

6.3.2 Contractor Duties. The Contractor 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 offsite 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.

6.3.3 Material testing. All material testing which conforms to or meets specified standards in the following categories shall be paid for by the County. Material tests in the following categories which fail to meet specified standard shall be paid for by the Contractor:

- (1) Soil density tests
- (2) Concrete compression tests
- (3) Grout compression tests
- (4) Mortar compression tests
- (5) Testing of masonry units
- (6) Testing of reinforcing steel
- (7) Structural steel
- (8) Anchors and fasteners

Unless stated otherwise in the Contract Documents, any other required or specified tests shall be paid by the Contractor and shall be performed by a qualified testing laboratory approved by the County.

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, Construction Change Directive, or Written Amendment to Contract, and Contractor shall perform such changes in the Work according to the applicable requirements of the Contract Documents. The County is not required to provide notice to Contractor's sureties of Change Orders, Contract Change Directives or Written Amendment to Contract.

7.1.2 Basis for Agreement. A Change Order or Written Amendment to Contract shall be based upon agreement between the County and Contractor. A Construction Change Directive may or may not be agreed to by the Contractor.

7.1.3 No Estoppel. Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with the change, unless otherwise provided in the Change Order, Construction Change Directive, or Written Amendment to Contract. A change in the Contract Sum or the Contract Time shall be accomplished only by Change Order, Construction Change Directive, or Written Amendment to Contract. 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.

7.1.4 Change in Work. The County may at any time make any change, modification or addition to the Work by written Change Order, Construction Change Directive, or Written Amendment to Contract, including but not limited to changes:

- (1) in the Specifications or Drawings;
- (2) in the sequence, method or manner of performance of the Work;
- (3) in the County furnished facilities, equipment, materials, services or Site; or
- (4) directing acceleration in the performance of the Work.

7.2 Change Orders

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

7.2.2 Accord and Satisfaction. Agreement on any Change Order or Written Amendment to Contract 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 or Written Amendment to Contract. By execution of any Change Order or Written Amendment to Contract, Contractor agrees that the Change Order or Written Amendment to Contract 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 or Written Amendment to Contract. 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, Construction Change Directive, or Written Amendment to Contract must be in writing, signed by the County and Contractor and; (ii) that such written Change Orders, Construction Change Directives, or Written Amendment to Contract 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 Contractor shall promptly proceed with the Work involved and advise the County of the Contractor'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 Contractor does not promptly indicate its disagreement with the method of pricing provided in the Construction Change Directive, Contractor shall be deemed to agree with the method of pricing the change. If the Contractor 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 Contractor. If the Contractor 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 to 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 Contractor, 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)** Fifteen (15%) of the cost of that portion of the Extra Work to be performed by the Contractor with its own forces.
 - (ii)** Fifteen percent (15%) of the cost of that portion of the Work to be performed by a Subcontractor or Sub-subcontractor with its own forces, plus 5% for the Contractor. Total combined Contractor, Subcontractor, and Sub-subcontractor fee shall not exceed 20%.
 - (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 Contractor 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 overhead and profit shall be figured on the basis of net increase/decrease, if any, with respect to that change.

7.4.3 Contractor Maintenance of Records. In the event that Contractor is directed to perform any changes to the Work, or should Contractor encounter conditions which the Contractor believes would obligate the County to adjust the Contract Sum and/or the Contract Time, Contractor 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 Contractor in a calendar day, Contractor shall maintain separate records of labor, construction equipment, materials, and equipment for each such change. In the event that any Subcontractor or Sub-subcontractor, of any tier, shall provide or perform any portion of any change to the Work, Contractor shall require that each such Subcontractor and Sub-subcontractor maintain records in accordance with this Article. Each daily record maintained hereunder shall be signed by Contractor's Project Representative; such signature shall be deemed Contractor'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 Subcontractor and Sub-subcontractor, of any tier, relating to the costs of a change in the Work shall be signed by such 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 Contractor 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 Contractor. Contractor's obligation to maintain records hereunder is in addition to, and not in lieu of, any other Contractor 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, Construction Change Directive or Written Amendment to Contract, 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 change in the Work. Such changes shall be effected by written order approved by the Director or San Bernardino County Board of Supervisors and shall be binding on the Contractor.

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 Contractor, 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 Contractor 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 Contractor'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 Contractor's notice. Accordingly, Contractor acknowledges that its failure, for any reason, to give written notice within ten (10) calendar days of such Verbal Change shall be deemed Contractor'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 Contractor 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 Contractor not indicated on the Contract Documents or any changes in the Work performed or provided by the Contractor without notice to the County and written approval by County, shall be considered unauthorized by the County and performed at the sole expense of the Contractor. 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 Contractor'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 Contractor from any liability on account thereof.

7.6 County Originated Proposal Request

County may issue a request, in writing, to Contractor, describing a proposed change to the Work and requesting the Contractor submit an itemized proposal in a format acceptable to County within ten (10) calendar days after County issues the request. The Contractor's proposal shall include an analysis of impacts to Contract Sum and Contract 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 Contractor's proposed methods to minimize costs, delay, and disruption to the performance of the Work. If Contractor 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 Contractor without additional compensation. County's proposal request does not authorize the Contractor 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 Contractor Originated Change Order Request (COR)

If the Contractor 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 Contractor otherwise becomes aware of the need for or desirability of a change in the Work, Contractor 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 Contractor. A CPM schedule fragnet is required to support and justify any additional Contract Time of performance requested by the Contractor. The County will not review any COR which is incomplete. The Contractor 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. Contractor'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, Construction Change Directive or Written Amendment to Contract. If the COR is denied by the County, the Contractor shall not proceed with the Work described in the COR.

7.8 Audit Rights

With respect to any Change Order, Construction Change Directive or Written Amendment to Contract resulting in an increase in the Contract Sum, the Contractor shall afford (and shall require its Subcontractors to afford) access to the County at all reasonable times to any books, correspondence, instructions, receipts, vouchers, memoranda and records of any kind relating thereto, all of which shall be maintained by the appropriate parties for a period of at least five

(5) years from and after the date the County makes payment on account of such Change Order, Construction Change Directive or Written Amendment to Contract. The Contractor authorizes the County (and shall requires its Subcontractors to authorize the County) to check directly with any suppliers of labor and material with respect to any item chargeable to the County, to confirm balances due and to obtain sworn statements and waiver of liens, all if the County so elects.

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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 Final 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.

8.2 Progress and Completion

8.2.1 Time is of the Essence. Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement and any Modifications relating to Substantial Completion or Contract Time the Contractor agrees and confirms that the Contract Time is a reasonable period for performing the Work and that Contractor is able to complete the Work by that date.

8.2.2 Commencement. The Contractor shall not knowingly prematurely commence operations on the Site or elsewhere prior to the effective date of insurance and bonds required to be furnished by the Contractor to County as specified in the Agreement. The Date of Commencement of the Work shall not be changed by the effective date of such insurance and bonds.

8.2.3 Completion. The Contractor shall proceed expeditiously with adequate labor and supervision to achieve Final Completion within the Contract Time.

8.2.4 Notice to Proceed. The Contract shall commence the Work required by this Contract within ten (10) calendar days of the date specified in the notice from the County to proceed with the Work.

8.2.5 Expeditious Work. Contractor shall proceed expeditiously with adequate forces and shall complete the Work by the date specified in the Contract Documents. If Contractor is not diligently proceeding with the prosecution of the Work as scheduled, Contractor shall, immediately and at no additional cost to the County, take measures necessary, including working such overtime, and additional shifts as may be required to correct such delays.

8.3 Contractor's Schedules

8.3.1 Project Schedule. Unless otherwise provided in the Agreement or Technical Specifications, within fourteen (14) calendar days after the Date of Commencement,

Contractor 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 pre-construction and construction activities.
- (2) Activities to be integrated and shown in the CPM network shall include all milestones representing the Contractor'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); Contractor'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.
- (3) Activities showing the start and finish dates for all temporary works; all construction of mock-ups, and prototypes and/or samples.
- (4) Activities showing start and finish dates of owner-furnished items and interface requirements dates with other contractors; regulatory agency approvals; and permits required for the performance of the work.
- (5) Activities showing start and finish of tenant programming (as appropriate), modular furniture, tenant improvement work and phased occupancy.
- (6) Close-out activities.
- (7) 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.
- (8) The Contractor 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.
- (9) 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.

8.3.1.1 The County's review of the form and general content of the baseline Project Schedule is for the purpose of determining, in its judgment, whether the following requirements are satisfied:

- (1) Schedules are suitable for monitoring progress of the Work;
- (2) Schedules provide necessary data about the timing of the County's decisions on the County furnished items, including furniture, equipment and occupancy;
- (3) Schedules are in sufficient detail to demonstrate adequate planning for the Work; and
- (4) Schedules represent a practical plan to complete the Work within the Contract Time.

8.3.1.2 Contractor shall plan, develop, supervise, control, and coordinate the performance of the Work so that the progress and the sequence and timing of Work activities conform to the current accepted Project Schedule. Contractor shall continuously obtain from Subcontractors information and dates about the planning for and progress of the Work, the ordering and fabrication of materials, required Submittals, and the delivery of equipment, shall coordinate and integrate such information and data into updated Project Schedules and "As-Built" Drawings and specifications, and shall monitor the progress of the Work and the delivery of equipment. Contractor shall act as the expeditor of potential and actual delays, interruptions, hindrances, or disruptions for its own forces and those forces of Subcontractors, regardless of tier. Contractor shall cooperate with the County in the development of the Project Schedule and updated Project Schedules.

8.3.1.3 The County's acceptance of or its review comments about any Project Schedule or scheduling data shall not relieve Contractor from its sole responsibility to plan for, perform, and complete the Work by the Contract Time. Acceptance of or review comments about any Project Schedule shall not transfer responsibility for any Project Schedule to the County nor imply their agreement with (1) any assumption upon which such schedule is based on or (2) any matter underlying or contained in such schedule.

8.3.1.4 Failure of the County to discover errors or omissions in schedules that it has reviewed, or to inform Contractor that Contractor, Subcontractors, or others are behind schedule, or to direct or enforce procedures for complying with the Project Schedule shall not relieve Contractor from its sole responsibility to perform and complete the Work by the Contract Time and shall not be a cause for an adjustment of Contract Time or the Contract Sum.

8.3.2 Format. Unless otherwise provided in the Agreement or Technical Specifications, the Project Schedule shall be in a detailed precedence CPM or Microsoft 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 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) proposed activity sequences and durations; (ii) Milestone Dates for receipt and approval of pertinent information, including County-supplied information and approvals by public authorities having jurisdiction over the Project; (iii) dates for preparation and processing of Shop Drawings, Product Data, and Samples; (iv) dates for delivery of materials or equipment requiring long-lead time procurement; (v) County's occupancy/use requirements showing portions of the Project having occupancy priority; (vi) the estimated date of Substantial Completion and Final Completion; and (vii) 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 Contractor in accordance with the recommendations of the County and re-submitted for acceptance.

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

8.3.3.1 Monthly update/status of electronic database shall include recording of all Actual Start Dates and Actual Finish Dates and status of activities in progress.

8.3.3.2 Review of "planned" versus "actual" work force allocations and progress for the preceding month.

8.3.3.3 Reviews of revisions, added or deleted work and how those activities are being integrated into the Contractor's work plan.

8.3.3.4 Review of the Contractor's interface and coordination with other work on the Project.

8.3.3.5 Review of all impacts to the Work during the preceding month and to date, Contractor evaluation of those impacts and any recovery plans or remedial actions required to comply with the contract schedule.

If the Contractor 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 Contractor or others for whom Contractor is responsible, the Contractor 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, Construction Change Directive, or Written Amendment to Contract.

8.3.4 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 Contractor to take corrective measures necessary to expedite the progress of construction, including, without limitation, the Extraordinary Measures as provided in Paragraph 2.8 herein.

8.3.5 Early Completion. While the Contractor may schedule completion of the Project earlier than the date established by the Contract Documents, no additional compensation shall become due the Contractor for the use of float time between the Contractor's projected early completion date and the date for Final 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.

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

8.3.7 Procurement Schedule. Unless otherwise provided in the Agreement or Technical Specifications, within ten (10) calendar days after the Date of Commencement, Contractor 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. Contractor is solely responsible for any delay, disruption, impact, loss of efficiency, or other loss arising directly or indirectly from Contractor's failure to properly manage procurement of equipment and materials.

8.3.8 Performance. The Contractor shall perform the Work in accordance with the most recent Project Schedule and Schedule of Submittals approved by the County. The Contractor 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.

8.4 Delays and Extensions of Time

8.4.1 Non-Compensable Force Majeure Events.

8.4.1.1 Definition. "Force Majeure" shall mean any of the following events, which materially and adversely affect Contractor's obligations hereunder and which event could not have been avoided or prevented by due diligence and use of reasonable efforts by Contractor: earthquake, fire, flood, epidemic, blockade, rebellion, war,

terrorism, riot, act of sabotage, or civil commotion; 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; or discovery at, near, or on the Site of any species listed as "threatened" or "endangered" under the Federal or California Endangered Species Act.

8.4.1.2 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 Contractor, and provided further that the Contractor has taken reasonable precautions to prevent further delays owing to such causes, then the Contractor may pursue remedies for adjustment of the Contract Time in accordance with Paragraph 4.3 above. Unless the Force Majeure event damages the Work at the Project Site, Contractor will not be entitled to an adjustment in the Contract Sum.

8.4.1.3 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 Contractor and County agree that the impact of rainfall/inclement weather for which the Contractor is not entitled to a time extension is a total of ten (10) Work Days per year ("Rain Days"). The Contractor shall account for the above number of Work Days for which the effects of rainfall/inclement weather are expected to prevent Work in the Project Schedule as set forth in Subparagraph 8.3 herein and shall obtain County's approval of Contractor's use of each Rain Day before requesting extension of the Contract Time.

8.4.2 Compensable County-Caused Delays. If the date for Final 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 Contractor shall be entitled to an equitable adjustment of the Contract Time and/or compensation for reasonable additional costs directly resulting from such delays, but not for any additional home office overhead, profit or fee, subject to the requirements of Article 8 herein, and further provided Contractor complies with the notice and procedural requirements of Articles 4 and 7 herein.

8.4.3 Concurrent Delays. To the extent the Contractor is entitled to an extension of Contract 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 Contractor or by an inexcusable delay, the Contractor shall not be entitled to any additional cost during the period of such concurrent delay.

8.4.4 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, Contractor 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 Contractor, etc.) create shared float. Accordingly, County-caused delays may be offset by County-caused time savings.

8.4.5 Shortage of Material. 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 Contractor furnishes to the County documented proof that the Contractor has made every effort to obtain such materials from every known source within reasonable reach of the Work. The Contractor 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.

8.4.6 Utility and Agency Delays. Contractor is aware that governmental agencies, gas companies, electrical utility companies, water districts, and other utilities and agencies may be required to approve a proposed installation. Contractor 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, Contractor 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 Contractor 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 Contractor must obtain approvals.

8.4.7 Contractor 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 Contractor induced causes, including but not limited to the fault or negligence of the Contractor or its Subcontractors; or (ii) for which any remedies are provided for or excluded by any other provision of the Contract.

8.4.8 Contract Modification. A Change Order, Construction Change Directive, or Written Amendment to Contract will be issued by the County to the Contractor 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.

8.4.9 No Release of Surety. An extension of time granted shall not release the Contractor'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.

8.4.10 No Waiver. Neither the grant of an extension of time beyond the date fixed for Final 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 Final 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.

8.5 Liquidated Damages

8.5.1 County and Contractor 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, and 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.

8.5.2 Contractor and County agree to liquidate damages with respect to Contractor's failure to achieve Final 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. Contractor acknowledges and agrees that the liquidated damages are intended to compensate County solely for Contractor's failure to meet the deadline for Final Completion and shall not excuse Contractor from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

8.5.3 In the event that Contractor fails to achieve Final Completion of the Work within the Contract Time, Contractor agrees to pay County the amount per day designated in the Contract and/or Special Conditions for liquidated damages for each calendar day that Final Completion is delayed.

8.5.4 Contractor 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. Contractor 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 Contractor have agreed to such liquidated damages to fix Contractor's costs and to avoid later disputes. It is understood and agreed by Contractor 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.

8.5.5 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, Contractor 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 Contractor for performance of the Work under the Contract Documents.

9.2 Schedule of Values

Within fourteen (14) calendar days after the Date of Commencement, Contractor 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 Contractor and to each separate 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 Contractor's Applications for Payment.

9.3 Applications for Payment

9.3.1 Applications for Payment. The Contractor 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 Contractor's right to payment as the 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.

9.3.1.2 No payments made to the Contractor, nor partial or entire use or occupancy of the Work by the County, shall be acceptance of any Work or materials not in accordance with the Contract Documents.

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 Contractor 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 Contractor.

9.3.2.1 Such Applications for Payment shall not include requests for payment of amounts the Contractor does not intend to pay to a 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 Contractor, Contractor 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 Contractor 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 Contractor 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) Reserved.
- (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 Contractor in the absence of any of the preceding documents in no way relieves the Contractor from providing all these documents for the current and/or any future payment.

9.3.3.1 As a further condition precedent to County's obligation to make monthly progress payment to Contractor, Contractor 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) Contractor'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 Contractor in the absence of any of the preceding documents in no way relieves the Contractor from providing all these documents for the current and/or any future payment.

9.3.4 Initial Payment Application. Contractor 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 Contractor (as opposed to the Subcontractors);
- (2) A list of Subcontractors, principal suppliers and fabricators;
- (3) A Submittal Schedule;

- (4) Copies of all necessary permits;
- (5) All insurance certificates and endorsements for Contractor and all Subcontractors are in place;
- (6) Payment and Performance Bonds for Contractor and Subcontractors, as applicable, are in place; and
- (7) Job signs have been installed.

9.3.5 Payment to Subcontractors. Within seven (7) calendar days of Contractor's receipt of payment from County for Work performed by a Subcontractor, the Contractor shall pay all Subcontractors for and on account of Work on the Contract performed by each. The Contractor shall by appropriate agreement with each Subcontractor and Supplier, require each Subcontractor to make payments to Sub-subcontractor in a similar manner. The County will, on request, furnish to a Subcontractor, Sub-subcontractor, or supplier, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the County on account of portions of the Work done by each.

9.3.6 Substantial Completion Payment Application. Following the determination of Substantial Completion by the County's Project Manager and approval thereof by County, the Contractor shall submit an Application for Payment at Substantial Completion. In addition to submittals required for all applications for progress payments, the Contractor 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 Contractor'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 Contractor 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 Contractor 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 Contractor's knowledge, information, and belief, be free and clear of liens, stop notices, claims, security interests, or encumbrances in favor of the Contractor, 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 Contractor 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 Cash Allowance. Whenever the Specifications provide a lump sum amount for specified Work, the Contractor shall include that amount in his bid for the designated Work, and the stated amount shall be deemed to include the full allowance. Any difference in cost to the Contractor from the supplier shall be added to or deducted from the Contract Sum.

9.3.9 Equipment or Materials. If, during the progress of the Work, the Contractor, 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, Contractor 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.

9.3.9.1 If required by the County, such payments shall be conditional upon submission by the Contractor 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.

9.3.9.2 Any equipment or materials stored and paid for by the County prior to being incorporated 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 Contractor's Application for Payment, the County's Project Manager will notify the Contractor of the reasons for failing to approve the payment. If the Contractor 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 Contractor is responsible, including loss resulting from acts and omissions described in Subparagraph 3.3.2 and 3.18 or because of:

- (1) Defective work not remedied;
- (2) Third party claims filed or reasonable evidence indicating probable filing of such claims, including stop notices, unless security acceptable to the County is provided by the Contractor;
- (3) Failure of the Contractor to make payments properly to 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 Contractor; and
- (10) Contractor's failure to timely submit:
 - (a) Daily logs;
 - (b) Certification from County and Contractor 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 Contractor, the County may withhold from payments an amount not to exceed one hundred fifty percent (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 Contractor 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 Contractor 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 Contractor. 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 Contractor, then the Contractor shall refund to the County all monies that may have been paid, or need to be 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 may release any payments withheld due to a stop notice claim if the Contractor 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; (ii) is in form and substance satisfactory to the County; and (ii) 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 Contractor. After the County's Project Manager has issued an authorization 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 Contractor in the form of checks payable jointly to Contractor and to any of Contractor's Subcontractors or suppliers or, upon notice to Contractor with the opportunity to object, payments directly to Subcontractors and suppliers, in satisfaction of County's obligation to make payments to Contractor.

9.5.3 Payment Not Acceptance of Work. An authorization 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 Retention. 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 Contractor. At no time shall the progress payments be in excess of ninety-five percent (95%) of the percentage of actual work completed plus ninety-five percent (95%) of the value of materials delivered on the ground or stored and under the control of the County.

9.5.5 The Contractor may, at the Contractor'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 Contractor upon satisfactory completion of the Contract. The Contractor 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 Contractor shall have notified the County of its intention to substitute securities for retainage within ten (10) days of the signing of the Agreement.

9.5.6 Payment by Electronic Fund Transfer. Contractor shall accept all payments from County via electronic funds transfer (EFT) directly deposited into the Contractor's designated checking or other bank account. Contractor shall promptly comply with directions and accurately complete forms provided by County required to process EFT payments.

9.6 Substantial Completion

9.6.1 Contractor Request for Inspection and Punch List. When the Contractor considers that the Work is substantially complete, the Contractor shall prepare and submit to the County's Project Manager and County a request for such inspection and 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 Contractor to complete all Work in accordance with the Contract Documents.

9.6.2 County Inspection. Upon receipt of the Contractor'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 Contractor'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 Contractor shall, before the determination by County of Substantial Completion, complete or correct such item upon notification by County. In such case, the Contractor shall then submit a request for another inspection by County to determine Substantial Completion.

9.6.3 Determination of Substantial Completion. When the Work or designated portion thereof is substantially complete, the County's Project Manager will make a determination of Substantial Completion which shall establish the date of Substantial Completion, shall establish responsibilities of the County and Contractor for security, maintenance, heat, utilities, damage to the Work, and insurance, and shall fix the time within which the Contractor shall finish all items on the Punch List and as required in the Contract Documents.

9.6.4 County's Acceptance. The determination of Substantial Completion prepared by County's Project Manager shall be submitted to the Contractor. 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 Contractor for the cost of undisputed Work in place. The County's payment shall not exceed 95% of the Contract Sum until Final Completion and acceptance by County of the Work. 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 Contractor;
- (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 Contractor.

If the Contractor has not completed all items enumerated above within thirty (30) calendar days after the determination of Substantial Completion, the County shall have the right to demand completion or correction of the items within a 48-hour period. If the Contractor does not commence the requested Work within the 48-hour period or provide County with written notice of a legitimate reason why Contractor 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 Contractor 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 Contractor considers a portion substantially complete, the Contractor shall prepare and submit a list to County and County's Project Manager as provided under Subparagraph 9.7.2. Consent of the Contractor 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 Contractor.

9.7.2 Joint Inspection. Immediately prior to such partial occupancy or use, the County, Contractor 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 Contractor 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 Contractor as being an acceptance by County of that part of the Project to be occupied;
- (2) Contractor 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 Contractor 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 Contractor, which may be required for use and occupancy;
- (5) Contractor 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 Contractor 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 Contractor of his responsibility to maintain all insurance and bonds required of the Contractor 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, Contractor 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 authorization 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 Contractor and noted in the final authorization for payment is due and payable. The County's Project Manager's final authorization for payment will constitute a further representation that conditions listed in Subparagraph 9.8.2 as precedent to the

Contractor's being entitled to Final Payment have been fulfilled. Warranties required by the Contract Documents shall commence on the date of Final Completion of all Work.

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) Contractor 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 Contractor); (iii) sixty (60) calendar days have elapsed since County's recordation of a Notice of Completion; and (iii) Contractor has submitted to the County:

- (1) A full, complete and proper Final Application for Payment;
- (2) A current Sworn Statement from the Contractor setting forth all Subcontractors and material suppliers with whom Contractor has subcontracted; the amount of each subcontract; the amount requested for each Subcontractor and supplier in the payment application; the balance remaining on the subcontract; and 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 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; the balance remaining on the subcontract; and 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 Contractor 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 8134 from Contractor 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 Contractor 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 Contractor 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) Contractor'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, but not limited to, shop drawings and other submittals;
- (11) Reasonable proof that taxes, fees and similar obligations of Contractor 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) Reserved;
- (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, Contractor 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 Subcontractor or supplier refuses to furnish a release or waiver required by County or files a stop notice, the Contractor 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 Contractor. If, after Substantial Completion of the Work, Final Completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting Final Completion, the County shall, upon application by the Contractor 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 Contractor to the County prior to certification of such payment. Such payment shall be made under terms and conditions governing Final Payment.

9.8.5 Contractor's Acceptance of Final Payment. Acceptance of Final Payment by the Contractor, 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 Contractor 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 Contractor's Safety Policy must be prepared and submitted for the County's review and comments. Contractor 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 Contractor's safety officer and on-site safety officer;
- (2) The schedule for the Contractor's safety inspections;
- (3) The type and frequency of training conducted for Contractor'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 Contractor's Hazardous Communications Program;
- (6) A list of any possible fire hazards and the firefighting 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.

Contractor shall also comply with any safety requirements required by insurers providing coverage for the Project. Notwithstanding the foregoing, Contractor specifically assumes all risk of damages or injury to any persons or property, wherever located, resulting from any action or operation of the Contractor or Contractor'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 Contractor'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 Contractor 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 Contractor shall bear the risk for any County equipment, material, or supplies with which Contractor has been entrusted and shall bear responsibility for all bodily injuries to persons, including accidental death, which may be caused by Contractor's performance of the Work.

10.2.2 Contractor's Remedy for Damage or Loss. The Contractor 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 Contractor 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 Contractor is responsible, except damage or loss attributable to the acts or omission of the County, or anyone directly or indirectly employed by the County, or by anyone for who the County may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's indemnification obligations under Paragraph 3.18 herein.

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

- (1) Employees on the Site and other persons who may be affected thereby;
- (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 Contractor or the Contractor's Subcontractors or Sub-subcontractors; and
- (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 Contractor shall give notices and comply with Applicable Laws bearing on safety of persons or property or their protection from damage, injury or loss. Contractor 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 and Mojave Desert 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. Contractor shall fully defend, indemnify, and hold harmless the County, its members, officers, volunteers, 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 Contractor, Contractor's Subcontractors, or Sub-subcontractors.

10.2.5 Safeguards. The Contractor 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 Contractor 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 Contractor 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 Contractor 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 or any of its officers, agents, officials, volunteers, the 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 Contractor 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 Contractor shall not load or permit any part of the construction or Site to be loaded so as to endanger its safety. The Contractor 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 Contractor 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. Contractor 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 Contractor shall designate a responsible member of the Contractor's organization at the Site whose duty shall be the prevention of accidents. This person shall be the Contractor's Superintendent unless otherwise designated by the Contractor in writing to the County.

10.2.10 Accident Reporting. The Contractor 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. Contractor 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.

10.2.12 Response. Contractor shall immediately respond to notice from the County of unsafe conditions.

10.2.13 Documents Available. Contractor shall have available at the Project Site, copies or suitable extracts of "Construction Safety Orders" and "General Industrial Safety Orders" issued by the State Division of Industrial Safety.

10.3 Hazardous Materials

10.3.1 Notice to County. The Contractor agrees that it is solely responsible for investigation and performing remedial actions on all hazardous materials and other related environmental requirements located on the Project Site. Any hazardous materials that are encountered beyond those described in the Contract Documents may properly be the subject to a Change Order. The County agrees that the Contractor 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 Contractor 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 Contractor 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 Material Safety Data Sheets and Compliance with Proposition 65.

10.3.2.1 Contractor 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 Contractor 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 Contractor 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 Contractor agrees to familiarize itself with the provisions of this section, and to comply fully with its requirements.

10.4 Contractor Materials

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

10.5 Emergencies

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's discretion, to prevent threatened damage, injury or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Paragraph 4.3 and Article 7.

10.6 Protection of the Work

10.6.1 Contractor 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, Contractor shall cease Work and notify County of such cessation in accordance with the requirements of Article 4.

10.6.2 Contractor shall not permit open fires on the Project.

10.6.3 Contractor shall take necessary precautions to guard against and eliminate possible fire hazards and to prevent damage to construction Work, building materials, equipment, temporary field offices, storage shed, and public and private property.

10.6.4 If Contractor fails to adequately protect the Work, Contractor is responsible for all damage incurred by County. Contractor is responsible for payment of the deductible on the Builder's Risk Policy, however, County, at its sole discretion, can decide to pay the deductible and deduct such payment from payments then or thereafter due Contractor. If payments then or thereafter due the Contractor are not sufficient to cover such deductible amounts, the Contractor will then pay the different to the County.

10.7 Protection of Existing Property

The Contractor 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 Contractor shall be repaired or replaced by the Contractor 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 Contractor shall furnish a Labor and Material Payment Bond and a Performance Bond on the forms provided by the County or on any other form approved by County. Contractor shall deliver to County no later than ten (10)

calendar days after award of the Contract, evidence satisfactory to County that Contractor has obtained the required 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 Contractor 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 Contractor's usual source, provided the bonds meet all County requirements, 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 satisfactory 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). All bonds must comply with the Bond and Undertaking Law (Code of Civil Procedure Section 995.010 et. seq.).

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 Articles 2 and 13 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 Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made.

11.1.3 The Performance Bond shall name the County as the beneficiary under the bond.

11.1.4 In the event of increases in the Contract Sum by Change Orders, or otherwise, the Contractor shall submit to the County evidence of additional bond coverage (both Labor and Material Payment Bond and Performance Bond) for such increases in the Contract Sum. Contractor shall be compensated for such additional bond coverage.

11.1.5 Changes in the Work or extensions of time, made pursuant to the Contract, shall in no way release the Contractor or Surety from their obligations; and the bonds shall remain in full force and effect until one year following the filing of Notice of Completion of the Project by the County. Notice of such changes or extensions shall be waived by the surety.

11.2 Insurance

11.2.1 Contractor 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 Contractor allow any Subcontractor to commence work on its Contract until all similar insurance required of the Subcontractor has been so obtained and approved.

The Contractor agrees to provide insurance set forth in accordance with the requirements herein. If the Contractor uses existing coverage to comply with these requirements and that coverage does not meet the specified requirements, the Contractor 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 Contractor shall secure and maintain throughout the contract term the following types of insurance with limits as shown:

11.2.1.1 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 Contractor and all risks to such persons under this Contract.

If Contractor has no employees, it may certify or warrant to the County that it 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.

11.2.1.2 Commercial/General Liability Insurance

The Contractor shall carry General Liability Insurance covering all operations performed by or on behalf of the Contractor providing coverage for bodily injury and property damage with a combined single limit of not less than one million dollars (\$1,000,000), per occurrence. The policy coverage shall include:

- (a) Premises operations and mobile equipment.
- (b) Products and completed operations.
- (c) Broad form property damage (including completed operations).
- (d) Explosion, collapse and underground hazards.
- (e) Personal injury
- (f) Contractual liability.
- (g) \$2,000,000 general aggregate limit.

11.2.1.3 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 one million dollars (\$1,000,000) for bodily injury and property damage, per occurrence.

If the Contractor is transporting one or more non-employee passengers in performance of contract services, the automobile liability policy shall have a combined single limit of two million dollars (\$2,000,000) for bodily injury and property damage per occurrence.

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

11.2.1.4 Increased General Liability and Automobile Liability Insurance Limits for Larger Construction Projects

Construction contracts for projects of one million (\$1,000,000) or over and less than three million (\$3,000,000) require limits of not less than three million (\$3,000,000) in General Liability and Auto Liability coverage.

Construction contracts for projects of three million (\$3,000,000) or over and less than five million (\$5,000,000) require limits of not less than five million (\$5,000,000) in General Liability and Auto Liability coverage.

Construction contracts for projects of five million (\$5,000,000) or over require limits of not less than ten million (\$10,000,000) in General Liability and Auto Liability.

11.2.1.5 Course of Construction/Installation (Builder's Risk) Property Insurance

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.

11.2.1.6 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.

11.2.1.7 Continuing Products/Completed Operations Liability Insurance

Contractor shall 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).

11.2.1.8 Environmental Liability Insurance

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:

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.

11.2.2 Subcontractor Insurance Requirements.

The Contractor 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 identified in Paragraphs 11.2.3 through 11.2.11 and 3.18 (indemnification), and the insurance specifications identified under Paragraph 11.2, (including waiver of subrogation rights) and naming the County as an additional insured. The Contractor agrees to monitor and review all such coverage and assumes all responsibility ensuring that such coverage is provided as required here.

11.2.3 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.

11.2.4 Waiver of Subrogation Rights

The Contractor 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 Contractor and Contractor's employees or agents from waiving the right of subrogation prior to a loss or claim. The Contractor hereby waives all rights of subrogation against the County.

11.2.5 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.

11.2.6 Severability of Interests

The Contractor 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 Contractor and the County or between the County and any other insured or additional insured under the policy.

11.2.7 Proof of Coverage

The Contractor 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 Contractor shall maintain such insurance from the time Contractor commences performance of services hereunder until the completion of such services. Within fifteen (15) days of the commencement of this Contract, the Contractor 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.

11.2.8 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".

11.2.9 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.

11.2.10 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 Contractor or County payments to the Contractor will be reduced to pay for County purchased insurance.

11.2.11 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. Contractor 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.

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 Contractor'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 has not specifically requested to examine prior to its being covered, the County may request to see such Work and it shall be uncovered by the Contractor. 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 Contractor's expense within the Contract Sum unless the condition was caused by the

County or a Separate Contractor 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 Contractor shall promptly correct Work rejected by the 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 Contractor's expense within the Contract Sum.

12.2.1.1 If Contractor fails to promptly correct Work rejected by the County, as failing to conform to the requirements of the Contract Documents, or fails to perform the Work in accordance with the Contract Documents, the County may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated by Contractor, or until the County chooses to complete the Work. Contractor shall not be entitled to any adjustment of Contract Time or Contract Sum as a result of any such order. The County and County's Project Manager shall have no duty or responsibility to Contractor or any other party to exercise the right to stop the Work.

12.2.2 After Final Completion.

12.2.2.1 In addition to the Contractor's warranty obligations under Paragraph 3.5, if, within one year after the date of Final Completion of the Work or after the date for commencement of warranties established under Subparagraph 3.5.2, 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 Contractor shall correct it promptly after receipt of written notice from the County to do so, unless the County has previously given the Contractor 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 Contractor fails to correct nonconforming Work within a reasonable time after receipt of notice from the County, the County may correct the nonconforming work in accordance with Paragraph 2.5.

12.2.3 Removal. The Contractor 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 Contractor nor accepted by the County.

12.2.4 Destruction or Damage. The Contractor shall bear the cost within the Contract Sum of correcting destroyed or damaged construction, whether completed or partially completed, of the County or Separate Contractor caused by the Contractor'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 Contractor 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 Contractor 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 Contractor's liability with respect to the Contractor'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. Such option shall be exercised solely by notice to Contractor and shall not be implied from any act or omission by the County. 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 Contractor

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 Contractor 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 Contractor, 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 Contractor has given County written notice within ten (10) days of the occurrence of such ground for termination, then the Contractor 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 Contractor or a Subcontractor or their agents or employees or any other persons performing portions of the Work under contract with the Contractor 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 Contractor may give County ten (10) calendar days written notice to cure. If the County fails to cure, the Contractor may, upon ten (10)

additional calendar days' written notice to 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 Contractor's performance of the Contract for cause if:

- (1) Contractor fails promptly to begin the Work under the Contract Documents; or
- (2) Contractor refuses or fails to supply enough properly skilled workers or proper materials; or
- (3) Contractor 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
- (4) Contractor 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
- (5) Contractor 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
- (6) Any representation or warranty made by Contractor in the Contract Documents or any certificate, schedule, instrument, or other document delivered by Contractor pursuant to the Contract Documents shall have been false or materially misleading when made; or
- (7) Contractor fails to make payment to Subcontractors for materials or labor in accordance with the respective Contract Documents and Applicable Law; or
- (8) Contractor disregards laws, ordinances, or rules, regulations, or orders of a public authority having jurisdiction; or
- (9) Contractor otherwise is guilty of breach of a provision of the Contract Documents; or
- (10) Contractor becomes insolvent, is adjudicated bankrupt, or makes a general assignment for the benefit of creditors and fails to provide County with adequate assurances of Contractor's ability to satisfy its contractual obligations.

A receiver, trustee, or other judicial officer shall not have any right, title, or interest in or to the Contract. Upon that person's appointment, County has, at its option and sole discretion, the right to immediately cancel the Contract and declare it null and void.

13.2.2 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 Contractor five (5) calendar days written notice, terminate employment of the Contractor and may:

- (1) Take possession of the Site and of all materials, equipment, tools and construction equipment, and machinery thereon owned by the Contractor;
- (2) Suspend any further payments to Contractor;
- (3) Accept assignment of subcontracts pursuant to Paragraph 5.3; and
- (4) Finish the Work by whatever reasonable method the County may deem expedient. Upon request of the Contractor, the County shall furnish to the Contractor 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 Contractor's default exceed the unpaid Contract balance, the Contractor and Contractor's Sureties 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 Contractor 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 Contractor 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 Contractor shall promptly recommence the Work upon written notice from County directing Contractor 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 Contractor 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 Contractor 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 Contractor'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 Contractor During Suspension Periods. During periods that Work is suspended, Contractor 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 Contractor hereunder, County may terminate Contractor's performance of the Contract in whole or in part, at any time, for convenience or any other reason upon written notice to Contractor. Such termination shall be effective as of the date stated in the written notice, which shall be no less than ten (10) calendar days from the date of the notice.

13.4.2 Contractor Actions. Immediately upon receipt of such notice, Contractor 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 Contractor 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 Contractor 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.

In no event shall Contractor be entitled to recover overhead or profit on Work not performed.

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".

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 Department, San Bernardino County, will be made available for inspection during regular business hours, are included elsewhere in the specifications for the Work in the Project, 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 Contractor 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.

14.1.1 Federal Funding Requirements.

14.1.1.1 If federal funding is involved with the Project the Federal Davis-Bacon Act (40 U.S.C. 3141 et seq.), as supplemented by Department of Labor regulations (29 C.F.R. Part 5), will apply to the Project and those requirements shall be complied with by Contractor. The Contractor and all Subcontractors and Sub-subcontractors are required to pay their employees and workers a wage not less than the minimum

wage for the work classification as specified in both the Federal and California wage decisions. The higher of the two applicable wage classifications, either California prevailing wage or Davis-Bacon Federal prevailing wage, will be enforced for all Work under this Contract. If applicable, the Contractor is responsible for ensuring Subcontractor compliance with Davis-Bacon and related federal law requirements.

14.1.1.2 Contractor must comply with the Copeland “Anti-Kickback” Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 C.F.R. Part 3).

14.1.1.3 Contractor must comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701 et seq.) as supplemented by Department of Labor regulations (29 C.F.R. Part 5).

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 contractor or 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. Any contract entered into between a contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract, and any public money that may have been paid to a debarred subcontractor by a contractor on the project shall be returned to the County. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the Project.

14.2.1.1 Excluded Parties List System (EPLS). Neither Contractor nor its employees or subcontractors shall be named on the EPLA, which includes information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the non-procurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits. The EPLS can be accessed at <http://www.epls.gov/>. This information may include names, addresses, DUNS numbers, Social Security Numbers, Employer Identification Numbers or other Taxpayer Identification Numbers, if available and deemed appropriate and permissible to publicize by the agency taking the action. Contractor is aware that although United States General Service Administration operates this system, individual agencies are responsible for the timely reporting, maintenance, and accuracy of their data.

14.2.1.2 Certification. Contractor certifies that neither it nor its principals or Subcontractors are presently disbarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency as required by Executive Order 12549.

14.2.2 Employment of Apprentices. The Contractor 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.

14.3 Payment of Prevailing Rates

There shall be paid each worker of the Contractor, 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 Contractor or any Subcontractor, of any tier, and such worker.

14.4 Prevailing Rate Penalty

The Contractor shall, as a penalty, forfeit two hundred dollars (\$200.00) 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 Contractor 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 Contractor.

14.5 Payroll Records

14.5.1 Pursuant to California Labor Code Section 1776, the Contractor and each Subcontractor, of any tier, shall keep accurate certified payroll records, 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 Contractor 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 Contractor 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 Contractor, 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 Contractor;

(4) the Contractor 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; and

(5) copies provided to the public, 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 Contractor or any Subcontractor of any tier, performing a part of the Work shall not be marked or obliterated. The Contractor 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.

14.5.2 In the event Contractor does not comply with the requirements of this subsection, the Contractor shall have ten (10) days in which to comply, subsequent to a receipt of written notice specifying in what respects the Contractor must comply herewith. Should non-compliance still be evident after a ten (10) day period, the Contractor shall, as a penalty to the County, forfeit one-hundred dollars (\$100.00) 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 then due or to become due to the Contractor.

14.5.3 State Construction Bond and Weekly Electronic Certified Payroll Records.

14.5.3.1 If the Project is funded in whole or in part from a bond issued by the State to fund public works projects, the following requirements shall apply:

14.5.3.1.1 The Project is subject to the requirements of Division 2, Part 7, Chapter 1 of the California Labor Code and Title 8, Division 1, Chapter 8, Subchapter 4.5 of the California Code of Regulations. Under the above-cited Chapter of the Labor Code and Subchapter of the California Code of Regulations, this Project is subject to monitoring by the Compliance Monitoring Unit (CMU) of the California Department of Industrial Relations, Division of Labor Standards Enforcement. In addition, under the above-cited Chapter of the Labor Code and Subchapter of the California Code of Regulations, the Contractor (and their Subcontractors via the Contractor) shall submit on a weekly basis electronic certified payroll reports directly to the CMU and the County using the eCPR system – MyLCM or the County's LCPTracker Program. Further, the Contractor (and their Subcontractors via the Contractor) shall submit directly to the CMU accurate payroll records within 10 days of any separate request by the CMU. To

enroll in MyLCM, obtain additional information and assistance, go to the third party non-government website at <https://app.mylcm.com>. Subcontractors may also enroll in MyLCM at the website.

14.5.3.1.2 At the Project Site the Contractor shall post throughout the term of the Contract a notice (in English and Spanish) as required by, and containing the language provided in section 16451(d) of Title 8 of the California Code of Regulations. The notice (in the form of posters) is available on the CMU website at http://www.dir.ca.gov/dlse/cmu/Forms_Publications_and_Resources.html, at the Division of Labor Standards Enforcement District Office or by e-mailing a request to CMU@dir.ca.gov. The notice will indicate to employees and others that the worksite falls under regulations of the CMU. The local CMU District Office is located at the following address: CMU District Office – San Bernardino, 464 W. Fourth Street, Room 348, San Bernardino, CA 92401, (909) 383-4334 or (909) 889-8120.

14.5.3.1.3 Failure to meet the requirements above will subject the Contractor to sanctions/withholding of Contract payments as allowed by law for any delinquent or inadequate certified payroll records. Payroll violations are required to be reported to the State and/or Federal government.

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 Contractor 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 Contractor 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 one-half (1½) times the basic rate of pay.

14.7 Penalty for Excess Hours

The Contractor shall pay to the County a penalty of twenty-five dollars (\$25.00) for each worker employed on the Work by the Contractor 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 Contractor 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 Contractor 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 for 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.

14.10 Apprenticeship Certificate

When the Contractor or any Subcontractor, of any tier, in performing any of the Work employs workers in any Apprenticeable Craft or Trade, as hereinafter defined, the Contractor 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 Contractor 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 Contractor or Subcontractor, shall arrange for the dispatch of apprentices to the Contractor or such Subcontractor in order to comply with California Labor Code Section 1777.5. The Contractor 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. Contractors 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 journey, 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 Contractor shall employ apprentices for the number of hours computed as above before the completion of the Work. The Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor 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 Contractor's Compliance

The responsibility of compliance with this Article for all Apprenticeable Trades or Crafts is solely and exclusively that of the Contractor. 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 Contractor 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 Contractor 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 One Hundred Dollars (\$100.00) 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 Contractor's Compliance with Law

Contractor, Contractor's agents, and Contractor's employees shall be bound by and comply with all applicable provisions of the Labor Code, and such federal, state and local laws which affect the conduct of the Work. This includes, but is not limited to laws regulating: payment of wages; eight-hour day; overtime, Saturday, Sunday and holiday work; and nondiscrimination.

The Contractor shall forfeit to the County the penalties prescribed in the Labor Code for violations.

14.15.1 Contractor shall comply with all Executive Orders, statutes or regulations regarding the stabilization of wages and prices in the construction industry.

14.16 Equal Employment Opportunity

14.16.1 Contractor agrees to fully comply with the laws and programs (including regulation issued pursuant thereto) which are listed following this paragraph. Such compliance is required to the extent such laws, programs and their regulations are, by their own terms, applicable to this Contract. Contractor warrants that it will make itself thoroughly familiar with the applicable provisions of said laws, programs and regulations prior to commencing performance of the Contract. Copies of said laws, programs and regulations are available upon request from County. To the extent applicable the provisions of said laws, programs and regulations are deemed to be a part of this Contract as if fully set forth herein.

14.16.1.1 Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended (38 U.S.C. 4212) and the applicable clause is inserted pursuant to 41 C.F.R. Sections 60-250.5(a).

14.16.1.2 Rehabilitation Act of 1973, as amended (29 U.S.C. 701 et seq.) and the applicable clause is inserted pursuant to 41 C.F.R. Sections 60-741.5(a).

14.16.1.3 California Fair Employment and Housing Act. (CA Government Code Section 12900 et seq.)

14.16.1.4 Civil Rights Act of 1964, as amended (42 U.S.C. 2000a et seq.), Executive Order No. 11246, September 24, 1965, as amended, and the applicable clause is inserted pursuant to 41 C.F.R. Section 60-1.4.

14.16.2 Executive Order 11246.

Contractor certifies that Contractor will fully comply with Executive Order 11246, as amended by Executive Order 11375, and any other executive order amending this order, and the rules and regulations issued thereunder, which are hereby incorporated by reference as appropriate.

The Contractor commits itself to such compliance by submitting a properly signed bid or offer or by signing or otherwise accepting a Contract or subcontract.

14.17 Senate Bill 854 (Chapter 28, Statutes of 2014) and Senate Bill 96 (Chapter 28, Statutes of 2017) Requirements

14.17.1 Contractor shall comply with Senate Bill 854 (signed into law on June 20, 2014). The requirements include, but are not limited to, the following:

14.17.1.1 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 Department of Industrial Relations pursuant to Labor Code section 1725.5, with limited exceptions from this requirements for bid purposes only as allowed under Labor Code section 1771.1(a).

14.17.1.2 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 Department of Industrial Relations pursuant to Labor Code section 1725.5.

14.17.1.3 This project is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

14.17.1.4 As required by the Department of Industrial Relations, Contractor is required to post job site notices, as prescribed by regulation, regarding compliance monitoring and enforcement by the Department of Industrial Relations.

14.17.1.5 Contractors and all subcontractors 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 Contractor and all subcontractors 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.

14.17.1.6 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.

14.17.2 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 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).

(e) 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.

(f) 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.”

14.17.3 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.”

14.17.4 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 Contractor, or any Consultant or Subcontractor, with regard to this Agreement or Project, shall be in the Superior Court of California, San Bernardino County, San Bernardino District. Contractor agrees to incorporate this provision into all Subcontractor agreements.

15.2 Successors and Assigns

The County and Contractor 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 Contractor 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 Contractor agrees, upon such entity's request, to continue and complete performance of the Work upon payment of any undisputed outstanding amounts due Contractor 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, Contractor will execute a separate letter or other agreement with such entity further evidencing Contractor'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 shall constitute a waiver of any right or duty afforded the County 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 approved, Contractor 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. Whenever the Contractor desires to carry on the Work of this Contract at night or on a Saturday, Sunday, or holiday, Contractor shall request authorization in writing from the County for such work at least two (2) working days in advance so that inspection may be provided if authorization is granted and the Contractor agrees to pay overtime reimbursement of costs for this service. If inspection is by authority other than County, Contractor shall inform County of date fixed for such inspection. All required certificates of inspection shall be secured by Contractor. If any Work required to be tested should be covered up without approval or consent of County, Contractor must, if required by County, uncover the Work for examination and satisfactorily reconstruct at Contractor's expense within the Contract Sum in compliance with Contract. All labor and equipment necessary for exposing and testing shall be furnished by the Contractor at his expense. The Contractor shall replace, at Contractor's expense, any materials or Work damaged by exposure and any faulty materials or workmanship evidenced by such exposure or testing. 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 Contractor. Contractor 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 Contractor. All labor and equipment necessary for exposing and testing shall be furnished by the Contractor at his expense. The Contractor shall

replace, at Contractor's expense, any materials or Work damaged by exposure and any faulty materials or workmanship evidenced by such exposure or testing.

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 15.5.1, the County will instruct the Contractor to make arrangements for such additional testing, inspection or approval by an entity acceptable to the County, and the Contractor 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 Contractor'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 Contractor and promptly delivered to the County. Delivery of such documentation is a condition precedent to County's obligation to make payment to Contractor.

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.

15.5.6 Responsibility. Any inspection or approval by any representative or agent of the County will not relieve the Contractor of the responsibility of incorporating in the Work only those materials which conform to the Specifications, and any nonconforming materials shall be removed from the Site whenever identified. Further, inspection or approval by the County does not relieve the Contractor of its obligation to provide Work which conforms in all aspects with the Contract Documents.

15.6 Record Retention and Audits

15.6.1 The County and any entities and/or agencies designated by the County, shall have access to, and the right to audit, and the right to copy at the County's cost, all of Contractor's books, records, Contracts, correspondence, instructions, Drawings, receipts, vouchers, purchase orders, and memoranda relating to the Work, changes in the Work, any Change Orders or Construction Change Directives or written amendments to the Contract, and any claims.

15.6.2 Contractor agrees that the County and its designated representative shall have the right to review, to audit, and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the County to audit records and interview staff in any subcontract related to performance of this Agreement.

15.6.3 The Contractor shall establish an official file for the Project (the "Official Project File"). The Official Project File shall contain adequate documentation of all actions that have been taken with respect to the Project, in accordance with generally accepted government accounting principles and the requirements for record retention for capital projects constructed with the proceeds of tax exempt bonds. The Contractor will provide a copy of such file to the County at its request or upon termination of this Agreement. The documents to be retained shall include, but are not limited to, Contractor's books, records, Contracts, correspondence, instructions, Drawings, receipts, vouchers, purchase orders, and memoranda relating to the Work, changes in the Work, any Change Orders or Construction Change Directives or Contract Amendments, and any claims.

15.6.4 Contractor agrees to protect records adequately from fire or other damage. When records are stored away from Contractor's principal office, a written index of the location of records stored must be on hand and ready access must be assured. All the Contractor records contained in the Official Project File must be preserved a minimum of five (5) years (the "Record Maintenance Period"). These records shall be subject at all reasonable times to inspection, examination, monitoring, copying, excerpting, transcribing, and audit by the County or designees, by state government auditors or designees, or by federal government auditors or designees. If any litigation, claim, negotiation, audit, or other action involving the records has been started before the expiration of the Record Maintenance Period, the related records must be retained until the completion of the action and resolution of all issues which arise from it if such date is later than the end of the Record Maintenance Period.

15.6.5 All books, account, reports, files, correspondence, data, and other records relating to this Contract shall be maintained by the Contractor 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. County shall be entitled, upon forty-eight (48) hours written notice, to inspect all books, records, accounts, and the Official Project File kept by Contractor relating to the Work contemplated by the Agreement. Such records shall be produced by the Contractor at a place designated by the County, upon written notice to the Contractor.

15.6.6 Contractor agrees to maintain adequate fiscal and Project books, records, documents, and other evidence pertinent to the Contractor's Work on the Project in accordance with generally accepted accounting principles. Adequate supporting documentation shall be maintained in such detail so as to permit tracing transactions

from the invoices, to the financial statement, to the accounting records, and to the supporting documentation. These records shall be maintained for the Record Maintenance Period, and shall be subject to examination and/or audit by County or designees, and state government auditors or designees.

15.6.7 Contractor agrees to make the Official Project File, books, records, supporting documentations and other evidence available to the County, or its designated representatives, during the course of the Project and for the Record Maintenance Period. Contractor agrees to provide suitable facilities for access, monitoring, inspection and copying of said records.

15.6.8 Contractor shall maintain books, records, documents, and other evidence sufficient to reflect properly the amount, receipt, and disposition of all Project funds. The maintenance requirements extend to books of original entry, source documents supporting accounting transactions, the general ledger, subsidiary ledgers, personnel and payroll records, canceled checks, and related documents and records. Source documents include copies of all awards, applications, and required financial and narrative reports. Personnel and payroll records shall include the time and attendance reports for all individuals reimbursed under the award, whether they are employed full-time or part-time. Time and effort reports are also required for consultants and subcontractors. Generally accepted government accounting principles and adequate supporting documentation shall be maintained in such detail so as to provide an audit trail which will permit tracing transactions from the invoices to the financial statement, to the accounting records, and to the supporting documentation for the purpose of determining compliance with Public Contract Code Section 10115 et seq., Government Code Section 8546.7 and 2 CCR Section 1896.60 et seq. (as applicable).

15.7 Independent Contractor

Contractor is employed hereunder to render a service within the scope of its training and experience, and Contractor shall be an independent Contractor 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 Contractor, nor to pay any benefit to any employee or Subcontractor or vendor under the Workers' Compensation laws. None of Contractor'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 Contractor set forth in this Contract.

15.8 Keys and Access

If the County furnishes keys and/or access cards to the Contractor to provide access to County's property, the Contractor 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 Contractor fails to return all access instruments furnished to it, the Contractor shall be responsible, within the Contract Sum, for all Work, materials, and costs associated with reestablishing secured access.

15.9 Survival of Terms

The provisions of the Contract which by their nature survive termination of the Contract or Final Completion, including all warranties, indemnities, payment obligations, and the County's right to audit Contractor's books and records, shall remain in full force and effect after Final Completion or termination of the Contract and shall be binding upon Contractor 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 Contractor and County are separate and independent entities and that Contractor has full responsibility for performance of the Work and direction of the work force, subject to and under the duty of Contractor to cooperate with County and its Separate Contractors. Contractor 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 Contractor 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 Contractor 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 Contractor shall make all necessary arrangements to reconcile, without delay, damage, or cost to the County and without recourse to 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, Contractor shall be liable to County for all damages suffered by County, and no extensions of Contract Time shall be given to Contractor, as a result of work stoppage, slowdowns, or strikes related to labor disputes.

15.10.2 Picketing.

15.10.2.1 Contractor agrees that should there be picketing or a threat of picketing by any labor organization at or near the Site, Contractor, in cooperation with County, shall establish a reserve gate system and require employees of Contractor, Subcontractors, and suppliers to use one or more designated gates. In that event, it shall be the affirmative obligation of Contractor, as a material consideration of this Agreement to ensure that employees of Contractor, 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 Contractor, 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, Contractor 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. Contractor and County agree to cooperate fully with each other and their Project Managers 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. Contractor hereby warrants that it is not now nor will Contractor 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 for 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 Contractor. 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 Contractor for breach of any of County's covenants or obligations. Notwithstanding the foregoing, Contractor does not waive any rights under Applicable Law in California concerning the commission of fraud or conversion.

15.12 Antitrust Claims

The Contractor by signing this Agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Code Sections set out below.

15.12.1 The Government Code Chapter on Antitrust claims contains the following definitions:

- (1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.

- (2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. (Government Code Section 4550.)

15.12.2 In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. (Government Code Section 4552.)

15.12.3 If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. (Government Code Section 4553.)

15.12.4 Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. (See Government Code Section 4554.)

15.13 Compliance with Restrictions

Contractor 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 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.

15.14 Legal Requirements

Contract shall perform the Work in accordance with the requirements of all Applicable Laws, codes, ordinances, and regulations even though such requirements are not specifically mentioned in the Specifications or shown on the Drawings. When the Work required by the Contract Documents is in conflict with any such legal provision, the Contractor shall notify the County in writing and shall not proceed with the Work until the County has so ordered.

15.15 Third Party

No provision contained in the contract Documents shall create or give to third parties any claim or right of action against the County.

END OF GENERAL CONDITIONS

NOT FOR BID

SPECIAL CONDITIONS – ARROWHEAD REGIONAL MEDICAL CENTER PROJECTS

- 1.1 Coordination, Scheduling, and Meetings: The Contractor shall coordinate scheduling of all construction activities with the Project Manager from the Project and Facilities Management Department and Arrowhead Regional Medical Center (ARMC) Project Management Team, prior to beginning the activities. The successful bidder shall attend a preconstruction conference at a location and time set by the County.

Construction meetings shall be held at the job site or at a different location as instructed by the County. Details regarding job site meetings will be arranged at the preconstruction conference.

- 1.2 Codes, Ordinances and Regulations: All Work shall conform to the requirements of all Applicable Laws including California Department of Health Care Access and Information (HCAI), the California Building Standards Code (as adopted and/or amended by the County), the Standard Plans for Public Works Construction, Construction Safety Orders of the Department of Industrial Relations – Division of Industrial Safety Construction Safety Orders, and all other State and National codes, ordinances, rules and regulations, which apply to the Work. Contractor acknowledges that they have experience with hospital construction in California and HCAI and have factored this in their proposal as the County and or ARMC will not be liable for schedule delays and or production rate inefficiencies as a result of local and state jurisdictions approval time of RFI and or submittal.

In any case of conflict between any of these requirements, and the Contract Documents, the requirement that is the strictest shall govern. Nothing in the Contract Documents is to be construed to permit Work not in conformance with these laws, codes and regulations.

- 1.3 Liquidated Damages: Section 8.5.3 of the General Conditions is amended to read the following:

In the event that Contractor fails to achieve Final Completion of the Work within the Contract Time, Contractor agrees to pay County the sum of **\$5,000 per day** for liquidated damages for each calendar day that Final Completion is delayed.

- 1.4 Safety: The Contractor shall be solely and completely responsible for conditions of the job site, including safety of all persons and property for the duration of the Work, on a 24-hour per day, 7-day week basis. Prior to the start of construction, Contractor shall submit to the Project Manager with a copy of Contractor's Illness and Injury Prevention Program as required by California Code of Regulations, title 8, sections 1509 and 3203, and Section 10 of the General Conditions, specifically relating to this Project.

- 1.5 Project Inspections: All inspections shall be performed during normal business hours. Contractor shall notify the Project and Facilities Management Department – Inspector and Project Manager 72 hours in advance of all requested inspections.

Contractor may request an inspection after filling out inspection request form (Attachment E) and send form via email to the Project and Facilities Management Department – Project Manager at Gilberto.Angel@pfm.sbcounty.gov.

Email subject line should read as follows:

10.10.1142 Sterilization System Installation – Inspection request.

10.10.1066 Sonic Irrigation Replacement – Inspection request.

- 1.6 Change Orders: Contractor is referred to Section 7 of the General Conditions.
- 1.7 Sanitary Facilities: Contractor shall be solely and completely responsible to provide and maintain on-site sanitary facilities.
- 1.8 Contractor's Site Representative: Per Section 3.3.5.1 of the General Conditions, Contractor shall have a project superintendent on site at all times while work is being done.
- 1.9 Water & Power: Contractor shall be solely and completely responsible to provide water and power for all Contractor/construction purposes.
- 1.10 Work in cooperation with ARMC's Operations: Contractor to perform Work to minimize the disruption to the operations of the facility, visitor, and vehicle traffic. Do not block fire doors, or hallways unless prior arrangements have been made with ARMC Facilities. Any loud or disruptive work will require an Impact-Notice to be issued and will need to be coordinated and released through ARMC Facilities. Contractor shall not perform any work unless authorized and approved by both County and ARMC. See Attachment A.
- i. Contractor Protocol & Guidelines: ARMC has protocols and guidelines that the Contractor and subcontractors must review, sign, and acknowledge prior to the start of mobilization. Contractor and subcontractors must complete this step before start of mobilization. Failure to complete this step may result in a delay in project schedule that is the responsibility of the awarded Contractor.
- ii. Contractor Pre-Construction Risk Assessment: ARMC has a Pre-Construction Risk Assessment form that the Contractor must review, complete, and submit to ARMC for review prior to the start of construction may occur. Failure to complete this step may result in a delay in project schedule that is the responsibility of the awarded Contractor. See Attachment B.

iii. Infection Control Risk Assessment: As part of working on ARMC campus, Contractor may be required to implement Infection Control Risk Assessments as part of the needs of the hospital. Contractor is solely responsible for reviewing the infection control requirements and provide the necessary plan as well implementation needed for the work required. Contractor must have approval from ARMC epidemiology department and ARMC facilities management department and issued a ICRA permit before any work can commence. Contractor shall apply for a no cost permit with ARMC Epidemiology and abide by ARMC regulations during construction. All containment systems must be kept in good conditions at all time and properly maintained. See Attachment C.

iv. Protection of Existing Finishes: As part of ARMC policies, procedures and infection control requirements, Contractor shall lay down a protective material over existing surfaces and finishes as needed for work within project scope or as directed. Existing ceilings shall be protected in place and repaired as required to original finish. Use of dust and debris control shall also be required, such as walk off mats or sticky mats, as well as any other measures deemed necessary. Contractor shall provide dust and debris mitigation procedures that meet ARMC standards.

1.11 Working Times and Locations: All areas of ARMC shall remain open and functional during the installation process; with the exception of the specific room(s) or area where work is ongoing. Noisy activities, including but not limited to, concrete coring, hammer drilling, etc., in certain areas of ARMC may require alternative work schedules (i.e. early morning or late evening work), due to noise limitations. Contractor shall take this in consideration during the preparation of its bid proposal. The County will not increase the Contract Sum to compensate Contractor for the alternative work schedule.

i. Site Conditions: Contractor will be responsible for walking and verifying the site conditions prior to commencing their scope of work. The site conditions shall be factored into the sum of the contract price. Once the Contractor commences the execution of the scope of work, existing site conditions are considered part of the scope and the contract sum price and change orders will not be accepted due to their oversite.

ii. Parking: Parking will be provided by ARMC in an ARMC assigned parking lot. The location of the assigned lot shall be determined by ARMC following a meeting with Contractor. The ARMC assigned lot is the only lot that is to be used by the Contractor and subcontractor personnel. The Contractor also acknowledges that ARMC has a professional standard and holds the Contractor to the same standard. As such the Contractor personnel must carry themselves as such and no profanity or hostility will be tolerated. Persons in violation of this standard will be asked to leave the premises. The Contractor will bear the cost for replacing and or loss of production as a result of disciplinary action.

iii. Logistics and Phasing: The Contractor is solely responsible for site logistics and phasing (such as site trailer and material handling/storage) and requires prior

approval for their means and methods and sequencing of the work, and this is not grounds for additional compensation and or time extension.

- 1.12 Tobacco-Free Environment: All areas of the ARMC campus, including parking lots, sidewalks, and streets are tobacco-free zones. ARMC policy prohibits tobacco use of any kind, including e-cigarettes, and applies to employees, volunteers, students, patients, visitors, vendors, contractors, and other individuals who visit the ARMC campus.
- 1.13 Fire Rated Penetrations: Any penetrations of firewall or firewall systems must be performed by 3M trained professional or equal. Visit: www.3M.com/firestop for e-Training
- 1.14 Contractor Credential Requirements: Contractor is required to register in ARMC's Vendor/Contractor Monitoring System known as "RepTrax® System". Contractor shall utilize the RepTrax® System to log into upon arrival each day throughout the construction Project. See Attachment D.

RepTrax® System (214) 222-7484 website: www.reptrax.com
reptrax@deviwelectronics.com

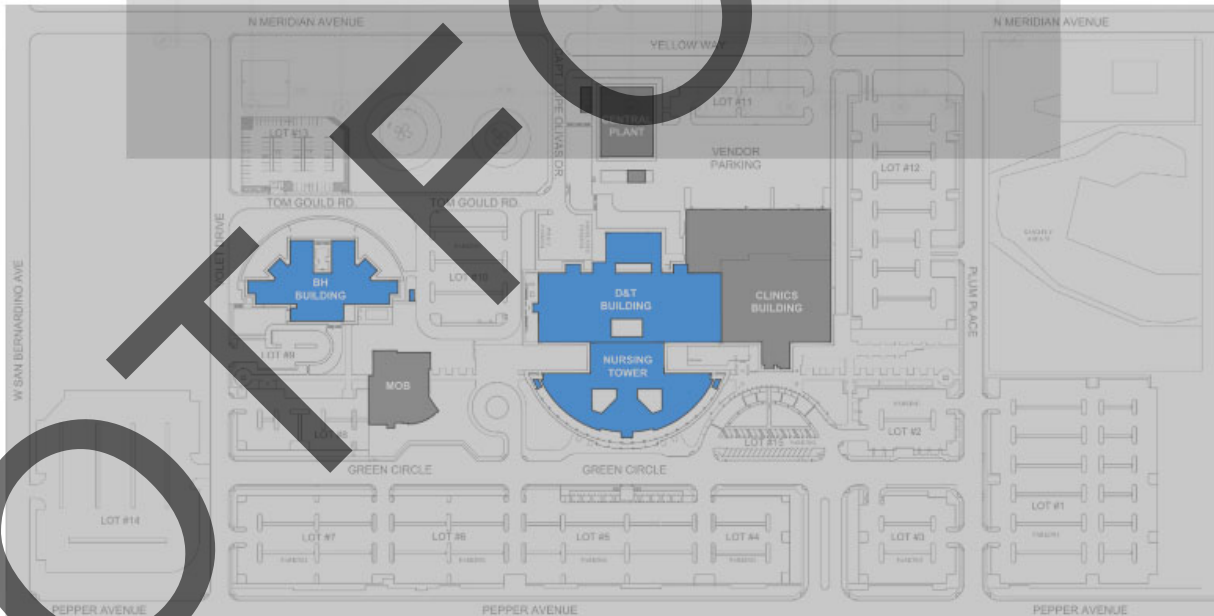
ATTACHMENT A

ARMC Vendor Protocols and Guidelines Form

NOT FOR BID

Construction & Maintenance Vendor Orientation Packet

- ✚ Vendor Check-In Protocol & Acknowledgment
- ✚ Construction & Maintenance Work Guidelines & Protocols
- ✚ Utility & System Shut Down Protocol
- ✚ Security Contact & Informative Overhead Page Codes
- ✚ Vendor & Visitor Parking & Path of Travel





Vendor Check-In Protocol & Acknowledgment

- All visiting vendors and associated personnel are to check and sign in at the Central Plant upon arrival and daily for the duration of the project or task. Once done they will be issued ID badges, and or keys as needed. Vendors will be asked to leave a valid ID as collateral for the badges and keys.
- Vendors and associated personnel are to sign out and return all assigned badges and keys at the end of each workday or completion of the corresponding task.
- Badges and key sets are the sole responsibility of the assigned individual and are not to be shared with any other unauthorized individual. Lost or misplacement of these items may result in suspension of privileges and or reimbursement to replenish items.
- If vendors and associated personnel arrive unannounced, before normal working hours or without prior notice to Facilities Management, they will not be issued a badge, keys or granted permission to begin work until a member of ARMC's Facilities Management managerial or supervisory staff has been contacted and approved notice to proceed.
- If need to please call the Facilities Management front desk at 909-580-0085 to speak to a member of Facilities Management managerial or supervisory staff.

I have read, acknowledged, and understand compliance to this process and expectations to ensure that all visiting vendors and associated personnel are scheduled, presence known and sanctioned by Facilities Management for any project or maintenance related work being carried out on campus. Failure to do so will result in work stoppage, delays, and postponement of corresponding work.

Name: _____

Signature: _____

Date: _____

Department / Company: _____

Construction & Maintenance Work Guidelines & Protocols

A. Infrastructure Impact & Notification

A. Impact Notices & Utility Shut-Offs/Isolations.

1. Project Lead or Contractor must notify ARMC's Facilities Management **at least 4 business days and up to two weeks in advance** prior to any potential prescheduled impactful or disruptive work such as;
 - Request to shut-off, isolate, and or any possible task that pertains or affects the facilities utility infrastructure systems and services. Such as any mechanical, electrical, plumbing, security access control, nurse call, and public address system components and or features.
 - Work that may omit loud noises, odors, and vibrations within the designated work area and or to adjacent spaces.
 - Work related personnel or vehicular traffic that potentially will impede patient services, facility, and staff operations.

Length of notification will be determined by extent of impact reviewed by ARMC as part of the Project Construction & Maintenance Readiness Checklist.

B. Fire Life & Safety Systems & Measures

A. Fire Alarm, Suppression Systems & Assemblies

1. **DO NOT EVER** cover, block, disable, isolate, penetrate, or modify any fire safety assemblies, features and components. Such as fire alarm settings, modules, sprinklers, pull stations, smoke detectors, strobes, etc., unless prior arrangements, applications or measures have been coordinated and approved by ARMC's Fire Life & Safety Personnel.
2. All work is subject to supplemental Interim Life & Safety Measures (ILSM) measures. These are to be implemented before the commencement of any corresponding work or associated task.

B. Hot Work & Permitting

1. Any hot work such as welding, grinding, or cutting of hard or metallic materials requires a hot work permit, inside or outside a building. These are to be requested, issued daily as needed per the corresponding task. A certified and properly designated Fire Extinguisher is required to be on hand for any hot work. Other ILSM measures may be required or administered per ARMC's Fire Life & Safety Personnel request.

C. Combustible or flammable materials

1. Please make ARMC's Fire Life & Safety Personnel aware of the presence of all combustible materials on campus.
2. At absolute minimum and only when contained work area is occupied, combustible or flammable materials can be kept within the designated contained work area.
Combustible or flammable materials shall not be stored in any interior spaces or within an unattended contained construction work area. In addition, such materials

should be removed from the construction area as soon as possible. If applicable, there may be certain supplemental ILSM measures required.

D. Egress and Pathways

1. Any **exit or fire doors are not to be blocked or wedged open** unless prior approval and arrangements have been made with ARMC's Fire Life & Safety Personnel.
2. Do not store any items in paths of egress, hallways, or corridors, unless prior approval and arrangements have been made with ARMC's Fire Life & Safety Personnel.

C. Infection Control Measures & Conditions.

A. Infection Control Risk Assessment (ICRA) Permit.

1. Prior to initiating any investigative, repair or construction related work in a healthcare setting, Project Lead and or point of contact must make a formal request for an assessment and submittal to ARMC's Epidemiology department for a proper issuance of a dedicated Infection Control Risk Assessment (ICRA) and permit.
2. An ICRA needs to be established to determine the environmental risks and infectious control mitigation measures are required to keep the environment safe.
3. The ICRA Permit must be signed by the assigned project point of contact and approved by ARMC's Epidemiology department prior to commencement of any pre-scheduled task or work.
4. The ICRA Permit must be posted outside containment barrier, visible and within a cleanable sleeve or surface.
5. The ICRA permit shall always be valid and any request for an extension or re-classification must be submitted to ARMC's Epidemiology with ample time to ensure proper compliance.
6. **It is the Project Lead and/or point of contact responsibility** to educate and have all associated project personnel understand and able to implement, preserve all measures and applicable healthcare infectious control measures outlined on the ICRA permit.

B. Containment Barriers & Measures

1. When planning for new, altered, or renovated space, the applicable guideline is all associated work abides to is The Joint Commission (TJC) Standard. The hospital must manage its environment during demolition, renovation, or new construction to reduce risk to those in the organization.
2. Containment barrier footprint, parameters and outline phases shall be reflected on the authority having jurisdiction (AHJ) approved construction documents prepared by the design professionals of record (DPOR).
3. All outlined measures and required containment classification conditions per the corresponding ICRA permit **must be implemented and physically established, inspected, and approved by ARMC's Epidemiology and Facilities Management prior to the commencement of work or any related task.**
4. Containment (hard or soft) barrier material shall be flame resistant rated, conform to NFPA 701 standards, minimum 6-mil thick, or otherwise preapproved by ARMC's Fire

- Life & Safety Personnel. If containment barrier material does not have visible stenciling or labeling abiding to such standards, supplemental documentation will be required.
5. Proper Personal Protective Equipment (PPE) shall be kept in the anteroom (if applicable), sealed properly and isolated from possible cross contamination from active work areas.
 6. Personnel shall clean, wipe, vacuum (HEPA Filter) and free themselves of debris or dust prior to exiting the contained work area. If applicable PPE shall be worn outside the contained work area to maintain a contaminant free environment as much as possible.
 7. If PPE is contaminated or compromised, it should be discarded and disposed of properly.
 8. Containment barriers and related components are to be built/maintained by the designated vendor or contractor throughout the duration of the task or project.
 9. Any containment barriers or amenities that may impede or encroach on pathways, corridors or means of egress, must be preapproved beforehand by ARMC's Fire Life & Safety Personnel. This will also entail additional measures and requirements under the assigned ISLM.
 10. All containment barriers shall not have any unsealed penetrations, tears, cuts and shall always be kept in good condition. All containment deficiencies must be addressed and repaired immediately upon being discovery and prior to continuation of any work.
 11. Entrance or Zipper doorways are to be closed immediately after entry or exit of contained work areas. If the contained work area needs to be secured and locked, the project lead or contractor is to provide a copy of the key to ARMC's Facilities Management and impacted department leadership.
 12. Sticky, Tacky or Cleanroom mats, shall be placed at the points of entry and exits of contained work areas. They shall be replaced every 50 passes and/or as many times as needed to prevent cross contamination and ensure proper cleanliness compliance.
 13. If an antibacterial dispenser is not present in vicinity of contained work area, please make prior arrangements with ARMC's Environmental Services (EVS) to have a mobile dispenser placed nearby.

C. Contained Work Area Isolation & Pressurization.

1. All existing Heating, Ventilation, and Air conditioning (HVAC) supply & returns registers shall be sealed off and isolated with temporary plastic barrier.
2. Please coordinate with ARMC's Facilities Management prior to the commencement of any work if certain HVAC or Mechanical components need to be adjusted or isolated by ARMC's Facilities Management's maintenance personnel beforehand.
3. The placement of a HEPA filter on supply registers is allowable, but specification of filter type will need to be submitted for review and approved by ARMC's Facilities Management beforehand.
4. In contained negative pressure work area, zones and/or Anterooms, HEPA Negative Air Machines or Air Scrubbers exhaust air shall be vented to common areas or preferably to exterior areas, through proper diffusers or temporary registers to deflect or minimize air and noise. **Never to a return/exhaust register or above the ceiling.**
5. In negative pressure work areas, negative pressure readings **shall always be monitored and maintained between 0.01-to-0.03-inch water column (WC)**. Pressures that exceed



this range may cause containment barriers to collapse, be compromised and or impact air balancing aspects in adjacent areas.

6. Logs of contained air pressure readings shall be measured and logged daily, recorded, and posted on exterior surface of exterior containment barriers.

D. Area Filtration/Pressurization & Monitoring Equipment.

1. Only HEPA rated Negative Air Machines, Air Scrubbers, Portable Containment Cubes are to be used within the facility.
2. Air Pressurization Equipment, Monitors and/or any other related equipment are to be supplied by the contractor or specialized vendor conducting the work.
3. All corresponding equipment shall be certified, maintained per manufacturer's specifications, clean, in good operable condition, and always remain operational or functional for the duration of the task or project.
4. Supplemental equipment documentation may be requested, as needed.

D. Special Conditions

A. Personnel Conduct

1. **No Smoking is allowed on ARMC's Campus.** Failure to comply may require dispatching ARMC's Security personnel and being escorted off the campus.
2. No food or beverages shall be taken into the contained work area. Consumption of food or beverages is to be carried out at ARMC's Cafeteria or dedicated exterior break areas. Purified drinking water is acceptable, but within a sealed container.
3. Construction personnel shall be presentable, keep verbal interactions at a low sound level, and not use profanity or vulgar language.
4. Engagement of unsafe behaviors, horse play or physical disputes will not be tolerated. Failure to comply may require dispatching ARMC's Security personnel and being escorted off the campus.
5. Contractors and associated personnel shall only use the facility's public designated restrooms for sanitation purposes unless prior arrangements have been made with ARMC's Facilities Management. For exterior work or projects, the placement and use of portable restrooms is allowable with ARMC's Facilities Management approval beforehand.

B. House Keeping & Cleanliness

1. General or Contained work areas should be cleaned and up kept as much as possible. All debris and trash generated by corresponding work shall be removed as needed before the end of each workday.
2. All debris, dust and trash generated by corresponding work shall be kept to a minimum and must be properly cleaned up with a HEPA filtered vacuum, swept, mopped/wiped, or as needed.
3. All debris shall either be placed in a sealed plastic bag or encapsulated prior to exiting a contained work area. It will then need to be transported via a properly covered or enclosed mobile cart to the dedicated disposal container.



4. All personnel attire, clothing, tools, and materials shall be properly covered and cleaned prior to exiting contained work areas and transportation through all interior spaces of facility.

C. Vendor Parking & Path of Travel

1. Contractors and associated personnel shall only park at assigned vendor parking stalls unless prior arrangements have been made with ARMC's Facilities Management.
2. Assigned path of travel and freight elevators for all personnel, equipment and material shall only be the only means for pathways and travel used, unless prior arrangements have been made with ARMC's Facilities Management beforehand.

D. Material & Equipment Storage

1. All associated vehicles, tools, equipment, and materials shall be staged or stored in predetermined allocated space or by other means provided by vendor.
2. Materials, equipment, storage or disposal containers and vehicles shall not be staged or stored on campus without any prior arrangements made with ARMC's Facilities Management

E. Tool, Equipment & Materials

1. All associated tools, equipment and materials shall be furnished by the vendor.
2. All associated tools, equipment and materials shall be stored and secured in allocated space or by other means provided by the vendor.
3. All tools and equipment used shall be in safe operable condition and maintained per manufacturer standards.
4. All power tools and equipment must be inspected by ARMC Facilities Management or Biomedical Engineering department and be given an Electrical Safety sticker per ARMC policy prior to any use.

F. Protection of Existing Finishes & Elements

1. The contractor is responsible for properly covering and protecting all existing surfaces, finishes and equipment prior to the commencement of any work. Failure to do so and/or damage caused by any associated work to these elements, contractor will be responsible to restore, refurbish, repair, or replace as needed.

I have read, acknowledged, and understand the above regulatory guidelines and specified protocols, which will always be observed and abided by. Failure to do so will result in work stoppage, delays, and postponement of corresponding work.

Name: _____

Signature: _____



FACILITIES MANAGEMENT DEPARTMENT

Date:

Department / Company:

Utility & System Shut Down Protocol

**** SYSTEM SHUT DOWN NOTICE ****

WHEN PERFORMING ANY UNEXPECTED OR EMERGENT WORK OR POTENTIAL IMPACTFUL TASK ON ANY ONE OF THE FOLLOWING HOSPITAL INFRASTRUCTURE BASED SYSTEMS, YOU MUST NOTIFY AND OBTAIN APPROVAL FROM FACILITIES MANAGEMENT OR CENTRAL PLANT MANAGERIAL OR SUPERVISORY STAFF BEFORE AND AFTER ISOLATING, SHUTTING OFF AND OR RESTORING ANY SYSTEM, UTILITY SERVICES AND OR INFRASTRUCTURE RELATED FEATURES.

Facilities Management: 909-580-0085

Central Plant: 909-580-0089

Mechanical systems:

- Air Handlers Units
Fan Coils / VAV's / TAU's
Humidifiers
Exhaust Fans
Boilers
Chillers

Fire Systems:

- Fire Alarm System
Fire Sprinkler System
Fire Doors & Dampers
Fire Pumps
Egress Corridors & Pathways
Kitchen Hood Suppression System

Electrical systems:

- Electrical Panels / Sub-Panels
Electrical Sub-Stations/ Switchgears
Automatic Transfer Switches
Emergency Generators
All Power Circuits

Communication Systems:

- Nurse Call system
Public Address (PA) System
Telecommunications & Data System
Security Alarm Systems

Plumbing systems:

- Domestic Water Supply
Hot or Cold-Water Returns
Industrial & Deionized Water Systems
Water Softener Systems
Backflow Prevention Devices
Pumping Stations

Access & Transportation Systems:

- Access Control Systems
Main Entrances
Automated or Specialized Doors
Seismic Portals
Tube System
Exterior Side Walks & Pathways
Elevators

I have read, acknowledged, and understand compliance to this process and expectations. Failure to do so will result in work stoppage, delays, and postponement of corresponding work.