisfaction of the County that such material could have been obtained only at exorbitant prices, entirely inconsistent with current rates taking into account the quantities involved and the usual practices in obtaining such quantities and that such fact could not have been known or anticipated at the time the Contract was entered into.

8.3.6 Utility and Agency Delays. Design-Builder is aware that governmental agencies, gas companies, electrical utility companies, water districts, and other utilities and agencies may be required to approve Design-Builder prepared drawings or approve a proposed installation. Design-Builder has endeavored and will continue to use its best efforts to include the cost of such anticipated delays and related costs which may be caused by such utilities and agencies in the Contract Sum. Thus, Design-Builder is not entitled to make claim upon the County for damages or delays arising from the delays caused by such utilities and agencies. Furthermore, the Design-Builder has included time periods for such governmental approval in the Project Schedule and is not entitled to an extension of time for delays caused by governmental agencies from which Design-Builder must obtain approvals. The Design-Builder will be entitled to an extension of Contract Time, but not an addition to the Contract Sum, for delays caused by submittal review time and/or non-response from governmental agencies and/or utility companies, for delays that exceed the allotted time identified and agreed upon for agency submittal review in the contract schedule, delays that are not a direct result of the Design-Builder's actions or inactions, and for delays that are outside of the Design-Builder's control. The Design-Builder is to notify the County of any claim for the review agency delay per Article 4 of the General Conditions.

8.3.7 Design-Builder Fault. No extension of time will be granted under this Article 8 for any delay to the extent: (i) that performance was so delayed by any Design-Builder induced causes, including but not limited to the fault or negligence of the Design-Builder or its Consultants or Subcontractors; or (ii) for which any remedies are provided for or excluded by any other provision of the Contract.

8.3.8 Contract Modification. A Change Order or Construction Change Directive will be issued by the County to the Design-Builder within a reasonable period of time after approval of a request for extension of time, specifying the number of days allowed, if any, and the new date or number of calendar days after the date of commencement for completion of the Work or specified portions of the Work.

8.3.9 No Release of Surety. An extension of time granted shall not release the Design-Builder's surety from its obligations. Work shall continue and be carried on in accordance with all the provisions of the Contract and said Contract shall be and shall remain in full force and effect during the continuance and until the completion and Final Acceptance of the Work covered by the Contract unless formally suspended or annulled in accordance with the terms of the Contract.

8.3.10 No Waiver. Neither the grant of an extension of time beyond the date fixed for Substantial Completion of the Work, nor the performance and acceptance of any part of the Work or materials specified by the Contract after the time specified for Substantial Completion of the Work, shall be deemed to be a grant of any future extensions, a waiver by the County of the County's right to abrogate this Contract for abandonment or failure to complete within the time specified, or to impose and deduct damages as may be provided in the Contract Documents.

8.4 Liquidated Damages

8.4.1 County and Design-Builder recognize that time is of the essence in this Agreement and that the County may suffer financial loss in the form of lost grant funds, additional contract administration expenses, loss of public use if the Work is not completed within the Contract Time, including any extensions thereof allowed in accordance with the Contract Documents.

8.4.2 Design-Builder and County agree to liquidate damages with respect to Design-Builder's failure to achieve Substantial Completion of the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Design-Builder acknowledges and agrees that the liquidated damages are intended to compensate County solely for Design-Builder's failure to meet the deadline for Substantial Completion and shall not excuse Design-Builder from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

8.4.3 In the event that Design-Builder fails to achieve Substantial Completion of the Work within the Contract Time, Design-Builder agrees to pay County two thousand five hundred dollars (\$1,000.00) per day for each calendar day that Substantial Completion is delayed.

8.4.4 Design-Builder acknowledges and agrees that the foregoing liquidated damages have been set based on an evaluation by County of damages that it will incur in the event of the late completion of the Work. Design-Builder and County agree that because of the nature of the Project it would be impractical or extremely difficult to fix the amount of actual damages incurred by the County due to a delay in completion of the Work. Accordingly, the County and Design-Builder have agreed to such liquidated damages to fix Design-Builder's costs and to avoid later disputes. It is understood and agreed by Design-Builder that any liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the effective date of this Agreement.

8.4.5 It is further mutually agreed that County shall have the right to deduct liquidated damages against progress payments or retainage and that the County will issue a unilateral Construction Change Directive and reduce the Contract Sum accordingly. In the event the remaining unpaid Contract Sum is insufficient to cover the full amount of liquidated damages, Design-Builder shall pay the difference to County.

9. PAYMENTS AND COMPLETION

9.1 Contract Sum

The Contract Sum, including authorized adjustments, is the total maximum amount payable by the County to the Design-Builder for performance of the Work under the Contract Documents.

9.2 Schedule of Values

Within fourteen (14) calendar days after the Date of Commencement, Design-Builder shall submit to the County a Schedule of Values allocated to various portions of the Work. The Schedule of Values shall be approved by the County in writing. The Schedule of Values shall be prepared in such a manner that each major item of Work assigned to Design-Builder and to each separate Design Consultant and Subcontractor is shown as a single line item on AIA Document G703 (or other form as required by County) and supported by such data to substantiate its accuracy as the County may require. The approved Schedule of Values shall be used as a basis for reviewing the Design-Builder's Applications for Payment.

9.3 Applications for Payment

9.3.1 Applications for Payment. The Design-Builder shall submit to the County an itemized Application for Payment, utilizing a form approved in writing by the County, for operations completed in accordance with the Schedule of Values and the payment provisions of the Agreement. Such Application shall be notarized, if required by County, and supported by such data substantiating the Design-Builder's right to payment as the County or County may require, including copies of requisitions from Subcontractors and Suppliers.

9.3.1.1 Payment will be made on valuation of Work done as of the twenty-fifth of each month, and such application shall be submitted approximately five (5) days before the end of the month.

9.3.2 Based on California Public Contract Code Section 20104.50 and the Contract Documents, each Application for Payment shall be reviewed by the County as soon as practicable after receipt for the purpose of determining that the payment request is proper. Any Application for Payment determined not to be suitable for payment shall be returned to Design-Builder not later than seven (7) calendar days after receipt. Any returned Application for Payment shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper. The County shall make any progress payment within 30 days after receipt of an undisputed and properly submitted Application for Payment from the Design-Builder. If the County fails to make the payment in a timely fashion, then the County shall pay interest to the Design-Builder equivalent to the legal rate set forth in Section 685.010(a) of the Code of Civil Procedure. The number of days available to the County to make payment without incurring interest shall be reduced by the number of days by which the County exceeds the seven-day return requirement set forth herein.

9.3.2.1 As provided in Article 7 herein, such Applications for Payment may include requests for payment on account of changes in the Work which have been properly authorized by Construction Change Directives but not yet included in Change Orders.

9.3.2.2 Such Applications for Payment shall not include requests for payment of amounts the Design-Builder does not intend to pay to a Design Consultant, Subcontractor or material supplier because of a dispute or other reason, or as to which an appropriate conditional or unconditional waiver and release of rights upon payment has not been provided.

9.3.3 Documentation. As a condition precedent to County's monthly progress payment to Design-

Builder, Design-Builder shall submit with each Application for Payment the following documentation:

- (1) Updated Schedules of Values, invoices and requisitions from all Subcontractors, Sub-subcontractors and suppliers performing Work covered by the Application for Payment;
- (2) Completed and executed form of conditional waiver and release of rights upon progress payment in accordance with California Civil Code Section 8132, from Design-Builder and its Subcontractors covering the amount of the current Application for Payment;
- (3) Completed and executed forms of unconditional waiver and release of rights upon progress payment in accordance with California Civil Code Section 8134, from Design-Builder and its Subcontractors covering the amount of the previous Application for Payment (but no later than two months prior to the current Application for Payment);
- (4) Certification from Contractor-retained or Subcontractor-retained design subconsultants that, based upon their on-site observations, the Design-Build Work has progressed as indicated in Design-Builder's Application for Payment, and has been installed in accordance with the design documents prepared by such design subconsultant;
- (5) At its sole discretion, the County reserves the right to request (i) an executed subcontract including bonds, insurance, certificates, and endorsements and all other exhibits and attachments for each item of material, labor and service for which a disbursement has been requested and (ii) certifications from each Subcontractor and Sub-subcontractor of any tier, that each is current in the payment of any supplemental fringe benefits required pursuant to any collective bargaining agreement to which any such Subcontractor or Sub-subcontractor is a Party or is otherwise bound; and
- (6) Such other documentation as the County may reasonably request.

Any Payment made by County to Design-Builder in the absence of any of the preceding documents in no way relieves the Design-Builder from providing all these documents for the current and/or any future payment.

9.3.3.1 As a further condition precedent County's obligation to make monthly progress payment to Design-Builder, Design-Builder must be current in its submittal of documentation required by the Contract Documents including, but not limited to the following:

- (1) A Subcontractor Procurement Log listing executed subcontracts including bonds, insurance, certificates, and endorsements and all other exhibits and attachments for each item of material, labor and service for which a disbursement has been requested;
- (2) Log of all licenses, leases, permits, approvals and agreements relating to the construction of the Project;
- (3) Design-Builder's daily logs;
- (4) Record Documents and As-Built Drawings and Specifications updated with current Project information as described in Subparagraph 3.10.1 above;
- (5) Updated Project Schedule;

- (6) RFI Log;
- (7) Change Order Request Log and Change Order Log, including a list of any Change Orders and Construction Change Directives, contemplated or under negotiation at the date of such payment request, the status, and a rough order of magnitude cost for each such change;
- (8) Certified Payrolls for the time period covered in the Application for Payment.

Any payment made by County to Design-Builder in the absence of any of the preceding documents in no way relieves the Design-Builder from providing all these documents for the current and/or any future Payment.

9.3.4 Initial Payment Application. Design-Builder shall ensure that all administrative actions, submittals, payment procedures and requirements set forth in the Contract Documents for the first Application for Payment must precede or coincide with the initial Application for Payment, including:

- (1) A description of the types of Work and the amounts thereof to be provided by the Design- Builder (as opposed to the Design Consultants or Subcontractors);
- (2) A list of Design Consultants, Subcontractors, principal suppliers and fabricators;
- (3) A Submittal Schedule;
- (4) Copies of all necessary permits;
- (5) All insurance certificates and endorsements for Design-Builder, Design Consultants and all Subcontractors are in place;
- (6) Payment and Performance Bonds for Design-Builder and Subcontractors, as applicable, are in place; and
- (7) Job signs have been installed.

9.3.5 Payment to Design Consultants and Subcontractors. Within ten (10) calendar days of Design- Builder's receipt of payment from County for Work performed by a Design Consultant or Subcontractor, the Design- Builder shall pay all Design Consultants and Subcontractors for and on account of Work of the Contract performed by each. The Design-Builder shall by appropriate agreement with each Design Consultant, Subcontractor and Supplier, require each Subcontractor to make payments to Sub-subcontractor in a similar manner. The County will, on request, furnish to a Design Consultant, Subcontractor, Sub-subcontractor, or supplier, if practicable, information regarding percentages of completion or amounts applied for by the Design-Builder and action taken thereon by the County and Design-Builder on account of portions of the Work done by each. Pursuant to Public Contract Code Section 22167 in a contract between the Design Builder and a Design Consultant or Subcontractor, or between a Subcontractor and Sub-Subcontractor, the percentage of the retention proceeds withheld may not exceed the percentage specified in the Agreement between the County and Design-Builder. If the Design-Builder provides written notice to any Subcontractor, prior to or at the time the bid is requested, that a performance and payment bond may be required and the Subcontractor subsequently is unable or refuses to furnish a bond to Design-Builder, then the Design-Builder may withhold retention proceeds in excess of the percentage specified in the Agreement between the County and Design- Builder from any

payment made by the Design-Builder to the Subcontractor.

9.3.6 Substantial Completion Payment Application. Following issuance of the Certificate of Substantial Completion by the County's Project Manager and approval thereof by County, the Design-Builder shall submit an Application for Payment at Substantial Completion. In addition to submittals required for all applications for progress payments, the Design-Builder shall complete the following administrative actions and submittals, all of which shall precede or coincide with this application:

- (1) List all incomplete items of Work and the value of each item of incomplete Work;
- (2) Obtain and submit all documentation necessary to enable the County's full and unrestricted use of the Work or portions thereof, and access to services and utilities, and to supply any change-over information necessary to the County's occupancy, use, operation, and maintenance;
- (3) Discontinue and remove temporary facilities and services from the Site, along with construction tools and facilities, forms, and similar items except for Design-Builder's field office;
- (4) Obtain all temporary occupancy permits and similar approvals for the use of the facilities;
- (5) Inspect, test, and adjust performance of every system of facility of the Work to ensure that overall performance is in compliance with terms of the Contract Documents;
- (6) Submit a report of such test results to the County;
- (7) Provide instruction for the County's operating personnel on systems and equipment operational requirements;
- (8) Report performance of completed installations after adjustment that appear unable to comply with the requirements of the Contract Documents; and
- (9) Submit the operating manual(s) for operating and maintaining the building.

9.3.7 Warranty of Title. The Design-Builder warrants that title to all Work covered by an Application for Payment will pass to the County no later than the time of payment. The Design-Builder further warrants that upon submittal of an Application for Payment all Work for which Applications for Payment have been previously issued and payments received from the County shall, to the best of the Design-Builder's knowledge, information, and belief, be free and clear of liens, stop notices, claims, security interests, or encumbrances in favor of the Design-Builder, Design Consultants, Subcontractors, Sub-subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided labor, materials, and/or equipment relating to the Work. This provision shall not relieve the Design-Builder from the responsibility for materials and Work upon which payments have been made, the restoration of damaged Work, or waive the right of the County to require the fulfillment of the terms of the Contract.

9.3.8 Equipment or Materials. If, during the progress of the Work, the Design-Builder, with the written approval of the County, purchases and stores in an approved manner on the Site any equipment or materials required to complete the Work prior to the normal need of such equipment or materials, Design-Builder will be paid on the same basis as provided in Paragraph 9.3, except that the value of such materials or equipment shall be claimed as a separate item and so reported until it shall have been incorporated in the Work. County will not pay for the materials or equipment at the time they are ordered and will not pay for

materials or equipment until they are delivered to the Site.

9.3.8.1 If required by the County, such payments shall be conditionals upon submission by the Design-Builder of bills of sale, or such procedure as will establish the County Title to such equipment or materials, or otherwise adequately protect the County's interests.

9.3.8.2 Any equipment or materials stored and paid for by the County prior to being incorporate in the Work shall not be used for any other purpose and shall not be removed from the Site.

9.4 Decisions to Withhold Payment

9.4.1 Basis for Decision to Withhold. The County's Project Manager may withhold payment in whole or in part, to the extent reasonably necessary to protect the County. If the County's Project Manager is unable to approve payment in the amount of the Design-Builder's Application for Payment, the County's Project Manager will notify the Design-Builder of the reasons for failing to approve the payment. If the Design-Builder and County's Project Manager cannot agree on a revised amount, the County's Project Manager will promptly issue payment for the amount for which the County's Project Manager is able to make such representations to the County. The County's Project Manager may refuse to make payment or, because of subsequently discovered evidence, the County's Project Manager or the County may nullify the whole or a part of a payment previously issued, to such extent as may be necessary in the County's Project Manager's opinion to protect the County from loss for which the Design-Builder is responsible, including loss resulting from acts and omissions described in Subparagraph 3.3.2 and 3.18.1 or because of:

- (1) Defective work not remedied;
- (2) Third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the County is provided by the Design-Builder;
- (3) Failure of the Design-Builder to make payments properly to Design Consultants, Subcontractors or suppliers for labor, materials, services or equipment;
- (4) Reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- (5) Damage to the County or another contractor;
- (6) Reasonable evidence that the Work will not be completed within the Contract Time;
- (7) Persistent failure to carry out the Work in accordance with the Contract Documents;
- (8) Liquidated damages, if any, which accrued as of the date of the Application for Payment;
- (9) Such other sum as the County is entitled to recover from the Design-Builder; and
- (10) Contractor's failure to timely submit:
 - (a) Daily logs;
 - (b) Certification from County and Design-Builder that Record Documents and

As-Built Drawings and Specifications have been updated with current Project information as described in Paragraph 3.10 above;

- (c) Updated Construction Schedule;
- (d) RFI logs;
- (e) Change Order Log; and
- (f) Certifications from each Subcontractor and Sub-subcontractor of any tier, that each is current in the payment of any supplemental fringe benefits required pursuant to any collective bargaining agreement to which any such Subcontractor is a Party or is otherwise bound.

9.4.2 Withhold for Disputes. In the event of a dispute between County and Design-Builder, the County may withhold from payments an amount not to exceed 150% of the disputed amount. When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

9.4.3 Withhold for Stop Notice Claims.

9.4.3.1 If at any time there shall be evidence of the existence, whether or not same has been asserted, of any stop notice, or claim arising out of or in connection with the performance or default in performance of this Contract or any subcontract or supply contract entered into by Design-Builder to perform this Contract, and if the County might become liable for the discharge of or satisfaction of such stop notice or claim, then the County shall have the right to retain out of any payment then due or thereafter to become due, in addition to the amounts set forth above, an amount sufficient to discharge such stop notice or satisfy such claim and to reimburse the County and the Project Manager(s) of the County for all costs and expenses in connection therewith, including attorneys' fees. Further, the County, in its sole discretion, shall have the right to discharge or satisfy such stop notice or claim and pay all costs and expenses in connection therewith if the Design-Builder does not have such stop notice or claim discharged or satisfied within ten (10) calendar days after receiving notice to remove the stop notice or claim from County or unless some other procedure for discharge or satisfaction of such claim is agreed between County and Design-Builder. If the amounts retained are insufficient for the aforesaid purposes, or if such stop notice or claim remains undischarged or unsatisfied after all payments have been made to the Design-Builder, then the Design-Builder shall refund to the County all monies that may have been paid to discharge such stop notice or satisfy such claims, including the costs, expenses, and attorney's fees in connection therewith.

9.4.3.2 The County shall release any payments withheld due to a stop notice claim if the Design-Builder obtains a release bond that is: (i) issued by a surety acceptable to County admitted to issue surety bonds by the California Department of Insurance in the State of the Project; (ii) is in form and substance satisfactory to the County; and (iii) is in an amount of not less than 125% of the amount of any stop notice claim.

9.5 Progress Payments

9.5.1 County Payments to Design-Builder. After the County's Project Manager has issued a Certificate for Payment, the County, subject to its rights under Paragraph 9.5 herein, shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the County's Project Manager.

9.5.2 Joint Checks or Direct Payments. Neither the County nor County's Project Manager shall have an obligation to pay or to see to the payment of money to a Subcontractor except as may otherwise be required by law. County, however, reserves the right, in its sole discretion for reasonable cause, to make payments to Design-Builder in the form of checks payable jointly to Design-Builder and to any of Design-Builder's Subcontractors or suppliers or, upon notice to Design-Builder with the opportunity to object, payments directly to design consultants, Subcontractors and suppliers, in satisfaction of County's obligation to make payments to Design-Builder.

9.5.3 Payment Not Acceptance of Work. A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the County shall not constitute acceptance of Work not in accordance with the Contract Documents.

9.5.4 From each progress payment, five percent (5%) will be deducted and retained by the County and the remainder, less the amount of all previous payments and less the amounts needed to satisfy outstanding stop notices, will be paid to the Design-Builder. The Design-Builder may, at the Design-Builder's sole cost and expense, substitute securities equivalent to any monies withheld by the County to insure performance under this Contract. Such security shall be deposited with the County or a state or federally chartered bank as escrow agent, who shall pay such monies to the Design-Builder upon satisfactory completion of the Contract. The Design-Builder shall be the beneficiary of any security substituted for monies withheld and shall receive any accrued interest thereon. Securities eligible for investment shall include those listed in Government Code Section 16430 or bank or savings and loan certificates of deposit. No such substitution shall be accepted until the Escrow Agreement, Forms of Security and any other document related to said substitution is reviewed and found acceptable by the County, nor unless the Design-Builder shall have notified the County of its intention to substitute securities for retainage within ten (10) days of the signing of the Agreement. All substitutions requests must comply with Public Contract Code Section 22300.

9.6 Substantial Completion

9.6.1 Design-Builder Request for Inspection and Punch List. When the Design-Builder considers that the Work is substantially complete, the Design-Builder shall prepare and submit to the County's Project Manager and County a request for such inspection a comprehensive Punch List of items to be completed or corrected prior to Final Payment. Failure to include an item on such Punch List does not alter the responsibility of the Design-Builder to complete all Work in accordance with the Contract Documents.

9.6.2 County Inspection. Upon receipt of the Design-Builder's Punch List, the County's Project Manager will make an inspection to determine whether the Work or designated portion thereof is Substantially Complete. If the inspection discloses any item, whether or not included on the Design-Builder's Punch List, which is not sufficiently complete in accordance with the Contract Documents so that the County can occupy or utilize the Work or designated portion thereof for its intended use, the Design-Builder shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by County. In such case, the Design-Builder shall then submit a request for another inspection by County to determine Substantial Completion.

9.6.3 Certificate of Substantial Completion. When the Work or designated portion thereof is substantially complete, the County's Project Manager will prepare a Certificate of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the County and Design-Builder for security, maintenance, heat, utilities, damage to the Work, and insurance, and shall fix the time within which the Design-Builder shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion

of all Work.

9.6.4 County's Acceptance. The Certificate of Substantial Completion prepared by County's Project Manager shall be submitted to the Design-Builder for written acceptance of responsibilities assigned to Design-Builder and County in such Certificate. Upon such acceptance and consent of surety, provided the requirements for Substantial Completion Payment set forth in the Agreement are met, the County shall make payment to the Design-Builder for the cost of undisputed Work in place. County, however, shall be entitled to withhold retainage equaling 150% of the estimated cost of the following items until Final Completion:

- (1) Punch list items;
- (2) All items necessary to obtain the Final Certificate of Occupancy identified in the Contract Documents as the Work of Design-Builder;
- (3) As-Built and Record Documents;
- (4) Potential stop notice claims of individuals or entities who have not provided Conditional Waivers and Releases Upon final Payment; and
- (5) Any Claims the County may have against the Design-Builder.

If the Design-Builder has not completed all items enumerated above within thirty (30) calendar days after the issuance of the Certificate of Substantial Completion, the County shall have the right to demand completion or correction of the items within a 48-hour period. If the Design-Builder does not commence the requested Work within the 48-hour period or provide County with written notice of a legitimate reason why Design-Builder is not able to commence the Work within the 48-hour period, the County shall have the unilateral right to complete the Work and deduct the cost of completion of the Work from any money held pending Final Completion.

9.7 Partial Occupancy or Use

9.7.1 County's Rights and Allocation of Responsibility. The County may occupy or use any completed or partially completed portion of the Work at any stage provided such occupancy or use is consented to by the insurer providing builder's risk property insurance to the Project and is not prohibited by the applicable legal requirements. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the County and Design-Builder have agreed in writing as to the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Work, and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Contract Documents. When the Design-Builder considers a portion substantially complete, the Design-Builder shall prepare and submit a list to County and County's Project Manager as provided under Subparagraph 9.7.2. Consent of the Design-Builder to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Work shall be determined by written agreement between the County and Design-Builder.

9.7.2 Joint Inspection. Immediately prior to such partial occupancy or use, the County, Design-Builder and County's Project Manager shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

9.7.3 No Acceptance. Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the

Contract Documents.

9.7.4 Conditions. The Design-Builder agrees to County's use and partial occupancy of a portion or unit of the Project before formal acceptance by the County under the following conditions:

(1) Occupancy by the County shall not be construed by the Design-Builder as being an acceptance by County of that part of the Project to be occupied;

(2) Design-Builder shall not be held responsible for any damage to the occupied part of the Project resulting solely from the County's occupancy;

(3) Occupancy by the County shall not be deemed to constitute a waiver of existing claims on behalf of the County or Design-Builder against each other;

(4) If the Project consists of more than one building, and one of the buildings is to be occupied, the County, prior to occupancy of the building, shall secure permanent property insurance on the building to be occupied and any necessary partial occupancy permits from the governmental agencies in jurisdiction. Final approval and occupancy permits from agencies in jurisdiction are still the responsibility of the Design-Builder, which may be required for use and occupancy;

(5) Design-Builder shall make available in the areas occupied, on a 24-hour day and seven- day week basis if required, any utility services, heating, and cooling as are in condition to be put in operation at the time of early occupancy. All responsibility for the operation and maintenance of said equipment shall remain with the Design-Builder while it is so operated. However, an itemized list of each piece of equipment so operated, with the date operation commences, shall be made and certified by the County's Project Manager. This list shall be the basis for the commencement of guarantee periods on the equipment being operated for the benefit of the County's early occupancy. The County shall pay for all utility costs and operational expenses which arise out of the occupancy by the County during construction;

(6) County's use and partial occupancy prior to Project acceptance does not relieve the Design- Builder of his responsibility to maintain all insurance and bonds required of the Design-Builder under the Contract until the Project is complete and the Notice of Completion is recorded by the County; and

(7) If time and/or costs are impacted by County's partial occupancy or use, Design-Builder may submit a Claim for such financial and/or Schedule impact in accordance with Article 4.

9.8 Final Completion and Final Payment

9.8.1 Inspection. Upon receipt of written notice that the Work is ready for final inspection and acceptance and upon receipt of a Final Application for Payment, the County's Project Manager will promptly make such inspection and, when the County finds the Work acceptable under the Contract Documents and the Contract fully performed, the County's Project Manager will promptly issue a final Certificate for Payment stating that to the best of the County's Project Manager's knowledge, information and belief, and on the basis of the County's Project Manager's on-site visits and inspections, the Work has been fully and satisfactorily completed in strict compliance with the Contract Documents and that the entire balance found to be due the Design-Builder and noted in the final Certificate is due and payable. The County's Project Manager's Final Certificate for Payment will constitute a further representation that conditions listed in Subparagraph 9.8.2 as precedent to the Design-Builder's being entitled to Final Payment have been

fulfilled.

9.8.2 Documentation. In addition to the requirements for Final Payment set forth in the other Contract Documents, the Final Payment shall not become due until (i) Design-Builder has fully performed the Contract, including all Punch List work; (ii) a Final Certificate of Occupancy (or equivalent inspection sign-off) has been issued (unless failure to issue is due to circumstances beyond the control of Design-Builder); (iii) sixty (60) calendar days have elapsed since County's recordation of a Notice of Completion; and (iii) Design-Builder has submitted to the County:

- (1) A full, complete and proper Final Application for Payment;
- (2) A current Sworn Statement from the Design-Builder setting forth all Subcontractors and material suppliers with whom Design-Builder has subcontracted, the amount of each subcontract, the amount requested for each Design Consultant, Subcontractor and supplier in the, payment application, and the balance remaining on the subcontract that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the County or the County's property might be responsible or encumbered (less amounts withheld by County) have been paid or otherwise satisfied;
- (3) A current Sworn Statement from each Design Consultant and Subcontractor setting forth all Sub-subcontractors and material suppliers with whom Subcontractor has subcontracted, the amount of each sub- subcontract, the amount requested for each Sub-subcontractor and supplier in the payment application, and the balance remaining on the subcontract that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the County or the County's property might be responsible or encumbered (less amounts withheld by County) have been paid or otherwise satisfied;
- (4) Completed and executed forms of conditional waiver and release of rights upon final payment in accordance with California Civil Code Section 8136 from Design-Builder and all persons eligible to record mechanics' liens and file stop notices in connection with the Work, covering the final payment period;
- (5) Completed and executed forms of unconditional waiver and release of rights upon progress payment in accordance with California Civil Code Section 8138 from Design-Builder and all persons eligible to record mechanics' liens and file stop notices in connection with the Work, covering the previous payment period;
- (6) Completed and executed affidavits from Design-Builder, Design Consultants and Subcontractors, attaching certificates and endorsements evidencing that insurance required by the Contract Documents to remain in force after Final Payment, if any, is currently in effect and will not be canceled or allowed to expire until at least 30 days prior written notice has been given to the County;
- (7) A written statement that the Design-Builder knows of no substantial reason that the insurance will not be renewable to cover the period required by the Contract Documents;
- (8) Consent of surety(ies) to Final Payment;
- (9) Design-Builder's written assurance that identified corrective work not complete and accepted will be completed by a stated date agreeable to County;
- (10) The required Record Documents and As-Built Construction Documents including,

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but not limited to, shop drawings and other submittals;

(11) Reasonable proof that taxes, fees and similar obligations of Design-Builder have been paid;

(12) A certificate in form and substance acceptable to County and signed by the County's Project Manager certifying that, to the best of its knowledge, the Work has been completed in accordance with the Contract Documents, all applicable laws and restrictions; that the Work, as completed, complies in all material respects with all applicable zoning, environmental, building, and land use laws which apply to the Project; that to the knowledge of the County's Project Manager, no governmental entity has issued any notice of violation or nonconformity in connection with the improvements; that direct connection has been made to all abutting gas, sewer, telephone, and electrical facilities necessary for occupancy and use of the Project; and that the Project is ready for occupancy/use.

(13) A certificate in form and substance acceptable to County signed by the Design-Builder's Design Consultants certifying that, to the best of their knowledge, that such Work has been completed in accordance with the Contract Documents, all Applicable Laws, and restrictions;

(14) All warranties from vendors and Subcontractors, maintenance manuals, instructions and related agreements, equipment certifications and similar documents, and maintenance and operating instructions, which shall include:

- (a) Schematic piping and wiring diagrams;
- (b) Valve charts and schedules;
- (c) Electrical panel schedules complete and posted in panels;
- (d) Lubrication charts and schedules;
- (e) Guides for troubleshooting;
- (f) Pertinent diagrams of equipment with main parts designated for identification;
- (g) Manufacturer's data and capacity data on all equipment;
- (h) Operating and maintenance instructions for all items of equipment and all control systems;
- (i) Manufacturer's parts list; and
- (j) Testing procedures for operating tests;

(15) Tools, spare parts and required extra materials (i.e., attic stock), and similar items;

(16) Keys and proof of the final change-over of locks. In addition, Design-Builder must advise the County's personnel of the change-over in security provisions;

- (17) Written start-up testing performance reports of all systems after completion of start-up testing, and complete instruction of the County's operating and maintenance personnel;
 - (18) Proof of adherence to final cleaning requirements of the Contract Documents;
- and
- (19) Proof of touch up and other repairs and restoration of all marred and exposed finishes.

9.8.3 Release of Stop Notices. If a Design Consultant, Subcontractor or supplier refuses to furnish a release or waiver required by County or files a stop notice, the Design-Builder shall furnish a bond satisfactory to the County to release the stop notice and indemnify the County against such stop notice and County shall enforce its right under Subparagraph 9.4.3 herein.

9.8.4 Delay Not Caused by Design-Builder. If, after Substantial Completion of the Work, Final Completion thereof is materially delayed through no fault of the Design-Builder or by issuance of Change Orders affecting final completion, the County shall, upon application by the Design-Builder and certification by the County, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted provided, however, that the retainage amount held following such payment shall be equal to 150% of the estimated cost of completing the Work as determined by the County. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Design-Builder to the County prior to certification of such payment. Such payment shall be made under terms and conditions governing Final Payment.

9.8.5 Design-Builder's Acceptance of Final Payment. Acceptance of Final Payment by the Design-Builder, a Design Consultant, a Subcontractor, or material supplier shall constitute a waiver of any and all Claims by that payee, of whatsoever nature, character or kind, except those previously made in writing and identified by that payee as unsettled at the time of Final Application for Payment.

9.8.6 County's Final Payment. The making of Final Payment shall not constitute a waiver of Claims by the County arising from:

- (1) Unsettled stop notices;
- (2) Faulty or defective work appearing after Substantial Completion of the Work;
- (3) Failure of the Work to comply with the requirements of the Contract Documents;
- (4) Terms of any special warranties required by the Contract Documents; or
- (5) Any other Claim unless specifically waived by the County in writing.

10. PROTECTION OF PERSONS AND PROPERTY

10.1 Safety Precautions and Programs

The Design-Builder is responsible for establishing, maintaining, and supervising the necessary safety

precautions needed to permit the performance of the Work without endangering public safety and property. A Site Specific Safety Program and the Design-Builder's Safety Policy must be prepared and submitted for the County's review and comments. Design-Builder shall comply with the review comments of County. The Site Specific Safety Program shall include the following:

- (1) The identity of outside safety consultant or Design-Builder's safety officer and on-site safety officer;
- (2) The schedule for the Design-Builder's safety inspections;
- (3) The type and frequency of training conducted for Design-Builder's personnel including tailgate meeting, lifting training, emergency procedure, etc.;
- (4) Information on the types of heavy equipment to be used and the necessary precaution to be taken if there is an accident;
- (5) A copy of the Design-Builder's Hazardous Communications Program;
- (6) A list of any possible fire hazards and the fire fighting equipment for the particular Site;
- (7) A detailed description of hazardous or unusual procedures necessary for the particular Site;
- (8) Information on any material impact of the construction on the surrounding area including traffic flow, parking, street closure, utility shutoffs, and pedestrian crossing;
- (9) Placement, quantity and type of safety warning lights, signs or other devices during construction;
- (10) Written procedures in the event of an injury, fire, hazardous material experience, or other emergency during construction; and
- (11) Description of the location and enclosure of the approved staging area.

Design-Builder shall also comply with any safety requirements required by insurers providing coverage for the Project. Notwithstanding the foregoing, Design-Builder specifically assumes all risk of damages or injury to any persons or property, wherever located, resulting from any action or operation of the Design-Builder or Design-Builder's Subcontractors or Sub-subcontractors under the Contract Documents or in connection with the Work.

10.2 Safety of Persons and Property

10.2.1 Design-Builder's Responsibility for Damage or Loss. Except as otherwise provided in the Contract Documents and except as to the cost of repair or restoration of damage to the Work caused by Force Majeure events, the Design-Builder shall bear all losses resulting to him/her on account of the amount or character of the Work, or from any unforeseen obstructions or difficulties which may be encountered, or from any encumbrances on the line of the Work, or because the nature of the ground in or on which the Work is done is different from what is assumed. The Design-Builder shall bear the risk for any County equipment, material, or supplies with which Design-Builder has been entrusted and shall bear responsibility for all bodily injuries to persons, including accidental death, which may be caused by Design-Builder's performance of the Work. The Design-Builder and the County agree that Force Majeure events

are defined as extraordinary events beyond the Design-Builder's control including, but not limited to, war, riots, Acts of God, terrorism, and third party accidents.

10.2.2 Design-Builder's Remedy of Damage or Loss. The Design-Builder shall promptly remedy all damage or loss to any property referred to in this Article arising, in whole or in part, from the Work performed by the Design- Builder or by any Subcontractor, any Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, and for which the Design-Builder is responsible, except damage or loss attributable to the acts or omission of the County, the County, or anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, and not attributable to the fault or negligence of the Design-Builder. The foregoing obligations of the Design-Builder are in addition to the Design-Builder's indemnification obligations under Paragraph 3.18 herein.

10.2.3 Precautions and Protection. The Design-Builder shall take necessary precautions for safety of, and shall provide necessary protection to prevent damage, injury or loss to:

10.2.3.1 Employees on the Site and other persons who may be affected thereby;

10.2.3.2 The Work and materials and equipment to be incorporated therein, whether in storage on or off the Site, under care, custody or control of the Design-Builder or the Design-Builder's Subcontractors or Sub- subcontractors; and

10.2.3.3 Other property at the Site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

10.2.4 Notice and Compliance with Applicable Law. The Design-Builder shall give notices and comply with Applicable Laws bearing on safety of persons or property or their protection from damage, injury or loss. Design- Builder shall comply with all laws and regulations, including the California Labor Code and with all California Occupational Safety and Health Act ("OSHA"), Environmental Protection Agency, and South Coast Air Quality Management District regulations, concerning safety requirements and protection of workers including, but not limited to, those regulations concerning scaffolding, bracing, shoring, trench excavating and removal, and handling and disposal of hazardous waste. Design-Builder shall fully defend, indemnify, and hold harmless the County, its members, officers, employees, and agents, including, but not limited to, the County's Project Manager, from any and all citations and/or memoranda assessed against the County due to regulatory violations of the Design-Builder, Design-Builder's Subcontractors, or Sub-subcontractors.

10.2.5 Safeguards. The Design-Builder shall erect and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards, promulgate safety regulations, and notify County and users of adjacent Sites and utilities. The Design-Builder shall also be responsible for all measures necessary to protect any property adjacent to the Project and improvements thereon. Any damage to adjacent property or improvements shall be promptly repaired or replaced by Design-Builder at its sole cost and expense within the Contract Sum.

10.2.6 Excavation. As required by Section 6705 of the California Labor Code and in addition thereto, whenever Work under the Contract involves the excavation of any trench or trenches five feet or more in depth, the Contractor shall submit for acceptance by the County or by a registered civil or structural engineer employed by the County, to whom authority to accept has been delegated, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping or other

provisions to be made for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards established by the construction safety orders of the Division of Industrial Safety, the plan shall be prepared by a registered civil or structural engineer employed by the Design-Builder and all costs therefore shall be included in the price named in the contract for completion of the work as set forth in the Contract Documents. Nothing in this section shall be construed to impose tort liability on the County, the County, nor any of their officers, agents, Project Managers or employees.

10.2.7 Notice of Hazards. When use or storage of explosives or other hazardous materials or equipment or unusual methods are necessary for execution of the Work, the Design-Builder shall exercise utmost care, carry on such activities under supervision of properly qualified personnel, and shall provide County and County's Project Manager with reasonable advance notice of such activity.

10.2.8 Loading. The Design-Builder shall not load or permit any part of the construction or Site to be loaded so as to endanger its safety. The Design-Builder shall be responsible for the protection of all existing structures and improvements, both above and underground, including both the exterior and interior finishes within the adjoining working areas, and shall provide adequate temporary removal as necessary. Any existing structures or improvements damaged during construction shall be repaired or replaced with materials, workmanship, fixtures, or equipment of the same kind, quality and size as the original, prior to damage. Any materials or equipment temporarily removed and damaged shall be re-erected or installed in a manner approved by the County.

10.2.8.1 The Design-Builder shall review the structural capability of the construction and Site prior to allowing installation of temporary lifting devices or staging equipment or the temporary off-loading of materials. Design-Builder shall not exceed design loads without making modifications to the construction or Site to support such loads.

10.2.8.2 All modifications to the construction or Site to support temporary lifting devices, staging equipment, or loading shall be submitted to County for review and acceptance.

10.2.9 Accident Prevention. The Design-Builder shall designate a responsible member of the Design-Builder's organization at the Site whose duty shall be the prevention of accidents. This person shall be the Design-Builder's Superintendent unless otherwise designated by the Design-Builder in writing to the County.

10.2.10 Accident Reporting. The Design-Builder shall immediately report all accidents and injuries to County, and shall submit on a form approved by County within 24 hours of such accident or injury setting forth essential information for investigation of the accident or injury including, but not limited to, name, address, and phone number of all injured workers and witnesses, location on the jobsite, nature of injury, medical treatment, identity of ambulance company, and hospital.

10.2.11 Adjoining Property. Design-Builder shall employ all necessary measures to protect adjoining adjacent property and shall provide barricades, temporary fences, and covered walkways required to protect the safety of passersby, as required by prudent construction practices, local building codes, ordinances, or other laws and the Contract Documents.

10.3 Hazardous Materials

10.3.1 Notice to County. The Design-Builder agrees that it is solely responsible for complying with the environmental requirements in the Contract Documents related to its construction activities located on the Project Site. Any hazardous materials that are encountered beyond those described in

the Contract Documents or Proposal Requirements, may properly be the subject to a Change Proposal. The County agrees that the Design- Builder cannot be considered a hazardous materials generator of any such materials in existence on the Site at the time it is given possession of the Site. In the event the Design-Builder encounters on the Site materials which it reasonably believes to be "hazardous materials" as that term is defined by federal and state law, which have not been rendered harmless, the Design-Builder shall immediately stop work in the area affected and report the condition to the County in writing. The work in the affected area shall not thereafter be resumed until a suitable testing agency certifies the material as nonhazardous or the material is removed or rendered harmless as certified by a suitable testing agency.

10.3.2 Safety Data Sheets and Compliance with Proposition 65.

10.3.2.1 Design-Builder is required to ensure that material safety data sheets are available in a readily accessible place at the Work Site, for any material requiring a material safety data sheet per the federal "hazard communication" standard, or employees' right-to-know law. The Design-Builder is also required to insure proper labeling on any substance brought into the Project Site, and that any person working with the material, or within the general area of the material, is informed of the hazards of the substance and follows proper handling and protection procedures.

10.3.2.2 Design-Builder is required to comply with the provisions of California Health and Safety Code Sections 25249.5 et seq., which requires the posting and giving of notice to persons who may be exposed to any chemical known to the State of California to cause cancer. The Design-Builder agrees to familiarize itself with the provisions of this section, and to comply fully with its requirements.

10.4 Design-Builder Materials

The County shall not be responsible for materials and substances brought to the Site by the Design-Builder unless such materials or substances were required by the Contract Documents.

10.5 Emergencies

In an emergency affecting safety of persons or property, the Design-Builder shall act, at the Design-Builder's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Design- Builder on account of an emergency shall be determined as provided in Paragraph 4.5 and Article 7.

10.6 Protection of the Work

Design-Builder shall protect all materials, equipment, supplies and Work from injury or damage due to heat, storms, rain or wind. If unusually severe weather makes it impossible to continue operations safely in spite of necessary weather precautions, Design-Builder shall cease Work and notify County and County of such cessation in accordance with the requirements of Article 4. Design-Builder shall not permit open fires on the Project. If Design-Builder fails to adequately protect the Work, Design-Builder is responsible for all damage incurred by County and is responsible for payment of the deductible on the Builder's Risk Policy.

10.7 Protection of Existing Property

The Design-Builder shall be responsible for all measures necessary to protect existing property to remain. This shall include, but is not limited to, padding and draping elevators used in construction, draping of openings and other measures to isolate areas remaining in use, relocation of furniture, fixtures, and

equipment, protective covering/draping of furniture, fixtures, and equipment, and protection of landscape materials, planting, and interior and exterior finishes at and adjacent to the Work. Property damaged by the Design-Builder shall be repaired or replaced by the Design- Builder to the satisfaction of the County without increase to the Contract Sum. Such measures shall be taken at a frequency required to provide such protection and to keep the areas operational as indicated elsewhere in the Agreement.

11. INSURANCE AND BONDS

11.1 Performance Bond and Payment Bond

11.1.1 Bond Requirements.

11.1.1.1 Design-Builder shall furnish a Labor and Material Payment Bond and a Performance Bond in the forms provided in Exhibits C and D, respectively, or on any other form provided by County or approved by County Counsel. Design-Builder shall deliver to County no later than fourteen (14) calendar days of award of the Contract, evidence satisfactory to County that Design-Builder is capable of furnishing the bonds. The performance bond shall be furnished as a guarantee of the faithful performance of the requirements of the Contract Documents in an amount equal to one hundred percent (100%) of the Contract Sum. The payment bond shall secure payment of all claims, demands, stop notices, mechanics liens, or charges of material suppliers, mechanics, or laborers employed by the Design-Builder or by any Subcontractor or any person, firm, or entity eligible to file a stop notice with respect to the Work in an amount equal to one hundred percent (100%) of the Contract Sum. Bonds may be obtained through Design-Builder's usual source and the cost thereof shall be included in the Contract Sum. In the event of changes in the Work, that increase the Contract Sum, the amount of each bond shall increase and at all times remain equal to the Contract Sum.

11.1.1.2 The bonds shall be executed by a California admitted surety with an A.M. Best's Company rating satisfactory to the County. If an A.M. Best's rating is not available, the proposed surety must meet comparable standards of another rating service satisfactorily to County. Bonds issued by a California admitted surety listed in the latest versions of the U.S. Department of Treasury Circular 570 shall be deemed to be accepted unless specifically rejected by County. Bonds from a California admitted surety not listed in Treasury Circular 570 must be accompanied by all of the documents enumerated in California Code of Civil Procedure Section 995.660(a).

11.1.1.3 All such bonds shall be accompanied by a power of attorney from the surety company authorizing the person executing the bond to sign on behalf of the company. If the bonds are executed outside the State of California, all copies of the bonds must be countersigned by a California representative of the surety. The signature of the person executing the bond shall be acknowledged by a Notary Public as the signature of the person designated in the power of attorney.

11.1.1.4 If, during the continuance of the Contract, any of the sureties, in the opinion of the County, are or become non-responsible or otherwise unacceptable to County, County may require other new or additional sureties, which the Contractor shall furnish to the satisfaction of County within ten (10) days after notice, and in default thereof the Contract may be suspended and the materials may be purchased or the work completed as provided in Article 5 herein.

11.1.2 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Design-Builder shall promptly furnish a copy of the bonds or shall permit a copy to be made.

11.1.3 Amount of the Contract, as used to determine amounts of bonds, shall be the total amount fixed in the Contract for performance of required Work (or corrected total if errors are found).

11.1.4 In the event of increases in the Contract Sum by Change Orders, or otherwise, the Design-Builder shall submit to the County evidence of additional bond coverage for such increases in the Contract Sum. Design- Builder shall be compensated for such additional bond coverage.

11.2 Insurance

11.2.1 Design-Builder shall not commence work under this Contract until all insurance has been obtained that is required under this section and such insurance has been verified by the County, nor shall Design-Builder allow any Subcontractor to commence work on its Contract until all similar insurance required of the Subcontractor has been so obtained and approved. Design-Builder shall furnish the County with three (3) copies of each required certificate of insurance, as provided below. Design-Builder shall have the following insurance coverage:

11.2.1.1 Basic Requirements

Additional Insured – All policies, except for the Workers' Compensation, Errors and Omissions and Professional Liability policies, shall contain endorsements naming the County and its officers, employees, agents and volunteers as additional insureds with respect to liabilities arising out of the performance of services hereunder. The additional insured endorsements shall not limit the scope of coverage for the County to vicarious liability but shall allow coverage for the County to the full extent provided by the policy. Such additional insured coverage shall be at least as broad as Additional Insured (Form B) endorsement form ISO, CG 2010.11 85.

Waiver of Subrogation Rights – The Design-Builder shall require the carriers of required coverages to waive all rights of subrogation against the County, its officers, employees, agents, volunteers, contractors and subcontractors. All general or auto liability insurance coverage provided shall not prohibit the Design-Builder and Design-Builder's employees or agents from waiving the right of subrogation prior to a loss or claim. The Design-Builder hereby waives all rights of subrogation against the County.

Policies Primary and Non-Contributory – All policies required herein are to be primary and non-contributory with any insurance or self-insurance programs carried or administered by the County.

Severability of Interests – The Design-Builder agrees to ensure that coverage provided to meet these requirements is applicable separately to each insured and there will be no cross liability exclusions that preclude coverage for suits between the Design-Builder and the County or between the County and any other insured or additional insured under the policy.

Proof of Coverage – The Design-Builder shall furnish Certificates of Insurance to the County Department administering the contract evidencing the insurance coverage at the time the contract is executed, additional endorsements, as required shall be provided prior to the commencement of performance of services hereunder, which certificates shall provide that such insurance shall not be terminated or expire without thirty (30) days written notice to the Department, and Design-Builder shall maintain such insurance from the time Design-Builder commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this contract, the Design-Builder shall furnish a copy of the Declaration page for all applicable policies and will provide complete certified copies of the policies and endorsements immediately upon request.

Acceptability of Insurance Carrier – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum “Best” Insurance Guide rating of “A- VII”.

Deductibles and Self-Insured Retention - Any and all deductibles or self-insured retentions in excess of \$10,000 shall be declared to and approved by Risk Management.

Failure to Procure Coverage – In the event that any policy of insurance required under this contract does not comply with the requirements, is not procured, or is canceled and not replaced, the County has the right but not the obligation or duty to cancel the contract or obtain insurance if it deems necessary and any premiums paid by the County will be promptly reimbursed by the Design-Builder or County payments to the Design-Builder will be reduced to pay for County purchased insurance.

Insurance Review – Insurance requirements are subject to periodic review by the County. The Director of Risk Management or designee is authorized, but not required, to reduce, waive or suspend any insurance requirements whenever Risk Management determines that any of the required insurance is not available, is unreasonably priced, or is not needed to protect the interests of the County. In addition, if the Department of Risk Management determines that heretofore unreasonably priced or unavailable types of insurance coverage or coverage limits become reasonably priced or available, the Director of Risk Management or designee is authorized, but not required, to change the above insurance requirements to require additional types of insurance coverage or higher coverage limits, provided that any such change is reasonable in light of past claims against the County, inflation, or any other item reasonably related to the County’s risk.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this contract. Design-Builder agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of the County to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of the County.

11.2.1.2 Insurance Specifications

The Design-Builder agrees to provide insurance set forth in accordance with the requirements herein. If the Design- Builder uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Design-Builder agrees to amend, supplement or endorse the existing coverage to do so.

Without in anyway affecting the indemnity herein provided and in addition thereto, the Design-Builder shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

(a) Workers’ Compensation/Employers Liability – A program of Workers’ Compensation insurance or a state-approved, self-insurance program in an amount and form to meet all applicable requirements of the Labor Code of the State of California, including Employer’s Liability with \$250,000 limits covering all persons including volunteers providing services on behalf of the Design- Builder and all risks to such persons under this contract.

If Design-Builder has no employees, it may certify or warrant to the County that is does not currently have any employees or individuals who are defined as “employees” under the Labor Code and the requirement for Workers’ Compensation coverage will be waived by the County’s Director of Risk

Management.

With respect to Contractors that are non-profit corporations organized under California or Federal law, volunteers for such entities are required to be covered by Workers' Compensation insurance.

(b) Commercial/General Liability Insurance – The Design-Builder shall carry General Liability Insurance covering all operations performed by or on behalf of the Design-Builder providing coverage for bodily injury and property damage with a combined single limit of not less than ten million dollars (\$10,000,000), per occurrence. The policy coverage shall include:

- i. Premises operations and mobile equipment
- ii. Products and completed operations
- iii. Broad form property damage (including completed operations)
- iv. Explosion, collapse and underground hazards
- v. Personal injury
- vi. Contractual liability

(c) Automobile Liability Insurance – Primary insurance coverage shall be written on ISO Business Auto coverage form for all owned, hired and non-owned automobiles or symbol 1 (any auto). The policy shall have a combined single limit of not less than ten million dollars (\$10,000,000) for bodily injury and property damage, per occurrence.

If the Design-Builder owns no autos, a non-owned auto endorsement to the General Liability policy described above is acceptable.

(d) Continuing Products/Completed Operations Liability Insurance – The Design- Builder will provide continuing products/completed operations liability Insurance with a limit of not less than five million (\$5,000,000) for each occurrence for at least three years following substantial completion of the work on projects over one million (\$1,000,000).

(e) Course of Construction/Installation (Builder's Risk) – property insurance providing all risk, including theft coverage for all property and materials to be used on the project. The insurance policy shall not have any coinsurance penalty.

Any contract that involves the use, handling, transportation, storage, abatement, containment or testing of any substance that is potentially toxic or hazardous to the environment, including but not limited to, those listed as hazardous by the United States Department of Transportation or the CAL OSHA "Director's list of Hazardous Substances" or listed as radioactive by the Nuclear Regulatory Commission, shall have the following additional requirements:

(f) Environmental Liability Insurance with a combined single limit of not less than five million(\$5,000,000) per claim or occurrence and a separate aggregate for the contract project. The required additional insured endorsement shall protect the County without any restrictions.

If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the start of the contract work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after contract completion.

(g) Professional Liability Insurance with limits of not less than two million (\$2,000,000) per claim or occurrence and four million (\$4,000,000) aggregate limits.

Errors and Omissions Liability Insurance with limits of not less than two million (\$2,000,000) and four million (\$4,000,000) aggregate limits.

If insurance coverage is provided on a "claims made" policy, the "retroactive date" shall be shown and must be before the date of the start of the contract Work. The claims made insurance shall be maintained or "tail" coverage provided for a minimum of five (5) years after contract completion.

(h) Subcontractor Insurance Requirements - The Design-Builder agrees to require all parties or subcontractors, including architects or others it hires or contracts with related to the performance of this contract to provide insurance covering the contracted operations with the basic requirements for all contracts in Section 11.2.1.1, and the insurance specifications for all contracts in Section 11.2.1.2, (including waiver of subrogation rights) and naming the County as an additional insured. The Design-Builder agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

(i) Umbrella Liability Insurance – An umbrella (over primary) or excess policy may be used to comply with limits or other primary coverage requirements. When used, the umbrella policy shall apply to bodily injury/property damage, personal injury/advertising injury and shall include a "dropdown" provision providing primary coverage for any liability not covered by the primary policy. The coverage shall also apply to automobile liability.

12. UNCOVERING AND CORRECTION OF WORK

12.1 Uncovering of Work

12.1.1 Specific Request. If a portion of the Work is covered contrary to the County's request or to requirements specifically expressed in the Contract Documents, it must, if required in writing by the County, be uncovered for the County examination and be replaced at the Design-Builder's expense within the Contract Sum and without change in the Contract Time.

12.1.2 No Specific Request. If a portion of the Work has been covered, which the County or County has not specifically requested to examine prior to its being covered, the County or County may request to see such Work and it shall be uncovered by the Design-Builder. If such Work is in accordance with the Contract Documents, costs of uncovering and replacement shall, by appropriate Change Order, be at the County's expense. If such Work is not in accordance with the Contract Documents, correction shall be at the Design-Builder's expense within the Contract Sum unless the condition was caused by the County or a Separate Design-Builder in which event the County shall be responsible for payment of such costs.

12.2 Correction of Work

12.2.1 Before or After Final Completion. The Design-Builder shall promptly correct Work rejected by the County or County, as failing to conform to the requirements of the Contract Documents, whether discovered before or after Final Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including additional testing, inspections, and compensation for the County's services and expenses made necessary thereby, shall be at the Design-Builder's expense within the Contract Sum.

12.2.2 After Substantial Completion.

12.2.2.1 In addition to the Design-Builder's warranty obligations under Paragraph 3.5, if, within one year after the date of Substantial Completion of the Work or designated portion thereof or

after the date for commencement of warranties established under Subparagraph 9.8.1, or by terms of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Design-Builder shall correct it promptly after receipt of written notice from the County to do so, unless the County has previously given the Design-Builder a written acceptance of such condition. Such corrective work shall be performed without charge or cost to County after Final Completion of the Work. The County shall give such notice promptly after discovery of the condition. If the Design-Builder fails to correct nonconforming Work within a reasonable time after receipt of notice from the County or County, the County may correct the nonconforming work in accordance with Paragraph 2.5.

12.2.2.2 The one-year period for correction of Work shall not be extended by corrective Work performed by the Design-Builder pursuant to this Paragraph 12.2.

12.2.3 Removal. The Design-Builder shall remove from the Site portions of the Work which are not in accordance with the requirements of the Contract Documents and are neither corrected by the Design-Builder nor accepted by the County.

12.2.4 Destruction or Damage. The Design-Builder shall bear the cost within the Contract Sum of correcting destroyed or damaged construction, whether completed or partially completed, of the County or Separate Design- Builders caused by the Design-Builder's correction or removal of Work which is not in accordance with the requirements of the Contract Documents.

12.2.5 No Limitation. Nothing contained in this Paragraph 12.2 shall be construed to establish a period of limitation with respect to other obligations which the Design-Builder might have under the Contract Documents. Establishment of the one-year period for correction of Work as described in Subparagraph 12.2.2 relates only to the specific obligation of the Design-Builder to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Design-Builder's liability with respect to the Design-Builder's obligations other than specifically to correct the Work.

12.3 Acceptance of Nonconforming Work

If the County prefers to accept Work which is not in accordance with the requirements of the Contract Documents, the County may do so instead of requiring its removal and correction. In such case, the Contract Sum will be reduced by an amount equal to the cost of replacing the Work to make it as originally specified or intended. Such adjustment shall be effected whether or not Final Payment has been made.

13. TERMINATION OR SUSPENSION OF THE CONTRACT

13.1 Termination by the Design-Builder

13.1.1 Work Stoppage Not Caused by County. If the Work is stopped for a period of ninety (90) consecutive days through no act or fault of the Design-Builder or a Subcontractor, Sub-subcontractor or their agents or employees or any other persons or entities performing portions of the Work under direct or indirect contract with the Design-Builder, for any of the following reasons: issuance of an order of a court or other public authority having jurisdiction which requires all Work to be stopped; an act of government, such as a declaration of national emergency which requires all Work to be stopped; and Design-Builder has given County written notice within ten (10) days of the occurrence of such ground for termination, then the Design-Builder may, upon thirty (30) additional

calendar days written notice to County and, unless the reason has theretofore been cured, terminate its performance and recover from the County payment for Work executed to date and reasonable demobilization costs.

13.1.2 Work Stoppage Caused by County. If the Work is stopped for a period of 120 consecutive days through no act or fault of the Design-Builder or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Design-Builder because the County has persistently failed to fulfill the County's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Design-Builder may give County ten (10) calendar days written notice to cure. If the County fails to cure, the Design-Builder may, upon ten (10) additional calendar days' written notice to the County and the County, terminate the Contract and recover from the County as provided in Subparagraph 13.1.1 above.

13.2 Termination by the County for Cause

13.2.1 Grounds. The County may terminate the Design-Builder's performance of the Contract if:

13.2.1.1 Design-Builder fails promptly to begin the Work under the Contract

Documents; or

13.2.1.2 Design-Builder refuses or fails to supply enough properly skilled workers or proper materials; or

13.2.1.3 Design-Builder fails to perform the Work in accordance with the Contract Documents, including conforming to applicable standards set forth therein in constructing the Project, or refuses to remove and replace rejected materials or unacceptable Work; or

13.2.1.4 Design-Builder discontinues the prosecution of the Work (exclusive of work stoppage: (i) due to termination by County; or (ii) due to and during the continuance of a Force Majeure event or suspension by County); or

13.2.1.5 Design-Builder fails to resume performance of Work which has been suspended or stopped, within a reasonable time after receipt of notice from County to do so or (if applicable) after cessation of the event preventing performance; or

13.2.1.6 Any representation or warranty made by Design-Builder in the Contract Documents or any certificate, schedule, instrument, or other document delivered by Design-Builder pursuant to the Contract Documents shall have been false or materially misleading when made; or

13.2.1.7 Design-Builder fails to make payment to Subcontractors for materials or labor in accordance with the respective Contract Documents and applicable law; or

13.2.1.8 Design-Builder disregards laws, ordinances, or rules, regulations, or orders of a public authority having jurisdiction; or

13.2.1.9 Design-Builder otherwise is guilty of breach of a provision of the Contract Documents; or

13.2.2 Design-Builder becomes insolvent, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors and fails to provide County with adequate assurances of Design-Builder's ability to satisfy its contractual obligations. County's Rights. When any of the reasons specified in Subparagraph 13.2.1 exist, the County may, in addition to and without prejudice to any other rights or remedies of the County, and after giving the Design-Builder five (5) calendar days written notice, terminate employment of the Design-Builder and may:

13.2.2.1 Take possession of the Site and of all materials, equipment, tools and construction equipment, and machinery thereon owned by the Design-Builder;

13.2.2.2 Suspend any further payments to Design-Builder;

13.2.2.3 Accept assignment of subcontracts pursuant to Paragraph 5.3; and

13.2.2.4 Finish the Work by whatever reasonable method the County may deem expedient. Upon request of the Design-Builder, the County shall furnish to the Design-Builder a detailed accounting of the costs incurred by the County in finishing the Work.

13.2.3 Costs. If County's costs to complete and damages incurred due to Design-Builder's default exceed the unpaid Contract balance, the Design-Builder shall pay the difference to the County.

13.2.4 Erroneous Termination. If it has been adjudicated or otherwise determined that County has erroneously or negligently terminated the Design-Builder for cause, then said termination shall automatically convert to a termination by the County for convenience as set forth in Paragraph 13.4.

13.3 Suspension by the County

13.3.1 Suspension For Convenience.

13.3.1.1 The County may, without cause, order the Design-Builder in writing to suspend, delay, or interrupt the Work in whole or in part for such period of time as the County may determine.

13.3.1.2 Design-Builder shall promptly recommence the Work upon written notice from County directing Design-Builder to resume the Work. The Contract Sum and Contract Time shall be adjusted for any increases in the cost and time caused by suspension, delay, or interruption provided Design-Builder complies with the Change Order and Claims proceedings set forth the Articles 4 and 7 of these General Conditions. No adjustment shall be made to the extent:

(1) That performance is, was, or would have been so suspended, delayed, or interrupted by another cause for which the Design-Builder is responsible; or

(2) That an equitable adjustment is made or denied under another provision of the Contract.

13.3.2 Suspensions For Cause. County has the authority by written order to suspend the Work without liability to County wholly or in part for Design-Builder's failure to:

(1) Correct conditions unsafe for the Project personnel or general public; or

(2) Carry out the Contract; or

(3) Carry out orders of County.

13.3.3 Responsibilities of Design-Builder During Suspension Periods. During periods that Work is suspended, Design-Builder shall continue to be responsible for the Work and shall prevent damage or injury to the Project, provide for drainage, and shall erect necessary temporary structures, signs or other facilities required to maintain the Project and continue to perform according the Article 10 of these General Conditions.

13.4 Termination by the County for Convenience

13.4.1 Grounds. Without limiting any rights which County may have by reason of any default by Design- Builder hereunder, County may terminate Design-Builder's performance of the Contract in whole or in part, at any time, for convenience or any other reason upon written notice to Design-Builder. Such termination shall be effective as of the date stated in the written notice, which shall be no less than fifteen (15) calendar days from the date of the notice.

13.4.2 Design-Builder Actions. Immediately upon receipt of such notice, Design-Builder shall: (i) cease performance of the Work of this Agreement to the extent specified in the notice; (ii) take actions necessary or that the County may direct, for the protection and preservation of the Work; (iii) settle outstanding liabilities, as directed by County; (iv) transfer title and deliver to County Work in progress, specialized equipment necessary to perform the Work, and Record Documents; and, (v) except for Work directed by County to be performed, incur no further costs or expenses. At the option of the County, all or any of the subcontracts entered into by Design-Builder prior to the date of termination shall be terminated or shall be assigned to County.

13.4.3 Compensation. If the Parties are unable to agree on the amount of a termination settlement, the County shall pay the Design-Builder the following amounts:

- (1) For Work performed before the effective date of termination, the total (without duplication of any items) of:
 - (a) The Cost of the Work; and
 - (b) A sum, as profit on (1)(a), above, determined by the County to be fair and reasonable;
- (2) The reasonable costs of settlement of the Work terminated, including:
 - (a) Accounting, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; and
 - (b) Storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.

13.5 Authority of County

In determination of the question of whether there has been such noncompliance with the Contract as to warrant the suspension or termination of the Contract, the decision of the County will be binding on all parties.

13.6 Termination by Acts of God

In the event the Project is damaged by an "Act of God" as defined in Public Contract Code section 7105,

the County may elect to terminate the Contract. If the County terminates the Contract pursuant to this paragraph, compensation to the Contractor shall be solely for any Work completed, any materials purchased, any bonds and insurance paid and for any equipment used prior to the occurrence of the "Act of God".

In no event shall Design-Builder be entitled to recover overhead or profit on Work not performed.

14. EMPLOYMENT OF LABOR/WAGE RATES

14.1 Determination of Prevailing Rates

Pursuant to California Labor Code, Part VII, Chapter 1, Article 2, Sections 1770, et seq., the County has obtained from the Director of the Department of Industrial Relations (DIR) pursuant to the California Labor Code, the general prevailing rates of per diem wages and the prevailing rates for holiday and overtime work in the locality in which the Work is to be performed. Copies of said rates are on file with the Real Estate Services Department, County of San Bernardino, will be made available for inspection during regular business hours and are also available online at www.dir.ca.gov/dlsr/DPreWageDetermination.htm. The wage rate for any classification not listed, but which may be required to execute the Work, shall be commensurate and in accord with specified rates for similar or comparable classifications for those performing similar or comparable duties. In accordance with Section 1773.2 of the California Labor Code, the Design-Builder shall post, at appropriate and conspicuous locations on the jobsite, a schedule showing all applicable prevailing wage rates and shall comply with the requirements of Labor Code Sections 1773, et seq.

14.2 Subcontractors

14.2.1 Ineligible Subcontractors. Pursuant to the provisions of Section 1777.1 of the California Labor Code, the Labor Commissioner publishes and distributes a list of contractors ineligible to perform work as a subcontractor on a public works project. This list of debarred contractors is available from the DIR website at http://www.dir.ca.gov/dir/Labor_law/DSLE/Debar.html.

14.2.2 Employment of Apprentices. The Design-Builder and all Subcontractors performing Work for the Project shall comply with all requirements pertaining to the employment of apprentices pursuant to the provisions of the California Labor Code including, but not limited to, California Labor Code Section 1777.5.

14.2.3 The Design-Builder shall comply with all of the requirements of Public Contract Code Section 22164(c). As required by this section Design-Builder agrees that it "and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades." Design-Builder agrees that it and all of its subcontractors at every tier will comply with the requirements of Public Contract Code Section 22164(c) and will provide the County with written evidence that Design-Builder and all of its subcontractors at every tier are complying with these requirements by the 10th day of each month that Work is performed.

14.3 Payment of Prevailing Rates

There shall be paid each worker of the Design-Builder, or any Subcontractor, of any tier, engaged in the Work, not less than the general prevailing wage rate, regardless of any contractual relationship which may be alleged to exist between the Design-Builder or any Subcontractor, of any tier, and such worker.

14.4 Prevailing Rate Penalty

The Design-Builder shall, as a penalty, forfeit fifty dollars (\$50.00) to the County for each calendar day or portion thereof, for each worker paid less than the prevailing rates as determined by the Director of the Department of Industrial Relations for such work or craft in which such worker is employed by the Design-Builder or by any Subcontractor in connection with the Work. Pursuant to California Labor Code Section 1775, the difference between such prevailing wage rates and the amount paid to each worker for each calendar day, or portion thereof, for which each worker was paid less than the prevailing wage rate, shall be paid to each worker by the Design-Builder.

14.5 Payroll Records

Pursuant to California Labor Code Section 1776, the Design-Builder and each Subcontractor, of any tier, shall keep accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by them in connection with the Work. The payroll records enumerated herein shall be verified by a written declaration made under penalty of perjury that the information contained in the payroll record is true and correct and that the Design-Builder or Subcontractor has complied with the requirements of the California Labor Code Sections 1771, 1811, and 1815 for any Work performed by his or her employees on the Project. The payroll records shall be available for inspection at all reasonable hours at the principal office of the Design-Builder on the following basis:

(1) a certified copy of an employee's payroll record shall be made available for inspection or furnished to such employee or his/her authorized representative on request;

(2) a certified copy of all payroll records shall be made available for inspection or furnished upon request to the County, the Division of Labor Standards Enforcement and the Division of Apprenticeship Standards of the Department of Industrial Relations;

(3) a certified copy of payroll records shall be made available upon request to the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through either the County, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been previously provided to the County, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, the requesting party shall, prior to being provided the records, reimburse the cost of preparation by the Design-Builder, Subcontractor and the entity through which the request was made; the public shall not be given access to such records at the principal office of the Design-Builder;

(4) the Design-Builder shall file a certified copy of the payroll records with the entity that requested such records within ten (10) days after receipt of a written request;

(5) any public agency by the County, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated in such a manner as to prevent disclosure of an individual's name, address and social security number. The name and address of the Design-Builder or any Subcontractor of any tier, performing a part of the Work shall not be marked or obliterated. The Design-Builder shall inform the County of the location of payroll records, including the street address, city and county and shall, within five (5) working days, provide a notice of a change of location and address.

In the event Design-Builder does not comply with the requirements of this subsection, the Design-Builder

shall have ten (10) days in which to comply, subsequent to a receipt of written notice specifying in what respects the Design- Builder must comply herewith. Should non-compliance still be evident after a ten (10) day period, the Design-Builder shall, as a penalty to the County, forfeit twenty-five dollars (\$25.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalty shall be withheld from any portion of the Contract Sum the due or to become due to the Design-Builder.

14.6 Limits on Hours of Work

Pursuant to California Labor Code Section 1810, eight (8) hours of labor shall constitute a legal day's work. Pursuant to California Labor Code Section 1811, the time of service of any worker employed at any time by the Design-Builder or by a Subcontractor, or any tier, upon the Work or upon any part of the Work, is limited and restricted to eight (8) hours during any one calendar day and forty (40) hours during any one calendar week, except as hereafter provided. Notwithstanding the foregoing provisions, Work performed by employees of Design-Builder or any Subcontractor, of any tier, in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and on-half (1½) times the basic rate of pay.

14.7 Penalty for Excess Hours

The Design-Builder shall pay to the County a penalty of twenty-five dollars (\$25.00) for each worker employed on the Work by the Design-Builder or any Subcontractor, of any tier, for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any calendar day and forty (40) hours in any one calendar week, in violation of the provisions of the California Labor Code, unless compensation to the worker so employed by the Design-Builder is not less than one and one-half (1½) times the basic rate of pay for all hours worked in excess of eight (8) hours per day.

14.8 Design-Builder Responsibility

Any work performed by workers necessary to be performed after regular work hours or on Sundays or other holidays shall be performed without adjustment of the Contract Sum and/or without additional expense to the County.

14.9 Employment of Apprentices

Any apprentices employed to perform any of the Work shall be paid the standard wage to apprentices under the regulations of the craft or trade for which such apprentice is employed, and such individual shall be employed only for the Work of the craft or trade to which such individual is registered. Only apprentices, as defined in California Labor Code Section 3077, who are in training under apprenticeship standards and written apprenticeship agreements under California Labor Code Sections 3070 et seq. are eligible to be employed of the Work. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which such apprentice is training. The Design-Builder shall comply with all of the requirements of Public Contract Code Section 22164(c). As required by this section Design-Builder agrees that it "and its subcontractors at every tier will use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades." Design-Builder agrees that it and all of its subcontractors at every tier will comply with the requirements of Public Contract Code Section 22164(c) and will provide the County with written evidence that Design-Builder and all of its subcontractors at every tier are complying with these requirements by the 10th day of each month that Work is performed.

14.10 Apprenticeship Certificate

When the Design-Builder or any Subcontractor, of any tier, in performing any of the Work employs workers in any Apprenticeable Craft or Trade, as hereinafter defined, the Design-Builder and such Subcontractor shall apply to the Joint Apprenticeship Committee administering the apprenticeship standards of the craft or trade in the area of the site of the Work for a certificate approving the Design-Builder or such Subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected, provided, however, that the approval as established by the Joint Apprenticeship Committee or Committees, subsequent to approving the Design-Builder or Subcontractor, shall arrange for the dispatch of apprentices to the Design-Builder or such Subcontractor in order to comply with California Labor Code Section 1777.5. The Design-Builder and Subcontractor shall submit contract award information to the applicable Joint Apprenticeship Committee, which shall include an estimate of journeyman hours to be performed under the Contract, the number of apprentices to be employed, and the approximate dates the apprentices will be employed. There shall be an affirmative duty upon the Joint Apprenticeship Committee or Committees, administering the apprenticeship standards of the crafts or trades in the area of the site of the Work, to ensure equal employment and affirmative action and apprenticeship for women and minorities. Design-Builders or Subcontractors shall not be required to submit individual applications for approval to local Joint Apprenticeship Committees provided they are already covered by the local apprenticeship standards.

14.11 Ratio of Apprentices to Journeymen

The ratio of Work performed by the apprentices to journeymen, who shall be employed in the Work, may be the ratio stipulated in the apprenticeship standards under which the Joint Apprenticeship Committee operates, but in no case shall the ratio be less than one hour of apprentice work for each five hours of labor performed by a journeyman, except as otherwise provided in California Labor Code Section 1777.5. The minimum ratio of the land surveyor classification shall not be less than one apprentice for each five journeymen. Any ratio shall apply during any day or portion of a day when any journeyman, or the higher standard stipulated by the Joint Apprenticeship Committee, is employed at the site of the Work and shall be computed on the basis of the hours worked during the day by journeymen so employed, except for the land surveyor classification. The Design-Builder shall employ apprentices for the number of hours computed as above before the completion of the Work. The Design-Builder shall, however, endeavor, to the greatest extent possible, to employ apprentices during the same time period that the journeymen in the same craft or trade are employed at the site of the Work. Where an hourly apprenticeship ratio is not feasible for a particular craft or trade, the Division of Apprenticeship Standards, upon application of a Joint Apprenticeship Committee, may order a minimum ratio of not less than one apprentice for each five journeymen in a craft or trade classification. The Design-Builder or any Subcontractor covered by this Article and California Labor Code Section 1777.5, upon the issuance of the approval certificate, or if it has been previously approved in such craft, or trade, shall employ the number of apprentices or the ratio of apprentices to journeymen stipulated in the apprenticeship standards. Upon proper showing by the Design-Builder that it employs apprentices in such craft or trade in the State of California on all of its contracts on an annual average of not less than one apprentice to each five journeymen, the Division of Apprenticeship Standards may grant a certificate exempting the Design-Builder from the 1-to-5 ratio as set forth in this Article and California Labor Code Section 1777.5. This Article shall not apply to contracts of general contractors, or to contracts of specialty contractors not bidding for work through a general or prime contractor, involving less than Thirty Thousand Dollars (\$30,000.00) or twenty (20) working days. The term "Apprenticeable Craft or Trade" as used herein shall mean a craft or trade determined as an Apprenticeable occupation in accordance with rules and regulations prescribed by the Apprenticeship Council.

14.12 Exemption from Ratios

The Joint Apprenticeship Committee shall have the discretion to grant a certificate, which shall be subject to the approval of the Administrator of Apprenticeship, exempting the Design-Builder from the 1-to-5 ratio set forth in this Article when it finds that any one of the following conditions are met:

(1) unemployment for the previous three-month period in such area exceeds an average of fifteen percent (15%); or

(2) the number of apprentices in training in such area exceeds a ratio of 1-to-5 in relation to journeymen; or

(3) the Apprenticeable Craft or Trade is replacing at least one-thirtieth (1/30) of its journeymen annually through apprenticeship training, either on a statewide basis or on a local basis, or

(4) if assignment of an apprentice to any work performed under the Contract Documents would create a condition which would jeopardize such apprentice's life or the life, safety or property of fellow employees or the public at large, or if the specific task to which the apprentice is to be assigned is of such a nature that training cannot be provided by a journeyman.

When such exemptions from the 1-to-5 ratio between apprentices and journeymen are granted to an organization which represents contractors in a specific trade on a local or statewide basis, the member contractors will not be required to submit individual applications for approval to local Joint Apprenticeship Committees, provided they are already covered by the local apprenticeship standards.

14.13 Contributions to Trust Funds

The Design-Builder or any Subcontractor, of any tier, who, performs any of the Work by employment of journeymen or apprentices in any Apprenticeable Craft or Trade and who is not contributing to a fund or funds to administer and conduct the apprenticeship program in any such craft or trade in the area of the site of the Work, to which fund or funds other contractors in the area of the site of the Work are contributing, shall contribute to the fund or funds in each craft or trade in which it employs journeymen or apprentices in the same amount or upon the same basis and in the same manner as the other contractors do, but where the trust fund administrators are unable to accept such funds, contractors not signatory to the trust agreement shall pay a like amount to the California Apprenticeship Council. The Division of Labor Standards Enforcement is authorized to enforce the payment of such contributions of such fund(s) as set forth in California Labor Code Section 227. Such contributions shall not result in an increase in the Contract Sum.

14.14 Design-Builder's Compliance

The responsibility of compliance with this Article for all Apprenticeable Trades or Crafts is solely and exclusively that of the Design-Builder. All decisions of the Joint Apprenticeship Committee(s) under this Article are subject to the provisions of California Labor Code Section 3081. In the event the Design-Builder willfully fails to comply with the provisions of this Article and California Labor Code Section 1777.5, pursuant to California Labor Code Section 1777.7, the Design-Builder shall:

(1) be denied the right to bid on any public works contract for a period of one (1) year from the date the determination of non-compliance is made by the Administrator of Apprenticeship; and

(2) forfeit, as a civil penalty, the sum of Fifty Dollars (\$50.00) for each calendar day of noncompliance.

Notwithstanding the provisions of California Labor Code Section 1727, upon receipt of such determination, the County shall withhold such amount from the Contract Sum then due or to become due. Any such determination shall be issued after a full investigation, a fair and impartial hearing, and reasonable notice thereof in accordance with reasonable rules and procedures prescribed by the California Apprenticeship Council. Any funds withheld by the County pursuant to this Article shall be deposited in the General Fund or other similar fund of the County. The interpretation and enforcement of California Labor Code Sections 1777.5 and 1777.7 shall be in accordance with the rules and procedures of the California Apprenticeship Council.

14.15 Senate Bill 854 (Chapter 28, Statutes of 2014) and Senate Bill 96 (Chapter 28, Statutes of 2017) Requirements

14.15.1 Design-Builder shall comply with Senate Bill 854 and Senate Bill 96. The requirements include, but are not limited to, the following:

14.15.1.1 No contractor or subcontractor may be listed on a bid proposal (submitted on or after March 1, 2015) for a public works project unless registered with the DIR pursuant to Labor Code Section 1725.5, with limited exceptions from this requirement for bid purposes only as allowed under Labor Code Section 1771.1(a).

14.15.1.2 No contractor or subcontractor may be awarded a contract for public work or perform work on a public works project (awarded on or after April 1, 2015) unless registered with the DIR pursuant to Labor Code Section 1725.5.

14.15.1.3 This Project is subject to compliance monitoring and enforcement by the DIR.

14.15.1.4 As required by the DIR, Design-Builder is required to post job site notices, as prescribed by regulation, regarding compliance monitoring and enforcement by the DIR.

14.15.1.5 Design-Builder and all of its subcontractors at every tier must submit certified payroll records online to the Labor Commissioner for all new public works projects issued on or after April 1, 2015, and for all public works projects, new or ongoing, on or after January 1, 2016.

(1) The certified payroll must be submitted at least monthly to the Labor Commissioner.

(2) The County reserves the right to require Design-Builder and all subcontractors at every tier to submit certified payroll records more frequently than monthly to the Labor Commissioner.

(3) The certified payroll records must be in a format prescribed by the Labor Commissioner.

14.15.1.6 Registration with the Department of Industrial Relations and the submission of certified payroll records to the Labor Commissioner are not required if the public works project is \$25,000 or less when the project is for construction, alteration, demolition, installation or repair work, or if the public works project is \$15,000 or less when the project is for maintenance work.

14.15.2 Labor Code Section 1725.5 states the following:

"A contractor shall be registered pursuant to this section to be qualified to bid on, be listed in a bid proposal,

subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any public work contract that is subject to the requirements of this chapter. For the purposes of this section, "contractor" includes a subcontractor as defined by Section 1722.1.

(a) To qualify for registration under this section, a contractor shall do all of the following:

(1) (A) Register with the Department of Industrial Relations in the manner prescribed by the department and pay an initial nonrefundable application fee of four hundred dollars (\$400) to qualify for registration under this section and an annual renewal fee on or before July 1 of each year thereafter. The annual renewal fee shall be in a uniform amount set by the Director of Industrial Relations, and the initial registration and renewal fees may be adjusted no more than annually by the director to support the costs specified in Section 1771.3.

(B) Beginning June 1, 2019, a contractor may register or renew according to this subdivision in annual increments up to three years from the date of registration. Contractors who wish to do so will be required to prepay the applicable nonrefundable application or renewal fees to qualify for the number of years for which they wish to preregister.

(2) Provide evidence, disclosures, or releases as are necessary to establish all of the following:

(A) Workers' compensation coverage that meets the requirements of Division 4 (commencing with Section 3200) and includes sufficient coverage for any worker whom the contractor employs to perform work that is subject to prevailing wage requirements other than a contractor who is separately registered under this section. Coverage may be evidenced by a current and valid certificate of workers' compensation insurance or certification of self-insurance required under Section 7125 of the Business and Professions Code.

(B) If applicable, the contractor is licensed in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code.

(C) The contractor does not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award. However, for purposes of this paragraph, the contractor shall not be disqualified for any judgment, order, or determination that is under appeal, provided that the contractor has secured the payment of any amount eventually found due through a bond or other appropriate means.

(D) The contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.

(E) The contractor has not bid on a public works contract, been listed in a bid proposal, or engaged in the performance of a contract for public works without being lawfully registered in accordance with this section, within the preceding 12 months or since the effective date of the requirements set forth in subdivision (e), whichever is earlier. If a contractor is found to be in violation of the requirements of this paragraph, the period of disqualification shall be waived if both of the following are true:

(i) The contractor has not previously been found to be in violation of the requirements of this paragraph within the preceding 12 months.

(ii) The contractor pays an additional nonrefundable penalty registration fee of two thousand dollars (\$2,000).

(b) Fees received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(c) A contractor who fails to pay the renewal fee required under paragraph (1) of subdivision (a) on or before the expiration of any prior period of registration shall be prohibited from bidding on or engaging in the performance of any contract for public work until once again registered pursuant to this section. If the failure to pay the renewal fee was inadvertent, the contractor may renew its registration retroactively by paying an additional nonrefundable penalty renewal fee equal to the amount of the renewal fee within 90 days of the due date of the renewal fee.

(d) If, after a body awarding a contract accepts the contractor's bid or awards the contract, the work

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covered by the bid or contract is determined to be a public work to which Section 1771 applies, either as the result of a determination by the director pursuant to Section 1773.5 or a court decision, the requirements of this section shall not apply, subject to the following requirements:

(1) The body that awarded the contract failed, in the bid specification or in the contract documents, to identify as a public work that portion of the work that the determination or decision subsequently classifies as a public work.

(2) Within 20 days following service of notice on the awarding body of a determination by the Director of Industrial Relations pursuant to Section 1773.5 or a decision by a court that the contract was for public work as defined in this chapter, the contractor and any subcontractors are registered under this section or are replaced by a contractor or subcontractors who are registered under this section.

(3) The requirements of this section shall apply prospectively only to any subsequent bid, bid proposal, contract, or work performed after the awarding body is served with notice of the determination or decision referred to in paragraph (2).

(A) The requirements of this section shall apply to any bid proposal submitted on or after March 1, 2015, to any contract for public work, as defined in this chapter, executed on or after April 1, 2015, and to any work performed under a contract for public work on or after January 1, 2018, regardless of when the contract for public work was executed.

(B) This section does not apply to work performed on a public works project of twenty-five thousand dollars (\$25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars (\$15,000) or less when the project is for maintenance work."

14.15.3 Labor Code Section 1771.1 states the following:

"(a) A contractor or subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, as defined in this chapter, unless currently registered and qualified to perform public work pursuant to Section 1725.5. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform public work pursuant to Section 1725.5 at the time the contract is awarded.

(b) Notice of the requirement described in subdivision (a) shall be included in all bid invitations and public works contracts, and a bid shall not be accepted nor any contract or subcontract entered into without proof of the contractor or subcontractor's current registration to perform public work pursuant to Section 1725.5.

(c) An inadvertent error in listing a subcontractor who is not registered pursuant to Section 1725.5 in a bid proposal shall not be grounds for filing a bid protest or grounds for considering the bid nonresponsive, provided that any of the following apply:

(1) The subcontractor is registered prior to the bid opening.

(2) Within 24 hours after the bid opening, the subcontractor is registered and has paid the penalty registration fee specified in subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.

(3) The subcontractor is replaced by another registered subcontractor pursuant to Section 4107 of the Public Contract Code.

(d) Failure by a subcontractor to be registered to perform public work as required by subdivision (a) shall be grounds under Section 4107 of the Public Contract Code for the contractor, with the consent of the awarding authority, to substitute a subcontractor who is registered to perform public work pursuant to Section 1725.5 in place of the unregistered subcontractor.

(e) The department shall maintain on its Internet Web site a list of contractors who are currently registered to perform public work pursuant to Section 1725.5.

(f) A contract entered into with any contractor or subcontractor in violation of subdivision (a) shall be subject to cancellation, provided that a contract for public work shall not be unlawful, void, or voidable solely due to the failure of the awarding body, contractor, or any subcontractor to comply with the requirements of Section 1725.5 or this section.

(g) If the Labor Commissioner or his or her designee determines that a contractor or subcontractor engaged in the performance of any public work contract without having been registered in accordance with this section, the contractor or subcontractor shall forfeit, as a civil penalty to the state, one hundred dollars (\$100) for each day of work performed in violation of the registration requirement, not to exceed an aggregate penalty of eight thousand dollars (\$8,000) in addition to any penalty registration fee assessed pursuant to clause (ii) of subparagraph (E) of paragraph (2) of subdivision (a) of Section 1725.5.

(h)(1) In addition to, or in lieu of, any other penalty or sanction authorized pursuant to this chapter, a higher tiered public works contractor or subcontractor who is found to have entered into a subcontract with an unregistered lower tier subcontractor to perform any public work in violation of the requirements of Section 1725.5 or this section shall be subject to forfeiture, as a civil penalty to the state, of one hundred dollars (\$100) for each day the unregistered lower tier subcontractor performs work in violation of the registration requirement, not to exceed an aggregate penalty of ten thousand dollars (\$10,000).

(2) The Labor Commissioner shall use the same standards specified in subparagraph (A) of paragraph (2) of subdivision (a) of Section 1775 when determining the severity of the violation and what penalty to assess, and may waive the penalty for a first time violation that was unintentional and did not hinder the Labor Commissioner's ability to monitor and enforce compliance with the requirements of this chapter.

(3) A higher tiered public works contractor or subcontractor shall not be liable for penalties assessed pursuant to paragraph (1) if the lower tier subcontractor's performance is in violation of the requirements of Section 1725.5 due to the revocation of a previously approved registration.

(4) A subcontractor shall not be liable for any penalties assessed against a higher tiered public works contractor or subcontractor pursuant to paragraph (1). A higher tiered public works contractor or subcontractor may not require a lower tiered subcontractor to indemnify or otherwise be liable for any penalties pursuant to paragraph (1).

(i) The Labor Commissioner or his or her designee shall issue a civil wage and penalty assessment, in accordance with the provisions of Section 1741, upon determination of penalties pursuant to subdivision (g) and subparagraph (B) of paragraph (1) of subdivision (h). Review of a civil wage and penalty assessment issued under this subdivision may be requested in accordance with the provisions of Section 1742. The regulations of the Director of Industrial Relations, which govern proceedings for review of civil wage and penalty assessments and the withholding of contract payments under Article 1 (commencing with Section 1720) and Article 2 (commencing with Section 1770), shall apply.

(j)(1) Where a contractor or subcontractor engages in the performance of any public work contract without having been registered in violation of the requirements of Section 1725.5 or this section, the Labor Commissioner shall issue and serve a stop order prohibiting the use of the unregistered contractor or the unregistered subcontractor on all public works until the unregistered contractor or unregistered subcontractor is registered. The stop order shall not apply to work by registered contractors or subcontractors on the public work.

(2) A stop order may be personally served upon the contractor or subcontractor by either of the following methods:

(A) Manual delivery of the order to the contractor or subcontractor personally.

(B) Leaving signed copies of the order with the person who is apparently in charge at the site of the public work and by thereafter mailing copies of the order by first class mail, postage prepaid to the contractor or subcontractor at the address on file with either of the following:

(i) The Contractors' State License Board.

(ii) The Secretary of State.

(3) The stop order shall be effective immediately upon service and shall be subject to appeal by the party contracting with the unregistered contractor or subcontractor, by the unregistered contractor or

subcontractor, or both. The appeal, hearing, and any further review of the hearing decision shall be governed by the procedures, time limits, and other requirements specified in subdivision (a) of Section 238.1.

(k) Failure of a contractor or subcontractor, owner, director, officer, or managing agent of the contractor or subcontractor to observe a stop order issued and served upon him or her pursuant to subdivision (j) is guilty of a misdemeanor punishable by imprisonment in county jail not exceeding 60 days or by a fine not exceeding ten thousand dollars (\$10,000), or both.

(l) This section shall apply to any bid proposal submitted on or after March 1, 2015, and any contract for public work entered into on or after April 1, 2015. This section shall also apply to the performance of any public work, as defined in this chapter, on or after January 1, 2018, regardless of when the contract for public work was entered.

(m) Penalties received pursuant to this section shall be deposited in the State Public Works Enforcement Fund established by Section 1771.3 and shall be used only for the purposes specified in that section.

(n) This section shall not apply to work performed on a public works project of twenty-five thousand dollars (\$25,000) or less when the project is for construction, alteration, demolition, installation, or repair work or to work performed on a public works project of fifteen thousand dollars (\$15,000) or less when the project is for maintenance work.”

14.15.4 Labor Code Section 1771.4 states the following:

“a) All of the following are applicable to all public works projects that are otherwise subject to the requirements of this chapter:

(1) The call for bids and contract documents shall specify that the project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

(2) The awarding body shall post or require the prime contractor to post job site notices, as prescribed by regulation.

(3) Each contractor and subcontractor shall furnish the records specified in Section 1776 directly to the Labor Commissioner, in the following manner:

(A) At least monthly or more frequently if specified in the contract with the awarding body.

(B) In a format prescribed by the Labor Commissioner.

(4) If the contractor or subcontractor is not registered pursuant to Section 1725.5 and is performing work on a project for which registration is not required because of subdivision (f) of Section 1725.5, the unregistered contractor or subcontractor is not required to furnish the records specified in Section 1776 directly to the Labor Commissioner but shall retain the records specified in Section 1776 for at least three years after completion of the work.

(5) The department shall undertake those activities it deems necessary to monitor and enforce compliance with prevailing wage requirements.

(b) The Labor Commissioner may exempt a public works project from compliance with all or part of the requirements of subdivision (a) if either of the following occurs:

(1) The awarding body has enforced an approved labor compliance program, as defined in Section 1771.5, on all public works projects under its authority, except those deemed exempt pursuant to subdivision (a) of Section 1771.5, continuously since December 31, 2011.

(2) The awarding body has entered into a collective bargaining agreement that binds all contractors performing work on the project and that includes a mechanism for resolving disputes about the payment of wages.

(c) The requirements of paragraph (1) of subdivision (a) shall only apply to contracts for public works projects awarded on or after January 1, 2015.

(d) The requirements of paragraph (3) of subdivision (a) shall apply to all contracts for public work, whether new or ongoing, on or after January 1, 2016.”

15. MISCELLANEOUS PROVISIONS

15.1 Governing Law

The Contract shall be governed by the laws of the State of California without regard to choice of law principles thereof. The exclusive venue of any legal action brought by the County, the Design-Builder, or any Consultant or Subcontractor, with regard to this Agreement or Project, shall be in the Superior Court of California, County of San Bernardino, San Bernardino District, State of California. Design-Builder agrees to incorporate this provision into all consultant subcontract agreements.

15.2 Successors and Assigns

The County and Design-Builder respectively bind themselves, their partners, successors, assigns, and legal Project Managers to the other Party hereto and to partners, successors, assigns, and legal Project Managers of such other Party in respect to covenants, agreements, and obligations contained in the Contract Documents. The Design-Builder shall not sublet or assign the Work of this Contract or any portion thereof or any monies due thereunder, without the express prior written consent and approval of County. County may freely assign its rights hereunder, without limitation, to a separate entity and Design-Builder agrees, upon such entity's request, to continue and complete performance of the Work upon payment of any undisputed outstanding amounts due Design-Builder for services performed up to and including the effective date of the assignment, provided adequate proof of funding to completion is offered by assignee. Any entity which shall succeed to the rights of County shall be entitled to enforce the rights of County hereunder. If requested by such entity, Design-Builder will execute a separate letter or other agreement with such entity further evidencing Design-Builder's commitment to continue performance of the Contract.

15.3 Written Notice

Written notice shall be deemed to have been duly served if delivered in person, or by US Mail, courier service, or package delivery service (such as UPS and FedEx) to the individuals identified for receipt of notice in the Agreement.

15.4 Rights and Remedies

15.4.1 Cumulative Rights. Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights and remedies otherwise imposed or available by law.

15.4.2 No Waiver. No action or failure to act by the County, the County, or the Design-Builder shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically provided in the Contract Documents or as may be otherwise agreed in writing.

15.5 Tests and Inspections

15.5.1 Required Tests, Inspections, and Costs. If the Contract Documents, County instructions, laws, ordinances, or any public authority require any Work to be specially tested or

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approved, Design-Builder shall give notice, in accordance with such authority, of its readiness for observation or inspection, at least two (2) working days prior to being tested or covered up. If inspection is by authority other than County, Design-Builder shall inform County of date fixed for such inspection. All required certificates of inspection shall be secured by Design-Builder. If any Work required to be tested should be covered up without approval or consent of County, Design-Builder must, if required by County, uncover the Work for examination and satisfactorily reconstruct at Design-Builder's expense within the Contract Sum in compliance with Contract. Cost of testing and any materials found not to be in compliance with the Contract shall be paid by Design-Builder within the Contract Sum. Other costs for tests and inspection of materials shall be paid by County. Where such inspection and testing are to be conducted by an independent laboratory or agency, such materials or samples of materials to be tested shall be selected by such laboratory or agency or County's Project Manager, and not by Design-Builder. Design-Builder shall notify County a sufficient time in advance of manufacture of materials to be supplied by it under Contract, which must, by terms of contract, be tested, in order that County may arrange for testing of same at source of supply. Prior to having satisfactorily passed such testing and inspection, or prior to receipt of notice from said Project Manager that such testing and inspection will not be required, the materials shall not be incorporated into the Work without prior approval of County and subsequent testing and inspection. Re-examination of questioned work may be ordered by County and, if so ordered, Work must be uncovered by Design-Builder. If such uncovered Work be found in accordance with Contract Documents, County shall pay costs of re-examination and replacement. If such uncovered Work be found not in accordance with Contract Documents, Design-Builder shall pay such costs within the Contract Sum.

15.5.2 Additional Tests and Inspections. If the County or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Subparagraph 14.5.1, the County will instruct the Design-Builder to make arrangements for such additional testing, inspection or approval by an entity acceptable to the County, and the Design-Builder shall give timely notice to the County of when and where tests and inspections are to be made so that the County may be present for such procedures. Such costs shall be at the County's expense, if applicable. If such procedures for testing, inspection, or approval under Subparagraphs 15.5.1 and 15.5.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for County's testing and inspection services and expenses, shall be at the Design-Builder's expense, within the Contract Sum. Cost of retesting, reinspection, and reapprovals as described herein, including compensation for the County's testing and inspection services and expenses, shall be paid for by the County and deducted from the Contract Sum by a Change Order or Construction Change Directive.

15.5.3 Documentation. Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Design-Builder and promptly delivered to the County. Delivery of such documentation is a condition precedent to County's obligation to make payment to Design-Builder.

15.5.4 Observation of Tests. If the County is to observe tests, inspections, or approvals required by the Contract Documents, County will do so promptly and, where practicable, at the normal place of testing.

15.5.5 Time. Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid unreasonable delay in the Work.

15.6 Record Retention and Audits

All books, account, reports, files, correspondence, data, and other records relating to this Contract shall be maintained by the Design-Builder and shall be subject at all reasonable times to review, inspection, and audit by the County or its designated Project Managers for a period of five (5) years after Final Completion of the Work. Such records shall be produced by the Design-Builder within a reasonable time at a place designated by the County, upon written notice to the Design-Builder.

15.7 Independent Design-Builder

Design-Builder is employed hereunder to render a service within the scope of its training and experience, and Design-Builder shall be an independent Design-Builder and not an employee of the County. As such, County shall not be called upon to assume any liability for the direct payment of any salary to any employee or Subcontractor of Design-Builder, nor to pay any benefit to any employee or Subcontractor or vendor under the Workers' Compensation laws. None of Design-Builder's officers, agents, employees, and Subcontractors, nor any of their agents, officers, and employees, shall be deemed officers, agents, employees, and Subcontractors of the County, and the County shall not be liable or responsible to them for anything whatsoever other than liability to Design-Builder set forth in this Contract.

15.8 Keys and Access

If the County furnishes keys and/or access cards to the Design-Builder to provide access to County's property, the Design-Builder shall assure that such access instruments are not duplicated and shall return all such instruments in good condition upon request of the County or prior to receipt of final payment, whichever is earlier. If the Design-Builder fails to return all access instruments furnished to it, the Design-Builder shall be responsible, within the Contract Sum, for all Work, materials, and costs associated with reestablishing secured access.

15.9 Survival of Terms

Any indemnity, warranty or guarantee given by the Design-Builder to County under the Contract Documents shall survive the expiration or termination of the Contract Documents and shall be binding upon Design-Builder until any action thereunder is barred according to terms in the Contract Documents or by the applicable statute of limitations or statute of repose.

15.10 Cooperation With Labor

15.10.1 General. The Parties agree and declare that Design-Builder and County are separate and independent entities and that Design-Builder has full responsibility for performance of the Work and direction of the work force, subject to and under the duty of Design-Builder to cooperate with County and its Separate Contractors. Design-Builder recognizes that in the performance of its Work it may be required to work with and near Separate Contractors and Project Managers of County on the jobsite. The Design-Builder shall only employ or use labor in connection with the Work capable of working harmoniously with all trades, crafts, and any other individuals associated with the Project. The Design-Builder shall also use best efforts to minimize the likelihood of any strike, work stoppage, slowdowns, disputes, or other labor disturbance. If the Work is to be performed by trade unions, the Design-Builder shall make all necessary arrangements to reconcile, without delay, damage, or cost to the County and without recourse to the County or the County, any conflict between the Contract Documents and any agreements or regulations of any kind at any time in force among members or councils that regulate or distinguish the activities that shall not be included in the Work of any particular trade. Except as specifically provided in Paragraph 8.4 herein, Design-Builder shall be liable to County for all damages suffered by County as a result

of work stoppage, slowdowns, or strikes related to labor disputes.

15.10.2 Picketing.

15.10.2.1 Design-Builder agrees that should there be picketing or a threat of picketing by any labor organization at or near the Site, Design-Builder, in cooperation with County, shall establish a reserve gate system and require employees of Design-Builder, Subcontractors, and suppliers to use one or more designated gates. In that event, it shall be the affirmative obligation of Design-Builder, as a material consideration of this Agreement to ensure that employees of Design-Builder, Subcontractors, and suppliers use only the gates or other entryways designated by County from time to time on the Project.

15.10.2.2 Notwithstanding the establishment or non-establishment of a reserve gate, in the event employees of Design-Builder, Subcontractors or suppliers refuse to work because of any labor disputes or grievances (including any "secondary" or "sympathy" strike or boycott directed against the Project) not caused by County or its Separate Contractors and not the result of an industry-wide strike and that actually prevent performance of the Work, Design-Builder shall not be relieved of its obligation to supply enough properly skilled workers to perform the Work without interruption or further delay.

15.10.3 Labor Disputes. Design-Builder and County agree to cooperate fully with each other and their Project Manager and attorneys with respect to any labor dispute that should arise on the Site, including, but not limited to the giving of testimony and evidence to the agent or judge of the National Labor Relations Board or testimony in connection with proceedings in state or federal court. Design-Builder hereby warrants that it is not now nor will Design-Builder be delinquent in the payment or reporting to any labor management benefit trust.

15.11 No Personal Liability

Notwithstanding any contrary provision in this Agreement or the Contract Documents, no member, principal, officer, employee, agent, Project Manager, or subsidiary of County (each a "direct affiliate of County"), or member, general partner, limited partner, principal, officer, employee, agent, or Project Manager of any direct affiliate of County (together with direct affiliates of County, the "affiliates of County") shall have any personal liability or the performance of any contractual obligations, or in respect of any liability of County under this Agreement and no monetary or other judgment shall be sought or enforced against any such individuals or their assets, all such personal contractual liability being expressly waived by Design-Builder. Further, the covenants and obligations contained in this agreement on the part of County shall be covenants and obligations of the County only, and not of any affiliate of County. No affiliate of County shall be individually liable for breach of any covenant or obligation of County, and no recourse shall be had against the assets of any affiliate of County (except to the extent of County's assets but excluding therefrom any negative capital account of any such affiliate of County) for payment of any sums due or enforcement of any other relief, based upon any claim made by Design-Builder for breach of any of County's covenants or obligations. Notwithstanding the foregoing, Design-Builder does not waive any rights under applicable law of the state of the Project concerning the commission of fraud or conversion.

15.12 Compliance With Restrictions

Design-Builder shall comply with all conditions, restrictions and reservations of record, statutes, regulations, and ordinances, including, without limitation, all pollution control, environmental protection, zoning, planning, land use requirements, all restrictions and requirements affecting the Project and adjoining properties, and disabled access imposed by the County, the County and all other governmental entities including, without limitation, the requirements of any general plan and environmental requirements

in connection with use, occupancy and building permits, and requirements of public utilities which affect construction of the Work in effect at the time of execution of this Agreement.

END OF GENERAL CONDITIONS