

**FACILITIES LEASE**

**Catherine Everett Elementary School Expanded Learning Wellness Center Building  
and Site Improvements Project**

**For all or a portion of the following Site:**

Catherine Everett Elementary School  
1530 Mt. Vernon Drive  
Modesto, CA 95350  
APN: 060-031-001

**By and between**

Modesto City Schools  
426 Locust Street  
Modesto, CA 95351

**And**

[Developer]  
[Address]

Dated as of June 23, 2025

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## **Exhibits A - G**

## **FACILITIES LEASE**

This facilities lease ("Facilities Lease"), dated as of June 23, 2025 ("Effective Date"), is made and entered into by and between **[Name of Developer]** ("Developer"), a California corporation duly organized and existing under the laws of the State of California, as sublessor, and the **Modesto City Schools**, composed of an elementary school district (K-8) and a high school district (9-12) duly organized and validly existing under the laws of the State of California, as sublessee ("District") (together, the "Parties").

### **RECITALS**

**WHEREAS**, the District is authorized under Section 17406 of the Education Code of the State of California to lease a site to a developer and to have that developer develop and construct the project on the site and to lease back to the District the completed project and site; and

**WHEREAS**, on the date hereof, the District has leased to Developer, a parcel of land located at 1530 Mt. Vernon Drive, Modesto, CA 95350, known as Catherine Everett Elementary School, particularly described in **Exhibit A** and shown on **Exhibit B** attached hereto and incorporated herein by reference ("Site"); and

**WHEREAS**, District and Developer have executed a site lease at the same time as this Facilities Lease whereby the District is leasing the Site to Developer ("Site Lease"); and

**WHEREAS**, the District desires to provide for the development and construction of certain work to be performed on portions of the Site which will include construction of improvements to be known as the **Catherine Everett Elementary School Expanded Learning Wellness Center Building and Site Improvements Project** ("Project"); and

**WHEREAS**, District has retained 19six Architects ("Architect") to prepare plans and specifications for the Project ("Plans and Specifications") and to act as the Design Professional in General Responsible Charge for the Project; and

**WHEREAS**, the Governing Board of the District ("Board") has determined that it is in the best interests of the District and for the common benefit of the citizens residing in the District to construct the Project by leasing the Site to Developer and by simultaneously entering into this Facilities Lease under which the District will lease back the completed Project and site from Developer and if necessary, make Lease Payments; and

**WHEREAS**, the District further acknowledges and agrees that it has entered into the Site Lease and the Facilities Lease pursuant to Education Code Section 17406 as the best available and most expeditious means for the District to satisfy its substantial need for the facilities to be provided by the Project and to accommodate and educate District students and to utilize its facilities proceeds expeditiously; and

**WHEREAS**, this Site Lease and Facilities Lease are awarded based a competitive solicitation process pursuant to Education Code section 17406 and in compliance with the required procedures and guidelines for evaluating the qualifications of proposers adopted and published by the Board to the proposer providing the best value to the school district, taking into consideration the proposer's demonstrated competence and professional qualifications necessary for the satisfactory performance of the services required; and

**WHEREAS**, the selection of Developer was conducted in a fair and impartial manner; and

**WHEREAS**, Developer has reviewed the Lease Documents; and

**WHEREAS**, Developer represents that it has the expertise and experience to perform the services set forth in this Facilities Lease; and

**WHEREAS**, the Parties have performed all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this Facilities Lease and all those conditions precedent do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the Parties hereto are now duly authorized to execute and enter into this Facilities Lease; and

**WHEREAS**, Developer is authorized to lease the Site as lessee and to develop the Project by constructing the Project on the Site and to lease the completed Project and Site back to the District, and has duly authorized the execution and delivery of this Facilities Lease.

**NOW, THEREFORE**, in consideration of the above recitals and of the mutual covenants hereinafter contained, the Parties hereto do hereby agree as follows:

## **TERMS**

### **1. Definitions**

In addition to the terms and entities defined above or in subsequent provisions, and unless the context otherwise requires, the terms defined in this section shall, for all purposes of this Facilities Lease, have the meanings herein specified.

**1.1 "Developer" or "Lessor"** means \_\_\_\_\_, a California corporation, organized and existing under the laws of the State of California, Contractor's license number \_\_\_\_\_ issued by the State of California, Contractors' State License Board, in accordance with division 3, chapter 9, of the Business and Professions Code, and its successors and assigns.

**1.2 "Developer's Representative"** means the Managing Member of Developer, or any person authorized to act on behalf of Developer under or with respect to this Facilities Lease.

**1.3 "Contract Documents"** are defined in **Exhibit D** to this Facilities Lease.

**1.4 "District" or "Lessee"** means the Modesto City Schools, composed of an elementary school district (K-8) and a high school district (9-12) duly organized and existing under the laws of the State of California.

**1.5 "District Representative"** means the Superintendent of the District, or any other person authorized by the Governing Board of the District to act on behalf of the District under or with respect to this Facilities Lease.

**1.6 "Permitted Encumbrances"** means, as of any particular time:

**1.6.1** Liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid;

**1.6.2** The Site Lease.

**1.6.3** This Facilities Lease.

**1.6.4** Easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the date of this Facilities Lease.

**1.6.5** Easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Facilities Lease and to which Developer and the District consent in writing which will not impair or impede the operation of the Site.

## **2. Exhibits**

The following Exhibits are attached to and by reference incorporated and made a part of this Facilities Lease:

**2.1 Exhibit A - Legal Description of the Site:** The description of the real property constituting the Site.

**2.2 Exhibit B - Description of the Project:** The map or diagram depiction of the Project.

**2.3 Exhibit C - Guaranteed Maximum Price and Other Project Cost, Funding, and Payment Provisions:** A detailed description of the Guaranteed Maximum Price and the provisions related to the payment of that amount to Developer, including Attachment 3, the Schedule of Lease Payments and Payoff Dates and Amounts.

**2.4 Exhibit D - General Construction Provisions:** The provisions generally describing the Project's construction.

**2.5 Exhibit D-1 - Special Conditions Provisions:** The provisions describing conditions specific to the Project's construction.

**2.6 Exhibit E - Memorandum of Commencement Date:** The Memorandum which will memorialize the commencement and expiration dates of the Lease Term.

**2.7 Exhibit F - Construction Schedule**

**2.8 Exhibit G - Schedule of Values**

## **3. Lease of Project and Site**

**3.1** Developer hereby leases the completed Project to the District, and the District hereby leases said completed Project and Site from Developer upon the terms and conditions set forth in this Facilities Lease.

**3.2** The leasing by Developer to the District of the completed Project and Site shall not affect or result in a merger of the District's leasehold estate pursuant to this Facilities Lease and its fee estate as lessor under the Site Lease. Developer shall continue to have and hold a leasehold estate in the Site pursuant to the Site Lease throughout the Term thereof and the Term of this Facilities Lease.

**3.3** As to the Site, this Facilities Lease shall be deemed and constitute a sublease.

#### **4. Term**

##### **4.1 Facilities Lease is Legally Binding**

This Facilities Lease is legally binding on the Parties upon execution by the Parties and the District Board's approval of this Facilities Lease. The "Term" of this Facilities Lease for the purposes of District's obligation to make Lease Payments shall commence on the date when Developer delivers possession of the Project to District and when all improvements to be provided by Developer are determined by the District to be completed as set forth in **Exhibit D** to this Facilities Lease.

Unless earlier terminated pursuant to the provisions of the Contract Documents, the Term of this Facilities Lease for the purposes of District's obligations to make Lease Payments shall terminate one (1) year thereafter or upon payment of the final lease payment.

**4.2** After Developer has completed construction of the Project and the District has accepted the Project, the Parties shall execute the Memorandum of Commencement Date attached hereto as **Exhibit E** to memorialize the commencement date of the Lease Payments and expiration date of the Term. Notwithstanding this Term, the Parties hereby acknowledge that each has obligations, duties, and rights under this Facilities Lease that exist upon execution of this Facilities Lease and prior to the beginning of the Lease Payment obligations.

**4.3** The Term may be extended or shortened upon the occurrence of the earliest of any of the following events, which shall constitute the end of the Term:

**4.3.1** An Event of Default by District as defined herein and Developer's election to terminate this Facilities Lease as permitted herein; or

**4.3.2** An Event of Default by Developer as defined herein and District's election to terminate this Facilities Lease as permitted herein; or

**4.3.3** Consummation of the District's purchase option pursuant to the Guaranteed Maximum Price and Other Project Cost, Funding, and Payment Provisions indicated in **Exhibit C** ("Guaranteed Maximum Price Provisions"); or

**4.3.4** A third-party taking of the Project under Eminent Domain, only if the Term is ended as indicated more specifically herein; or

**4.3.5** Damage or destruction of the Project, only if the Term is ended as indicated more specifically herein.

## **5. Payment**

In consideration for the lease of the completed Project and Site by Developer back to the District and for other good and valuable consideration, the District shall make all necessary payments pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C**.

## **6. Title**

**6.1** During the Term of this Facilities Lease, the District shall hold fee title to the Site, including the Project, and nothing in this Facilities Lease or the Site Lease shall change, in any way, the District's ownership interest.

**6.2** During the Term of this Facilities Lease, Developer shall have a leasehold interest in the Site pursuant to the Site Lease.

**6.3** During the Term of this Facilities Lease, Developer shall hold title to the Project improvements provided by Developer which comprise fixtures, repairs, replacements or modifications thereto.

**6.4** If the District exercises its Purchase Option pursuant to the Guaranteed Maximum Price Provisions indicated in **Exhibit C** or if District makes all necessary payments under the Guaranteed Maximum Price Provisions indicated in **Exhibit C**, all right, title and interest of Developer, its assigns and successors in interest in and to the Project and the Site shall be transferred to and vested in the District at the end of the Term. Title shall be transferred to and vested in the District hereunder without the necessity for any further instrument of transfer; provided, however, that Developer agrees to execute any instrument requested by District to memorialize the termination of this Facilities Lease and transfer of title to the Project.

## **7. Quiet Enjoyment**

Upon District's possession of the Project, Developer shall thereafter provide the District with quiet use and enjoyment of the Project, and the District shall during the Term peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from Developer, except as otherwise may be set forth in this Facilities Lease. Developer will, at the request of the District and at Developer's cost, join in any legal action in which the District asserts its right to such possession and enjoyment to the extent Developer may lawfully do so. Notwithstanding the foregoing, Developer shall have the right to inspect the Project and the Site as provided herein.

## **8. Representations of the District**

The District represents, covenants and warrants to Developer as follows:

### **8.1 Due Organization and Existence**

The District is a school district, duly organized and existing under the Constitution and laws of the State of California.



## **8.2 Authorization**

The District has the full power and authority to enter into, to execute and to deliver this Facilities Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Facilities Lease.

## **8.3 No Violations**

Neither the execution and delivery of this Facilities Lease nor the Site Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the District is now a party or by which the District is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the District, or upon the Site, except Permitted Encumbrances.

## **8.4 Condemnation Proceedings**

**8.4.1** District covenants and agrees, but only to the extent that it may lawfully do so, that so long as this Facilities Lease remains in effect, the District will not seek to exercise the power of eminent domain with respect to the Project so as to cause a full or partial termination of this Facilities Lease.

**8.4.2** If for any reason the foregoing covenant is determined to be unenforceable or in some way invalid, or if District should fail or refuse to abide by such covenant, then, to the extent it may lawfully do so, District agrees that the financial interest of Developer shall be as indicated in this Facilities Lease.

## **9. Representations of Developer**

Developer represents, covenants and warrants to the District as follows:

### **9.1 Due Organization and Existence**

Developer is a California corporation duly organized and existing under the laws of the State of California, has the power to enter into this Facilities Lease and the Site Lease; is possessed of full power to lease, lease back, and hold real and personal property and has duly authorized the execution and delivery of all of the aforesaid agreements.

### **9.2 Authorization**

Developer has the full power and authority to enter into, to execute and to deliver this Facilities Lease, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Facilities Lease.

### **9.3 No Violations**

Neither the execution and delivery of this Facilities Lease and the Site Lease, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which Developer is now a party or by which Developer is

bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of Developer, or upon the Site, except Permitted Encumbrances.

#### **9.4 No Bankruptcy**

Developer is not now nor has it ever been in bankruptcy or receivership.

#### **9.5 No Encumbrances**

Developer shall not pledge any District payments of any kind, related to the Site Lease, this Facilities Lease, or in any way derived from the Site, and shall not mortgage or encumber the Site, except as may be specifically permitted pursuant to the provisions of this Facilities Lease related to Developer's financing the construction of the project.

#### **9.6 Continued Existence**

Developer shall not voluntarily commence any act intended to dissolve or terminate the legal existence of Developer, at or before the latest of the following:

**9.6.1** Eighteen (18) months following completion of the Project.

**9.6.2** One (1) year following expiration or earlier termination of the Term.

**9.6.3** After dismissal and final resolution of any and all disputes between the Parties and/or any third-party claims related, in any way, to the Project.

While the lease documents are in effect, Developer shall give District one hundred twenty (120) days written notice prior to dissolving or terminating the legal existence of Developer.

### **10. Preconstruction Services**

#### **10.1 Scope of the Preconstruction Services**

Developer shall perform management and coordination services, plan and specification constructability reviews, provide value-engineering reviews and recommendations and other reviews as necessary to verify that the drawings and specifications are clear and reasonably accurate to minimize the need for changes during the construction phase of the project, including but not limited to the following:

##### **10.1.1 General Services**

**10.1.1.1** Developer shall attend meetings between the Architect, the District, District site personnel, and any other applicable consultants of the District as required to discuss the Project, including budget, scope and schedule.

**10.1.1.2** Developer shall assist the Architect with making formal presentations to the governing board of District. Such assistance is anticipated to include floor plans and elevations necessary for any architectural presentation.

**10.1.1.3** Developer shall prepare a rough schedule in a format acceptable to District, and update as necessary.

**10.1.1.4** Developer shall prepare and update the components of the Guaranteed Maximum Price and shall be primarily responsible for ensuring that the Project can and is constructed for no more than that amount.

**10.1.1.5** While the Architect is anticipated to provide primary assistance, Developer shall assist District with City land use issues.

**10.1.1.6** Architect shall act as lead and Developer will assist District and Architect with DSA review, input, and timeframe for same.

**10.1.1.7** Architect shall act as lead and Developer will assist with review and comment upon geotechnical / soils investigation and report.

**10.1.1.8** Architect shall act as lead and Developer will assist with review and comment upon survey of the Site for the Project.

**10.1.1.9** When requested, Developer will prepare meeting minutes.

**10.1.1.10** Prepare schedule for preconstruction deliverables, subject to District's approval, and provide preconstruction deliverables within time frames of approved preconstruction schedule.

## **10.1.2 Review of Design Documents.**

**10.1.2.1** Review Project design and budget with District and Architect based on the 100% Construction Documents submitted to DSA to:

**10.1.2.1.1** Provide recommendations on site use and improvements, selection of materials, building systems and equipment and methods of Project delivery;

**10.1.2.1.2** Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;

**10.1.2.1.3** Provide recommendations on relative feasibility of construction methods, availability of materials and labor, time requirements for procurement, installation and construction of the Project and subparts thereof if requested, and factors relating to cost including, but not limited to, construction costs of alternate designs of materials, preliminary budgets and possible economics that could be achieved through alternate methods or substitutions;

**10.1.2.1.4** Provide plan review.

**10.1.2.1.5 Value-engineering.** Prepare a value-engineering report for District review and approval that:

**10.1.2.1.5.1** Details areas of cost saving (e.g. construction processes/procedures, specified materials and equipment, and equipment or other aspects of the design documents that can be modified to reduce costs and/or the time for achieving final completion of the Project and/or to extend life-cycle and/or to reduce maintenance/operations costs, without diminution in the quality of materials/equipment/workmanship, scope or intended purposes of the Project);

**10.1.2.1.5.2** Provides detailed estimate for proposed value-engineering items;

**10.1.2.1.5.3** Defines methodology or approaches that maximize value; and

**10.1.2.1.5.4** Identifies design choices that can be more economically delivered.

**10.1.2.1.6 Constructability Review.** Prepare detailed interdisciplinary constructability review within Fourteen (14) days of receipt of the plans from the District that:

**10.1.2.1.6.1** Ensures construction documents are well coordinated and reviewed for errors;

**10.1.2.1.6.2** Identifies to the extent known, construction deficiencies and areas of concern;

**10.1.2.1.6.3** Back-checks design drawings for inclusion of modifications; and

**10.1.2.1.6.4** Provides the District with written confirmation that:

**10.1.2.1.6.4.1** Requirements noted in the design documents prepared for the Project are consistent with and conform to the District's Project requirements and design standards.

**10.1.2.1.6.4.2** Various components have been coordinated and are consistent with each other so as to minimize conflicts within or between components of the design documents.

**10.1.2.2 Confirm Modifications to Design Drawings.** If the District accepts Developer's comments, including the value-engineering and/or constructability review comments, review the design documents to confirm that those comments are properly incorporated into the final design documents.

**10.1.2.3** In doing so, it is recognized that Developer is not acting in the capacity of a licensed design professional, and that Developer's examination is made in good faith to facilitate construction and does not create an affirmative responsibility of a design professional to detect errors, omissions or inconsistencies in the Contract Documents or to ascertain compliance with applicable laws, building codes or regulations. However, nothing in this provision shall abrogate Developer's responsibilities for discovering and reporting any error, inconsistency, or omission pursuant to the Contract within the Developer's standard of care including, without limitation, any applicable laws, ordinance, rules, or regulations.

### **10.1.3 Budget of Project Costs.**

**10.1.3.1** At each stage of plan review indicated above, Developer will update and refine the budget of the Guaranteed Maximum Price based on the most recent set of design documents. Developer shall also advise the District and the Architect if it appears that the total construction costs may exceed the Guaranteed Maximum Price established by the District and shall make recommendations for corrective action. Developer will further provide input to the District and Architect relative to value of construction, means and methods for construction, duration of construction of various building methods and constructability.

**10.1.3.2** In each budget of the Guaranteed Maximum Price, Developer shall include values of scopes of work subdivided into component parts in sufficient detail to serve as the basis for progress payments during construction. This budget of the Guaranteed Maximum Price shall include, at a minimum, the following information divided into at least the following categories for each site:

**10.1.3.2.1** Overhead and profit;

**10.1.3.2.2** Supervision;

**10.1.3.2.3** General conditions;

**10.1.3.2.4** Layout & Mobilization (not more than 1%);

**10.1.3.2.5** Submittals, samples, shop drawings (not more than 3%);

**10.1.3.2.6** Bonds and insurance (not more than 3%);

**10.1.3.2.7** Close-out documentation (not less than 3%);

**10.1.3.2.8** Demolition;

**10.1.3.2.9** Installation;

**10.1.3.2.10** Rough-in;

**10.1.3.2.11** Finishes;

**10.1.3.2.12** Testing;

**10.1.3.2.13** Owner and Maintenance Manuals; and

**10.1.3.2.14** Punchlist and District acceptance.

#### **10.1.4 Construction Schedule and Phasing Plan**

Developer shall prepare a preconstruction schedule to guide the design team through to bid dates. That schedule shall show the multiple phases and interrelations of design, constructability review, and estimating. Developer shall also prepare a full construction schedule for the Project detailing the construction activities. Developer shall further investigate, recommend and prepare a schedule for the purchase of materials and equipment requiring long lead time procurement, and coordinate the schedule with the early preparation of portions of the Contract Documents by the Architect.

#### **10.1.5 Construction Planning and Bidding**

**10.1.5.1** For all of Developer's activities relating to construction planning and bidding, Developer shall comply with all applicable legal requirements, including but not limited to those set forth in Education Code section 17406.

**10.1.5.2** Consult with District staff in relation to the existing site. Selected developer should make site visits, as needed to review the current site conditions. During this evaluation, Respondent may make recommendations relating to soils investigations and utility locations and capacities, in order to minimize unforeseen conditions.

**10.1.5.3** Attend meetings at the Site with the Architect and the design team as needed.

**10.1.5.4** Provide plan review and constructability services with an emphasis on ensuring that the Project can be completed within the established schedule and within the available budget.

**10.1.5.5** Provide a detailed analysis of all major Project systems with an emphasis on possible value engineering possibilities.

**10.1.5.6** Prepare and distribute specifications and drawings provided by District to facilitate bidding to Developer's subcontractors.

**10.1.5.7** Review the drawings and specifications to eliminate areas of conflict and overlapping in the work to be performed by various subcontractors, and with a view to eliminating change order requests by the Architect or subcontractors.

**10.1.5.8** Conduct pre-bid conferences. Coordinate with District and the Architect in responding to subcontractor questions or providing clarification to all subcontractors.

**10.1.5.9** DSA approved plans shall be utilized to receive subcontractor bids and develop the GMP in accordance with the lease-leaseback agreement forms, including the requirement that Developer engage in

competitive bidding for subcontractors for all scopes of work on the Project that constitute more than one half of one percent (0.5%) of the GMP. The District representative shall be present during the receipt of bids from subcontractors.

**10.1.5.10** Each phase GMP shall be presented to the District in the following manner within a three ring binder as well as electronically on an external memory device such as a USB drive:

**10.1.5.10.1** Cover sheet, signed by Developer indicating the GMP dollar amount with a certification, indicating that the GMP is all inclusive per the plans, specifications and addenda (contract documents). Also include certification stating, "Developer hereby certifies that they have reviewed all subcontractor proposals and whether the subcontractor excluded portions of their scope Developer has included all costs for a complete GMP in accordance with plans, specifications and addenda."

**10.1.5.10.2** A bid tabulation sheet indicating the breakdown by subcontractor/trade along with the appropriate general condition amount, other fees (as submitted with the response to the RFQ/P).

**10.1.5.10.3** Behind the bid tabulation sheet mentioned in subdivision 10.1.5.5.2 above should be a sheet that indicates what is included in the general conditions, which should match what was submitted in the response to the RFQ/P.

**10.1.5.10.4** Copies of all subcontractor bids received divided by trade that corresponds to the final spread sheet with a cover sheet indicating the scope and subcontractors that provided bids as well as those that were asked to bid, but did not submit a proposal. This sheet should have the dollar amounts for each subcontractor that provided a bid with the first column being the proposed subcontractor for that trade.

**10.1.5.10.5** Behind subdivision 10.1.5.5.4 above should be the bids for that trade with the proposed subcontractor bid on top and the other subcontractor bids in descending order based on best value score.

**10.1.5.10.6** The minimum number of bona fide bids from contractors for a specific trade shall be as follows:

**10.1.5.10.6.1** Two (2) bids for subcontracts up to One Hundred Thousand Dollars (\$100,000);

**10.1.5.10.6.2** Three (3) bids for subcontracts over One Hundred Thousand Dollars (\$100,000).

**10.1.5.10.7** If Developer intends to propose to self-perform portion(s) of the construction of the Project, it must receive the District's prior written approval. If approved, Developer must provide its pricing (its bid) to the District twenty-four (24) hours

prior to Developer's receipt of Subcontractor bids for those portion(s) of the Work.

**10.1.5.10.7.1** Regardless of the scope of work and not in any way reducing the number of Subcontractor bids based on the other requirements of the Contract Documents, the minimum number of bona fide bids from Subcontractors for scope(s) of Work that Developer is bidding to self-perform shall be Two (2) Bids, not including Developer's pricing/bid.

**10.1.5.11** Produce detailed construction CPM schedules to be incorporated into the Project documents including identification of the Project critical path and agency approvals.

**10.1.5.12** Plan the phases and staging of construction, staging areas, temporary fencing, office trailer placement, access, etc. as required.

**10.1.5.13** Any other services that are reasonable and necessary to control the budget and schedule. List those areas where subconsultants will be required and where the Respondent has in-house expertise. Provide resumes of persons providing each of these services and for key personnel assigned to the Project.

## **10.2 Schedule**

Preconstruction services outlined above will commence on the date the District issues a Notice to Proceed with Preconstruction Services for the Agreement, and conclude upon approval of the Amendment to the Lease Agreements by District's Board, or termination of this Agreement by either party per the Agreement's terms. Any extension shall be subject to reasonable approval in writing by the Parties.

## **10.3 Ownership of Records**

It is mutually agreed that all materials prepared by Developer under this Agreement shall become the property of the District and Developer shall have no property right therein whatsoever. Developer hereby assigns to District any copyrights associated with the materials prepared pursuant to the Agreement.

## **10.4 Open Book Policy**

There will be an open book policy with Developer and its construction team. District shall have access to all subcontractor bids, value engineering back-up, contingency breakdown & tracking, and Developer fees.

## **10.5 Compensation to Developer for Preconstruction Services**

District agrees to reimburse Developer in the total amount not to exceed [AMOUNT IN WORDS] DOLLARS (\$[AMOUNT IN NUMBERS]), for the performance of services contemplated by this Agreement. Developer shall be paid monthly for the actual fees and allowed costs and expenses for all time and materials required and expended for work requested and specified by the District as completed. Said amount shall be paid within thirty (30) days upon submittal to and verification by the District of a monthly billing statement showing completion of the tasks for that month on a line item basis. In the



event Developer and District continue with the lease/leaseback agreements for the development of the Project, this compensation for services rendered will be included as part of the Guaranteed Maximum Price ("GMP") to be paid to Developer by District.

Developer shall be responsible for any and all costs and expenses incurred by Developer, including but not limited to the costs of hiring sub-consultants, contractors and other professionals, review of the Project's Plans and Specifications, review and preparation of necessary documentation relating to the development of the Project, all travel-related expenses, as well as for meetings with District and its representatives, long distance telephone charges, copying expenses, salaries of Developer staff and employees working on the Project, overhead, and any other reasonable expenses incurred by Developer in performance of the services contemplated by this Agreement.

## **10.6 Termination before Construction Phase**

**10.6.1** Before the notice to proceed with the Construction Phase is issued by the District, this Agreement may be terminated at any time without cause by District upon fourteen (14) days written notice to Developer. In the event of such a termination by District, the District shall pay Developer for all undisputed services performed and expenses incurred per this Agreement, supported by documentary evidence, including, but not limited to, payroll records, invoices from third parties retained by Developer pursuant to this Agreement, and expense reports up until the date of notice of termination plus any sums due Developer for Board-approved extra services. In ascertaining the services actually rendered hereunder up to the date of termination of this Agreement, consideration shall be given to completed work and work in process that would best serve the District if a completed product was presented.

**10.6.2** In the event that the Parties do not reach an agreement on the GMP, this Agreement will be terminated at that time. In the event of such a termination, the District shall pay Developer no more than the not to exceed amount in Section 10.5 above.

## **10.7 Construction Phase**

Developer shall not commence work for which a contractor is required to be licensed in accordance with Article 5 (commencing with Section 7065) of Chapter 9 of Division 3 of the Business and Professions Code and for which Division of the State Architect approval is required can be performed before receipt of the required Division of the State Architect approval.

## **11. Construction of Project**

### **11.1 Construction of Project**

**11.1.1** Developer agrees to cause the Project to be developed, constructed, and installed in accordance with the terms hereof and the Construction Provisions set forth in **Exhibit D**, including those things reasonably inferred from the Contract Documents as being within the scope of the Project and necessary to produce the stated result even though no mention is made in the Contract Documents.

### **11.1.2 Contract Time / Construction Schedule**

It is hereby understood and agreed that the Contract Time for this Project shall be [days in words] ([days in numbers]) calendar days, commencing with the date upon which the Facilities Lease and the Site Lease are fully executed and delivered to both Parties and ending with completion of the Work which will occur no later than [Date] ("Contract Time"). The Construction Schedule must be approved by the District.

#### **11.1.3 Schedule of Values**

Developer will provide a schedule of values, approved by the District, which will be attached hereto as **Exhibit G** ("Schedule of Values"). The Schedule of Values must be approved by the District.

#### **11.1.4 Liquidated Damages**

Time is of the essence for all work Developer must perform to complete the Project. It is hereby understood and agreed that it is and will be difficult and/or impossible to ascertain and determine the actual damage that the District will sustain in the event of and by reason of Developer's delay; therefore, Developer agrees that it shall pay to the District the sum of Five Hundred Dollars (\$500.00) per day as liquidated damages for each and every day's delay beyond the Contract Time.

**11.1.4.1** It is hereby understood and agreed that this amount is not a penalty.

**11.1.4.2** In the event any portion of the liquidated damages is not paid to the District, the District may deduct that amount from any money due or that may become due Developer under this Facilities Lease. The District's right to assess liquidated damages is as indicated herein and in **Exhibit D**.

**11.1.4.3** The time during which the construction of the Project is delayed for cause as hereinafter specified may extend the time of completion for a reasonable time as the District may grant.

#### **11.1.5 Guaranteed Maximum Price**

Developer will cause the Project to be constructed within the GMP as set forth and defined in the GMP provisions in **Exhibit C**, and Developer will not seek additional compensation from District in excess of that amount.

#### **11.1.6 Modifications**

If the DSA requires changes to the Contract Documents submitted by District to Developer, and those changes change the construction costs and/or construction time for the Project, then those changed costs or time will be handled as a modification pursuant to the provisions of **Exhibit D**.

#### **11.1.7 Labor Compliance Monitoring and Enforcement by Department of Industrial Relations**

This Project is subject to labor compliance monitoring and enforcement by the Department of Industrial Relations pursuant to Labor Code section 1771.4 and Title

8 of the California Code of Regulations. Developer specifically acknowledges and understands that it shall perform the Work of this Contract while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code.

## **12. Maintenance**

Following delivery of possession of the Project by Developer to District, the repair, improvement, replacement and maintenance of the Project and the Site shall be at the sole cost and expense and the sole responsibility of the District, subject only to all punch list items and warranties against defects in materials and workmanship of Developer as provided in **Exhibit D**. The District shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Project resulting from ordinary wear and tear. The District waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the District under the terms of this Facilities Lease.

## **13. Utilities**

Following delivery of possession of the Project by Developer to District, the cost and expenses for all utility services, including, but not limited to, electricity, natural gas, telephone, water, sewer, trash removal, cable television, janitorial service, security, heating, water, internet service, data transmission, and all other utilities of any type shall be paid by District.

## **14. Taxes and Other Impositions**

All ad valorem real property taxes, special taxes, possessory interest taxes, bonds and special lien assessments or other impositions of any kind with respect to the Project, the Site and the improvements thereon, charged to or imposed upon either Developer or the District or their respective interests or estates in the Project, shall at all times be paid by District. In the event any possessory interest tax is levied on Developer, its successors and assigns, by virtue of this Facilities Lease or the Site Lease, District shall pay such possessory interest tax directly, if possible, or shall reimburse Developer, its successors and assigns for the full amount thereof within forty-five (45) days after presentation of proof of payment by Developer.

## **15. Insurance**

### **15.1 Developer's Insurance**

Developer shall comply with the insurance requirements as indicated here and in **Exhibit D-1**, if applicable.

#### **15.1.1 Commercial General Liability and Automobile Liability Insurance**

**15.1.1.1** Developer shall procure and maintain, during the life of the Project, Commercial General Liability Insurance in a form at least as broad as Insurance Services (ISO) Form CG 00 01 that shall protect Developer, its agents, representative, employees, or subcontractors, District, its Board Members, employees, agents, Construction Manager(s), Project Manager(s), Project Inspector(s), and Architect(s) from all claims for products and completed operations, property damage, bodily injury and personal injury, death, advertising injury and medical payments arising from, or in connection with, the performance of the Work of the Project within the Contract Documents at the required limits, or Developer shall procure and maintain these coverages

separately. Developer shall procure and maintain Automobile Liability in a form at least as broad as ISO Form CA 0001 covering Code 1 (any auto) at the required limits, or Developer shall procure and maintain these coverages separately.

**15.1.1.2** Developer's deductible or self-insured retention for its Commercial General Liability Insurance policy shall not exceed five thousand dollars (\$5,000) for deductible or twenty-five thousand dollars (\$25,000) for self-insured retention, respectively, unless approved in writing by District.

**15.1.1.3** All such policies shall be written on an occurrence form.

## **15.1.2 Excess Liability Insurance**

**15.1.2.1** If Developer's underlying policy limits are less than required, subject to 15.1.2.3 below, Developer may procure and maintain, during the life of the Project, an Excess Liability Insurance Policy to meet the policy limit requirements of the required policies in order to satisfy, in aggregate with its underlying policy, the insurance requirements herein including, but not limited to, primary and non-contributory, additional insured, Self-Insured Retentions (SIRs), indemnity, and defense requirements. The Excess Liability Insurance Policy shall be provided on a true "following form" or broader coverage basis, with coverage at least as broad as provided on the underlying Commercial General Liability insurance. No insurance policies maintained by the Additional Insureds, whether primary or excess, and which also apply to a loss covered hereunder, shall be called upon to contribute to a loss until Developer's primary and excess liability policies are exhausted.

**15.1.2.2** There shall be no gap between the per occurrence amount of any underlying policy and the start of the coverage under the Excess Liability Insurance Policy. Any Excess Liability Insurance Policy shall protect Developer, District, its Board Members, employees, agents, the State, Construction Manager(s), Program Manager(s), Project Inspector(s), and Architect(s) in amounts and including the provisions as set forth in **Exhibit D-1** and/or the Supplementary Conditions (if any), and that complies with all requirements for Commercial General Liability and Automobile Liability and Employers' Liability Insurance.

## **15.1.3 Subcontractor**

Developer shall require its Subcontractor(s), if any, to procure and maintain Commercial General Liability Insurance, Automobile Liability Insurance, and Excess Liability Insurance (if Subcontractor elects to satisfy, in part, the insurance required herein by procuring and maintaining an Excess Liability Insurance Policy) with minimum limits at least equal to the amount required of Developer except where smaller minimum limits are permitted as set forth below. For Commercial General Liability coverage, subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13.

## **15.1.4 Workers' Compensation and Employer's Liability Insurance**

**15.1.4.1** In accordance with provisions of section 3700 of the California Labor Code, Developer and every Subcontractor shall be required to secure the payment of compensation to its employees.

**15.1.4.2** Developer shall procure and maintain, during the life of the Project, Workers' Compensation Insurance and Employer's Liability Insurance for all of its employees engaged in work under the Project, on/or at the Site of the Project. This coverage shall cover, at a minimum, medical and surgical treatment, disability benefits, rehabilitation therapy, and survivors' death benefits. Developer shall require its Subcontractor(s), if any, to procure and maintain Workers' Compensation Insurance and Employer's Liability Insurance for all employees of Subcontractor(s). Any class of employee or employees not covered by a Subcontractor's insurance shall be covered by Developer's insurance. If any class of employee or employees engaged in Work on the Project, on or at the Site of the Project, is not protected under the Workers' Compensation Insurance, Developer shall provide, or shall cause a Subcontractor to provide, adequate insurance coverage for the protection of any employee(s) not otherwise protected before any of those employee(s) commence work.

**15.1.4.3** The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of District for all work performed by Developer, its employees, agents and subcontractors.

#### **15.1.5 Builder's Risk Insurance: Builder's Risk "All Risk" Insurance**

**15.1.5.1** Developer shall procure and maintain, during the life of this Contract, Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the Project and no coinsurance penalty provisions, or similar first party property coverage acceptable to the District. The cost value basis shall be consistent with the total replacement cost of all insurable Work of the Project included within the Contract Documents. Coverage is to insure against all risks of accidental physical loss and shall include without limitation the perils of vandalism and/or malicious mischief (both without any limitation regarding vacancy or occupancy), sprinkler leakage, civil authority, theft, sonic disturbance, earthquake, flood, collapse, wind, rain, dust, fire, war, terrorism, lightning, smoke, and rioting. Coverage shall include debris removal, demolition, increased costs due to enforcement of all applicable ordinances and/or laws in the repair and replacement of damaged and undamaged portions of the property, and reasonable costs for the Architect's and engineering services and expenses required as a result of any insured loss upon the Work and Project, including completed Work and Work in progress, to the full insurable value thereof.

#### **15.1.6 Pollution Liability Insurance**

**15.1.6.1** Developer shall procure and maintain Pollution Liability Insurance in a form at least as broad as ISO Form CG 2415 that shall protect Developer, District, Construction Manager(s), Project Inspector(s), and Architect(s) from all claims for bodily injury, property

damage, including natural resource damage, cleanup costs, removal, storage, disposal, and/or use of the pollutant arising from operations under this Facilities Lease, and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims, or Developer shall procure and maintain these coverages separately. Coverage shall apply to sudden and/or gradual pollution conditions resulting from the escape or release of smoke, vapors, fumes, acids, alkalis, toxic chemicals, liquids, or gases, natural gas, waste materials, or other irritants, contaminants, or pollutants, including asbestos.

**15.1.6.2** Contractor warrants that any retroactive date applicable to coverage under the policy shall predate the effective date of the Contract and that continuous coverage will be maintained or an extended reporting or discovery period will be exercised for a period of three (3) years, beginning from the time that the Work under the Contract is completed.

**15.1.6.3** If the services involve lead-based paint or asbestos identification/remediation, Developer's Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, Developer's Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

**15.1.6.4** If Developer is responsible for removing any pollutants from a site, then Developer shall ensure that Any Auto, including owned, non-owned, and hired, are included within the above policies and at the required limits, to cover its automobile exposure for transporting the pollutants from the site to an approved disposal site. This coverage shall include the Motor Carrier Act Endorsement, MCS 90.

#### **15.1.7 Proof of Carriage of Insurance and Other Requirements Endorsements and Certificates**

**15.1.7.1** Developer shall not commence Work nor shall it allow any Subcontractor to commence Work on the Project, until Developer and its Subcontractor(s) have procured all required insurance and Developer has delivered in duplicate to the District complete endorsements (or entire insurance policies) and certificates indicating the required coverages have been obtained, and the District has approved these documents.

**15.1.7.2** Endorsements, certificates, and insurance policies shall include the following:

**15.1.7.2.1** A clause stating the following, or other language acceptable to the District:

"This policy shall not be canceled and the coverage amounts shall not be reduced until notice has been mailed to District, Architect, and Construction Manager stating date of cancellation by the insurance carrier. Date of cancellation

may not be less than thirty (30) days after date of mailing notice.”

**15.1.7.2.2** Language stating in particular those insured, extent of insurance, location and operation to which insurance applies, expiration date, to whom cancellation notice will be sent, and length of notice period.

**15.1.7.2.3** All endorsements, certificates and insurance policies shall state that District, its Board Members, employees and agents, Construction Manager(s), Program Manager(s), Inspector(s) and Architect(s) are named additional insureds under all policies except Workers’ Compensation Insurance and Employers’ Liability Insurance. General liability coverage can be provided in the form of an endorsement to the Contractor’s insurance (at least as broad as ISO Form CG 20 10, CG 11 85 or **both** CG 20 10, CG 20 26, CG 20 33, or CG 20 38; **and** CG 20 37 forms if later revisions used).

**15.1.7.2.4** All endorsements shall waive any right to subrogation against any of the named additional insureds.

**15.1.7.2.5** Developer’s and Subcontractors’ insurance coverage at least as broad as ISO CG 20 01 04 13 shall be primary and non-contributory to any insurance or self-insurance maintained by District, its Board Members, employees and/or agents, the State of California, Construction Manager(s), Program Manager(s), Inspector(s), and/or Architect(s). This requirement shall also apply to any Excess liability policies.

**15.1.7.2.6** Developer’s insurance limit shall apply separately to each insured against whom a claim is made or suit is brought.

**15.1.7.3** No policy shall be amended, canceled, or modified, and the coverage amounts shall not be reduced, until Developer or Developer’s broker has provided written notice to District, Architect, and Construction Manager stating date of the amendment, modification, cancellation or reduction, and a description of the change. Date of amendment, modification, cancellation or reduction may not be less than thirty (30) days after date of mailing notice.

**15.1.7.4** Insurance written on a “claims made” basis shall be retroactive to a date that coincides with or precedes Developer’s commencement of Work, including subsequent policies purchased as renewals or replacements. Said policy is to be renewed by Developer and all Subcontractors for a period of five (5) years following completion of the Work or termination of this Facilities Lease. Such insurance must have the same coverage and limits as the policy that was in effect during the term of this Facilities Lease, and will cover Developer and all Subcontractors for all claims made. If coverage is cancelled or non-

renewed, and not replaced with another claims-made policy from with a retroactive date prior to the effective date of this Facilities Lease, or the start of Work date, the Developer must purchase extended reporting period coverage for a minimum of five (5) years after completion of contract work. A copy of the claims reporting requirements must be submitted to the District for review.

**15.1.7.5** Developer's and Subcontractors' insurance policy(s) shall be primary and non-contributory to any insurance or self-insurance maintained by District, its Board Members, employees and/or agents, the State of California, Construction Manager(s), Program Manager(s), Inspector(s), and/or Architect(s).

**15.1.7.6** All of Developer's insurance shall be with insurance companies with an A.M. Best rating of no less than A: XI.

**15.1.7.7** The insurance requirements set forth herein shall in no way limit Developer's liability arising out of or relating to the performance of the Work or related activities.

**15.1.7.8** Failure of Developer and/or its Subcontractor(s) to comply with the insurance requirements herein shall be deemed a material breach of the Facilities Lease and constitute a Default by Developer pursuant to this Facilities Lease.

#### **15.1.8 Insurance Policy Limits**

The limits of insurance shall not be less than the following amounts:

COMMERCIAL GENERAL LIABILITY	Product Liability and Completed Operations, Fire Damage Liability – Split Limit	\$4,000,000 per occurrence; \$8,000,000 in aggregate
AUTOMOBILE LIABILITY – ANY AUTO	Combined Single Limit	\$1,000,000
WORKERS' COMPENSATION		Statutory limits pursuant to State law
EMPLOYER'S LIABILITY		\$1,000,000 per accident for bodily injury or disease
BUILDER'S RISK (COURSE OF CONSTRUCTION)		Full replacement value for scope of work.
POLLUTION LIABILITY		\$1,000,000 per claim: \$2,000,000 aggregate

If Developer normally carries insurance in an amount greater than the minimum amounts required by District, that greater amount shall become the minimum required amount of insurance for purposes of the Contract. Therefore, Developer hereby acknowledges and agrees that all insurance carried by it shall be deemed liability coverage for all actions it performs in connection with the Contract.



The limits of insurance for those subcontractors whose subcontract does not exceed One Million Dollars (\$1,000,000) shall not be less than the following amounts:

COMMERCIAL GENERAL LIABILITY	Product Liability and Completed Operations, Fire Damage Liability – Split Limit	\$1,000,000 per occurrence; \$2,000,000 in aggregate
AUTOMOBILE LIABILITY - ANY AUTO	Combined Single Limit	\$1,000,000
WORKERS' COMPENSATION		Statutory limits pursuant to State law
EMPLOYER'S LIABILITY		\$1,000,000 per accident for bodily injury or disease

Notwithstanding anything in this Facilities Lease to the contrary, the above insurance requirements may be modified as appropriate for subcontractors, with District's prior written approval.

## **15.2 District's Insurance**

### **15.2.1 Rental Interruption Insurance**

District shall at all times from and after District's acceptance of the Project, for the benefit of District and Developer, as their interests may appear, maintain rental interruption insurance to cover loss, total or partial, of the use of the Project due to damage or destruction, in an amount at least equal to the maximum estimated Lease Payments payable under this Facilities Lease during the current or any future twenty-four (24) month period. This insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and such insurance may be maintained in whole or in part in the form of participation by the District in a joint powers agency or other program providing pooled insurance. This insurance may not be maintained in the form of self-insurance.

### **15.2.2 Property Insurance**

District shall at all times from and after District's acceptance of the Project, carry and maintain in force a policy of property insurance for 100% of the insurable replacement value with no coinsurance penalty, on the Site and the Project, together with all improvements thereon, under a standard "all risk" contract insuring against loss or damage. Developer shall be named as additional insureds or co-insureds thereon by way of endorsement. District shall have the right to procure the required insurance through a joint powers agency or to self-insure against such losses or portion thereof as is deemed prudent by District.

## **16. Indemnification and Defense**

**16.1** To the fullest extent permitted by California law, Developer shall indemnify, keep and hold harmless the District, the Architect(s) and Construction Manager(s), their respective consultants, separate contractors, board members, officers, representatives,

agents, and employees, in both individual and official capacities ("Indemnitees"), against all suits, claims, injury, damages, losses, and expenses ("Claims"), including but not limited to attorney's fees and costs, caused by, arising out of, resulting from, or incidental to the performance of the Work under this Contract by Developer or its Subcontractors, vendors and/or suppliers. However, Developer's indemnification and hold harmless obligation shall be reduced by the proportion of the Indemnitees' and/or Architect's liability to the extent the Claim(s) is/are caused by the active negligence or willful misconduct of the Indemnitees, and/or defects in design furnished by the Architect, as found by a court or arbitrator of competent jurisdiction. This indemnification and hold harmless obligation of Developer shall not be construed to negate, abridge, or otherwise reduce any right or obligation of indemnity that would otherwise exist or arise as to any Indemnitee or other person described herein. This indemnification and hold harmless obligation includes, but is not limited to, any failure or alleged failure by Developer to comply with any law and/or provision of the Contract Documents in strict accordance with their terms, and without limitation, any failure or alleged failure of Developers obligations regarding any stop payment notice actions or liens, including Civil Wage and Penalty Assessments and/or Orders by the DIR.

**16.2** To the furthest extent permitted by California law, Developer shall also defend Indemnitees, at its own expense, including but not limited to attorneys' fees and costs, against all Claims caused by, arising out of, resulting from, or incidental to the performance of the Work under this Facilities Lease by Developer, its Subcontractors, vendors, or suppliers. However, without impacting Developer's obligation to provide an immediate and ongoing defense of Indemnitees, Developer's defense obligation shall be reduced by the proportion of the Indemnitees' and/or Architect's liability to the extent caused by the active negligence, or willful misconduct of the Indemnitees, and/or defects in design furnished by the Architect, as found by a court or arbitrator of competent jurisdiction. The District shall have the right to accept or reject any legal representation that Developer proposes to defend the Indemnitees. If conflict of interest bars joint representation of Developer and Indemnitees, District shall have the right to select its own counsel, subject to Developer's reasonable right of rejection. If any Indemnitee provides its own defense due to failure to timely respond to tender of defense, rejection of tender of defense, or conflict of interest of proposed counsel, Developer shall reimburse such Indemnitee for any expenditures. Even if the Developer assumes the defense of the District with acceptable counsel, the District, at its sole option, may participate in the defense, at its own expense, with counsel of its own choice without relieving the Developer of any of its obligations hereunder. Developer's defense obligation shall not be construed to negate, abridge, or otherwise reduce any right or obligation of defense that would otherwise exist as to any Indemnitee or other person described herein. Developer's defense obligation includes, but is not limited to, any failure or alleged failure by Developer to comply with any provision of law, any failure or alleged failure to timely and properly fulfill all of its obligations under the Contract Documents in strict accordance with their terms, and without limitation, any failure or alleged failure of Developer's obligations regarding any stop payment notice actions or liens, including Civil Wage and Penalty Assessments and/or Orders by the DIR. Developer shall give prompt notice to the District in the event of any Claim(s).

**16.3** Without limitation of the provisions herein, if Developer's obligation to indemnify and hold harmless the Indemnitees or its obligation to defend Indemnitees as provided herein shall be determined to be void or unenforceable, in whole or in part, it is the intention of the Parties that these circumstances shall not otherwise affect the validity or enforceability of Developer's agreement to indemnify, defend, and hold harmless the rest

of the Indemnitees, as provided herein. Further, Developer shall be and remain fully liable on its agreements and obligations herein to the fullest extent permitted by law.

**16.4** Pursuant to Public Contract Code section 9201, the District shall provide timely notification to Developer of the receipt of any third-party Claim relating to this Contract. The District shall be entitled to recover its reasonable costs incurred in providing said notification.

**16.5** In any and all Claims against any of the Indemnitees by any employee of Developer, any Subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, Developer's indemnification obligation herein shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Developer or any Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

**16.6** The District may retain so much of the moneys due to Developer as shall be considered necessary, until disposition of any such Claims or until the District, Architect(s) and Construction Manager(s) have received written agreement from Developer that Developer will unconditionally defend the District, the Architect(s) and Construction Manager(s), their respective officers, agents and employees, and pay any damages due by reason of settlement or judgment.

**16.7** Developer's defense and indemnification obligations hereunder shall survive the completion of Work, including the warranty/guarantee period, and/or the termination of the Contract.

## **17. Eminent Domain**

### **17.1 Total Taking After Project Delivery**

If, following delivery of possession of the Project by Developer to District, all of the Project and the Site is taken permanently under the power of eminent domain, the Term shall cease as of the day possession shall be so taken.

**17.1.1** The financial interest of Developer shall be limited to the amount of principal payments pursuant to the GMP provisions indicated in **Exhibit C** that are then due or past due together with all remaining and succeeding principal payments pursuant to the GMP provisions indicated in **Exhibit C** for the remainder of the original Term. For example, if all of the Project and the Site is taken at the end of the third year of the Term, Developer shall be entitled to receive from the eminent domain award the sum of all principal payments pursuant to the GMP provisions indicated in **Exhibit C** that would have been owing for the fourth year through the end of the Term had there been no taking.

**17.1.2** The balance of the award, if any, shall be paid to the District.

### **17.2 Total Taking Prior to Project Delivery**

If all of the Project and the Site is taken permanently under the power of eminent domain and Developer is still performing the work of the Project and has not yet delivered possession of the Project to District, the Term shall cease as of the day possession shall be so taken. The financial interest of Developer shall be the amount Developer has

expended to date for work performed on the Project, subject to documentation reasonably satisfactory to the District.

### **17.3 Partial Taking**

If, following delivery of possession of the Project by Developer to District, less than all of the Project and the Site is taken permanently, or if all of the Project and the Site or any part thereof is taken temporarily, under the power of eminent domain.

**17.3.1** This Facilities Lease shall continue in full force and effect and shall not be terminated by virtue of that partial taking and the Parties waive the benefit of any law to the contrary, and

**17.3.2** There shall be a partial abatement of any principal payments pursuant to the GMP provisions indicated in **Exhibit C** as a result of the application of the net proceeds of any eminent domain award to the prepayment of those payments hereunder. The Parties agree to negotiate, in good faith, for an equitable split of the net proceeds of any eminent domain award and a corresponding reduction in the payments required pursuant to the GMP provisions indicated in **Exhibit C**.

## **18. Damage and Destruction**

If, following delivery of possession of all or a portion of the Project by Developer to District, the Project is totally or partially destroyed due to fire, acts of vandalism, flood, storm, earthquake, Acts of God, or other casualty beyond the control of either party hereto, the Term shall end and District shall no longer be required to make any payments required pursuant to the GMP provisions indicated in **Exhibit C** that are then due or past due or any remaining and succeeding principal payments pursuant to the GMP provisions indicated in **Exhibit C** for the remainder of the original Term.

## **19. Abatement**

**19.1** If, after the Parties have executed the Memorandum of Commencement Date attached hereto as **Exhibit E**, the Project becomes destroyed or damaged beyond repair, the District may determine its use of the Project abated. Thereafter, the District shall have no obligation to make, nor shall Developer have the right to demand, the Lease Payments as indicated in the GMP provisions indicated in **Exhibit C** to this Facilities Lease. The Term shall cease at that time.

**19.2** The Parties hereby agree that the net proceeds of the District's rental interruption insurance that the District must maintain during the Term, as required herein, shall constitute a special fund for the payment of the Lease Payments indicated in the GMP provisions indicated in **Exhibit C**.

**19.3** The District shall as soon as practicable after such event, apply the net proceeds of its insurance policy intended to cover that loss ("Net Proceeds"), either to:

**19.3.1** Repair the Project to full use.

**19.3.2** Replace the Project, at the District's sole cost and expense, with property of equal or greater value to the Project immediately prior to the time of the destruction or damage, and that replacement, once completed, shall be substituted in this Facilities Lease by appropriate endorsement; or

**19.3.3** Exercise the District's purchase option as indicated in the GMP provisions in **Exhibit C** to this Facilities Lease.

**19.4** The District shall notify Developer of which course of action it desires to take within thirty (30) days after the occurrence of the destruction or damage. The Net Proceeds of all insurance payable with respect to the Project shall be available to the District and shall be used to discharge the District's obligations under this Section.

## **20. Access**

### **20.1 By Developer**

Developer shall have the right at all reasonable times to enter upon the Site to construct the Project pursuant to this Facilities Lease. Following the acceptance of the Project by District, Developer may enter the Project at reasonable times with advance notice and arrangement with District for purposes of making any repairs required to be made by Developer.

### **20.2 By District**

The District shall have the right to enter upon the Site at all times. District shall comply with all safety precautions and procedures required by Developer.

## **21. Assignment, Subleasing**

### **21.1 Assignment and Subleasing by the District**

Any assignment or sublease by District shall be subject to all of the following conditions:

**21.1.1** This Facilities Lease and the obligation of the District to make the payments required pursuant to the GMP provisions indicated in **Exhibit C** shall remain obligations of the District; and

**21.1.2** The District shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to Developer a true and complete copy of any assignment or sublease.

### **21.2 Assignment by Developer**

Developer may assign its right, title and interest in this Facilities Lease, in whole or in part to one or more assignees, only after the written consent of District, which District will not unreasonably withhold. No assignment shall be effective against the District unless and until the District has consented in writing. Notwithstanding anything to the contrary contained in this Facilities Lease, no consent from the District shall be required in connection with any assignment by Developer to a lender for purposes of financing the Project as long as there are not additional costs to the District.

## **22. Termination, Default And Suspension**

### **22.1 Termination; Lease Terminable Only As Set Forth Herein**

**22.1.1** Except as otherwise expressly provided in this Facilities Lease, this Facilities Lease shall not terminate, nor shall District have any right to terminate

this Facilities Lease or be entitled to the abatement of any necessary payments pursuant to the GMP provisions in **Exhibit C** or any reduction thereof. The obligations hereunder of District shall not be otherwise affected by reason of any damage to or destruction of all or any part of the Project; the taking of the Project or any portion thereof by condemnation or otherwise; the prohibition, limitation or restriction of District's use of the Project; the interference with such use by any private person or contractor; the District's acquisition of the ownership of the Project (other than pursuant to an express provision of this Facilities Lease); any present or future law to the contrary notwithstanding. It is the intention of the Parties hereto that all necessary payments pursuant to the GMP provisions indicated in **Exhibit C** shall continue to be payable in all events, and the obligations of the District hereunder shall continue unaffected unless the requirement to pay or perform the same shall be terminated or modified pursuant to an express provision of this Facilities Lease.

**22.1.2** Nothing contained herein shall be deemed a waiver by the District of any rights that it may have to bring a separate action with respect to any Event of Default by Developer hereunder or under any other agreement to recover the costs and expenses associated with that action. The District covenants and agrees that it will remain obligated under this Facilities Lease in accordance with its terms.

**22.1.3** Following completion of the Project, the District will not take any action to terminate, rescind or avoid this Facilities Lease, notwithstanding the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting Developer or any assignee of Developer in any such proceeding, and notwithstanding any action with respect to this Facilities Lease which may be taken by any trustee or receiver of Developer or of any assignee of Developer in any such proceeding or by any court in any such proceeding. Following completion of the Project, except as otherwise expressly provided in this Facilities Lease, District waives all rights now or hereafter conferred by law to quit, terminate or surrender this Facilities Lease or the Project or any part thereof.

**22.1.4** District acknowledges that Developer may assign an interest in some or all of the necessary payments pursuant to the GMP provisions indicated in **Exhibit C** to a lender in order to obtain financing for the cost of constructing the Project and that the lender may rely on the foregoing covenants and provisions in connection with such financing.

## **22.2 District's Request for Assurances**

If District at any time reasonably believes Developer is or may be in default under this Contract, District may in its sole discretion notify Developer of this fact and request written assurances from Developer of performance of Work and a written plan from Developer to remedy any potential default under the terms of this Contract that the District may advise Developer of in writing. Developer shall, within ten (10) calendar days of District's request, deliver a written cure plan that meets the District's requirements in its request for assurances. Developer's failure to provide such written assurances of performance and the required written plan, within ten (10) calendar days of request, will constitute a material breach of this Contract sufficient to justify termination for cause.

## **22.3 District's Right to Terminate Developer for Cause**

### **22.3.1 Grounds for Termination**

The District, in its sole discretion, without prejudice to any other right or remedy, may terminate the Site Lease and Facilities Lease and/or terminate Developer's right to perform the work of the Facilities Lease based upon any of the following:

**22.3.1.1** Developer refuses or fails to execute the Work or any separable part thereof; or

**22.3.1.2** Developer fails to complete said Work within the time specified or any extension thereof; or

**22.3.1.3** Developer persistently fails or refuses to perform Work or provide material of sufficient quality as to be in compliance with the Facilities Lease; or

**22.3.1.4** Prior to completion of the Project, Developer is adjudged a bankrupt, files a petition for relief as a debtor, or a petition is filed against Developer without its consent, and the petition not dismissed within sixty (60) days; or

**22.3.1.5** Prior to the completion of the Project, Developer makes a general assignment for the benefit of its creditors, or a receiver is appointed on account of its insolvency; or

**22.3.1.6** Developer persistently or repeatedly refuses and/or fails, except in cases for which extension of time is provided, to supply enough properly skilled workers or proper materials to complete the Work in the time specified; or

**22.3.1.7** Developer fails to make prompt payment to Subcontractors, or for material, or for labor; or

**22.3.1.8** Developer persistently disregards laws, or ordinances, or instructions of District as indicated in **Exhibit D**, or otherwise in violation of **Exhibit D**; or

**22.3.1.9** Developer fails to supply labor, including that of Subcontractors, that is sufficient to prosecute the Work or that can work in harmony with all other elements of labor employed or to be employed on the Work; or

**22.3.1.10** Developer or its Subcontractor(s) is/are otherwise in breach, default, or in substantial violation of any provision of this Facilities Lease, including but not limited to a lapse in licensing or registration.

### **22.3.2 Notification of Termination**

**22.3.2.1** Upon the occurrence at District's sole determination of any of the above conditions, or upon Developer's failure to perform any material covenant, condition or agreement in this Facilities Lease, District may, without prejudice to any other right or remedy, serve written notice upon Developer and its Surety of District's termination of

this Facilities Lease and/or Developer's right to perform the Work of this Facilities Lease. This notice will contain the reasons for termination.

**22.3.2.2** Unless, within fifteen (15) days after the service of the notice, any and all condition(s) shall cease, and any and all violation(s) shall cease, or arrangement satisfactory to District for the correction of the condition(s) and/or violation(s) be made, this Facilities Lease and the Site Lease shall cease and terminate; provided, however, if the failure stated in the notice cannot be corrected within fifteen (15) days after the service of notice, District may consent to an extension of time, provided Developer instituted and diligently pursued corrective action within the applicable fifteen (15)-day period and until the violation is corrected. Upon District determination, Developer shall not be entitled to receive any further payment until the entire Work is finished.

**22.3.2.3** Upon Termination, District may immediately serve written notice of tender upon Surety whereby Surety shall have the right to take over and perform this Facilities Lease only if Surety:

**22.3.2.3.1** Within three (3) days after service upon it of the notice of tender, gives District written notice of Surety's intention to take over and perform this Facilities Lease; and

**22.3.2.3.2** Commences performance of this Facilities Lease within three (3) days from date of serving of its notice to District.

**22.3.2.4** Surety shall not utilize Developer in completing the Project if the District notifies Surety of the District's objection to Developer's further participation in the completion of the Project. Surety expressly agrees that any developer which Surety proposes to fulfill Surety's obligations is subject to District's approval.

**22.3.2.5** If Surety fails to notify District or begin performance as indicated herein, District may take over the Work and execute the Work to completion by any method it may deem advisable at the expense of Developer and/or its Surety. Developer and its Surety shall be liable to District for any excess cost or other damages the District incurs thereby. Time is of the essence in this Facilities Lease. If the District takes over the Work as herein provided, District may, without liability for so doing, take possession of and utilize in completing the Work all materials, appliances, plan, and other property belonging to Developer as may be on the Site of the Work, in bonded storage, or previously paid for.

**22.3.2.6** In the alternative, the District shall have the right (but shall have no obligation) to assume and/or assign to a general contractor or construction manager or other third party who is qualified and has sufficient resources to complete the Work, the rights of the Developer under its subcontracts with any or all Subcontractors. In the event of an assumption or assignment by the District, no Subcontractor shall have any claim against the District or third party for Work performed by Subcontractor or other matters arising prior to termination of the Facilities Lease. The District or any third party, as the case may be,



shall be liable only for obligations to the Subcontractor arising after assumption or assignment. Should the District so elect, the Developer shall execute and deliver all documents and take all steps, including the legal assignment of its contractual rights, as the District may require, for the purpose of fully vesting in the District the rights and benefits of its Subcontractor under Subcontracts or other obligations or commitments. All payments due the Developer hereunder shall be subject to a right of offset by the District for expenses and damages suffered by the District as a result of any default, acts, or omissions of the Developer. Developer must include this assignment provision in all of its contracts with its Subcontractors.

**22.3.2.7** In the event of a termination for cause, if the expense to the District to finish the Work exceeds the unpaid Guaranteed Maximum Price, Developer and Surety shall pay difference to District within twenty-one (21) days of District's request. District may apply any amounts otherwise due to Developer to this difference.

**22.3.2.8** In the event that a termination for cause is determined to have not been for cause, the termination shall be deemed to have been a termination for convenience effective as of the same date as the purported termination for cause, and Developer may, if warranted, receive payment in accordance with the the termination for convenience provisions.

## **22.4 Termination of Developer for Convenience**

**22.4.1** District in its sole discretion may terminate the Facilities Lease in whole or in part upon three (3) days written notice to Developer.

**22.4.2** Upon notice, Developer shall:

**22.4.2.1** Cease operations as directed by the District in the notice;

**22.4.2.2** Take necessary actions for the protection and preservation of the Work as soon as possible; and

**22.4.2.3** Terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

**22.4.3** Within 30 days of the notice, Developer shall submit to the District a payment application for the actual cost for labor, materials, and services performed, including all Developer's and Subcontractor(s)' mobilization and/or demobilization costs, that is unpaid. Developer shall have no claims against the District except for the actual cost for labor, materials, and services performed that adequately documented through timesheets, invoices, receipts, or otherwise. District shall pay all undisputed invoice(s) for work performed until the notice of termination.

**22.4.4** If Developer objects to the termination for convenience, the District retains the right to all the options available to the District under a termination for cause.

## **22.5 Effect of Termination**

**22.5.1** If District terminates the Site Lease and the Facilities Lease pursuant to this section, the Site and any improvements built upon the Site shall vest in District upon termination of the Site Lease and Facilities Lease, and District shall thereafter be required to pay only the principal amounts then due and owing pursuant to the GMP provisions indicated in Exhibit C, less any damages incurred by District due to Developer's default, acts, or omissions.

**22.5.2** The District shall retain all rights it possesses pursuant to this Facilities Lease including, without limitation.

**22.5.2.1** The right to assess liquidated damages due because of any project delay; and

**22.5.2.2** All rights the District holds to demand performance pursuant to Developer's required performance bond.

**22.5.3** Developer shall, only if ordered to do so by the District, immediately remove from the Site all or any materials and personal property belonging to Developer that have not been incorporated in the construction of the Work, or which are not in place in the Work. The District retains the right, but not the obligation, to keep and use any materials and personal property belonging to Developer that have not been incorporated in the construction of the Work, or which are not in place in the Work. Developer and its Surety shall be liable upon the performance bond for all damages caused the District by reason of Developer's failure to complete the Work under this Facilities Lease.

**22.5.4** In the event that the District shall perform any portion of, or the whole of the Work, pursuant to the provisions of the General Conditions, the District shall not be liable nor account to Developer in any way for the time within which, or the manner in which, the Work is performed by the District or for any changes the District may make in the Work or for the money expended by the District in satisfying claims and/or suits and/or other obligations in connection with the Work.

**22.5.5** In the event that the Site Lease and Facilities Lease are terminated for any reason, no allowances or compensation will be granted for the loss of any anticipated profit by Developer or any impact or impairment of Developer's bonding capacity.

**22.5.6** All payments due Developer hereunder shall be subject to a right of offset by the District for expenses, damages, losses, costs, claims, or reimbursements suffered by, or due to, the District as a result of any default, acts, or omissions of Developer.

**22.5.7** The foregoing provisions are in addition to and not in limitation of any other rights or remedies available to District.

## **22.6 Developer Remedies Upon District Default**

### **22.6.1 Events of Default by District Defined**

The following shall be "Events of Default" of the District under this Facilities Lease. The terms "Event of Default" and "Default," whenever they are used as to the District in the Site Lease or this Facilities Lease, shall only mean one or more of the following events:

**22.6.1.1** Failure by the District to pay payments required pursuant to the GMP provisions in **Exhibit C**, and the continuation of this failure for a period of forty-five (45) days.

**22.6.1.2** Failure by the District to perform any material covenant, condition or agreement in this Facilities Lease and that failure continues for a period of forty-five (45) days after Developer provides District with written notice specifying that failure and requesting that the failure be remedied; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Developer shall not withhold its consent to an extension of time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected.

## **22.6.2 Remedies on District's Default**

If there has been an Event of Default on the District's part, Developer may exercise any and all remedies granted pursuant to this Facilities Lease; provided, however, there shall be no right under any circumstances to accelerate any of the payments required pursuant to the GMP provisions in **Exhibit C** or otherwise declare those payments not then past due to be immediately due and payable.

**22.6.2.1** Developer may rescind its leaseback of the Project to the District under this Facilities Lease and re-rent the Project and Site to another lessee for the remaining Term for no less than the fair market value for leasing the Project and Site, which shall be:

**22.6.2.1.1** An amount determined by a mutually-agreed upon appraiser; or

**22.6.2.1.2** If an appraiser cannot be agreed to, an amount equal to the mean between a District appraisal and a Developer appraisal for the Project and Site, both prepared by MAI-certified appraisers.

**22.6.2.2** District's obligation to make the payments required pursuant to the GMP provisions indicated in **Exhibit C** shall be:

**22.6.2.2.1** Increased by the amount of costs, expenses, and damages incurred by Developer in re-renting the Project and Site; and

**22.6.2.2.2** Decreased by the amount of rent Developer receives in re-letting the Project and Site.

**22.6.2.3** District agrees that the terms of this Facilities Lease constitute full and sufficient notice of the right of Developer to re-rent the Project and Site in the Event of Default without effecting a surrender

of this Facilities Lease, and further agrees that no acts of Developer in re-renting as permitted herein shall constitute a surrender or termination of this Facilities Lease, but that, on the contrary, in the event of an Event of Default by the District the right to re-rent the Project and Site shall vest in Developer as indicated herein.

### **22.6.3 District's Continuing Obligation**

Unless there has been damage, destruction, a Taking, or Developer has acted, failed to act, or is in default as indicated above providing District with the right to terminate for cause, the District shall continue to remain liable for the payments required pursuant to the GMP provisions in **Exhibit C** and those amounts shall be payable to Developer at the time and in the manner therein provided.

### **22.6.4 No Remedy Exclusive**

No remedy herein conferred upon or reserved to Developer is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Facilities Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Developer to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than such notice as may be required in this Article or by law.

## **22.7 Emergency Termination Pursuant to Public Contracts Act of 1949**

**22.7.1** This Facilities Lease is subject to termination as provided by sections 4410 and 4411 of the Government Code of the State of California, being a portion of the Emergency Termination of Public Contracts Act of 1949.

### **22.7.1.1 Section 4410 of the Government Code states:**

In the event a national emergency occurs, and public work, being performed by contract, is stopped, directly or indirectly, because of the freezing or diversion of materials, equipment or labor, as the result of an order or a proclamation of the President of the United States, or of an order of any federal authority, and the circumstances or conditions are such that it is impracticable within a reasonable time to proceed with a substantial portion of the work, then the public agency and the contractor may, by written agreement, terminate said contract.

### **22.7.1.2 Section 4411 of the Government Code states:**

Such an agreement shall include the terms and conditions of the termination of the contract and provision for the payment of compensation or money, if any, which either party shall pay to the other or any other person, under the facts and circumstances in the case.

**22.7.2** Compensation to Developer shall be determined at the sole discretion of District on the basis of the reasonable value of the Work done, including preparatory work. As an exception to the foregoing and at the District's discretion, in the case of any fully completed separate item or portion of the Work for which there is a separate previously submitted unit price or item on the accepted schedule of values, that price may control. The District, at its sole discretion, may adopt the Schedule of Values Price as the value of the work done or any portion thereof.

## **22.8 Suspension of Work**

**22.8.1** District in its sole discretion may suspend, delay or interrupt the Work in whole or in part for such period of time as the District may determine upon three (3) days written notice to Developer.

**22.8.1.1** An adjustment may be made for changes in the cost of performance of the Work caused by any suspension, delay or interruption. No adjustment shall be made to the extent:

**22.8.1.1.1** That performance is, was or would have been so suspended, delayed or interrupted by another cause for which Developer is responsible; or

**22.8.1.1.2** That an equitable adjustment is made or denied under another provision of the Site Lease or the Facilities Lease; or

**22.8.1.1.3** That the suspension of Work was the direct or indirect result of Developer's failure to perform any of its obligations hereunder.

**22.8.1.1.4** The delay could not have been avoided or mitigated by Developer's reasonable diligence.

**22.8.1.2** Any adjustments in cost of performance may have a fixed or percentage fee as provided in the section on Format for Proposed Change Order in **Exhibit D**. This amount shall be full compensation for all Developer's and its Subcontractor(s)' changes in the cost of performance of the Facilities Lease caused by any such suspension, delay or interruption.

## **23. Limitation of District Liability**

District's financial obligations under this Contract shall be limited to the payment of the compensation provided in this Contract. Notwithstanding any other provision of this Contract, in no event shall District be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits or revenue, lost bonding capacity, arising out of or in connection with this Contract for the services performed in connection with this Contract.

## **24. Notices**

All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received five (5) days after deposit in the United States mail in registered

or certified form with postage fully prepaid or one (1) business day after deposit with an overnight delivery service with proof of actual delivery:

**If to District:**

Modesto City Schools  
426 Locust Street  
Modesto, CA 95351  
ATTN: Tim Zearley  
Associate Superintendent  
Business Services

**If to Developer:**

[Developer]  
[Address]  
Attn: [Name, Title]

**With a copy to:**

Deidree Sakai, Esq.  
Dannis Woliver Kelley  
200 California Street #400  
San Francisco, CA 94111

Developer and District, by notice given hereunder, may designate different addresses to which subsequent notices, certificates or other communications will be sent.

**25. Binding Effect**

This Facilities Lease shall inure to the benefit of and shall be binding upon Developer and District and their respective successors, transferees and assigns.

**26. No Additional Waiver Implied by One Waiver**

In the event any agreement contained in this Facilities Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**27. Severability**

In the event any provision of this Facilities Lease shall be held invalid or unenforceable by any court of competent jurisdiction, that holding shall not invalidate or render unenforceable any other provision hereof, unless elimination of the invalid provision materially alters the rights and obligations embodied in this Facilities Lease or the Site Lease.

**28. Amendments, Changes and Modifications**

Except as to the termination rights of both Parties as indicated herein, this Facilities Lease may not be amended, changed, modified, altered or terminated without the written agreement of both Parties hereto.

**29. Net-Net-Net Lease**

This Facilities Lease shall be deemed and construed to be a "net-net-net lease" and the District hereby agrees that all payments it makes pursuant to the GMP provisions in **Exhibit C** shall be an absolute net return to Developer, free and clear of any expenses, charges or set-offs.

**30. Execution in Counterparts**

This Facilities Lease may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**31. Developer and District Representatives**

Whenever under the provisions of this Facilities Lease the approval of Developer or the District is required, or Developer or the District is required to take some action at the request of the other, the approval or request shall be given for Developer by Developer's Representative and for the District by the District's Representative, and any party hereto shall be authorized to rely upon any such approval or request.

**32. Applicable Law**

This Facilities Lease shall be governed by and construed in accordance with the laws of the State of California, and venued in the County within which the Site is located.

**33. Attorney's Fees**

If either party brings an action or proceeding involving the Property or to enforce the terms of this Facilities Lease or to declare rights hereunder, each party shall bear the cost of its own attorneys' fees.

**34. Captions**

The captions or headings in this Facilities Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Facilities Lease.

**35. Prior Agreements**

This Facilities Lease and the corresponding Site Lease collectively contain all of the agreements of the Parties hereto with respect to any matter covered or mentioned in this Facilities Lease and no prior agreements or understanding pertaining to any matter shall be effective for any purpose.

**36. Further Assurances**

Parties shall promptly execute and deliver all documents and instruments reasonably requested to give effect to the provisions of this Facilities Lease.

**37. Recitals and Exhibits Incorporated**

The Recitals set forth at the beginning of this Facilities Lease and the attached Exhibits are hereby incorporated into its terms and provisions by this reference.

**38. Time of the Essence**

Time is of the essence with respect to each of the terms, covenants, and conditions of this Facilities Lease.

**39. Interpretation**

None of the Parties hereto, nor their respective counsel, shall be deemed the drafters of this Facilities Lease for purposes of construing the provisions thereof. The language in all parts of this Facilities Lease shall in all cases be construed according to its fair meaning, not strictly for or against any of the Parties hereto.

**IN WITNESS WHEREOF**, the Parties have caused this Facilities Lease to be executed by their respective officers who are duly authorized, as of the Effective Date.

**ACCEPTED AND AGREED** on the date indicated below:

Dated: June \_\_, 2025

Dated: June \_\_, 2025

Modesto City Schools

[Developer]

By: \_\_\_\_\_  
Name: Tim Zearley  
Title: Associate Superintendent,  
Business Services

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



## **EXHIBIT A**

### **LEGAL DESCRIPTION OF SITE**

#### **Attached is the Legal Description for:**

Catherine Everett Elementary School  
1530 Mt. Vernon Drive  
Modesto, CA 95350  
APN: 060-031-001

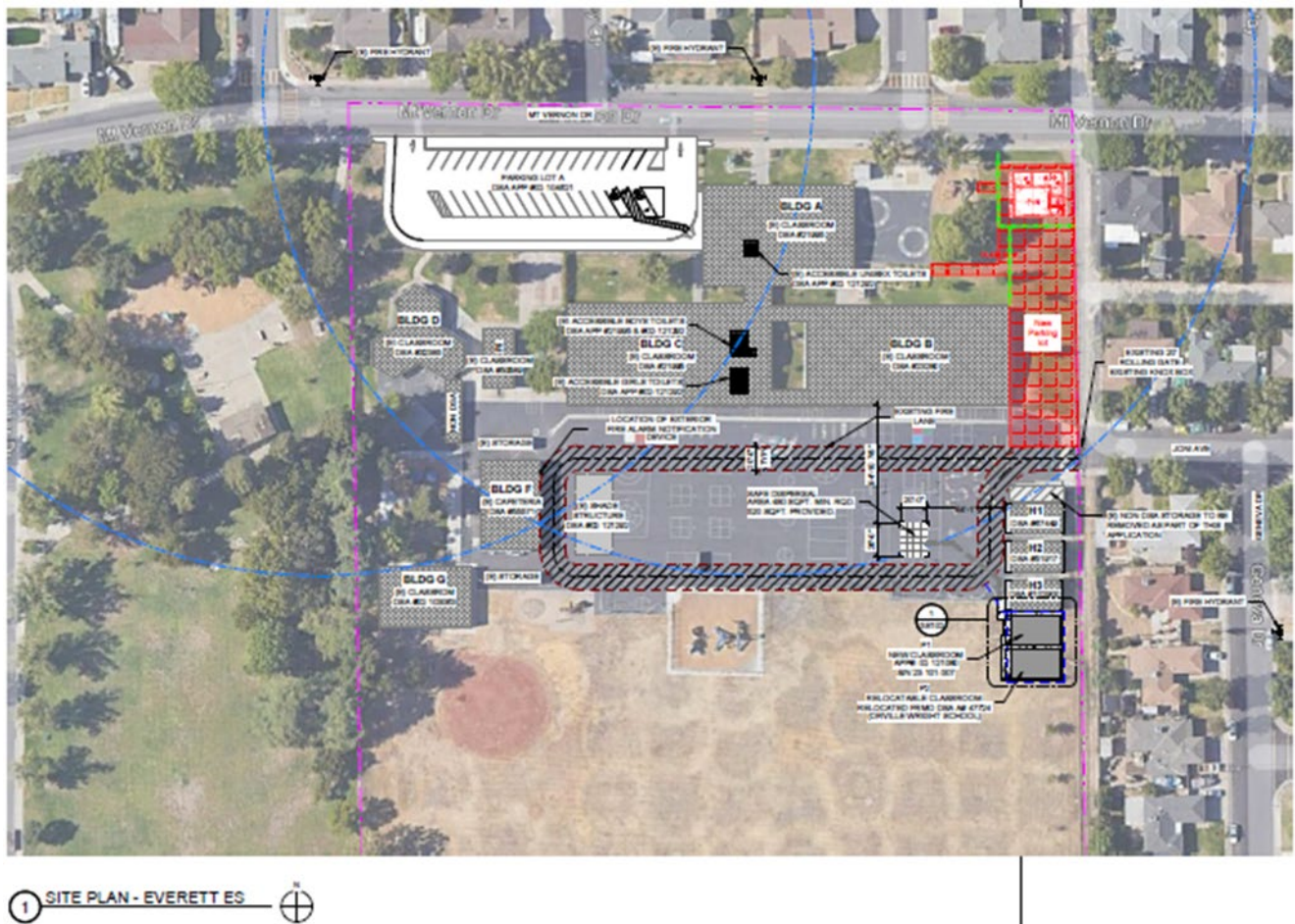
All that portion of the East half of Section 18, Township 3 South, Range 9 East, M. D. B. & M., described as follows:

Beginning at the Northwest corner of Gregory Gardens No. 2, as per Map filed December 7, 1956, in Vol. 18 of Maps, page 60, Stanislaus County Records, which corner is located on the South line of property described as Parcel No. 1 in that certain Final Judgment in Condemnation recorded January 26, 1962 in Vol. 1737 of Official Records, page 641, as Instrument No. 3412; thence Westerly along the South line of the above mentioned Parcel No. 1, being along the Westerly prolongation of the North line of said Gregory Gardens No. 2, a distance of 259.23 feet, more or less, to the Southwest corner of said Parcel No. 1, which Southwest corner is located on the East line of property conveyed to the City of Modesto by Deed recorded December 7, 1962 in Vol. 1815 of Official Records, Page 296, as instrument No. 45986; thence South 0° 26' 15" East, along the East line of said City of Modesto property, a distance of 9.42 feet to the Southeast corner thereof, which Southeast corner is located on the North line of Saratoga Manor No. 5, as per Map filed October 30, 1962 in Vol. 20 of Maps, Page 28, Stanislaus County Records; thence South 89° 12' 15" East, along the North line of said Saratoga Manor No. 5, a distance of 259.23 feet, more or less, to the Northeast corner thereof, which Northeast corner is located on the West line of Gregory Gardens No. 2 hereinabove referred to; thence North 0° 28' 30" East along the West line of said Gregory Gardens No. 2, a distance of 6.27 feet, more or less, to the point of beginning.

## **EXHIBIT B**

### **DESCRIPTION OF PROJECT**

Attached is a map or diagram of the Site that is subject to this Facilities Lease and upon which Developer will construct the Project.



## **EXHIBIT C**

### **GUARANTEED MAXIMUM PRICE AND OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS**

Attached are the terms and provisions related to Site Lease payments, the Facilities Lease, the Guaranteed Maximum Price and other related cost, funding, and payment provisions.

## **EXHIBIT C**

### **GUARANTEED MAXIMUM PRICE AND OTHER PROJECT COST, FUNDING, AND PAYMENT PROVISIONS**

#### **1. Site Lease Payments**

As indicated in the Site Lease, Developer shall pay One Dollar (\$1.00) to the District as consideration for the Site Lease.

#### **2. Guaranteed Maximum Price**

Pursuant to the Facilities Lease, Developer will cause the Project to be constructed for an amount to be determined after preconstruction services are completed ("Guaranteed Maximum Price"). The Guaranteed Maximum Price shall include the preconstruction fees and costs and Allowances and Contingency, if any.

##### **2.1 Cost of the Work**

The term Cost of the Work shall mean the costs necessarily incurred in the proper performance of the Work contemplated by the Contract Documents. Such costs shall be at rates no higher than the standard paid at the place of the Project except with the prior consent of the District. The Cost of the Work shall include only the items set forth in this Section 2 and approved by the District.

##### **2.1.1 General Conditions**

The General Conditions as set forth in **Attachment 1** hereto shall be included in a progress billing as incurred. Said rates shall include all costs for labor, equipment and materials for the items identified therein which are necessary for the proper management of the Project, and shall include all costs paid or incurred by Developer for insurance, permits, taxes, and all contributions, assessments and benefits, holidays, vacations, retirement benefits, incentives to the extent contemplated in **Attachment 1**, whether required by law or collective bargaining agreements or otherwise paid or provided by Developer to its employees. The District reserves the right to request changes to the personnel, equipment, or facilities provided as General Conditions as may be necessary or appropriate for the proper management of the Project, in which case, the District shall be entitled to a reduction in the cost of General Conditions based on the rates set forth in **Attachment 1**.

##### **2.1.2 Subcontract Costs**

Payments made by the Developer to Subcontractors (inclusive of the Subcontractor's bonding, if required, and insurance costs, which shall be included in the subcontract amount), which payments shall be made in accordance with the requirements of the Contract Documents.

##### **2.1.3 Developer-Performed Work**

Costs incurred by Developer for self-performed work at the direction of District or with the District's prior approval, as follows:

**2.1.3.1** Actual costs to Developer of wages of construction workers, excluding all salaried and/or administrative personnel, directly employed by Developer to perform the construction of the Work at the site.

**2.1.3.2** Wages or salaries and customary benefits, such as sick leave, medical and health benefits, holidays, vacations, incentive programs, and pension plans of Developer's field supervisory, safety and administrative personnel when stationed at the site or stationed at Developer's principal office, only for that portion of their time required for the Work.

**2.1.3.3** Wages and salaries and customary benefits, such as sick leave, medical and health benefits, holidays, vacations, incentive programs and pension plans of Developer's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.

**2.1.3.4** Costs paid or incurred by Developer for taxes, insurance, contributions, assessments required by law or collective bargaining agreements and for personnel not covered by such agreements, and for customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Subparagraphs 2.1.3.1 through 2.1.3.3.

**2.1.3.5** Costs, including transportation and storage, of materials and equipment incorporated in the completed construction, including costs of materials in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the District's property at the completion of the Work or, at the District's option, shall be sold by Developer. Any amounts realized from such sales shall be credited to the District as a deduction from the Cost of the Work.

**2.1.3.6** Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, machinery and equipment not customarily owned by construction workers, that are provided by Developer at the site and fully consumed in the performance of the Work; and cost (less salvage value) of such items if not fully consumed, whether sold to others or retained by Developer. Cost for items previously used by Developer shall mean fair market value.

**2.1.3.7** Rental charges for temporary facilities, machinery, equipment, vehicles and vehicle expenses, and hand tools not customarily owned by construction workers that are provided by Developer at the site, whether rented from Developer or others, and the costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof and costs of Developer's Project field office, overhead and general expenses including office supplies, parking,

office equipment, and software. Rates and quantities of equipment rented shall be subject to the District's prior approval.

**2.1.3.8** Costs of removal of debris from the site, daily clean-up costs and dumpster charges not otherwise included in the cost of the subcontracts which exceeds the clean-up provided under the General Conditions.

**2.1.3.9** Costs of that portion of the reasonable travel, parking and subsistence expenses of Developer's personnel incurred while traveling and discharging duties connected with the Work.

**2.1.3.10** Costs of materials and equipment suitably stored off the site at a mutually acceptable location, if approved in advance by the District.

#### **2.1.4 Allowances**

Because it is impossible at the time of execution of the Facilities Lease to determine the exact cost of performing certain tasks, the Cost of the Work shall include the following Allowances for the Tasks/Work as noted here:

<b>Task/Work</b>	<b>Allowance Amount</b>
Total Allowance Amount	

The Allowance Value for an Allowance Item includes the direct cost of labor, materials, equipment, transportation, taxes and insurance associated with the applicable Allowance Item. All other costs, including design fees, Developer's overall project management and general conditions costs, overhead and fee, are deemed to be included in the original Guaranteed Maximum Price.

The District shall have sole discretion to authorize all expenditures from the Allowances. The District shall process expenditures from the Allowances in the form of an Allowance Expenditure Directive ("AED"). The Allowances are included in the Guaranteed Maximum Price. Any unused Allowance or unused portion thereof shall be deducted from the Cost of the Work pursuant to **Exhibit D** to this Facilities Lease to the benefit of the District.

Except when noted as "not-to-exceed," whenever costs are more than the Allowance, the amount covered by the Allowance will be approved at cost (i.e., only the amount within the Allowance will be approved for payment). Developer shall follow the Change Order procedure to adjust the Guaranteed Maximum Price for amounts in excess of the Allowance.

#### **2.1.5 Miscellaneous Costs**

**2.1.5.1** Where not included in the General Conditions, and with the prior approval of District, costs of document reproductions (photocopying and blueprinting expenses), long distance telephone call charges, postage, overnight and parcel delivery charges, telephone costs including cellular telephone charges, facsimile or other communication service at the Project site, job photos and progress schedules, and reasonable petty cash expenses of the site office. Developer shall consult with District to determine whether District has any vendor relationships that could reduce the cost of these items and use such vendors whenever possible.

**2.1.5.2** Sales, use, gross receipts, local business and similar taxes imposed by a governmental authority that are related to the Work.

**2.1.5.3** Fees and assessments for permits, plan checks, licenses and inspections for which Developer is required by the Contract Documents to pay including, but not limited to, permanent utility connection charges, street use permit, street use rental, OSHA permit and sidewalk use permit and fees.

**2.1.5.4** Fees of laboratories for tests required by the Contract Documents.

**2.1.5.5** Deposits lost for causes other than Developer's or its subcontractors' negligence or failure to fulfill a specific responsibility to the District as set forth in the Contract Documents.

**2.1.5.6** Expenses incurred in accordance with Developer's standard personnel policy for relocation and temporary living allowances of personnel required for the Work if approved in advance by District.

**2.1.5.7** Where requested by District, costs or expenses incurred by Developer in performing design services for the design-build systems.

**2.1.5.8** Other costs incurred in the performance of the Work if, and to the extent, approved in advance by District.

**2.1.5.9** Costs due to emergencies incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and/or property.

**2.1.5.10** Provided all other eligible costs have been deducted from the contingency and as part of the calculation of amounts due Developer for Final Payment, costs of repairing and correcting damaged or non-conforming Work executed by Developer, Subcontractors or suppliers, providing that such damage or non-conforming Work was not caused by negligence or failure to fulfill a specific responsibility of Developer and only to the extent that the cost of repair or correction is not recovered by Developer from insurance, sureties, Subcontractors or suppliers.

#### **2.1.6 Excluded Costs**

The following items are considered general overhead items and shall not be billed to the District:

**2.1.6.1** Salaries and other compensation of Developer's personnel stationed at Developer's principal office or offices other than the Project Field Office, except as specifically provided in Subparagraphs 2.1.3.2. and 2.1.3.4.

**2.1.6.2** Expenses of Developer's principal office and offices other than the Project Field Office.

**2.1.6.3** Overhead and general expenses, except as may be expressly included in this Section 2.

**2.1.6.4** Developer's capital expenses, including interest on Developer's capital employed for the Work.

**2.1.6.5** Costs that would cause the Guaranteed Maximum Price (as adjusted by Change Order) to be exceeded.

#### **2.1.7 Developer's Fee**

\_\_\_\_\_ percent (\_\_\_\_%) of the Cost of the Work as described in Sections 2.1.1, 2.1.2, 2.1.3, 2.1.4 and 2.1.5.

#### **2.1.8 Bonds and Insurance**

For insurance and bonds required under this Facilities Lease (exclusive of those required by Subcontractors, which costs are included in the subcontract amounts), that portion of insurance and bond premiums which are directly attributable to this Contract, which shall be calculated at a rate of \_\_\_\_\_ percent (\_\_\_\_%) of the Cost of the Work for insurance and \_\_\_\_\_ percent (\_\_\_\_%) of the Cost of the Work for payment and performance bonds.

#### **2.1.9 Contingency**

**2.1.9.1** The Guaranteed Maximum Price includes a Contingency of approximately ten percent (10%) of the Cost of the Work as described in Section 2.1.1, 2.1.2, and 2.1.3 for potential additional construction costs for unforeseen conditions that occur over the course of construction and/or scope gaps between the subcontract categories of the Work.

**2.1.9.2** The Contingency is not intended for such things as scope changes.

**2.1.9.3** The Contingency shall not be used without the agreement of the District.

**2.1.9.4** The unused portion of the Contingency shall be considered as cost savings and retained by the District at the end of the Project.



**2.2** The Guaranteed Maximum Price will consist of the amounts to be identified in **Attachment 2** to this **Exhibit C**. Except as indicated herein for modifications to the Project approved by the District, Developer will not seek additional compensation from District in excess of Guaranteed Maximum Price. District shall pay the Guaranteed Maximum Price to Developer in the form of Tenant Improvement Payments and Lease Payments as indicated herein.

### **2.3 Total Payment**

In no event shall the cumulative total of the Tenant Improvement Payments and the Loan Amount for the Lease Payments ever exceed the Guaranteed Maximum Price to be defined, as may be modified pursuant to **Exhibit D** to the Facilities Lease.

### **2.4 Changes to Guaranteed Maximum Price**

**2.4.1** The Parties acknowledge that the Guaranteed Maximum Price is based on the Construction Documents, including the plans and specifications, as identified in **Exhibit D** to the Facilities Lease.

**2.4.2** As indicated in the Facilities Lease, the Parties may add to or remove from the project specific scopes of work. Based on these change(s), the Parties may agree to a reduction or increase in the Guaranteed Maximum Price. If a cost impact of a change is agreed to by the Parties, it shall be paid upon the payment request from Developer for the work that is the subject of the change in accordance with the provisions of **Exhibit D**. The amount of any change to the Guaranteed Maximum Price shall be calculated in accordance with the provisions of **Exhibit D** to this Facilities Lease.

**2.4.3** The Parties agree to reduce the Guaranteed Maximum Price for the unused portion of Allowances and/or Contingency, if any.

#### **2.4.4 Cost Savings**

Developer shall work cooperatively with Architect, Construction Manager, subcontractors and District, in good faith, to identify appropriate opportunities to reduce the Project costs and promote cost savings. Any identified cost savings from the Guaranteed Maximum Price shall be identified by Developer, and approved in writing by the District. In the event Developer realizes a savings on any aspect of the Project, such savings shall be added to the Contingency and expended consistent with the Contingency. In addition, any portion of Allowance remaining after completion of the Project shall be added to the Contingency. If any cost savings require revisions to the Construction Documents, Developer shall work with the District and Architect with respect to revising the Construction Documents and, if necessary, obtaining the approval of DSA with respect to those revisions. Developer shall be entitled to an adjustment of Contract Time for delay in completion caused by any cost savings adopted by District pursuant to **Exhibit D**, if requested in writing before the approval of the cost savings.

**2.4.5** If the District exercises its Purchase Option pursuant to this **Exhibit C**, any reduction in the Guaranteed Maximum Price resulting from that exercise of the Purchase Option, if any, shall be retained in full by the District and shall not be shared with Developer.

### **3. Tenant Improvement Payments**

Prior to the District's taking delivery or occupancy of the Project, the District shall pay to Developer an amount equal to the Guaranteed Maximum Price as modified pursuant to the terms of the Facilities Lease, including **Exhibit C** and **Exhibit D**, less the Lease Payments ("Tenant Improvement Payments"). The District also shall withhold five percent (5%) from each of the Tenant Improvement Payments for the Loan Amount for the Lease Payments until the withhold amount equals the Loan Amount stated in **Attachment 3**. Tenant Improvement Payments will be processed based on the amount of Work performed according to the Developer's Schedule of Values (**Exhibit G** to the Facilities Lease) and pursuant to the provisions in **Exhibit D** to the Facilities Lease, including withholding for or escrow of retention of five percent (5%) of the Guaranteed Maximum Price. The withholding for the Loan Amount shall be separate from and in addition to withholding for or escrow of retention.

### **4. Lease Payments**

Upon execution of the Memorandum of Commencement Date, the form of which is attached to the Facilities Lease as **Exhibit E**, the District shall commence making lease payments to Developer in accordance with the Schedule attached hereto as **Attachment 3**.

**4.1** The Lease Payments shall be consideration for the District's rental, use, and occupancy of the Project and the Project Site and shall be made in monthly installments as indicated in the Schedule of Lease Payments attached hereto as **Attachment 3** for the duration of the lease term of one (1) year, with the first Lease Payment due ninety (90) days after execution of the Memorandum of Commencement Date.

**4.2** The District represents that the annual Lease Payment obligation does not surpass the District's annual budget and will not require the District to increase or impose additional taxes or obligations on the public that did not exist prior to the execution of the Facilities Lease.

#### **4.3 Fair Rental Value**

District and Developer have agreed and determined that the total Lease Payments constitute adequate consideration for the Facilities Lease and are reasonably equivalent to the fair rental value of the Project. In making such determination, consideration has been given to the obligations of the Parties under the Facilities Lease and Site Lease, the uses and purposes which may be served by the Project and the benefits therefrom which will accrue to the District and the general public.

#### **4.4 Each Lease Payment Constitutes a Current Expense of the District**

**4.4.1** The District and Developer understand and intend that the obligation of the District to pay Lease Payments and other payments hereunder constitutes a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.

**4.4.2** Lease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise made legally available for this purpose. This Facilities Lease shall not create an immediate indebtedness for any aggregate payments that may become due hereunder.

**4.4.3** The District covenants to take all necessary actions to include the Lease Payments in each of its final approved annual budgets.

**4.4.4** The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for the actual amount of Lease Payments that come due and payable during the period covered by each such budget. Developer acknowledges that the District has not pledged the full faith and credit of the District, State of California or any state agency or state department to the payment of Lease Payments or any other payments due hereunder. The covenants on the part of District contained in this Facilities Lease constitute duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Facilities Lease agreed to be carried out and performed by the District.

**4.4.5** Developer cannot, under any circumstances, accelerate the District's payments under the Facilities Lease.

## **5. District's Purchase Option**

**5.1** If the District is not then in uncured Default hereunder, the District shall have the option to purchase not less than all of the Project in its "as-is, where-is" condition and terminate this Facilities Lease and Site Lease by paying the balance of the "Loan Amount" identified in **Attachment 3**, which is exclusive of interest that would have otherwise been owed, as of the date the option is exercised ("Option Price"). Said payment shall be made on or before the date on which the District's lease payment would otherwise be due for that month ("Option Date").

**5.2** District shall provide to Developer a written notice no less than ten (10) days prior to the Option Date. The notice will include that District is exercising its option to purchase the Project as set forth above on the Option Date. If the District exercises this option, the District shall pay directly to Developer the Option Price on or prior to the Option Date and Developer shall at that time deliver to District an executed Termination Agreement and Quitclaim Deed in recordable form to terminate this Facilities Lease and the Site Lease. District may record all such documents at District's cost and expense.

**5.3** Under no circumstances can the first Option Date be on or before ninety (90) days after Developer completes the Project and the District accepts the Project.

[REMAINDER OF PAGE INTENTIONALLY BLANK; ATTACHMENTS FOLLOW]

**ATTACHMENT 1**  
**GENERAL CONDITIONS COSTS**

**ATTACHMENT 2**  
**GUARANTEED MAXIMUM PRICE**

To be attached.

**ATTACHMENT 3**  
**SCHEDULE OF LEASE PAYMENTS**

**Amortization Schedule**

Loan Amount:           \$  
Interest:                5.00% Annual  
Term in Months        12.00  
Payment Frequency    Monthly

<u>Payment</u>	<u>Monthly Payment</u>	<u>Principal Payment</u>	<u>Interest Payment</u>	<u>Balance</u>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
<b>Totals</b>				

**EXHIBIT D**

**GENERAL CONSTRUCTION PROVISIONS**

Attached are the general construction terms and conditions for the Project.

**EXHIBIT D**

**GENERAL CONSTRUCTION PROVISIONS  
FOR THE FOLLOWING PROJECT:**

**CATHERINE EVERETT ELEMENTARY SCHOOL  
EXPANDED LEARNING WELLNESS CENTER  
BUILDING AND SITE IMPROVEMENTS PROJECT**

**BY AND BETWEEN**

**MODESTO CITY SCHOOLS**

**AND**

**[DEVELOPER]**

Dated as of June 23, 2025



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## **1. Contract Terms and Definitions**

### **1.1 Definitions**

Wherever used in the Contract Documents, the following terms shall have the meanings indicated, which shall be applicable to both the singular and plural thereof:

**1.1.1 Adverse Weather.** Shall be only weather that satisfies all of the following conditions: (1) unusually severe precipitation, sleet, snow, hail, or extreme temperature or air conditions in excess of the norm for the location and time of year it occurred based on the closest weather station data averaged over the past five years, (2) that is unanticipated and would cause unsafe work conditions and/or is unsuitable for scheduled work that should not be performed during inclement weather (i.e., exterior finishes), and (3) at the Project.

**1.1.2 Allowance(s):** The Allowance Item(s) identified in **Exhibit C** and included in the Guaranteed Maximum Price. Any unused portion of the Allowance will revert to the District documented by a deductive Change Order. Developer hereby authorizes the District to execute a unilateral deductive Change Order at or near the end of the Project for all or any portion of the Allowance not allocated.

**1.1.3 Allowance Expenditure Directive.** Written authorization for expenditure of an Allowance, if any. Developer shall not bill for or be due any portion of an Allowance unless the District has identified specific work, Developer has submitted a price for that work or the District has proposed a price for that work, the District has accepted the cost for that work, and the District has executed an Allowance Expenditure Directive incorporating that work.

**1.1.4 Approval, Approved, and/or Accepted.** Written authorization, unless stated otherwise.

**1.1.5 Architect (or "Design Professional in General Responsible Charge").** The individual, partnership, corporation, joint venture, or any combination thereof, named as Architect, who will have the rights and authority assigned to the Architect in the Contract Documents. The term Architect means the Design Professional in General Responsible Charge as defined in DSA PR 13-02 on this Project or the Architect's authorized representative.

**1.1.6 As-Builts.** Digitally prepared and reproducible drawings to be prepared on a monthly basis pursuant to the Contract Documents, that reflect changes made during the performance of the Work, recording differences between the original design of the Work and the Work as constructed since the preceding monthly submittal. See **Record Drawings**.

**1.1.7 Burdened.** The labor rate for Developer or any Subcontractor inclusive of any and all burden costs including, but not limited to, health and welfare pay, vacation and holiday pay, pension contributions, training rates, benefits of any kind, insurance of any kind, workers' compensation, liability insurance, truck expenses, supply expenses of any kind, payroll taxes, and any other taxes of any kind.

**1.1.8 Change Order.** A written order to Developer authorizing an addition to, deletion from, or revision in the Work, and/or authorizing an adjustment in the Guaranteed Maximum Price or Contract Time.

**1.1.9 Claim.** Developer Claim within the meaning of Public Contract Code sections 9204 and/or 20104 et seq.

**1.1.10 Construction Change Directive.** A written order prepared and issued by the District, the Construction Manager, and/or the Architect and signed by the District and the Architect, directing a change in the Work.

**1.1.11 Construction Manager.** The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District. If no Construction Manager is used on the Project that is the subject of this Contract, then all references to Construction Manager herein shall be read to refer to District.

**1.1.12 Construction Schedule.** The progress schedule of construction of the Project as provided by Developer and approved by District.

**1.1.13 Contingency.** The GMP proposal will contain, as part of the estimated cost of the Work, Project's Contingency, a sum mutually agreed upon, controlled by District, and monitored by District and Developer to cover costs that are properly reimbursable as a cost of the Work, but are not the basis for a Change Order. Project's Contingency will not be used for changes in scope or for any item that would be the basis for an increase in the GMP. Developer will provide District with a monthly accounting of charges against Project's Contingency, if applicable, with each application for payment. Any unused Project Contingency belongs to District.

**1.1.14 Contract.** The agreement between the District and Developer contained in the Contract Documents.

**1.1.15 Contract Documents.** The Contract Documents consist exclusively of the documents evidencing the agreement of the District and Developer. The Contract Documents consist of the following documents:

**1.1.15.1** Non-Collusion Declaration

**1.1.15.2** Iran Contracting Act Certification

**1.1.15.3** Off-Road Diesel-Fueled Fleet Certification (if applicable)

**1.1.15.4** Site Lease

**1.1.15.5** Facilities Lease, including Exhibits A-G

**1.1.15.5.1** Iran Contracting Act Certification (if applicable)

**1.1.15.5.2** Federal Debarment Certification (if applicable)

**1.1.15.5.3** Federal Byrd Anti-Lobbying Certification (if applicable)

**1.1.15.5.4** Performance Bond

**1.1.15.5.5** Payment Bond (Developer's Labor & Material Bond)

**1.1.15.5.6** Workers' Compensation Certification

**1.1.15.5.7** Prevailing Wage Certification

**1.1.15.5.8** Criminal Background Investigation/Fingerprinting Certification

**1.1.15.5.9** Drug-Free Workplace Certification

**1.1.15.5.10** Tobacco-Free Environment Certification

**1.1.15.5.11** Workplace Violence Prevention Plan Certification

**1.1.15.5.12** Drug and Alcohol Free Schools Certification

**1.1.15.5.13** Disabled Veterans Business Enterprise Participation Certification (if applicable)

**1.1.15.5.14** Roofing Project Certification (if applicable)

**1.1.15.5.15** Hazardous Materials Procedures and Requirements

**1.1.15.5.16** Hazardous Materials Certification (if applicable)

**1.1.15.5.17** Lead-Based Materials Certification (if applicable)

**1.1.15.5.18** Imported Materials Certification (if applicable)

**1.1.15.5.19** Skilled and Trained Workforce Certification

**1.1.15.5.20** Project Labor Agreement (if applicable)

**1.1.15.5.21** Registered Subcontractors List

**1.1.15.5.22** Escrow Agreement for Security Deposits in Lieu of Retention (if used)

**1.1.15.5.23** Guarantee Form

**1.1.15.5.24** Agreement and Release of Any and All Claims

**1.1.15.6** All Plans, Technical Specifications, and Drawings, including the Division of the State Architect approved versions of the foregoing

**1.1.15.7** Any and all addenda to any of the above documents

**1.1.15.8** Any and all change orders or written modifications to the above documents if approved in writing by the District

**1.1.16 Contract Time.** The time period stated in the Facilities Lease for the completion of the Work.

**1.1.17 Daily Job Report(s).** Daily Project reports prepared by Developer's employee(s) who are present on Site, which shall include the information required herein.

**1.1.18 Day(s).** Unless otherwise designated, day(s) means calendar day(s).

**1.1.19 Department of Industrial Relations (or "DIR").** DIR is responsible, among other things, for labor compliance monitoring and enforcement of California prevailing wage laws and regulations for public works contracts.

**1.1.20 Design Professional in General Responsible Charge.** See definition of Architect above.

**1.1.21 Developer.** The person or persons identified in the Facilities Lease as contracting to perform the Work to be done under this Contract, or the legal representative of such a person or persons.

**1.1.22 Dispute.** A separate demand by Developer for a time extension, or payment of money or damages arising from Work done by or on behalf of Developer pursuant to the Contract and payment of which is not otherwise expressly provided for or Developer is not otherwise entitled to; or an amount of payment disputed by the District.

**1.1.23 District.** The public agency or the school district for which the Work is performed. The governing board of the District or its designees will act for the District in all matters pertaining to the Contract. The District may, at any time:

**1.1.23.1** Direct Developer to communicate with or provide notice to the Construction Manager or the Architect on matters for which the Contract Documents indicate Developer will communicate with or provide notice to the District; and/or

**1.1.23.2** Direct the Construction Manager or the Architect to communicate with or direct Developer on matters for which the Contract Documents indicate the District will communicate with or direct Developer.

**1.1.24 Drawings (or "Plans").** The graphic and pictorial portions of the Contract Documents showing the design, location, scope and dimensions of the Work, generally including plans, elevations, sections, details, schedules, sequence of operation, and diagrams.

**1.1.25 DSA.** Division of the State Architect.

**1.1.26 Force Account Directive.** A process that may be used when the District and Developer cannot agree on a price for a specific portion of work or before Developer prepares a price for a specific portion of work and whereby Developer performs the work as indicated herein on a time and materials basis.

**1.1.27 Guaranteed Maximum Price.** The total monies payable to Developer under the terms and conditions of the Contract Documents.

**1.1.28 Job Cost Reports.** Any and all reports or records detailing the costs associated with work performed on or related to the Project that Developer shall maintain for the Project. Specifically, Job Cost Reports shall contain, but

are not limited by or to, the following information: a description of the work performed or to be performed on the Project; quantity, if applicable, of work performed (hours, square feet, cubic yards, pounds, etc.) for the Project; Project budget; costs for the Project to date; estimated costs to complete the Project; and expected costs at completion. The Job Cost Reports shall also reflect all Contract cost codes, change orders, elements of non-conforming work, back charges, and additional services.

**1.1.29 Labor Commissioner's Office (or "Labor Commissioner").** Also known as the Division of Labor Standards Enforcement ("DLSE"): Division of the DIR responsible for adjudicating wage claims, investigating discrimination and public works complaints, and enforcing Labor Code statutes and Industrial Welfare Commission orders.

**1.1.30 Material Safety Data Sheets (or "MSDS").** A form with data regarding the properties for potentially harmful substances handled in the workplace.

**1.1.31 Municipal Separate Storm Sewer System (or "MS4").** A system of conveyances used to collect and/or convey storm water, including, without limitation, catch basins, curbs, gutters, ditches, man-made channels, and storm drains.

**1.1.32 Plans.** See "Drawings".

**1.1.33 Premises.** The real property on which the Site is located.

**1.1.34 Product(s).** New material, machinery, components, equipment, fixtures and systems forming the Work, including existing materials or components required and approved by the District for reuse.

**1.1.35 Product Data.** Illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by Developer to illustrate a material, product, or system for some portion of the Work.

**1.1.36 Program Manager.** The individual, partnership, corporation, joint venture, or any combination thereof, or its authorized representative, named as such by the District. If no Program Manager is designated for the Project that is the subject of the Contract Documents, then all references to Program Manager herein shall be read to refer to District.

**1.1.37 Project.** The planned undertaking as provided for in the Contract Documents.

**1.1.38 Project Inspector (or "Inspector").** The individual(s) retained by the District in accordance with title 24 of the California Code of Regulations to monitor and inspect the Project.

**1.1.39 Project Labor Agreement (or "PLA" or Project Stabilization Agreement or "PSA").** A prehire collective bargaining agreement in accordance with Public Contract Code section 2500 *et seq.* that establishes terms and conditions of employment for a specific construction project or projects and/or is an agreement described in Section 158(f) of Title 29 of the United States Code.

**1.1.40 Proposed Change Order (or "PCO").** A written request prepared by Developer requesting that the District, the Construction Manager and the Architect issue a Change Order based upon a proposed change to the Work, to the Guaranteed Maximum Price, and/or to the Contract Time.

**1.1.41 Provide.** Shall include "provide complete in place," that is, "furnish and install," and "provide complete and functioning as intended in place" unless specifically stated otherwise.

**1.1.42 Qualified SWPPP Practitioner (or "QSP").** Certified personnel that attended a State Water Resources Control Board sponsored or approved training class and passed the qualifying exam.

**1.1.43 Record Drawings.** Unless otherwise defined in the Special Conditions, Reproducible drawings (or Plans) prepared pursuant to the requirements of the Contract Documents, that reflect all changes made during the performance of the Work, recording differences between the original design of the Work and the Work as constructed upon completion of the Project. See also **"As-Builts."**

**1.1.44 Request for Information (or "RFI").** A written request prepared by Developer requesting that the Architect provide additional information necessary to clarify or amplify an item in the Contract Documents that Developer believes is not clearly shown or called for in the Drawings or Specifications or other portions of the Contract Documents, or to address problems that have arisen under field conditions.

**1.1.45 Request for Substitution for Specified Item.** A request by Developer to substitute an equal or superior material, product, thing, or service for a specific material, product, thing, or service that has been designated in the Contract Documents by a specific brand or trade name.

**1.1.46 Safety Orders.** Written and/or verbal orders for construction issued by the California Division of Occupational Safety and Health ("Cal/OSHA") or by the United States Occupational Safety and Health Administration ("OSHA").

**1.1.47 Safety Plan.** Developer's safety plan specifically adapted for the Project. Developer's Safety Plan shall comply with all provisions regarding Project safety, including all applicable provisions in these Construction Provisions.

**1.1.48 Samples.** Physical examples that illustrate materials, products, equipment, finishes, colors, or workmanship and that, when approved in accordance with the Contract Documents, establish standards by which portions of the Work will be judged.

**1.1.49 Shop Drawings.** All drawings, prints, diagrams, illustrations, brochures, schedules, and other data that are prepared by Developer, a subcontractor, manufacturer, supplier, or distributor, that illustrate how specific portions of the Work shall be fabricated or installed.

**1.1.50 Site.** The Project site as shown on the Drawings.

**1.1.51 Specifications.** That portion of the Contract Documents, Division 1 through Division 49, and all technical sections, and addenda to all of these, if any, consisting of written descriptions and requirements of a technical nature

of materials, equipment, construction methods and systems, standards, and workmanship.

**1.1.52 State.** The State of California.

**1.1.53 Storm Water Pollution Prevention Plan (or "SWPPP").** A document which identifies sources and activities at a particular facility that may contribute pollutants to storm water and contains specific control measures and time frames to prevent or treat such pollutants.

**1.1.54 Subcontractor.** A contractor and/or supplier who is under contract with Developer or with any other subcontractor, regardless of tier, to perform a portion of the Work of the Project.

**1.1.55 Submittal Schedule.** The schedule of submittals as provided by Developer and approved by District.

**1.1.56 Surety.** The person, firm, or corporation that executes as surety Developer's Performance Bond and Payment Bond and must be a California admitted surety insurer as defined in the Code of Civil Procedure section 995.120.

**1.1.57 Work.** All labor, materials, equipment, components, appliances, supervision, coordination, and services required by, or reasonably inferred from, the Contract Documents, that are necessary for the construction and completion of the Project.

## **1.2 Laws Concerning the Contract Documents; Venue**

The Contract is subject to all provisions of the Constitution and laws of California and the United States governing, controlling, or affecting District, or the property, funds, operations, or powers of District, and such provisions are by this reference made a part hereof. Any provision required by law to be included in this Contract shall be deemed to be inserted.

To the fullest extent permitted by California law, any action or proceeding that may be brought, or arise out of, in connection with or by reason of this Contract shall exclusively be litigated in the State of California and the county in which the District administration office is located shall be the venue for such litigation.

## **1.3 No Oral Agreements**

No oral agreement or conversation with any officer, agent, or employee of District, either before or after execution of Contract Documents, shall affect or modify any of the terms or obligations contained in any of the documents comprising the Contract Documents.

## **1.4 No Assignment**

Except as specifically permitted in the Facilities Lease, Developer shall not assign the Contract Documents or any part thereof including, without limitation, any services or money to become due hereunder without the prior written consent of the District. Assignment without District's prior written consent shall be null and void. Any assignment of money due or to become due under the Contract Documents shall be subject to a prior lien for services rendered or material supplied for performance of



Work called for under the Contract Documents in favor of all persons, firms, or corporations rendering services or supplying material to the extent that claims are filed pursuant to the Civil Code, Code of Civil Procedure, Government Code, Labor Code, and/or Public Contract Code, and shall also be subject to deductions for liquidated damages or withholding of payments as determined by District in accordance with the Contract Documents. Developer shall not assign or transfer in any manner to a Subcontractor or supplier the right to prosecute or maintain an action against the District.

## **1.5 Notice and Service Thereof**

**1.5.1** Any notice from one party to the other or otherwise under the Contract Documents shall be in writing and shall be dated and signed by the party giving notice or by a duly authorized representative of that party. Notice shall not be effective for any purpose whatsoever unless served in one of the following manners:

**1.5.1.1** If notice is given by personal delivery thereof, it shall be considered delivered on the day of delivery.

**1.5.1.2** If notice is given by overnight delivery service, it shall be considered delivered one (1) day after date deposited, as indicated by the delivery service.

**1.5.1.3** If notice is given by depositing same in United States mail, enclosed in a sealed envelope, it shall be considered delivered five (5) days after date deposited, as indicated by the postmarked date.

**1.5.1.4** If notice is given by registered or certified mail with postage prepaid, return receipt requested, it shall be considered delivered on the day the notice is signed for.

## **1.6 No Waiver**

The failure of District in any one or more instances to insist upon strict performance of any of the terms of the Contract Documents or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms or option on any future occasion. No action or failure to act by the District, Architect, or Construction Manager shall constitute a waiver of any right or duty afforded the District under the Contract Documents, nor shall any action or failure to act constitute an approval of or acquiescence on any breach thereunder, except as may be specifically agreed in writing.

## **1.7 Substitutions For Specified Items**

Developer shall not substitute different items for any items identified in the Contract Documents without prior written approval of the District, unless otherwise provided in the Contract Documents.

## **1.8 Materials and Work**

**1.8.1** Except as otherwise specifically stated in the Contract Documents, Developer shall provide and pay for all materials, labor, tools, equipment, transportation, supervision, temporary constructions of every nature, and all other services, management, and facilities of every nature whatsoever

necessary to execute and complete the Work, in a good and workmanlike manner, within the Contract Time.

**1.8.2** Unless otherwise specified, all materials shall be new and of the best quality of their respective kinds and grades as noted or specified, and workmanship shall be of high quality, and Developer shall use all diligence to inform itself fully as to the required manufacturer's instructions and to comply therewith.

**1.8.3** Materials shall be furnished in ample quantities and at such times as to ensure uninterrupted progress of Work and shall be stored properly and protected from the elements, theft, vandalism, or other loss or damage as required.

**1.8.4** For all materials and equipment specified or indicated in the Drawings and Specifications, Developer shall provide all labor, materials, equipment, and services necessary for complete assemblies and complete working systems, functioning as intended. Incidental items not indicated on Drawings, nor mentioned in the Specifications, that can legitimately and reasonably be inferred to belong to the Work described or be necessary in good practice to provide a complete assembly or system, shall be furnished as though itemized here in every detail. In all instances, material and equipment shall be installed in strict accordance with each manufacturer's most recent published recommendations and specifications.

**1.8.5** Developer shall, after award of the Project by District and after relevant submittals have been reviewed, place orders for materials and/or equipment as specified so that delivery of same may be made without delays to the Work. Developer shall, upon five (5) days' demand from District, present documentary evidence showing that orders have been placed.

**1.8.6** In the event of Developer's neglect in complying or failure to comply with the above instructions, District reserves the right, but has no obligation, to place orders for such materials and/or equipment as the District may deem advisable so that the Work may be completed by the date specified in the Facilities Lease, and all expenses incidental to the procuring of said materials and/or equipment shall be paid for by Developer or deducted from payment(s) to Developer.

**1.8.7** Developer warrants good title to all material, supplies, and equipment installed or incorporated in Work and agrees upon completion of all Work to deliver the Site to District, together with all improvements and appurtenances constructed or placed thereon by it, and free from any claims, liens, or charges. Developer further agrees that neither it nor any person, firm, or corporation furnishing any materials or labor for any work covered by the Contract Documents shall have any right to lien any portion of the Premises or any improvement or appurtenance thereon, except that Developer may install metering devices or other equipment of utility companies or of political subdivision, title to which is commonly retained by utility company or political subdivision. In the event of installation of any such metering device or equipment, Developer shall advise District as to owner thereof.

**1.8.8** Nothing contained in this Article, however, shall defeat or impair the rights of persons furnishing materials or labor under any bond given by

Developer for their protection or any rights under any law permitting such protection or any rights under any law permitting such persons to look to funds due Developer in hands of District (e.g., Stop Payment Notices), and this provision shall be inserted in all subcontracts and material contracts and notice of its provisions shall be given to all persons furnishing material for Work when no formal contract is entered into for such material.

**1.8.9** Title to new materials and/or equipment for the Work of the Contract Documents and attendant liability for its protection and safety shall remain with Developer until incorporated in the Work of the Contract Documents and accepted by District. No part of any materials and/or equipment shall be removed from its place of storage except for immediate installation in the Work of the Contract Documents. Should the District, in its discretion, allow Developer to store materials and/or equipment for the Work off-site, Developer will store said materials and/or equipment at a bonded warehouse and with appropriate insurance coverage at no cost to District. Developer shall keep an accurate inventory of all materials and/or equipment in a manner satisfactory to District or its authorized representative and shall, at the District's request, forward it to the District.

**1.8.10 [Reserved]**

**2. [Reserved]**

**3. Architect**

**3.1** The Architect shall represent the District during the Project and will observe the progress and quality of the Work on behalf of the District. Architect shall have the authority to act on behalf of District to the extent expressly provided in the Contract Documents and to the extent determined by District. Architect shall have authority to reject materials, workmanship, and/or the Work whenever rejection may be necessary, in Architect's reasonable opinion, to ensure the proper execution of the Contract Documents.

**3.2** Architect shall, with the District and on behalf of the District, determine the amount, quality, acceptability, and fitness of all parts of the Work, and interpret the Specifications, Drawings, and shall, with the District, interpret all other Contract Documents.

**3.3** Architect shall have all authority and responsibility established by law, including title 24 of the California Code of Regulations.

**3.4** Developer shall provide District and the Construction Manager with a copy of all written communication between Developer and Architect at the same time as that communication is made to Architect, including, without limitation, all RFIs, correspondence, submittals, claims, change order requests and/or proposed change orders.

**4. Construction Manager**

**4.1** If a Construction Manager is used on this Project ("Construction Manager" or "CM"), the Construction Manager will provide administration of the Contract Documents on the District's behalf. After execution of the Contract Documents, all correspondence and/or instructions from Developer and/or District shall be forwarded through the Construction Manager. The Construction Manager will not be responsible

for and will not have control or charge of construction means, methods, techniques, sequences, or procedures or for safety precautions in connection with the Work, which shall all remain Developer's responsibility.

**4.2** The Construction Manager, however, will have authority to reject materials and/or workmanship not conforming to the Contract Documents, as determined by the District, the Architect, and/or the Project Inspector. The Construction Manager shall also have the authority to require special inspection or testing of any portion of the Work, whether it has been fabricated, installed, or fully completed. Any decision made by the Construction Manager in good faith, shall not give rise to any duty or responsibility of the Construction Manager to: Developer, any Subcontractor, or their agents, employees, or other persons performing any of the Work. The Construction Manager shall have free access to any or all parts of Work at any time.

**4.3** If the District does not use a Construction Manager on this Project, all references within the Contract Documents to Construction Manager or CM shall be read as District.

## **5. Inspector, Inspections, and Tests**

### **5.1 Project Inspector**

**5.1.1** One or more Project Inspector(s), including special Project Inspector(s), as required, will be assigned to the Work by District, in accordance with requirements of title 24, part 1, of the California Code of Regulations, to enforce the building code and monitor compliance with Plans and Specifications for the Project previously approved by the DSA. Duties of Project Inspector(s) are specifically defined in section 4-342 of said part 1 of title 24.

**5.1.2** No Work shall be carried on except with the knowledge and under the inspection of the Project Inspector(s). The Project Inspector(s) shall have free access to any or all parts of Work at any time. Developer shall furnish Project Inspector(s) reasonable opportunities for obtaining such information as may be necessary to keep Project Inspector(s) fully informed respecting progress and manner of work and character of materials, including, but not limited to, submission of form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector at least 48 hours in advance of the commencement and completion of construction of each and every aspect of the Work. Forms are available on the DSA's website at: <http://www.dgs.ca.gov/dsa/Forms.aspx>. Inspection of Work shall not relieve Developer from an obligation to fulfill the Contract Documents. Project Inspector(s) and the DSA are authorized to suspend work whenever Developer and/or its Subcontractor(s) are not complying with the Contract Documents. Any work stoppage by the Project Inspector(s) and/or DSA shall be without liability to the District. Developer shall instruct its Subcontractors and employees accordingly.

**5.1.3** If Developer and/or any Subcontractor requests that the Project Inspector(s) perform any inspection off-Site, this shall only be done if it is allowable pursuant to applicable regulations and DSA approval, if the Project Inspector(s) agree to do so, and at the expense of Developer.

### **5.2 Tests and Inspections**

**5.2.1** Tests and Inspections shall comply with title 24, part 1, California Code of Regulations, group 1, article 5, section 4-335, and with the provisions of the Specifications.

**5.2.2** The District will select an independent testing laboratory to conduct the tests. Selection of the materials required to be tested shall be by the laboratory or the District's representative and not by Developer. Developer shall notify the District's representative a sufficient time in advance of its readiness for required observation or inspection. This notice shall be provided, at a minimum, forty-eight (48) hours prior to the inspection of the material that needs to be tested and, at a minimum, seventy-two (72) hours prior to any special or off-site inspection.

**5.2.3** Developer shall notify the District's representative a sufficient time in advance of the manufacture of material to be supplied under the Contract Documents that must by terms of the Contract Documents be tested so that the District may arrange for the testing of same at the source of supply. This notice shall be provided, at a minimum, seventy-two (72) hours prior to the manufacture of the material that needs to be tested.

**5.2.4** Any material shipped by Developer from the source of supply prior to having satisfactorily passed such testing and inspection or prior to the receipt of notice from said representative that such testing and inspection will not be required, shall not be incorporated into and/or onto the Project.

**5.2.5** The District will select the testing laboratory and pay for the costs for all tests and inspections, except those inspections performed at Developer's request and expense. Developer shall reimburse the District for any and all laboratory costs or other testing costs for any materials found to be not in compliance with the Contract Documents. At the District's discretion, District may elect to deduct laboratory or other testing costs for noncompliant materials from the Guaranteed Maximum Price, and such deduction shall not constitute a withholding.

### **5.3 Costs for After Hours and/or Off-Site Inspections**

If Developer performs Work outside the Inspector's regular working hours, costs of any inspections required outside regular working hours shall be borne by Developer and may be invoiced to Developer by the District or the District may deduct those expenses from the next Tenant Improvement Payment.

## **6. Developer**

Developer shall construct and complete, in a good and workmanlike manner, the Work for the Guaranteed Maximum Price including any adjustment(s) to the Guaranteed Maximum Price pursuant to provisions herein regarding changes to the Guaranteed Maximum Price. Except as otherwise noted, Developer shall provide and pay for all labor, materials, equipment, permits (excluding DSA), fees, licenses, facilities, transportation, taxes, bonds and insurance, and services necessary for the proper execution and completion of the Work, except as indicated herein.

### **6.1 Status of Developer**

**6.1.1** Developer represents and warrants that Developer is an independent do or business entity that is: (i) free from the control and direction of the District

in connection with the performance of the Services, (ii) performing Services that are outside the usual course of the District's business, and (iii) customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the Services performed, District being interested only in the results obtained. Developer understands and agrees that it and all of its employees and its Subcontractors shall not be considered officers, employees, agents, partner, or joint venture of the District, and are not entitled to benefits of any kind or nature normally provided employees of the District and/or to which District's employees are normally entitled, including, but not limited to, State Unemployment Compensation or Worker's Compensation. Developer shall assume full responsibility for payment of all federal, state, and local taxes or contributions, including unemployment insurance, social security, and income taxes with respect to Consultant's employees. Developer is and shall at all times be deemed be wholly responsible for the manner in which it, its agents, and its Subcontractors perform the services required of it by the Contract Documents. Nothing herein contained shall be construed as creating the relationship of employer and employee, or principal and agent, between the District, or any of the District's employees or agents, and Developer or any of Developer's Subcontractors, agents or employees. District shall be permitted to monitor Developer's activities to determine compliance with the terms of the Contract Documents.

**6.1.2** As required by law, Developer and all Subcontractors shall be properly licensed and regulated by the Contractors State License Board, 9821 Business Park Drive, Sacramento, California 95827 (Post Office Box 26000, Sacramento, California 95826), <http://www.cslb.ca.gov>.

**6.1.3** As required by law, Developer and all Subcontractors shall be properly registered as public works contractors by the Department of Industrial Relations at <https://efiling.dir.ca.gov/PWCR/ActionServlet?action=displayPWCRegistrationForm> or current URL.

**6.1.4** Developer represents that Developer and all Subcontractors shall not be presently debarred, suspended, proposed for disbarment, declared ineligible or excluded pursuant to either Labor Code section 1777.1 or Labor Code section 1777.7.

**6.1.5 [Reserved]**

**6.1.6** Developer represents that it has no existing interest and will not acquire any interest, direct or indirect, which could conflict in any manner or degree with the performance of Work required under this Contract and that no person having any such interest shall be employed by Developer.

**6.1.7 [Reserved]**

**6.1.8** If Developer intends to make any change in the name or legal nature of the Developer's entity, Developer must first notify the District in writing prior to making any contemplated change. The District shall determine in writing if Developer's intended change is permissible while performing this Contract.

## **6.2 Project Inspection Card(s)**

Developer shall verify that forms DSA 152 (or most current version applicable at the time the Work is performed) are issued for the Project prior to the commencement of construction.

### **6.3 Developer's Supervision**

**6.3.1** During progress of the Work, Developer shall keep on the Premises, and at all other locations where any Work related to the Contract is being performed, an experienced and competent project manager and construction superintendent who are employees of Developer, to whom the District does not object and whom shall be fluent in English, written and verbal.

**6.3.2** The project manager and construction superintendent shall both speak fluent English and the predominant language of Developer's employees.

**6.3.3** Developer acknowledges the quality and qualifications of the Key Personnel were important factors in District's selection of Developer for the Project. Developer and District agree that the personal services of the Key Personnel are a material term of the Contract Documents. Developer and District agree further that the substitution or removal or change in role or level of effort of such Key Personnel would result in damages to the District, the measure of which would be impractical or extremely difficult to fix. In lieu such damages, District and Developer have agreed to liquidated damages as described below:

**6.3.3.1** Before commencing the Work herein, Developer shall give written notice to District of Developer's Key Personnel.

**6.3.3.2** Key Personnel shall be the same as those individuals identified in Developer's response to the District's RFQ/P.

**6.3.3.3** For any substitution of any Key Personnel individual before the end of the individual's Project commitment period provided in Developer's Key Personnel staffing schedule, District may assess once, and Developer shall accept, liquidated damages in the amount of six (6) times the gross monthly salary for each substituted Key Personnel.

**6.3.4** Developer's Key Personnel shall not be changed except with prior written notice to, and approval by, District.

**6.3.5** If any of Developer's Key Personnel prove to be unsatisfactory to Developer, or to District, any of the District's employees, agents, the Construction Manager, or the Architect, the unsatisfactory Key Personnel shall be replaced. However, Developer shall immediately notify District in writing before any change occurs, but no less than two (2) business days prior. Any replacement of Key Personnel shall be made promptly and must be satisfactory to the District. Developer's Key Personnel shall each represent Developer, and all directions given to Key Personnel shall be as binding as if given to Developer.

**6.3.6** Developer shall give efficient supervision to Work, using its best skill and attention. Developer shall carefully study and compare all Contract Documents, Drawings, Specifications, and other instructions and shall at once report to District, Construction Manager, and Architect any error, inconsistency, or omission that Developer or its employees and Subcontractors may discover,

in writing, with a copy to District's Project Inspector(s). Developer shall have responsibility for discovery of errors, inconsistencies, or omissions.

**6.3.7** All contractors doing work on the Project will provide their workers with identification badges. These badges will be worn by all members of the contractor's staff who are working in a District facility.

**6.3.7.1** Badges must be filled out in full and contain the following information:

**6.3.7.1.1** Name of contractor

**6.3.7.1.2** Name of employee

**6.3.7.1.3** Contractor's address and phone number

**6.3.7.2** Badges are to be worn when Developer or his/her employees are on site and must be visible at all times. Contractors must inform their employees that they are required to allow District employees, the Architect, the Construction Manager, the Program Manager, or the Project Inspector to review the information on the badges upon request.

**6.3.7.3** Continued failure to display identification badges as required by this policy may result in the individual being removed from the Project or assessment of fines against the contractor.

#### **6.4 Duty to Provide Fit Workers**

**6.4.1** Developer and Subcontractor(s) shall at all times enforce strict discipline and good order among their employees and shall not employ any unfit person or anyone not skilled in work assigned to that person. It shall be the responsibility of Developer to ensure compliance with this requirement. District may require Developer to permanently remove unfit persons from Project Site.

**6.4.2** Any person in the employ of Developer or Subcontractor(s) whom District may deem incompetent or unfit shall be excluded from working on the Project and shall not again be employed on the Project except with the prior written consent of District.

**6.4.3** Developer shall furnish labor that can work in harmony with all other elements of labor employed or to be employed in the Work.

**6.4.4 Fingerprinting.** Developer shall comply with the provisions of Education Code section 45125.2 regarding the submission of employee fingerprints to the California Department of Justice and the completion of criminal background investigations of its employees, Subcontractor(s), and Subcontractors' employees. Developer shall not permit any employee to have any contact with District pupils until such time as Developer has verified in writing to the governing board of the District, (A) that such employee has not been convicted of a violent or serious felony, as defined in Education Code section 45122.1 and/or (B) that the prohibition does not apply to an employee as provided by Education Code section 45125.1(e)(2) or (3). Developer shall fully complete and perform all tasks required pursuant to the Criminal Background Investigation/ Fingerprinting Certification.



## **6.5 Field Office**

**6.5.1** Developer shall provide on the Site a temporary office.

## **6.6 Purchase of Materials and Equipment**

Developer is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from District to assure that there will be no delays.

## **6.7 Documents on Work**

**6.7.1** Developer shall at all times keep on the Site, or at another location as the District may authorize in writing, one legible copy of all Contract Documents, including Addenda and Change Orders, and Titles 19 and 24 of the California Code of Regulations, the specified edition(s) of the Uniform Building Code, all approved Drawings, Plans, Schedules, and Specifications, and all codes and documents referred to in the Specifications, and made part thereof. These documents shall be kept in good order and available to District, Construction Manager, Architect, Architect's representatives, the Project Inspector(s), and all authorities having jurisdiction. Developer shall be acquainted with and comply with the provisions of these titles as they relate to this Project. (See particularly the duties of Contractor, Title 24, Part 1, California Code of Regulations, Section 4-343.) Developer shall also be acquainted with and comply with all California Code of Regulations provisions relating to conditions on this Project, particularly Titles 8 and 17. Developer shall coordinate with Architect and Construction Manager and shall submit its verified report(s) according to the requirements of Title 24.

### **6.7.2 Daily Job Reports**

**6.7.2.1** Developer shall maintain, at a minimum, at least one (1) set of Daily Job Reports on the Project. These must be prepared by Developer's employee(s) who are present on Site, and must include, at a minimum, the following information:

**6.7.2.1.1** A brief description of all Work performed on that day.

**6.7.2.1.2** A summary of all other pertinent events and/or occurrences on that day.

**6.7.2.1.3** The weather conditions on that day.

**6.7.2.1.4** A list of all Subcontractor(s) working on that day, including DIR registration numbers, Subcontractor employees working, and hours of work.

**6.7.2.1.5** A list of each Developer employee working on that day and the total hours worked for each employee.

**6.7.2.1.6** A complete list of all equipment on Site that day, whether in use or not.

**6.7.2.1.7** A complete list of all materials, supplies, and equipment delivered on that day, and verification that all

materials, supplies, and equipment comply with the Contract Documents and are properly stored.

**6.7.2.1.8** A complete list of all inspections and tests performed on that day.

**6.7.2.1.9** Daily verification the Project is properly secured from the public and unauthorized entry.

**6.7.2.2** Each day Developer shall provide a copy of the previous day's Daily Job Report to the District or the District's Construction Manager.

## **6.8 Preservation of Records**

Developer shall maintain, and District shall have the right to inspect, Developer's financial records for the Project, including, without limitation, Job Cost Reports for the Project in compliance with the criteria set forth herein. The District shall have the right to examine and audit all Daily Job Reports or other Project records of Developer's project manager(s), project superintendent(s), and/or project foreperson(s), all certified payroll records and/or related documents including, without limitation, Job Cost Reports, payroll, payment, timekeeping and tracking documents; and as it pertains to change orders, all books, estimates, records, contracts, documents, cost data, subcontract job cost reports, and other data of Developer, any Subcontractor, and/or supplier, including computations and projections related to estimating, negotiating, pricing, or performing the Work or modification, in order to evaluate the accuracy, completeness, and currency of the cost, manpower, coordination, supervision, or pricing data at no additional cost to the District. These documents may be duplicative and/or be in addition to any documents held in escrow by the District. Developer shall make available at its office at all reasonable times the materials described in this paragraph for the examination, audit, or reproduction until three (3) years after final payment under this Facilities Lease. Notwithstanding the provisions above, Developer shall provide any records requested by any governmental agency, if available, after the time set forth above.

## **6.9 Integration of Work**

**6.9.1** Developer shall do all cutting, fitting, patching, and preparation of Work as required to make its several parts come together properly, to fit it to receive or be received by work of other contractors, and to coordinate tolerances to various pieces of work, showing upon, or reasonably implied by, the Drawings and Specifications for the completed structure, and shall conform them as District and/or Architect may direct.

**6.9.2** Developer shall make its own layout of lines and elevations and shall be responsible for the accuracy of both Developer's and Subcontractors' work resulting therefrom.

**6.9.3** Developer and all Subcontractors shall take all field dimensions required in performance of the Work and shall verify all dimensions and conditions on the Site. All dimensions affecting proper fabrication and installation of all Work must be verified prior to fabrication by taking field measurements of the true conditions. If there are any discrepancies between dimensions in drawings and existing conditions which will affect the Work, Developer shall bring such discrepancies to the attention of the District and Architect for adjustment before

proceeding with the Work. In doing so, it is recognized that Developer is not acting in the capacity of a licensed design professional, and that Developer's examination is made in good faith to facilitate construction and does not create an affirmative responsibility of a design professional to detect errors, omissions or inconsistencies in the Contract Documents or to ascertain compliance with applicable laws, building codes or regulations. However, nothing in this provision shall abrogate Developer's responsibilities for discovering and reporting any error, inconsistency, or omission pursuant to the Contract within Developer's standard of care including, without limitation, any applicable laws, ordinance, rules, or regulations. Following receipt of written notice from Developer, the District and/or Architect shall inform Developer what action, if any, Developer shall take with regard to such discrepancies.

**6.9.4** All costs caused by noncompliant, defective, or delayed Work shall be borne by Developer, inclusive of repair work. Schedule delays resulting from unauthorized work shall be Developer's responsibility.

**6.9.5** Developer shall not endanger any work performed by it or anyone else by cutting, excavating, or otherwise altering work and shall not cut or alter work of any other contractor except with consent of District.

## **6.10 Notifications**

**6.10.1** Developer shall notify the Architect and Project Inspector, in writing, of the commencement of construction of each and every aspect of the Work at least 48 hours in advance by submitting form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector. Forms are available on the DSA's website at: <http://www.dgs.ca.gov/dsa/Forms.aspx>.

**6.10.2** Developer shall notify the Architect and Project Inspector, in writing, of the completion of construction of each and every aspect of the Work at least 48 hours in advance by submitting form DSA 156 (or the most current version applicable at the time the Work is performed) to the Project Inspector.

## **6.11 Obtaining of Permits, Licenses and Registrations**

**6.11.1** Developer shall secure and pay for any permits (except DSA), licenses, registrations, approvals, and certificates necessary for prosecution of Work, including but not limited to those listed in the Special Conditions, **Exhibit D-1**, if any, before the date of the commencement of the Work or before the permits, licenses, registrations, approvals and certificates are legally required to continue the Work without interruption. Developer shall obtain and pay, only when legally required, for all licenses, approvals, registrations, permits, inspections, and inspection certificates required to be obtained from or issued by any authority having jurisdiction over any part of the Work included in the Contract Documents. All final permits, licenses, registrations, approvals and certificates shall be delivered to District before demand is made for final payment. The costs associated with said permits, licenses, registrations, approvals and certificates shall be direct reimbursement items and are not subject to any markup.

**6.11.2** General Permit For Storm Water Discharges Associated With Construction and Land Disturbance Activities.

**6.11.2.1** Developer acknowledges that all California school districts are obligated to develop and implement the following requirements for the discharge of storm water to surface waters from its construction and land disturbance activities pursuant to the Clean Water Act and Porter Cologne Water Quality Act. District has determined that the construction of this Project requires enrollment in the Construction Storm Water Permit. District has filed certain submittals referred to as Permit Registration Documents ("PRDS") with the Regional Water Control Board ("Storm Water Pollution Prevention Plan" or "SWPPP").

**6.11.2.2** Developer shall comply with any District SWPPP that is approved by the District and applicable to the Project, at no additional cost to the District. Developer shall pay any fees and any penalties that may imposed by a regulatory agency for its non-compliance with the SWPPP during the course of Work.

**6.11.2.3** Developer shall provide a Qualified Storm Water Practitioner ("QSP") at no additional cost to the District, who shall perform on-site inspections and implement and monitor any and all SWPPP requirements applicable to the Project, including required visual observations, sampling, analysis, reporting and record keeping, including of Total Maximum Daily Loads ("TMDL") of pollutants and construction dewatering and discharge, and Best Management Practices ("BMPs").

## **6.12 Royalties and Patents**

**6.12.1** Developer shall obtain and pay, when legally required, all royalties and license fees necessary for prosecution of Work before the earlier of the date of the commencement of the Work or the date the license is legally required to continue the Work without interruption. Developer shall defend suits or claims of infringement of patent, copyright, or other rights and shall hold the District, Construction Manager and the Architect harmless and indemnify them from loss on account thereof except when a particular design, process, or make or model of product is required by the Contract Documents. However, if Developer has reason to believe that the required design, process, or product is an infringement of a patent or copyright, Developer shall indemnify and defend the District, Construction Manager and Architect against any loss or damage.

**6.12.2** The review by the District, Construction Manager or Architect of any method of construction, invention, appliance, process, article, device, or material of any kind shall be only as to its adequacy for the Work and shall not constitute approve use by Developer in violation of any patent or other rights of any person or entity.

## **6.13 Work to Comply With Applicable Laws and Regulations**

**6.13.1** Developer shall give all notices and comply with the following specific laws, ordinances, rules, and regulations and all other applicable laws, ordinances, rules, and regulations bearing on conduct of Work as indicated and specified, including but not limited to the appropriate statutes and administrative code sections. If Developer observes that Drawings and Specifications are at variance with any applicable laws, ordinances, rules and regulations, or should Developer become aware of the development of conditions not covered by Contract Documents that may result in finished Work

being at variance therewith, Developer shall promptly notify District in writing and any changes deemed necessary by District shall be made as provided in this **Exhibit D** for changes in Work.

**6.13.1.1** National Electrical Safety Code, U. S. Department of Commerce

**6.13.1.2** National Board of Fire Underwriters' Regulations

**6.13.1.3** International Building Code, latest addition, and the California Code of Regulations, title 24, and other amendments

**6.13.1.4** Manual of Accident Prevention in Construction, latest edition, published by A.G.C. of America

**6.13.1.5** Industrial Accident Commission's Safety Orders, State of California

**6.13.1.6** Regulations of the State Fire Marshall (title 19, California Code of Regulations) and Pertinent Local Fire Safety Codes

**6.13.1.7** Americans with Disabilities Act

**6.13.1.8** Education Code of the State of California

**6.13.1.9** Government Code of the State of California

**6.13.1.10** Labor Code of the State of California, division 2, part 7, Public Works and Public Agencies

**6.13.1.11** Public Contract Code of the State of California

**6.13.1.12** California Art Preservation Act

**6.13.1.13** U. S. Copyright Act

**6.13.1.14** U. S. Visual Artists Rights Act

**6.13.2** Developer shall comply with all applicable mitigation measures, if any, adopted by any public agency or local utility with respect to this Project pursuant to the California Environmental Quality Act (Public Resources Code section 21000 et seq.).

**6.13.3** If Developer performs any Work that it knew, or through exercise of reasonable care should have known, to be contrary to any applicable laws, ordinance, rules, or regulations, Developer shall bear all costs arising therefrom and arising from the correction of said Work.

**6.13.4** Where Specifications or Drawings state that materials, processes, or procedures must be approved by the DSA, State Fire Marshall, or other body or agency, Developer shall use its best efforts to satisfy the requirements of such bodies or agencies applicable at the time the Work is performed, and as determined by those bodies or agencies.

**6.13.5 [Reserved]**

## **6.14 Safety/Protection of Persons and Property**

**6.14.1** Developer will be solely and completely responsible for conditions of the Site, including safety of all persons and property during performance of the Work. This requirement will apply continuously and not be limited to normal working hours.

**6.14.2** Developer to provide safe access for staff and students at any time, and to provide barricades, sound walls, signage, fencing, and other reasonably necessary protective measures, as necessary, to protect staff and students during construction.

**6.14.3** The wearing of hard hats will be mandatory at all times for all personnel on Site. Developer shall supply sufficient hard hats to properly equip all employees and visitors.

**6.14.4** Any construction review of Developer's performance is not intended to include review of the adequacy of Developer's safety measures in, on, or near the Site.

**6.14.5** Implementation and maintenance of safety programs shall be the sole responsibility of Developer.

**6.14.6** Developer shall furnish to the District a copy of Developer's safety plan within the time frame indicated in the Contract Documents and specifically adapted for the Project.

**6.14.7** Developer shall be responsible for all damages to persons or property that occur as a result of its fault or negligence in connection with the prosecution of the Contract Documents and shall take all necessary measures and be responsible for the proper care and completion and final acceptance by District. All Work shall be solely at Developer's risk.

**6.14.8** Developer shall take, and require Subcontractors to take, all necessary precautions for safety of workers on the Project and shall comply with all applicable federal, state, local, and other safety laws, standards, orders, rules, regulations, and building codes to prevent accidents or injury to persons on, about, or adjacent to premises where Work is being performed and to provide a safe and healthful place of employment. Developer shall furnish, erect, and properly maintain at all times, all necessary safety devices, safeguards, construction canopies, signs, nets, barriers, lights, and watchmen for protection of workers and the public and shall post danger signs warning against hazards created by such features in the course of construction.

**6.14.9** Hazards Control –Developer shall store volatile wastes in approved covered metal containers and remove them from the Site daily. Developer shall prevent accumulation of wastes that create hazardous conditions. Developer shall provide adequate ventilation during use of volatile or noxious substances.

**6.14.10** Developer shall designate a responsible member of its organization on the Project, whose duty shall be to post information regarding protection and obligations of workers and other notices required under occupational safety and health laws, to comply with reporting and other occupational safety requirements, and to protect the life, safety, and health of workers. Name and position of person so designated shall be reported to District by Developer.

**6.14.11** Developer shall correct any violations of safety laws, rules, orders, standards, or regulations. Upon the issuance of a citation or notice of violation by the Division of Occupational Safety and Health, Developer shall correct such violation promptly.

**6.14.12** Developer shall comply with any District storm water requirements that are approved by the District and applicable to the Project, at no additional cost to the District.

**6.14.13** In an emergency affecting safety of life or of work or of adjoining property, Developer, without special instruction or authorization, shall act, at its discretion, to prevent such threatened loss or injury. Any compensation claimed by Developer on account of emergency work shall be determined by agreement.

**6.14.14** All salvage materials will become the property of Developer and shall be removed from the Site unless otherwise called for in the Contract Documents. However, the District reserves the right to designate certain items of value that shall be turned over to the District unless otherwise directed by District.

**6.14.15** All connections to public utilities and/or existing on-site services, including, without limitation, internet, phone, and data connections, shall be made and maintained in such a manner as to not interfere with the continuing use of same by the District during the entire progress of the Work.

**6.14.16** Developer shall provide such heat, covering, and enclosures as are necessary to protect all Work, materials, equipment, appliances, and tools against damage by weather conditions, such as extreme heat, cold, rain, snow, dry winds, flooding, or dampness.

**6.14.17** Developer shall protect and preserve the Work from all damage or accident, providing any temporary roofs, window and door coverings, boxings, or other construction as required by the Architect. Developer shall be responsible for existing structures, walks, roads, trees, landscaping, and/or improvements in working areas; and shall provide adequate protection therefor. If temporary removal is necessary of any of the above items, or damage occurs due to the Work, Developer shall replace same at his expense with same kind, quality, and size of Work or item damaged. This shall include any adjoining property of the District and others.

**6.14.18** Developer shall take adequate precautions to protect existing roads, sidewalks, curbs, pavements, utilities, adjoining property, and structures (including, without limitation, protection from settlement or loss of lateral support), and to avoid damage thereto, and repair any damage thereto caused by construction operations.

**6.14.19** Developer shall confine apparatus, the storage of materials, and the operations of workers to limits indicated by law, ordinances, permits, or directions of Architect, and shall not interfere with the Work or unreasonably encumber Premises or overload any structure with materials. Developer shall enforce all instructions of District and Architect regarding signs, advertising, fires, and smoking, and require that all workers comply with all regulations while on Project Site.

**6.14.20** Developer, Developer's employees, Subcontractors, Subcontractors' employees, or any person associated with the Work shall conduct themselves in a manner appropriate for a school site. No verbal or physical contact with neighbors, students, and faculty, profanity, or inappropriate attire or behavior will be permitted. Developer is also responsible for ensuring workers refrain from wearing inappropriate clothing and/or logos on the Project. District may require Developer to temporarily or permanently remove non-complying persons from Project Site.

**6.14.21** Developer shall take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed, Developer shall have a civil engineer, registered as a professional engineer in California, replace them at no cost to District.

**6.14.22** In the event that Developer enters into any agreement with owners of any adjacent property to enter upon the adjacent property for the purpose of performing the Work, Developer shall fully indemnify, defend, and hold harmless each person, entity, firm, or agency that owns or has any interest in adjacent property. The form and content of the agreement of indemnification shall be approved by the District prior to the commencement of any Work on or about the adjacent property. Developer shall also indemnify the District as provided in the indemnification provision herein. These provisions shall be in addition to any other requirements of the owners of the adjacent property.

#### **6.15 General Permit for Storm Water Discharges Associated with Construction and Land Disturbance Activities ("Construction Storm Water Permit")**

**6.15.1** Developer acknowledges that all California school districts are obligated to develop and implement the following requirements for the discharge of storm water to surface waters from its construction and land disturbance activities pursuant to the Clean Water Act and Porter Cologne Water Quality Act. District has determined that the construction of this Project requires enrollment in the Construction Storm Water Permit. District has filed certain submittals referred to as Permit Registration Documents (PRDS) with the Regional Water Control Board (Storm Water Pollution Prevention Plan or "SWPPP").

**6.15.2** Developer shall comply with any District SWPPP that are approved by the District and applicable to the Project at no additional cost to the District. Developer shall pay any fees and any penalties that may be imposed by a regulatory agency for its non-compliance with the SWPPP during the course of Work.

**6.15.3** Developer shall provide a Qualified SWPPP Practitioner (QSP) at no additional cost to the District, who shall be onsite and implement and monitor any and all SWPPP requirements applicable to the Project, including but not limited to:

**6.15.3.1** All required visual observations, sampling, analysis, reporting and record keeping, including any Numeric Action Levels (NALs), if applicable;



**6.15.3.2** Rain Event Action Plan (REAP) at least forty eight (48) hours prior to any forecasted rain event requiring implementation of the REAP, including any erosion and sediment control measures needed to protect all exposed portions of the site, if applicable;

**6.15.3.3** Active Treatment System (ATS), if applicable; and

**6.15.3.4** Best management practices (BMPs).

## **6.16 Working Evenings and Weekends**

Developer may be required to work increased hours, evenings, and/or weekends at no additional cost to the District. Developer shall give the District forty-eight (48) hours' notice prior to performing any evening and/or weekend work. Developer shall perform all evening and/or weekend work in compliance with all applicable rules, regulations, laws, and local ordinances including, without limitation, all noise and light limitations. Developer shall reimburse the District for any increased or additional Inspector charges as a result of Developer's increased hours, or evening and/or weekend work.

## **6.17 Cleaning Up**

**6.17.1** Developer shall provide all services, labor, materials, and equipment necessary for protecting and securing the Work, all school occupants, furnishings, equipment, and building structure from damage until its completion and final acceptance by District. Dust barriers shall be provided to isolate dust and dirt from construction operations. At completion of the Work and portions thereof, Developer shall clean to the original state any areas beyond the Work area that become dust laden as a result of the Work. Developer must erect the necessary warning signs and barricades to ensure the safety of all school occupants. Developer at all times must maintain good housekeeping practices to reduce the risk of fire damage and must make a fire extinguisher, fire blanket, and/or fire watch, as applicable, available at each location where cutting, braising, soldering, and/or welding is being performed or where there is an increased risk of fire.

**6.17.2** Developer at all times shall keep Premises, including property immediately adjacent thereto, free from debris such as waste, rubbish (including personal rubbish of workers, e.g., food wrappers, etc.), and excess materials and equipment caused by the Work. Developer shall not leave debris under, in, or about the Premises (or surrounding property or neighborhood), but shall promptly remove same from the Premises on a daily basis. If Developer fails to clean up, District may do so and the cost thereof shall be charged to Developer. If the Contract calls for Work on an existing facility, Developer shall also perform specific clean-up on or about the Premises upon request by the District as it deems necessary for continued operations. Developer shall comply with all related provisions of the Specifications.

**6.17.3** If the Construction Manager, Architect, or District observes the accumulation of trash and debris, the District will give Developer a 24-hour written notice to mitigate the condition.

**6.17.4** Should Developer fail to perform the required clean-up, or should the clean-up be deemed unsatisfactory by the District, the District may, at its sole discretion, then perform the clean-up. All cost associated with the clean-up

work (including all travel, payroll burden, and costs for supervision) will be deducted from the Guaranteed Maximum Price.

#### **6.18 No Relief from Obligations Based on Review by Other Persons**

**6.18.1** Developer shall not be relieved of obligations to perform the Work in accordance with the Contract Documents by act or omission of the District, Architect, Construction Manager, Project Inspector, or DSA or other entities having jurisdiction including, but not limited to, administration of the Contract, review of submittals, or by tests, observation, inspection, or permit /interconnection approvals.

### **7. Subcontractors**

**7.1** Developer shall provide the District with information for all of Developer's Subcontracts and Subcontractors as indicated in Developer's Submittals and Schedules Section herein.

**7.2** No contractual relationship exists between the District and any Subcontractor, supplier, or sub-subcontractor by reason of the Contract Documents.

**7.3** Developer agrees to bind every Subcontractor by terms of the Contract Documents as far as those terms that are applicable to Subcontractor's work including, without limitation, all labor, wage & hour, apprentice and related provisions and requirements. If Developer subcontracts any part of the Work called for by the Contract Documents, Developer shall be as fully responsible to District for acts and omissions of any Subcontractor and of persons either directly or indirectly employed by any Subcontractor, including Subcontractor caused Project delays, as it is for acts and omissions of persons directly employed by Developer. The divisions or sections of the Specifications and/or the arrangements of the drawings are not intended to control Developer in dividing the Work among Subcontractors or limit the work performed by any trade.

**7.4** District's consent to, or approval of, or failure to object to, any Subcontractor under the Contract Documents shall not in any way relieve Developer of any obligations under the Contract Documents and no such consent shall be deemed to waive any provisions of the Contract Documents.

**7.5** Developer is directed to familiarize itself with sections 1720 through 1861 of the Labor Code of the State of California, as regards the payment of prevailing wages and related issues, and to comply with all applicable requirements therein including, without limitation, section 1775 and Developer's and Subcontractors' obligations and liability for violations of prevailing wage law and other applicable laws.

**7.6** Developer shall be responsible for the coordination of the trades, Subcontractors, sub-subcontractors, and material or equipment suppliers working on the Project.

**7.6.1** Developer is responsible for ensuring that first-tier Subcontractors holding C-4, C-7, C-10, C-16, C-20, C-34, C-36, C-38, C-42, C-43, and/or C-46 licenses, are prequalified by the District to work on the Project pursuant to Public Contract Code section 20111.6.

**7.6.2** Developer is responsible for ensuring that all Subcontractors are properly registered as public works contractors by the Department of Industrial Relations.

**7.7** Developer is solely responsible for settling any differences between Developer and its Subcontractor(s) or between Subcontractors.

**7.8** Developer must include in all of its subcontracts the assignment provisions indicated in the Termination section of these Construction Provisions.

## **8. Other Contracts/Contractors**

**8.1** District reserves the right to let other contracts, and/or to perform work with its own forces, in connection with the Project. Developer shall afford other contractors reasonable opportunity for introduction and storage of their materials and execution of their work and shall properly coordinate and connect Developer's Work with the work of other contractors.

**8.2** Developer shall protect the work of any other contractor that Developer encounters while working on the Project.

**8.3** If any part of Developer's Work depends for proper execution or results upon work of District or any other contractor, Developer shall visually inspect, and with reasonable effort, physically inspect all accessible portions of District's or any other contractor's work and, before proceeding with its Work, promptly report to the District in writing any defects in District's or any other contractor's work that render Developer's Work unsuitable for proper execution and results. Developer shall be held accountable for damages to District for District's or any other contractor's work that Developer failed to inspect or should have inspected. Developer's failure to inspect and report shall constitute Developer's acceptance of all District's or any other contractor's work as fit and proper for reception of Developer's Work, except as to defects that may develop in District's or any other contractor's work after execution of Developer's Work and not caused by execution of Developer's Work.

**8.4** To ensure proper execution of its subsequent Work, Developer shall measure and inspect Work already in place and shall at once report to the District in writing any discrepancy between that executed Work and the Contract Documents.

**8.5** Developer shall ascertain to its own satisfaction the scope of the Project and nature of District's or any other contracts that have been or may be awarded by District in prosecution of the Project to the end that Developer may perform under the Contract in light of the other contracts, if any.

**8.6** Nothing herein contained shall be interpreted as granting to Developer exclusive occupancy of the Site, the Premises, or of the Project. Developer shall not cause any unnecessary hindrance or delay to the use and/or operation(s) of the Premises and/or to District or any other contractor working on the Project. If simultaneous execution of any contract or Premises operation is likely to cause interference with performance of Developer's obligations under the Contract Documents, Developer shall coordinate with those contractor(s), person(s), and/or entity(s) and shall notify the District of the resolution.

## **9. Drawings and Specifications**

**9.1** A complete list of all Drawings that form a part of the Contract Documents are to be found as an index on the Drawings themselves, and/or may be provided to Developer and/or in the Table of Contents.

**9.2** Materials or Work described in words that so applied have a well-known technical or trade meaning shall be deemed to refer to recognized standards, unless noted otherwise.

**9.3** Trade Name or Trade Term

It is not the intention of the Contract Documents to go into detailed descriptions of any materials and/or methods commonly known to the trade under "trade name" or "trade term." The mere mention or notation of "trade name" or "trade term" shall be considered a sufficient notice to Developer that it will be required to complete the work so named, complete, finished, and operable, with all its appurtenances, according to the best practices of the trade.

**9.4** The naming of any material and/or equipment shall mean furnishing and installing of same, including all incidental and accessory items thereto and/or labor therefor, as per best practices of the trade(s) involved, unless specifically noted otherwise.

**9.5** Contract Documents are complementary, and what is called for by one shall be binding as if called for by all. As such, Drawings and Specifications are intended to be fully cooperative and to agree. However, if Developer observes that Drawings and Specifications are in conflict with the Contract Documents, Developer shall promptly notify District and Architect in writing, and any necessary changes shall be made as provided in the Contract Documents.

**9.6** Figured dimensions shall be followed in preference to scaled dimensions, and Developer shall make all additional measurements necessary for the work and shall be responsible for their accuracy. Before ordering any material or doing any work, each Developer shall verify all measurements at the building and shall be responsible for the correctness of same.

**9.7** Should any question arise concerning the intent or meaning of the Contract Documents, including the Plans and Specifications, the question shall be submitted to the District for interpretation. If a conflict exists in the Contract Documents, these Construction Provisions shall control over the Facilities Lease, which shall control over the Site Lease, which shall control over Division 1 Documents, which shall control over Division 2 through Division 49 documents, which shall control over figured dimensions, which shall control over large-scale drawings, which shall control over small-scale drawings. In no case shall a document calling for lower quality and/or quantity of material or workmanship control. However, in the case of discrepancy or ambiguity solely between and among the Drawings and Specifications, the discrepancy or ambiguity shall be resolved in favor of the interpretation that will provide District with the functionally complete and operable Project described in the Drawings and Specifications.

**9.8** Drawings and Specifications are intended to comply with all laws, ordinances, rules, and regulations of constituted authorities having jurisdiction, and where referred

to in the Contract Documents, the laws, ordinances, rules, and regulations shall be considered as a part of the Contract Documents within the limits specified.

**9.9** As required by Section 4-317(c), Part 1, Title 24, CCR: "Should any existing conditions such as deterioration or non-complying construction be discovered which is not covered by the DSA-approved documents wherein the finished work will not comply with Title 24, California Code of Regulations, a construction change document, or a separate set of plans and specifications, detailing and specifying the required repair work shall be submitted to and approved by DSA before proceeding with the repair work."

#### **9.10 Ownership of Drawings**

All copies of Plans, Drawings, Designs, Specifications, and copies of other incidental architectural and engineering work, or copies of other Contract Documents furnished by District, are the property of District. They are not to be used by Developer in other work and, with the exception of signed sets of Contract Documents, are to be returned to District on request at completion of Work or may be used by District as it may require without any additional costs to District. Neither Developer nor any Subcontractor, or material or equipment supplier shall own or claim a copyright in the Drawings, Specifications, and other documents prepared by the Architect. District hereby grants Developer, Subcontractors, sub-subcontractors, and material or equipment suppliers a limited license to use applicable portions of the Drawings prepared for the Project in the execution of their Work under the Contract Documents.

### **10. Developer's Submittals and Schedules**

Developer's submittals shall comply with the provisions and requirements of the Specifications including, without limitation Submittals.

#### **10.1 Schedule of Work, Schedule of Submittals, and Schedule of Values.**

**10.1.1** Developer shall comply with the construction schedule attached to the Facilities Lease as **Exhibit F** ("Construction Schedule"). [To be attached when available.]

**10.1.2** Developer shall be responsible for the development of schedule, cost and resource loading of the schedule, monthly payment requests, and project status reporting requirements of the Contract shall employ computerized Critical Path Method ("CPM") scheduling ("CPM Schedule"). CPM Schedule shall be cost loaded based on Schedule of Values as approved by District.

**10.1.3** Developer must provide all schedules both in hard copy and electronically, in a native format (e.g., Microsoft Project or Primavera) approved in advance by the District.

**10.1.4** The District will review the schedules submitted and Developer shall make changes and corrections in the schedules as requested by the District and resubmit the schedules until approved by the District.

**10.1.5** The District shall have the right at any time to discuss with Developer revisions to the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

**10.1.6** All schedules must be approved by the District before Developer can rely on them as a basis for payment.

**10.1.7** Within TEN (10) calendar days after the date of the Notice to Proceed with Construction (unless otherwise specified in the Specifications), Developer shall prepare and submit to the District for review, in a form supported by sufficient data to substantiate its accuracy as the District may require:

**10.1.7.1 Preliminary Schedule**

A preliminary schedule of construction indicating the starting and completion dates of the various stages of the Work, including any information and following any form as may be specified in the Specifications. Once approved by District, this shall become the Construction Schedule. This schedule shall include and identify all tasks that are on the Project's critical path with a specific determination of the start and completion of each critical path task as well as all Contract milestones and each milestone's completion date(s) as may be required by the District. The Preliminary Schedule shall be time scaled, cost and resource (labor and major equipment) loaded. Accepted cost and resource loaded schedule will be used as basis for monthly progress payments until acceptance of the approved Construction Schedule.

**10.1.7.1.1** The District is not required to approve a preliminary schedule of construction with early completion, i.e., one that shows early completion dates for the Work and/or milestones. Developer shall not be entitled to extra compensation if the District approves a Construction Schedule with an early completion date and Developer completes the Project beyond the date shown in the schedule but within the Contract Time. A Construction Schedule showing the Work completed in less than the Contract Time, the time between the early completion date and the end of the Contract Time shall be Float.

**10.1.7.1.2** The Developer shall make corrections to schedule necessary to comply with Contract requirements and shall adjust schedule to incorporate any missing information requested by District. Developer shall resubmit Preliminary Schedule if requested by District.

**10.1.7.2 Preliminary Schedule of Values**

A preliminary schedule of values for all of the Work, which must include quantities and prices of items aggregating the Guaranteed Maximum Price and must subdivide the Work into component parts in sufficient detail to serve as the basis for progress payments during construction. Unless the Special Conditions contain different limits, this preliminary schedule of values shall include, at a minimum, the following information and the following structure:

**10.1.7.2.1** Divided into at least the following categories:

**10.1.7.2.1.1** Overhead and profit

**10.1.7.2.1.2** Supervision

**10.1.7.2.1.3** General conditions

**10.1.7.2.1.4** Layout

**10.1.7.2.1.5** Mobilization

**10.1.7.2.1.6** Submittals

**10.1.7.2.1.7** Bonds and insurance

**10.1.7.2.1.8** Close-out/Certification documentation

**10.1.7.2.1.9** Demolition

**10.1.7.2.1.10** Installation

**10.1.7.2.1.11** Rough-in

**10.1.7.2.1.12** Finishes

**10.1.7.2.1.13** Testing

**10.1.7.2.1.14** Punch list and District acceptance

**10.1.7.2.2** And also divided by each of the following areas:

**10.1.7.2.2.1** Site work

**10.1.7.2.2.2** By each phase and/or building, as applicable

**10.1.7.2.2.3** By each floor

**10.1.7.2.3** The preliminary schedule of values shall not provide for values any greater than the following percentages of the Contract value:

**10.1.7.2.3.1** Mobilization and layout combined to equal not more than 1%.

**10.1.7.2.3.2** Submittals, samples and shop drawings combined to equal not more than 3%.

**10.1.7.2.3.3** Bonds and insurance combined to equal not more than 3%.

**10.1.7.2.3.4** Closeout documentation shall have a value in the preliminary schedule of not less than 3%.

**10.1.7.2.4** Notwithstanding any provision of the Contract Documents to the contrary, payment of Developer's overhead, supervision, general conditions costs, and profit, as reflected in the Cost Breakdown, shall be paid based on percentage complete, with the disbursement of Progress Payments and the Final Payment.

**10.1.7.2.5** Developer shall certify that the preliminary schedule of values as submitted to the District is accurate and reflects the costs as developed in preparing Developer's bid. For example, without limiting the foregoing, Developer shall not "front-load" the preliminary schedule of values with dollar amounts greater than the value of activities performed early in the Project.

**10.1.7.2.6** The preliminary schedule of values shall be subject to the District's review and approval of the form and content thereof. In the event that the District objects to any portion of the preliminary schedule of values, the District shall notify Developer, in writing, of the District's objection(s) to the preliminary schedule of values. Within five (5) calendar days of the date of the District's written objection(s), Developer shall submit a revised preliminary schedule of values to the District for review and approval. The foregoing procedure for the preparation, review and approval of the preliminary schedule of values shall continue until the District has approved the entirety of the preliminary schedule of values.

**10.1.7.2.7** Once the preliminary schedule of values is approved by the District, this shall become the Schedule of Values. The Schedule of Values shall not be thereafter modified or amended by Developer without the prior consent and approval of the District, which may be granted or withheld in the sole discretion of the District.

### **10.1.7.3 Schedule of Values**

The Developer shall provide for District review and approval prior to commencement of the Work a schedule of values for all of the Work, which includes quantities and prices of items aggregating the Guaranteed Maximum Price and subdivided into component parts as per specifications. The Schedule of Values shall not be modified or amended by the Developer without the prior consent and approval of the District, which may be granted or withheld in the sole discretion of the District. The District shall have the right at any time to revise the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

### **10.1.7.4 Preliminary Schedule of Submittals**

A preliminary schedule of submittals, including Shop Drawings, Product Data, and Samples submittals. Once approved by District, this shall become the Submittal Schedule. All submittals may be reviewed by District and shall be forwarded to the Architect by the date indicated on the approved Submittal Schedule, unless an earlier date is necessary to maintain the Construction Schedule, in which case those submittals shall be forwarded to the District so as not to delay the Construction Schedule. Upon request by the District, Developer shall provide an electronic copy of all submittals to the District. All submittals shall be submitted no later than ninety (90) days after the Notice to Proceed with Construction.



#### **10.1.7.5 Safety Plan**

Developer's Safety Plan specifically adapted for the Project shall comply with the following requirements:

**10.1.7.5.1** All applicable requirements of California Division of Occupational Safety and Health ("Cal/OSHA") and/or of the United States Occupational Safety and Health Administration ("OSHA").

**10.1.7.5.2** All provisions regarding Project safety, including all applicable provisions in these Construction Provisions.

**10.1.7.5.3** Developer's Safety Plan shall be in English and in the language(s) of Developer's and its Subcontractors' employees.

#### **10.1.7.6 Update Registered Subcontractor List**

The name, address, telephone number, facsimile number, California State Contractors License number, classification, DIR registration number, and monetary value of all Subcontracts of any tier for parties furnishing labor, material, or equipment for completion of the Project.

### **10.2 Monthly Progress Schedule(s)**

**10.2.1** Developer shall provide Monthly Progress Schedule(s) to the District. A Monthly Progress Schedule shall update the approved Construction Schedule or the last Monthly Progress Schedule, showing all work completed and to be completed as well as updating the Registered Subcontractors List. The monthly Progress Schedule shall be sent as noted below and, if also requested by District, within the timeframe requested by the District and shall be in a format acceptable to the District and contain a written narrative of the progress of work that month and any changes, delays, or events that may affect the work. The process for District approval of the Monthly Progress Schedule shall be the same as the process for approval of the Construction Schedule.

**10.2.2** Developer shall submit Monthly Progress Schedule(s) with all payment applications.

**10.2.3** Developer must provide all schedules both in hard copy and electronically in a native format (e.g., Microsoft Project or Primavera), approved in advance by District.

**10.2.4** A meeting will be held on approximately the twenty-fifth (25th) of each month to review the schedule update submittal and progress payment application. These meetings are considered a critical component of overall monthly schedule update submittal and Developer shall have appropriate personnel attend. At a minimum, these meetings shall be attended by Developer's General Superintendent and Scheduler.

**10.2.5** District will review the schedules submitted and Developer shall make changes and corrections in the schedules as requested by the District and resubmit the schedules within five (5) working days until approved by the District.

**10.2.6** District shall have the right at any time to discuss with Developer revisions to the schedule of values if, in the District's sole opinion, the schedule of values does not accurately reflect the value of the Work performed.

**10.2.7** All schedules must be approved by the District before Developer can rely on them as a basis for payment. District shall use best efforts to approve all submittals and schedules on or before fourteen (14) days after presentation of the same from Developer, providing there are no extenuating circumstances, and no such approval shall be unreasonably withheld by District.

**10.2.8** Neither updating, changing or revising of any report, curve, schedule, or narrative submitted to District by Developer under this Contract, nor District's review or acceptance of any such report, curve, schedule or narrative shall have the effect of amending or modifying in any way the Completion Date or milestone dates or of modifying or limiting in any way Developer's obligations under this Contract.

### **10.3 Weekly Schedule Report**

At the Weekly Progress Meeting, the Developer shall provide and present a time-scaled three (3) week look-ahead schedule that is based and correlated by activity number to the current schedule (i.e., Initial, Original CPM, or Schedule Update).

### **10.4 Daily Construction Reports**

On a daily basis, Developer shall submit a daily activity report to District for each workday, including weekends and holidays when worked. Developer shall develop the daily construction reports on a computer-generated database capable of sorting daily Work, manpower, and man-hours by Developer, Subcontractor, area, sub-area, and Change Order Work. Upon request of District, Developer shall furnish a USB flash drive of this database. Developer shall obtain District's written approval of the daily construction report database format prior to implementation. At minimum, Developer shall include in the reports:

**10.4.1** Project name and Project number.

**10.4.2** Developer's name and address.

**10.4.3** Weather, temperature, and any unusual site conditions.

**10.4.4** Brief description and location of the day's scheduled activities and any special problems and accidents, including Work of Subcontractors.

**10.4.5** Descriptions shall be referenced to CPM scheduled activities.

**10.4.6** Worker quantities for its own Work force and for Subcontractors of any tier.

**10.4.7** Equipment, other than hand tools, utilized by Developer and Subcontractors.

### **10.5 Material Safety Data Sheets (MSDS)**

Developer is required to ensure Material Safety Data Sheets are available in a readily accessible place at the Site for any material requiring a Material Safety Data Sheet per

the federal "Hazard Communication" standard, or employees' "right to know" law. Developer is also required to ensure proper labeling on substances brought onto the job 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. Two additional copies of the Material Safety Data Sheets shall also be submitted directly to the District.

#### **10.4 Submittals**

**10.4.1** Architect's favorable review shall neither be construed as a complete check nor relieve Developer, Subcontractor, manufacturer, fabricator, or supplier from responsibility for any deficiency that may exist or from any departures or deviations from the requirements of the Contract Documents unless Developer has, in writing, called Architect's attention to the deviations at the time of submission and the Architect has given specific written response. "Favorable review" shall mean merely that Architect has no objection to Developer using, upon Developer's own full responsibility, plan or method of Work proposed, or furnishing materials or equipment proposed.

### **11. Site Access, Conditions, And Requirements**

#### **11.1 Site Investigation**

Developer has made a careful investigation of the Site and is familiar with the requirements of the Contract Documents and has accepted the readily observable, existing conditions of the Site.

#### **11.2 Soils Investigation Report**

When a soils investigation report obtained from test holes at Site or for the Project is available, that report may be made available to Developer but shall not be a part of this Contract but shall not alleviate or excuse Developer's obligation to perform its own investigation. Any information obtained from that report or any information given on Drawings as to subsurface soil condition or to elevations of existing grades or elevations of underlying rock is approximate only, is not guaranteed, does not form a part of this Contract, and Developer may not rely thereon. Developer acknowledges that it has made a visual examination of the Site and has made whatever tests Developer deems appropriate to determine underground condition of soil. Although any such report is not a part of this Contract, recommendations from the report may be included in the Drawings, Specifications, or other Contract Documents. It is Developer's sole responsibility to thoroughly review all Contract Documents, Drawings, and Specifications.

#### **11.3 Access to Work**

District and its representatives shall at all times have access to Work wherever it is in preparation or progress, including storage and fabrication. Developer shall provide safe and proper facilities for such access so that District's representatives may perform their functions. District shall provide Developer adequate advance notice for access to active construction zones such that Developer may provide for safety measures to District and representatives.

#### **11.4 Layout and Field Engineering**

**11.4.1** All field engineering required for layout of this Work and establishing grades for earthwork operations shall be furnished by Developer at its expense. This Work shall be done by a qualified, California-registered civil engineer or licensed land surveyor approved in writing by District and Architect. Any required Record and/or As-Built Drawings of Site development shall be prepared by the approved civil engineer or licensed land surveyor.

**11.4.2** Developer shall be responsible for having ascertained pertinent local conditions such as location, accessibility, and general character of the Site and for having satisfied itself as to the conditions under which the Work is to be performed. District shall not be liable for any claim for allowances because of Developer's error or negligence in acquainting itself with the conditions at the Site.

**11.4.3** Developer shall protect and preserve established benchmarks and monuments and shall make no changes in locations without the prior written approval of District. Developer shall replace any benchmarks or monuments that are lost or destroyed subsequent to proper notification of District and with District's approval.

## **11.5 Utilities**

Utilities shall be provided as indicated in the Specifications.

## **11.6 Sanitary Facilities**

Sanitary facilities shall be provided as indicated in the Specifications.

## **11.7 Surveys**

Developer shall provide surveys done by a California-licensed civil engineer or licensed land surveyor to determine locations of construction, grading, and site work as required to perform the Work.

## **11.8 Regional Notification Center**

Developer, except in an emergency, shall contact the appropriate regional notification center at least two (2) days prior to commencing any excavation if the excavation will be conducted in an area or in a private easement that is known, or reasonably should be known, to contain subsurface installations other than the underground facilities owned or operated by the District, and obtain an inquiry identification number from that notification center. No excavation shall be commenced and/or carried out by Developer unless an inquiry identification number has been assigned to Developer or any Subcontractor and Developer has given the District the identification number. Any damages arising from Developer's failure to make appropriate notification shall be at the sole risk and expense of Developer. Any delays caused by failure to make appropriate notification shall be at the sole risk of Developer and shall not be considered for an extension of the Contract Time.

## **11.9 Existing Utility Lines**

**11.9.1** Pursuant to Government Code section 4215, District assumes the responsibility for removal, relocation, and protection of main or trunk utility lines and facilities located on the construction Site at the time of commencement of construction under the Contract Documents with respect to

any such utility facilities that are not identified in the Plans and Specifications. Developer shall not be assessed for liquidated damages for delay in completion of the Project caused by failure of District or the owner of a utility to provide for removal or relocation of such utility facilities.

**11.9.2** Locations of existing utilities provided by District shall not be considered exact, but approximate within a reasonable margin and shall not relieve Developer of its responsibilities to exercise reasonable care and to pay all costs of repair due to Developer's failure to do so. District shall compensate Developer for the costs of locating, repairing damage not due to the failure of Developer to exercise reasonable care, and removing or relocating such utility facilities not indicated in the Plans and Specifications with reasonable accuracy, and for equipment necessarily idle during such work.

**11.9.3** No provision herein shall be construed to preclude assessment against Developer for any other delays in completion of the Work. Nothing in this Article shall be deemed to require District to indicate the presence of existing service laterals, appurtenances, or other utility lines, within the exception of main or trunk utility lines. Whenever the presence of these utilities on the Site of the construction Project can be inferred from the presence of other visible facilities, such as buildings, meter junction boxes, on or adjacent to the Site of the construction.

**11.9.4** If Developer, while performing Work under this Contract, discovers utility facilities not identified by District in Contract Plans and Specifications, Developer shall immediately notify the District and the utility in writing. In the event Developer fails to immediately provide notice and subsequently causes damage to the utility facilities, the cost of repair for damage to above-mentioned discovered facilities shall be borne by Developer.

## **11.10 Notification**

Developer understands, acknowledges, and agrees that the purpose for prompt notification to the District pursuant to these provisions is to allow the District to investigate the condition(s) so that the District shall have the opportunity to decide how the District desires to proceed as a result of the condition(s). Accordingly, failure of Developer to promptly notify the District in writing, pursuant to these provisions, shall constitute Developer's waiver of any claim for damages or delay incurred as a result of the condition(s).

## **11.11 Hazardous Materials**

Developer shall comply with all provisions and requirements of the Contract Documents related to hazardous materials including, without limitation, Hazardous Materials Procedures and Requirements.

## **11.12 No Signs**

Neither Developer nor any other person or entity shall display any signs not required by law or the Contract Documents at the Site, fences, trailers, offices, or elsewhere on the Site without specific prior written approval of the District.

# **12. Trenches**

## **12.1 Trenches Greater Than Five Feet**

Pursuant to Labor Code section 6705, if the Guaranteed Maximum Price exceeds \$25,000 and involves the excavation of any trench or trenches five (5) feet or more in depth, Developer shall, in advance of excavation, promptly submit to the District and/or a registered civil or structural engineer employed by the District or Architect, a detailed plan showing the design of shoring for protection from the hazard of caving ground during the excavation of such trench or trenches.

## **12.2 Excavation Safety**

If such plan varies from the Shoring System Standards established by the Safety Orders, the plan shall be prepared by a registered civil or structural engineer, but in no case shall such plan be less effective than that required by the Safety Orders. No excavation of such trench or trenches shall be commenced until said plan has been accepted by the District or by the person to whom authority to accept has been delegated by the District.

## **12.3 No Tort Liability of District**

Pursuant to Labor Code section 6705, nothing in this Article shall impose tort liability upon the District or any of its employees.

## **12.4 No Excavation without Permits**

Developer shall not commence any excavation Work until it has secured all necessary permits including the required CalOSHA excavation/shoring permit. Any permits shall be prominently displayed on the Site prior to the commencement of any excavation.

## **12.5 Discovery of Hazardous Waste and/or Unusual Conditions**

**12.5.1** Pursuant to Public Contract Code section 7104, if the Work involves digging trenches or other excavations that extend deeper than four feet below the Surface, Developer shall promptly, and before the following conditions are disturbed, notify the District, in writing, of any:

**12.5.1.1** Material that Developer believes may be material that is hazardous waste, as defined in section 25117 of the Health and Safety Code, is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.

**12.5.1.2** Subsurface or latent physical conditions at the Site differing from those indicated.

**12.5.1.3** Unknown physical conditions at the Project Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents.

**12.5.2** The District shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Developer's cost of, or the time required for, performance of any part of the Work, shall issue a Change Order under the procedures described herein.

**12.5.3** In the event that a dispute arises between District and Developer whether the conditions materially differ or cause a decrease or increase in

Developer's cost of, or time required for, performance of any part of the Work, Developer shall not be excused from any scheduled completion date provided for by the Contract Documents but shall proceed with all work to be performed under the Contract Documents. Developer shall retain any and all rights provided either by the Contract Documents or by law that pertain to the resolution of disputes and protests.

### **13. Insurance and Bonds**

#### **13.1 Developer's Insurance**

Developer shall comply with the insurance requirements as indicated in the Facilities Lease.

#### **13.2 Contract Security – Bonds**

**13.2.1** Developer shall furnish two surety bonds issued by a California admitted surety insurer as follows:

##### **13.2.1.1 Performance Bond**

A bond in an amount at least equal to one hundred percent (100%) of Guaranteed Maximum Price as security for faithful performance of the Contract Documents.

##### **13.2.1.2 Payment Bond**

A bond in an amount at least equal to one hundred percent (100%) of the Guaranteed Maximum Price as security for payment of persons performing labor and/or furnishing materials in connection with this Contract.

**13.2.2** Cost of bonds shall be included in the Guaranteed Maximum Price.

**13.2.3** All bonds related to this Project shall be in the forms set forth in these Contract Documents and shall comply with all requirements of the Contract Documents, including, without limitation, the bond forms.

### **14. Warranty/Guarantee/Indemnity**

#### **14.1 Warranty/Guarantee**

**14.1.1** Developer shall obtain and preserve for the benefit of the District, manufacturer's warranties on materials, fixtures, and equipment incorporated into the Work.

**14.1.2** In addition to guarantees and warranties required elsewhere, Developer shall, and hereby does guarantee and warrant all Work furnished on the job against all defects for a period of ONE (1) year after the later of the following dates, unless a longer period is provided for in the Contract Documents:

**14.1.2.1** The acceptance by the District's governing board of the Work, subject to these General Conditions, or

**14.1.2.2** The date that commissioning for the Project, if any, was completed.

**14.1.3** If any work is not in compliance with the Drawings and Specifications, Developer shall repair or replace any and all of that Work, together with any other Work that may be displaced in so doing, that may prove defective in workmanship and/or materials within a ONE (1) year period from date of completion as defined above, unless a longer period is provided for in the Contract Documents, without expense whatsoever to District.

**14.1.4** In the event of failure of Developer and/or Surety to commence and pursue with diligence said replacements or repairs within ten (10) days after being notified in writing, Developer and Surety hereby acknowledge and agree that District is authorized to proceed to have defects repaired and made good at expense of Developer and/or Surety who hereby agree to pay costs and charges therefore immediately on demand.

**14.1.5** If any work is not in compliance with the Drawings and Specifications and if in the opinion of District said defective work creates a dangerous condition or requires immediate correction or attention to prevent further loss to District or to prevent interruption of District operations, District will attempt to give the notice required above. If Developer or Surety cannot be contacted or neither complies with District's request for correction within a reasonable time as determined by District, District may, notwithstanding the above provision, proceed to make any and all corrections and/or provide attentions the District believes are necessary. The costs of correction or attention shall be charged against Developer and Surety of the guarantees or warranties provided in this Article or elsewhere in this Contract.

**14.1.6** The above provisions do not in any way limit the guarantees or warranties on any items for which a longer guarantee or warranty is specified or on any items for which a manufacturer gives a guarantee or warranty for a longer period. Developer shall furnish to District all appropriate guarantee or warranty certificates as indicated in the Specifications or upon request by District.

**14.1.7** Nothing herein shall limit any other rights or remedies available to District.

## **14.2 Indemnity**

Developer shall indemnify the District as indicated in the Facilities Lease.

## **15. Time**

### **15.1 Notice to Proceed with Construction**

**15.1.1** District may issue a Notice to Proceed with Construction ("NTP 2") within ninety (90) days from the date of the Notice of Award after Guaranteed Maximum Price. Once Developer has received the Notice to Proceed with Construction, Developer shall complete the Work within the period of time indicated in the Contract Documents.

**15.1.2** In the event that the District desires to postpone issuing the Notice to Proceed with Construction beyond ninety (90) days from the date of the Notice



of Award after Guaranteed Maximum Price, it is expressly understood that with reasonable notice to Developer, the District may postpone issuing the Notice to Proceed with Construction. It is further expressly understood by Developer that Developer shall not be entitled to any claim of additional compensation as a result of the postponement of the issuance of the Notice to Proceed with Construction.

**15.1.3** If Developer believes that a postponement of issuance of the Notice to Proceed with Construction will cause a hardship to Developer, Developer may terminate the Contract. Developer's termination due to a postponement shall be by written notice to District within ten (10) days after receipt by Developer of District's notice of postponement. It is further understood by Developer that in the event that Developer terminates the Contract as a result of postponement by the District, the District shall only be obligated to pay Developer for the Work that Developer had performed at the time of notification of postponement.

## **15.2 Computation of Time / Adverse Weather**

**15.2.1** Developer will only be allowed a time extension for Adverse Weather conditions if requested by Developer in compliance with the time extension request procedures herein and only if all of the following conditions are met:

**15.2.1.1** The weather conditions constitute Adverse Weather, as defined herein;

**15.2.1.2** Developer can verify that the Adverse Weather caused delays in excess of five (5) hours of the indicated labor required to complete the scheduled tasks of Work on the day affected by the Adverse Weather;

**15.2.1.3** Developer's crew is dismissed as a result of the Adverse Weather;

**15.2.1.4** Said delay adversely affect the critical path in the Construction Schedule; and

**15.2.1.5** Exceeds twelve (12) days of delay per year.

**15.2.2** If the aforementioned conditions are met, a non-compensable day-for-day extension will only be allowed for those days in excess of those indicated herein.

**15.2.3** Developer shall work seven (7) days per week, if necessary, irrespective of inclement weather, to maintain access and the Construction Schedule, and to protect the Work under construction from the effects of Adverse Weather, all at no further cost to the District.

**15.2.4** The Contract Time has been determined with consideration given to the average climate weather conditions prevailing in the County in which the Project is located.

## **15.3 Hours of Work**

**15.3.1** Sufficient Forces

Developer and Subcontractors shall continuously furnish sufficient and competent work forces with the required levels of familiarity with the Project and skill, training and experience to ensure the prosecution of the Work in accordance with the Construction Schedule.

#### **15.3.2 Performance During Working Hours**

Work shall be performed during regular working hours as permitted by the appropriate governmental agency except that in the event of an emergency, or when required to complete the Work in accordance with job progress, Work may be performed outside of regular working hours with the advance written consent of the District and approval of any required governmental agencies.

#### **15.3.3 No Work during State Testing**

Developer shall, at no additional cost to the District and at the District's request, coordinate its Work to not disturb District students including, without limitation, not performing any Work when students at the Site are taking State or Federally-required tests. The District or District's Representative will provide Developer with a schedule of test dates concurrent with the District's issuance of the Notice to Proceed with Construction, or as soon as test dates are made available to the District.

### **15.4 Progress and Completion**

#### **15.4.1 Time of the Essence**

Time limits stated in the Contract Documents are of the essence to the Contract Documents. By executing the Facilities Lease, Developer confirms that the Contract Time is a reasonable period for performing the Work.

#### **15.4.2 No Commencement Without Insurance or Bonds**

Developer shall not commence operations on the Project or elsewhere prior to the effective date of insurance and bonds. The date of commencement of the Work shall not be changed by the effective date of such insurance or bonds. If Developer commences Work without insurance and bonds, all Work is performed at Developer's peril and shall not be compensable until and unless Developer secures bonds and insurance pursuant to the terms of the Contract Documents and subject to District claim for damages.

### **15.5 Schedule**

Developer shall provide to District, Construction Manager, and Architect a schedule in conformance with the Contract Documents and as required in these Construction Provisions.

### **15.6 Expeditious Completion**

Developer shall proceed expeditiously with adequate forces and shall achieve Completion within the Contract Time.

## **16. Extensions of Time – Liquidated Damages, Excusable Delays**

### **16.1 Liquidated Damages**

Developer and District hereby agree that the exact amount of damages for failure to complete the Work within the time specified is extremely difficult or impossible to determine. If the Work is not completed within the time specified in the Contract Documents, it is understood that the District will suffer damage. It being impractical and unfeasible to determine the amount of actual damage, it is agreed Developer shall pay to District as fixed and liquidated damages, and not as a penalty, the amount set forth in the Facilities Lease for each calendar day of delay in Completion. Developer and its Surety shall be liable for the amount thereof pursuant to Government Code section 53069.85.

## **16.2 Excusable Delay**

**16.2.1** Developer shall not be charged for liquidated damages because of any delays in completion of the Work which are not the fault of Developer or its Subcontractors, including without limitation, adverse weather delays, strikes, acts of God as defined in Public Contract Code section 7105, acts of enemy, epidemics, and quarantine restrictions. Developer shall, within five (5) calendar days of beginning of any delay, including a Force Majeure event, notify District in writing of causes of delay including documentation and facts explaining the delay and the direct correlation between the cause and effect ("Notice of Delay"). If Developer fails to provide its written Notice of Delay within this timeframe, Developer waives, releases, and discharges any right to assert or claim any entitlement to an adjustment to the Guaranteed Maximum Price and/or the Contract Time based on circumstances giving rise to the asserted delay. District shall review the facts and extent of any delay and shall grant extension(s) of time for completing Work when, in its judgment, the findings of fact justify an extension. Extension(s) of time shall apply only to that portion of Work affected by delay and shall not apply to other portions of Work not so affected. An extension of time may only be granted if Developer has timely submitted the Construction Schedule as required herein.

**16.2.2** Developer's Notice of Delay and request for a time extension pursuant to subparagraph 16.2 is a condition precedent to Developer's submittal of and/or entitlement to a claim pursuant to Article 25 of these Construction Provisions. Developer shall notify the District pursuant to the Claims Process in these Construction Provisions of any anticipated delay and its cause. Following submission of a claim, the District may determine whether the delay is to be considered avoidable or unavoidable, how long it continues, and to what extent the prosecution and completion of the Work might be delayed thereby.

**16.2.3** In the event Developer requests an extension of Contract Time for unavoidable delay as set forth in subparagraph 16.2.1, such request shall be submitted in accordance with the provisions in the Contract Documents governing changes in Work, including without limitation, the time requirements set forth in subsection 17.5, below. When requesting time, requests must be submitted with full justification and documentation, including both a written narrative and a schedule diagram depicting how the changed Work affects other schedule activities. The schedule diagram shall show how the Developer proposes to incorporate the changed Work in the schedule and how it impacts the current schedule-update critical path. If Developer fails to submit justification, it waives its right to a time extension at a later date. Such justification must be based on the official Construction Schedule as updated at the time of occurrence of the delay or execution of Work related to any changes

to the Scope of Work. Any request for a time extension must include the following information as support, without limitation:

**16.2.3.1** The duration of the activity relating to the changes in the Work and the resources (manpower, equipment, material, etc.) required to perform the activities within the stated duration.

**16.2.3.2** Specific logical ties to the Contract Schedule for the proposed changes and/or delay showing the activity/activities in the Construction Schedule that are affected by the change and/or delay. In particular, Developer must show an actual impact to the schedule, after making a good faith effort to mitigate the delay by rescheduling the work, by providing an analysis of the schedule ("Time Impact Analysis"). Such Time Impact Analysis shall describe in detail the cause and effect of the delay and the impact on the critical dates in the Project schedule and main sequence of schedule activities to enable District to evaluate the impact of changed Work to the scheduled critical path. (This information must be provided for any portion of any delay of seven (7) days or more.) The Developer shall be responsible for all costs associated with the preparation of Time Impact Analyses.

**16.2.4** A recovery schedule must be submitted within twenty (20) calendar days of written notification to the District of causes of delay to recover the lost time within seven (7) calendar days. As part of this submittal, the Developer shall provide a written narrative for each revision made to recapture the lost time. If the revisions include sequence changes, the Developer shall provide a schedule diagram comparing the original sequence to the revised sequence of work. The revisions shall not be incorporated into any schedule update until the revisions have been reviewed by District. At District's discretion, the Developer can be required to provide Subcontractor certifications for revisions affecting said Subcontractors.

**16.2.5** Developer must comply with requirements in subsection 16.2 for a Notice of Delay and supporting justification notwithstanding Developer contends the specific delay period is unknown and continuing. When submitting a Notice of Delay and supporting justification, Developer must provide an estimated delay duration to critical path activities at the time the Notice of Delay and supporting justification is required to be submitted. Failure of the Developer to perform in accordance with the current schedule update shall not be excused by submittal of a Notice of Delay. If Developer contends the delaying event(s) are continuing, Developer must update monthly the estimated delay period with supporting justification.

**16.2.6** Developer's failure to timely submit a written Notice of Delay and/or provide the justification required in subparagraph 16.2 shall constitute Developer's waiver of any right to later submit a Proposed Change Order or pursue a Claim on the circumstances giving rise to the request, or to later pursue any additional money or time extensions in any manner related to that issue, regardless of the merits because the Developer will not have satisfied a condition precedent or exhausted administrative remedies required to show entitlement to a Contract Time adjustment. Developer acknowledges that these written notices and justification requirements are critically important to District's Work, Project management, and evaluating potential options and

alternatives to implement mitigation efforts to reduce or eliminate additional Project costs and delays.

### **16.3 No Additional Compensation for Delays within Developer's Control**

**16.3.1** Developer is aware that governmental agencies and utilities, including, without limitation, the Division of the State Architect, the Department of General Services, gas companies, electrical utility companies, water districts, and other agencies may have to approve Developer-prepared drawings or approve a proposed installation. Accordingly, Developer has included in the Guaranteed Maximum Price, time for possible review of its drawings and for reasonable delays and damages that may be caused by such agencies, including without limitation delays due to California Environmental Quality Act ("CEQA") compliance. Thus, Developer is not entitled to make a claim for damages for delays arising from the review of Developer's drawings.

**16.3.2** Developer shall only be entitled to compensation for delay when all of the following conditions are met:

**16.3.2.1** The District is responsible for the delay;

**16.3.2.2** The delay is unreasonable under the circumstances involved;

**16.3.2.3** The delay was not within the contemplation of the District and Developer;

**16.3.2.4** The delay could not have been avoided or mitigated by reasonable diligence; and

**16.3.2.5** Developer timely complies with the claims procedure of the Contract Documents.

**16.3.3** Where an event for which District is responsible impacts the projected Completion Date, the Developer shall provide a written mitigation plan, including a schedule diagram, which explains how (e.g., increase crew size, overtime, etc.) the impact can be mitigated. The Developer shall also include a detailed cost breakdown of the labor, equipment, and material the Developer would expend to mitigate District-caused time impact. The Developer shall submit its mitigation plan to District within fourteen (14) calendar days from the date of discovery of the impact. The Developer is responsible for the cost to prepare the mitigation plan.

**16.3.4** Where a change in the Work extends the Contract Time, Developer may request and recover additional, actual direct costs, provided that Developer can demonstrate such additional costs are:

**16.3.4.1** Actually incurred performing the Work;

**16.3.4.2** Not compensated by the Markup allowed; and

**16.3.4.3** Directly result from the extended Contract Time.

**16.3.5** Developer shall comply with all required procedures, documentation, and time requirements in the Contract Documents. Developer may not seek or

recover such costs using formulas (e.g., Eichleay, labor factors). No time will be granted under this Contract for cumulative effect of changes.

#### **16.4 Force Majeure**

"Force Majeure" means any event or circumstance unknown at the time of contracting that is beyond the parties' control and makes performance of the contract impractical or impossible. The Party seeking to have its performance obligation(s) excused must demonstrate that there was such an insuperable interference occurring without the party's intervention as could not have been prevented by the exercise of prudence, diligence, and care, by providing prompt notice to the other Party, including full particulars of such event, of its inability to perform its obligations due to such event, following commencement of the claiming Party's inability to so perform its obligations. To the extent satisfying these conditions, Force Majeure events include the following: acts of God, war, civil unrest, epidemic, fire, smoke, volcanic eruption, earthquake, strike, unusually severe weather, flood, or shortage of transportation facilities, lock out, or commandeering of materials, product, plant, or facilities by the government. Force Majeure shall not be based on a Party's financial inability to perform under this Agreement unless there exists extreme and unreasonable difficulty, expense, injury, or loss involved. Costs imposed by the government on sales or importation of goods or materials including, without limitation, tariffs, or taxes, are not Force Majeure. A Force Majeure event does not include an act of negligence or intentional wrongdoing by a Party. Any Party claiming a Force Majeure event shall use reasonable diligence to remove the condition that prevents performance and shall not be entitled to suspend performance of its obligations in any greater scope or for any longer duration than is required by the Force Majeure event. Each Party shall use its best efforts to mitigate the effects of such Force Majeure event, remedy its inability to perform, and resume full performance of its obligations hereunder. No obligation that arose before the Force Majeure event that could and should have been fully performed before such Force Majeure event is excused as a result of such Force Majeure event.

#### **16.5 Float or Slack in the Schedule**

Float or slack is the amount of time between the early start date and the late start date, or the early finish date and the late finish date, of any of the activities in the schedule. Float or slack is not for the exclusive use of or benefit of either the District or Developer, but its use shall be determined solely by the District.

### **17. Changes in the Work**

#### **17.1 No Changes without Prior Authorization**

**17.1.1** There shall be no change whatsoever in the Drawings, Specifications, or in the Work without an executed Change Order or a written Construction Change Directive authorized by the District as herein provided. District shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless the District's governing board has authorized the same and the cost thereof has been approved in writing by Change Order or Construction Change Directive in advance of the changed Work being performed. No extension of time for performance of the Work shall be allowed hereunder unless a request for such extension is made at the time changes in the Work are ordered, and such time duly adjusted and approved in writing in the Change Order or Construction Change Directive. The provisions of the Contract Documents shall

apply to all such changes, additions, and omissions with the same effect as if originally embodied in the Drawings and Specifications.

**17.1.2** Developer shall perform immediately all work that has been authorized by a fully executed Change Order or Construction Change Directive. Developer shall be fully responsible for any and all delays and/or expenses caused by Developer's failure to expeditiously perform this Work.

**17.1.3** Should any Change Order result in an increase in the Guaranteed Maximum Price or extend the Contract Time, the cost of or length of extension in that Change Order shall be agreed to, in writing, by the District in advance of the work by Developer. In the event that Developer proceeds with any change in Work without a Change Order executed by the District or Construction Change Directive, Developer waives any claim of additional compensation or time for that additional work. Under no circumstances shall Developer be entitled to any claim of additional compensation or time not expressly requested by Developer in a Proposed Change Order or approved by District in an executed Change Order.

**17.1.4** A Change Order or Construction Change Directive will become effective when approved by the Board, notwithstanding that Developer has not signed it. A Change Order or Construction Change Directive will become effective without Developer's signature provided District indicates it as a "Unilateral Change Order". Any dispute as to the adjustment in the Guaranteed Maximum Price or Contract Time, if any, of the Unilateral Change Order shall be resolved pursuant to the Payments and Claims Process provisions herein.

**17.1.5** Developer understands, acknowledges, and agrees that the reason for District authorization is so that District may have an opportunity to analyze the Work and decide whether the District shall proceed with the Change Order or alter the Project so that a change in Work becomes unnecessary.

## **17.2 Architect Authority**

The Architect will have authority to order minor changes in the Work not involving any adjustment in the Guaranteed Maximum Price, or an extension of the Contract Time, or a change that is inconsistent with the intent of the Contract Documents. These changes shall be effected by written Change Order, Construction Change Directive, or by Architect's response(s) to RFI(s), or by Architect's Supplemental Instructions ("ASI").

## **17.3 Price Request**

### **17.3.1 Definition of Price Request**

A Price Request is a written request prepared by the Architect requesting the Developer to submit to the District and the Architect an estimate of the effect of a proposed change in the Work on the Contract Price and the Contract Time.

### **17.3.2 Scope of Price Request**

A Price Request shall contain adequate information, including any necessary Drawings and Specifications, to enable Developer to provide the cost breakdowns required herein. The Developer shall not be entitled to any

additional compensation for preparing a response to a Price Request, whether ultimately accepted or not.

#### **17.4 Change Orders**

**17.4.1** A Change Order is a written instrument prepared and issued by the District and/or the Architect and signed by the District (as authorized by the District's Board of Education), Developer, the Architect, and approved by the Project Inspector (if necessary) and DSA (if necessary), stating their agreement regarding all of the following:

**17.4.1.1** A description of a change in the Work.

**17.4.1.2** The amount of the adjustment in the Guaranteed Maximum Price, if any; and

**17.4.1.3** The extent of the adjustment in the Contract Time, if any.

#### **17.5 Proposed Change Order**

##### **17.5.1** Definition of Proposed Change Order

A Proposed Change Order ("PCO") is a written request prepared by the Developer requesting that the District and the Architect issue a Change Order based upon a proposed change to the Work, to the Guaranteed Maximum Price, and/or to the Contract Time.

##### **17.5.2** Changes in Guaranteed Maximum Price

A PCO shall include breakdowns and backup documentation pursuant to the provisions herein and sufficient, in the District's judgment, to validate any change in Guaranteed Maximum Price. In no case shall Developer or any of its Subcontractors be permitted to reserve rights for additional compensation for Change Order Work.

##### **17.5.3** Changes in Time

A PCO shall also include any changes in time required to complete the Project. Any additional time requested shall not be the number of days to make the proposed change but must be based upon the impact to the critical path in the Construction Schedule as defined in the Contract Documents. Developer shall justify the proposed change in time by submittal of a schedule analysis that accurately shows the actual impact, if known, or the estimated impact if unknown, of the change on the critical path of the Construction Schedule ("Time Impact Analysis"). If Developer fails to request a time extension in a PCO, including the Time Impact Analysis, and/or fails to comply with these Construction Provisions including, without limitation, Articles 15, 16, or 17, then Developer is thereafter precluded from requesting, and waives any right to request, an adjustment to the Contract Time or Guaranteed Maximum Price relating to the subject matter of the PCO. In no case shall Developer or any of its Subcontractors be permitted to reserve rights for additional time for Change Order Work. A PCO that leaves the amount of time requested blank, or states that such time requested is "to be determined," or otherwise not specifically identified, is not permitted and shall also constitute a waiver of any right to request additional time and/or claim a delay.



#### **17.5.4 Allowances**

If there is an Allowance, then Developer shall not bill for or be due any portion of an Allowance unless the District has identified specific work, Developer has submitted a price for that work or the District has proposed a price for that work, the District has accepted the cost for that work, and the District has executed an Allowance Expenditure Directive incorporating that work. If Allowance was included in Guaranteed Maximum Price before mark-up ("above the line"), Allowance Expenditure Directives shall be based on Developer's costs, without overhead and profit, for products, delivery, installation, labor, insurance, payroll, taxes, bonding and equipment rental. If Allowance is "below the line," overhead and profit may be included in the Allowance Expenditure Directive. Allowance will only be treated as "below the line" if shown in the Bid Documents and the Bid Documents are escrowed.

Any unused portion of the Allowance will revert to the District documented by a deductive Change Order. Developer authorizes the District to execute a unilateral deductive Change Order at or near the end of the Project for all or any portion of the Allowance not allocated.

Whenever actual costs are more than the Allowance, the amount covered by the Allowance will be approved at cost (i.e., only the amount within the Allowance will be approved for payment). Developer must follow the Change Order procedure to adjust the GMP for amounts in excess of the Allowance.

#### **17.5.5 Unknown and / or Unforeseen Conditions**

Separate from what is provided in the Allowance, if requests an increase in Guaranteed Maximum Price and/or Contract Time that is based at least partially on Developer's assertion that Developer has encountered unknown and/or unforeseen condition(s) on the Project, then Developer shall base the PCO on provable information that, beyond a reasonable doubt and to the District's satisfaction, demonstrates that the unknown and/or unforeseen condition(s) were actually unknown and/or unforeseen and that the condition(s) were reasonably unknown and/or unforeseen. If not, the District shall deny the PCO as unsubstantiated, and the Developer shall complete the Project without any increase in Guaranteed Maximum Price and/or Contract Time based on that PCO.

#### **17.5.6 Time to Submit Proposed Change Order**

Developer shall submit its PCO, using the Proposed Change Order Form, within five (5) working days of the date Developer discovers, or reasonably should have discovered, the circumstances giving rise to the PCO, unless additional time to submit a PCO is granted in writing by the District. Time is of the essence in Developer's submission of PCOs so that the District can promptly investigate the basis for the PCO. Accordingly, if Developer fails to submit its PCO within this timeframe, Developer waives, releases, and discharges any right to assert or claim any entitlement to an adjustment of the Guaranteed Maximum Price and/or Contract Time based on circumstances giving rise to the PCO.

#### **17.5.7 Proposed Change Order Certification**

In submitting a PCO, Developer certifies and affirms that the cost and/or time request is submitted in good faith, that the cost and/or time request is accurate and in accordance with the provisions of the Contract Documents, and Developer submits the cost and/or request for extension of time recognizing the significant civil penalties and treble damages which follow from making a false claim or presenting a false claim under Government Code section 12650 et seq.

It is expressly understood that the value of the extra Work or changes expressly includes any and all of Developer's costs and expenses, direct and indirect, resulting from additional time required on the Project or resulting from delay to the Project including, without limitation, cumulative impacts. Developer is not entitled to separately recover amounts for overhead or other indirect costs. Any costs, expenses, damages, or time extensions not included are deemed waived.

## 17.6 Format for Proposed Change Order

**17.6.1** The following format shall be used as applicable by the District and Developer (e.g., Change Orders, PCOs) to communicate proposed additions and/or deductions to the Contract, supported by attached documentation. Any spaces left blank will be deemed no change to cost or time.

	<b><u>WORK PERFORMED OTHER THAN BY DEVELOPER</u></b>	<b><u>ADD</u></b>	<b><u>DEDUCT</u></b>
(a)	<b><u>Material</u></b> (attach suppliers' invoice or itemized quantity and unit cost plus sales tax)		
(b)	<b><u>Add Labor</u></b> (attach itemized hours and rates, fully Burdened, and specify the hourly rate for each additional labor burden, for example, payroll taxes, fringe benefits, etc.)		
(c)	<b><u>Add Equipment</u></b> (attach suppliers' invoice)		
(d)	<b><u>Subtotal</u></b>		
(e)	<b><u>Add Overhead and Profit for any and all Tiers of Subcontractors</u></b> , the total not to exceed ten percent (10%) of Item (d)		
(f)	<b><u>Subtotal</u></b>		
(g)	<b><u>Add General Conditions Cost</u></b> (if Time is Compensable) (attach supporting documentation)		
(h)	<b><u>Subtotal</u></b>		
(i)	<b><u>Add Overhead and Profit for Developer</u></b> , not to exceed _____ percent (____ %) of Item (h)		
(j)	<b><u>Subtotal</u></b>		
(k)	<b><u>Add Bond and Insurance</u></b> , not to exceed _____ percent (____ %) of Item (j)		
(l)	<b><u>TOTAL</u></b>		
(m)	<b><u>Time</u></b> (zero unless indicated; "TBD" not permitted)	<b>_____ Calendar Days</b>	

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	<b>WORK PERFORMED BY DEVELOPER</b>	<b>ADD</b>	<b>DEDUCT</b>
(a)	<b>Material</b> (attach itemized quantity and unit cost plus sales tax)		
(b)	<b>Add Labor</b> (attach itemized hours and rates, fully Burdened, and specify the hourly rate for each additional labor burden, for example, payroll taxes, fringe benefits, etc.)		
(c)	<b>Add Equipment</b> (attach suppliers' invoice)		
(d)	<b>Add General Conditions Cost</b> (if Time is Compensable) (attach supporting documentation)		
(e)	<b>Subtotal</b>		
(f)	<b>Add Overhead and Profit for Developer</b> , not to exceed _____ percent (____ %) of Item (e)		
(g)	<b>Subtotal</b>		
(h)	<b>Add Bond and Insurance</b> , not to exceed _____ percent (____ %) of Item (g)		
(i)	<b>TOTAL</b>		
(j)	<b>Time</b> (zero unless indicated; "TBD" not permitted)		<b>Calendar Days</b>

#### 17.6.2 Mandatory Use of Forms

Developer shall only submit PCOs by completing the Proposed Change Order Form. Developer acknowledges and agrees that use of this specific and consistent format is essential to District's evaluation of PCOs. Accordingly, Developer waives, releases, and discharges any right to assert or claim any entitlement to an adjustment of the Guaranteed Maximum Price and/or Time for any purported PCO that does not comply with the Proposed Change Order Form.

#### 17.6.3 Labor

Developer shall be compensated for the costs of labor actually and directly utilized in the performance of the Work. Such labor costs shall be the actual cost, use of any formulas (e.g., labor factors) is not allowed, not to exceed prevailing wage rates established by the bid advertisement date or when the Contract was awarded, whichever is applicable, in the locality of the Site and shall be in the labor classification(s) necessary for the performance of the Work, fully Burdened. Labor costs shall exclude costs incurred by the Developer in preparing estimate(s) of the costs of the change in the Work, in the maintenance of records relating to the costs of the change in the Work, coordination and assembly of materials and information relating to the change in the Work or performance thereof, or the supervision and other overhead and general conditions costs associated with the change in the Work or performance thereof, including but not limited to the cost for the job superintendent. If applicable, District will pay Developer the reasonable costs for room and board, supported with appropriate backup documentation, without markup for profit or overhead as provided by U.S. General Services Administration per diem rates for California lodging, meals and incidentals, <https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookup>.

#### **17.6.4 Materials**

Developer shall be compensated for the costs of materials necessarily and actually used or consumed in connection with the performance of the change in the Work. Costs of materials may include reasonable costs of transportation from a source closest to the Site of the Work and delivery to the Site. If discounts by material suppliers are available for materials necessarily used in the performance of the change in the Work, they shall be credited to the District. If materials necessarily used in the performance of the change in the Work are obtained from a supplier or source owned in whole or in part by Developer, compensation therefor shall not exceed the current wholesale price for such materials. If, in the reasonable opinion of the District, the costs asserted by Developer for materials in connection with any change in the Work are excessive, or if Developer fails to provide satisfactory evidence of the actual costs of such materials from its supplier or vendor of the same, the costs of such materials and the District's obligation to pay for the same shall be limited to the then lowest wholesale price at which similar materials are available in the quantities required to perform the change in the Work. The District may elect to furnish materials for the change in the Work, in which event Developer shall not be compensated for the costs of furnishing such materials or any mark-up thereon.

#### **17.6.5 Equipment**

As a precondition to the District's duty to pay for Equipment rental or loading and transportation, Developer shall provide satisfactory evidence of the actual costs of Equipment from the supplier, vendor or rental agency of same. Developer shall be compensated for the actual cost of the necessary and direct use of Equipment in the performance of the change in the Work. Use of Equipment in the performance of the change in the Work shall be compensated in increments of fifteen (15) minutes. Rental time for Equipment moved by its own power shall include time required to move the Equipment to the site of the Work from the nearest available rental source of the same. If Equipment is not moved to the Site by its own power, Developer will be compensated for the loading and transportation costs in lieu of rental time. The foregoing notwithstanding, neither moving time or loading and transportation time shall be allowed if the Equipment is used for performance of any portion of the Work other than the change in the Work. Unless prior approval in writing is obtained by Developer from the Architect, the Project Inspector, the Construction Manager and the District, no costs or compensation shall be allowed for time while Construction Equipment is inoperative, idle or on standby, for any reason. Developer shall not be entitled to an allowance or any other compensation for Equipment or tools used in the performance of a change in the Work where the Equipment or tools have a replacement value of \$500.00 or less. Equipment costs claimed by Developer in connection with the performance of any Work shall not exceed rental rates established by distributors or construction equipment rental agencies in the locality of the Site; any costs asserted which exceed such rental rates shall not be allowed or paid. Unless otherwise specifically approved in writing by the Architect, the Project Inspector, Construction Manager and the District, the allowable rate for the use of Equipment in connection with the Work shall constitute full compensation to Developer for the cost of rental, fuel, power, oil, lubrication, supplies, necessary attachments, repairs or maintenance of any kind, depreciation, storage,

insurance, labor (exclusive of labor costs of the Equipment operator), and any and all other costs incurred by Developer incidental to the use of the Equipment.

**17.6.6 General Conditions Cost.**

The phrase "General Conditions Cost" shall mean, other than expressly limited or excluded herein, the costs of Developer during the construction phase, including but not limited to: payroll costs for project manager for Work conducted at the Site, payroll costs for the superintendent and full-time general foremen, workers not included as direct labor costs engaged in support functions (e.g., loading/unloading, clean-up), costs of offices and temporary facilities including office materials, office supplies, office equipment, minor expenses, utilities, fuel, sanitary facilities and telephone services at the Site, costs of consultants not in the direct employ of Developer or Subcontractors, and fees for permits and licenses.

**17.6.7 Overhead and Profit.**

The phrase "Overhead and Profit" shall include field and office supervisors and assistants, watchperson, use of small tools, consumable, insurance other than construction bonds and insurance required herein, and general conditions, field and home office expenses.

**17.7 Change Order Certification**

**17.7.1** All Change Orders and PCOs must include the following certification by Developer, either in the form specifically or incorporated by this reference:

The undersigned Developer approves the foregoing as to the changes, if any, and to the Guaranteed Maximum Price specified for each item and as to the extension of time allowed, if any, for completion of the entire Work as stated herein, and agrees to furnish all labor, materials, and service, and perform all work necessary to complete any additional work specified for the consideration stated herein. Submission of sums which have no basis in fact or which Developer knows are false are at the sole risk of Developer and may be a violation of the False Claims Act set forth under Government Code section 12650 et seq. and U.S. Criminal Code, 18 U.S.C. § 1001. It is understood that the changes herein to the Contract Documents shall only be effective when approved by the governing board of the District.

It is expressly understood that the value of the extra Work or changes expressly includes any and all of Developer's costs and expenses, both direct and indirect, resulting from additional time required on the Project or resulting from delay to the Project, including, without limitation, cumulative impacts. Developer is not entitled to separately recover amounts for overhead or other indirect costs. Any costs, expenses, damages, or time extensions not included are deemed waived.

**17.7.2** Accord and Satisfaction: Developer's execution of any Change Order shall constitute a full accord and satisfaction, and release, of all Developer (and if applicable, Subcontractor) claims for additional time, money or other relief arising from or relating to the subject matter of the change including, without

limitation, impacts of all types, cumulative impacts, inefficiency, overtime, delay and any other type of claim.

**17.7.3 Mandatory Use of Forms:** Developer shall only submit Change Orders by completing the Change Order Form. Developer acknowledges and agrees that use of this specific and consistent format is essential to District's processing of Change Orders. Accordingly, Developer waives, releases, and discharges any right to assert or claim any entitlement to an adjustment of the Guaranteed Maximum Price and/or Time for any change that does not comply with the Change Order Form.

## **17.8 Determination of Change Order Cost**

**17.8.1** The amount of the increase or decrease in the Guaranteed Maximum Price from a Change Order, if any, shall be determined in one or more of the following ways as applicable to a specific situation and at the District's discretion:

**17.8.1.1** District acceptance of a COR or PCO.

**17.8.1.2** By amounts contained in Developer's schedule of values, if applicable.

**17.8.1.3** By agreement between District and Developer.

**17.8.2** Mark-up for overhead and profit and bonds and insurance shall be based on the net increase or decrease to the Guaranteed Maximum Price; Developer shall not split Change Orders to artificially increase markup and/or decrease credit.

## **17.9 Deductive Change Orders**

All deductive Change Order(s) must be prepared pursuant to the provisions herein. Where a portion of the Work is deleted from the Contract, the reasonable value of the deleted work less the value of any new work performed shall be considered the appropriate deduction. The value submitted on the Schedule of Values shall be used to calculate the credit amount unless the bid documentation is being held in escrow as part of the Contract Documents. Unit Prices, if any, may be used in District's discretion in calculating reasonable value. If Developer offers a proposed amount for a deductive Change Order(s) for work performed, Developer shall include a credit for total profit and overhead less proof of expended costs related to the deleted work with the Change Order(s). If Subcontractor work is involved, Subcontractors shall also include a credit for total profit and overhead less proof of expended costs related to the deleted work with the Change Order(s). Any deviation from this provision shall not be allowed.

## **17.10 Addition or Deletion of Alternate Bid Item(s)**

If Developer's Proposal includes proposal(s) for Alternate Bid Item(s), during Developer's performance of the Work, the District may elect to add or delete any such Alternate Bid Item(s) if not included in the Contract at the time the Guaranteed Maximum Price is agreed upon. If the District elects to add or delete Alternate Bid Item(s) after Contract award, the cost or credit for such Alternate Bid Item(s) shall be as set forth in the Proposal unless the parties agree to a different price and the Contract Time shall be adjusted by the number of days allocated in the Contract Documents. If

days are not allocated in the Contract Documents, the Contract Time shall be equitably adjusted.

#### **17.11 Discounts, Rebates, and Refunds**

For purposes of determining the cost, if any, of any change, addition, or omission to the Work hereunder, all trade discounts, rebates, refunds, and all returns from the sale of surplus materials and equipment shall accrue and be credited to Developer, Developer shall make provisions so that such discounts, rebates, refunds, and returns may be secured, and the amount thereof shall be allowed as a reduction of Developer's cost in determining the actual cost of construction for purposes of any change, addition, or omission in the Work as provided herein.

#### **17.12 Construction Change Directives**

**17.12.1** A Construction Change Directive is a written order prepared and issued by the District, the Construction Manager, and/or the Architect and signed by the District and the Architect, directing a change in the Work. The District may, as provided by law, by Construction Change Directive and without invalidating the Contract, order changes in the Work consisting of additions, deletions, or other revisions. The adjustment to the Guaranteed Maximum Price or Contract Time, if any, is subject to the provision of this section regarding Changes in the Work. If all or a portion of the Project is being funded by funds requiring approval by the State Allocation Board ("SAB"), these revisions may be subject to compensation once approval of same is received and funded by the SAB, and funds are released by the Office of Public School Construction ("OPSC"). Any dispute as to the adjustment of the Guaranteed Maximum Price, if any, of the Construction Change Directive or timing of payment shall be resolved pursuant to the Payments and Claims Process provisions herein.

**17.12.2** The District may issue a Construction Change Directive in the absence of agreement on the terms of a Change Order.

#### **17.13 Force Account Directives**

**17.13.1** When work, for which a definite price has not been agreed upon in advance, is to be paid for on a force account basis, all direct costs necessarily incurred and paid by Developer for labor, material, and equipment used in the performance of that Work, shall be subject to the approval of the District and compensation will be determined as set forth herein.

**17.13.2** District will issue a Force Account Directive to proceed with the Work on a force account basis, and a not-to-exceed budget will be established by the District.

**17.13.3** All requirements regarding direct cost for labor, labor burden, material, equipment, and markups on direct costs for overhead and profit described in this section shall apply to Force Account Directives. However, the District will only pay for actual costs verified in the field by the District or its authorized representative(s) on a daily basis.

**17.13.4** Developer shall be responsible for all costs related to the administration of Force Account Directives. The markup for overhead and profit for Developer modifications shall be full compensation to Developer to

administer Force Account Directives, and Developer shall not be entitled to separately recover additional amounts for overhead and/or profit.

**17.13.5** Developer shall notify the District or its authorized representative(s) at least twenty-four (24) hours prior to proceeding with any of the force account work. Furthermore, Developer shall notify the District when it has consumed eighty percent (80%) of the budget and shall not exceed the budget unless specifically authorized in writing by the District. Developer will not be compensated for force account work in the event that Developer fails to timely notify the District regarding the commencement of force account work or exceeding the force account budget.

**17.13.6** Developer shall diligently proceed with the work, and on a daily basis, submit a daily force account report using the Daily Force Account Report form no later than 5:00 p.m. each day. The report shall contain a detailed itemization of the daily labor, material, and equipment used on the force account work only. The names of the individuals performing the force account work shall be included on the daily force account reports. The type and model of equipment shall be identified and listed. The IOR or District representative will review the information contained in the reports, and sign the reports no later than the next work day, and return a copy of the report to Developer for its records. The District will not sign, nor will Developer receive compensation for, work the District cannot verify. Developer will provide a weekly force account summary indicating the status of each Force Account Directive in terms of percent complete of the not-to-exceed budget and the estimated percent complete of the work

**17.13.7** In the event Developer and the District reach a written agreement on a set cost for the work while the work is proceeding based on a Force Account Directive, Developer's signed daily force account reports shall be discontinued and all previously signed reports shall be invalid.

#### **17.14 Accounting Records**

With respect to portions of the Work performed by Change Orders and Construction Change Directives, Developer shall keep and maintain cost-accounting records satisfactory to the District, including, without limitation, Job Cost Reports as provided in these General Conditions, which shall be available to the District on the same terms as any other books and records Developer is required to maintain under the Contract Documents. Such records shall include without limitation hourly records for Labor and Equipment and itemized records of materials and Equipment used that day in connection with the performance of any Work. All records maintained hereunder shall be subject to inspection, review and/or reproduction by the District, the Construction Manager and the Architect or the Project Inspector upon request. In the event that Developer fails or refuses, for any reason, to maintain or make available for inspection, review and/or reproduction such records, the District's determination of the extent of adjustment to the Guaranteed Maximum Price shall be final, conclusive, dispositive and binding upon Developer.

#### **17.15 Notice Required**

If Developer desires to make a claim for an increase in the Guaranteed Maximum Price, or any extension in the Contract Time for completion, it shall notify the District pursuant to the provisions herein, including the Article on Claims Process. No claim



shall be considered unless made in accordance with this subparagraph. Developer shall proceed to execute the Work even though the adjustment may not have been agreed upon. Any change in the Guaranteed Maximum Price or extension of the Contract Time resulting from such claim shall be authorized by a Change Order.

#### **17.16 Applicability to Subcontractors**

Any requirements under this Article shall be equally applicable to Change Orders or Construction Change Directives issued to Subcontractors by Developer to the extent required by the Contract Documents.

#### **17.17 Alteration to Change Order Language**

Developer shall not alter Change Orders or reserve time in Change Orders. Change Orders altered in violation of this provision, if in conflict with the terms set forth herein, shall be construed in accordance with the terms set forth herein. Developer shall execute finalized Change Orders and proceed under the provisions herein with proper notice.

#### **17.18 Failure of Developer to Execute Change Order**

Developer shall be in default of the Contract Documents if Developer fails to execute a Change Order when Developer agrees with the addition and/or deletion of the Work in that Change Order.

### **18. Requests For Information**

**18.1** Any Request for Information shall reference all applicable Contract Document(s), including Specification section(s), detail(s), page number(s), drawing number(s), and sheet number(s), etc. Developer shall make suggestions and interpretations of the issue raised by each Request for Information. A Request for Information cannot modify the Guaranteed Maximum Price, Contract Time, or the Contract Documents.

**18.2** Developer may be responsible for any costs incurred for professional services that District may deduct from any amounts owing to Developer, if a Request for Information requests an interpretation or decision of a matter where the information sought is equally available to the party making the request. District may deduct from and/or invoice Developer for professional services arising therefrom.

### **19. Payments**

#### **19.1 Guaranteed Maximum Price**

As compensation for Developer's construction of the Project, the District shall pay Developer pursuant to the terms of **Exhibit C** to the Facilities Lease. This is the total amount payable by the District to Developer for performance of the Work under the Contract.

#### **19.2 Applications for Tenant Improvement Payments**

##### **19.2.1 Procedure for Applications for Tenant Improvement Payments**

**19.2.1.1** Not before the fifth (5th) day of each calendar month during the progress of the Work, Developer shall submit to the District and the

Architect an itemized Application for Payment for operations completed in accordance with the Schedule of Values. Such application shall be on a form approved by the District and shall be notarized, if required by the District, and supported by the following or each portion thereof unless waived by the District in writing:

**19.2.1.1.1** The amount paid to the date of the Application for Payment to Developer, to all its Subcontractors, and all others furnishing labor, material, or equipment under the Contract Documents.

**19.2.1.1.2** The amount being requested under the Application for Payment by Developer on its own behalf and separately stating the amount requested on behalf of each of the Subcontractors and all others furnishing labor, material, and equipment under the Contract Documents.

**19.2.1.1.3** The balance that will be due to each of such entities after said payment is made.

**19.2.1.1.4** A certification that the As-Built Drawings and annotated Specifications are current.

**19.2.1.1.5** Itemized breakdown of work done for the purpose of requesting partial payment.

**19.2.1.1.6** An updated and acceptable construction schedule in conformance with the provisions herein.

**19.2.1.1.7** The additions to and subtractions from the Guaranteed Maximum Price and Contract Time.

**19.2.1.1.8** A total of the retentions held.

**19.2.1.1.9** Material invoices, evidence of equipment purchases, rentals, and other support and details of cost as the District may require from time to time.

**19.2.1.1.10** The percentage of completion of Developer's Work by line item.

**19.2.1.1.11** Schedule of Values updated from the preceding Application for Payment.

**19.2.1.1.12** A duly completed and executed conditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8132 from Developer and each subcontractor of any tier and supplier to be paid from the current Tenant Improvement Payment.

**19.2.1.1.13** A duly completed and executed unconditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8134 from Developer and each subcontractor of any tier and supplier that was paid from the

previous Tenant Improvement Payment submitted 60 days prior;  
and

**19.2.1.1.14** A certification by Developer of the following:

Developer warrants title to all Work performed as of the date of this payment application and that all such Work has been completed in accordance with the Contract Documents for the Project. Developer further warrants that all Work performed as of the date of this payment application is free and clear of liens, claims, security interests, or encumbrances in favor of Developer, Subcontractors, material and equipment suppliers, workers, or other persons or entities making a claim by reason of having provided labor, materials, and equipment relating to the Work, except those of which the District has been informed. Submission of sums which have no basis in fact or which Developer knows are false are at the sole risk of Developer and may be a violation of the False Claims Act set forth under Government Code section 12650 et seq.

**19.2.1.1.15** Developer shall be subject to the False Claims Act set forth in Government Code section 12650 et seq. for information provided with any Application for Tenant Improvement Payments.

**19.2.1.1.16** All remaining certified payroll records ("CPR(s)") for each journeyman, apprentice, worker, or other employee employed by Developer and/or each Subcontractor in connection with the Work for the period of the Application for Payment. As indicated herein, the District shall not make any payment to Developer until:

**19.2.1.1.16.1** Developer and/or its Subcontractor(s) provide electronic CPRs directly to the DIR on no less than every 30 days while Work is being performed and within 30 days after the final day of Work performed on the Project for any journeyman, apprentice, worker or other employee was employed in connection with the Work, or within ten (10) days of any request by the District or the DIR to the requesting entity; and

**19.2.1.1.16.2** Any delay in Developer and/or its Subcontractor(s) providing CPRs in a timely manner may directly delay Developer's payment.

**19.2.1.1.17** Applications received after June 20th will not be paid until the second week of July and applications received after December 12th will not be paid until the first week of January.

**19.2.2** Prerequisites for Tenant Improvement Payments

**19.2.2.1** First Payment Request

The following items, if applicable, must be completed before the District will accept and/or process Developer's first payment request:

**19.2.2.1.1** Installation of the Project sign.

**19.2.2.1.2** Installation of field office.

**19.2.2.1.3** Installation of temporary facilities and fencing.

**19.2.2.1.4** Schedule of Values.

**19.2.2.1.5** Developer's Preliminary Construction Schedule for the first ninety (90) days.

**19.2.2.1.6** Schedule of unit prices, if applicable.

**19.2.2.1.7** Submittal Schedule.

**19.2.2.1.8** Receipt by Architect of all submittals due as of the date of the payment application.

**19.2.2.1.9** List of Subcontractors, with names, license numbers, telephone numbers, and Scope of Work.

**19.2.2.1.10** All bonds and insurance endorsements; and

**19.2.2.1.11** Resumes of Developer's project manager, and if applicable, job site secretary, record documents recorder, and job site superintendent.

### **19.2.3** Subsequent Payment Requests

The District will not process subsequent payment requests until and unless submittals and Shop Drawings necessary to maintain the Project schedule have been submitted to the Architect.

### **19.2.4** No Waiver of Criteria

Any payments made to Developer where criteria set forth herein have not been met shall not constitute a waiver of said criteria by District. Instead, such payment shall be construed as a good faith effort by District to resolve differences so Developer may pay its Subcontractors and suppliers. Developer agrees that failure to submit such items may constitute a breach of contract by Developer and may subject Developer to termination.

## **19.3** District's Approval of Application for Payment

**19.3.1** Upon receipt of an Application for Payment, The District shall act in accordance with both of the following:

**19.3.1.1** Each Application for Payment shall be reviewed by the District as soon as practicable after receipt for the purpose of determining that the Application for Payment is a proper Application for Payment.

**19.3.1.2** Any Application for Payment determined not to be a proper Application for Payment suitable for payment shall be returned to Developer as soon as practicable, but not later than seven (7) days, after receipt. An Application for Payment returned pursuant to this paragraph shall be accompanied by a document setting forth in writing

the reasons why the Application for Payment is not proper. The number of days available to the District to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which the District exceeds this seven-day return requirement.

**19.3.2** An Application for Payment shall be considered properly executed if funds are available for payment of the Application for Payment, and payment is not delayed due to an audit inquiry by the financial officer of the District.

**19.3.3** District's review of the Developer's Application for Payment will be based on the District's and the Architect's observations at the Site and the data comprising the Application for Payment that the Work has progressed to the point indicated and that, to the best of the District's and the Architect's knowledge, information, and belief, the quality of the Work is in accordance with the Contract Documents. The foregoing representations are subject to:

**19.3.3.1** Observation of the Work for general conformance with the Contract Documents.

**19.3.3.2** Results of subsequent tests and inspections.

**19.3.3.3** Minor deviations from the Contract Documents correctable prior to completion; and

**19.3.3.4** Specific qualifications expressed by the Architect.

**19.3.4** District's approval of the certified Application for Payment shall be based on Developer complying with all requirements for a fully complete and valid certified Application for Payment.

**19.3.5** Payments to Developer

**19.3.5.1** Within thirty (30) days after approval of the Application for Payment, Developer shall be paid a sum equal to ninety-five percent (95%), of the value of the Tenant Improvement Payment (as verified by Architect and Inspector and certified by Developer) up to the last day of the previous month, less the aggregate of previous payments and amount to be withheld. The value of the Work completed shall be Developer's best estimate. No inaccuracy or error in said estimate shall operate to release Developer, or any Surety upon any bond, from damages arising from such Work, or from the District's right to enforce each and every provision of the Contract Documents, and the District shall have the right subsequently to correct any error made in any estimate for payment.

**19.3.5.2** Developer may not be entitled to have payment requests processed or may be entitled to have only partial payment made for Work performed, so long as any direction given by the District concerning the Work, or any portion thereof, remains incomplete.

**19.3.6** No Waiver

No payment by District hereunder shall be interpreted so as to imply that District has inspected, approved, or accepted any part of the Work. Notwithstanding any payment, the District may enforce each and every

provision of this Contract. The District may correct or require correction of any error subsequent to any payment

#### **19.3.7 Warranty of Title**

**19.3.7.1** If a lien or a claim based on a stop payment notice of any nature should at any time be filed against the Work or any District property, by any entity that has supplied material or services at the request of Developer, Developer and Developer's Surety shall promptly, on demand by District and at Developer's and Surety's own expense, take any and all action necessary to cause any such lien or a claim based on a stop payment notice to be released or discharged immediately therefrom.

**19.3.7.2** If Developer fails to furnish to the District within ten (10) calendar days after demand by the District satisfactory evidence that a lien or a claim based on a stop payment notice has been released, discharged, or secured, the District may discharge such indebtedness and deduct the amount required therefor, together with any and all losses, costs, damages, and attorney's fees and expenses incurred or suffered by District from any sum payable to Developer under the Contract.

#### **19.4 Decisions to Withhold Payment**

##### **19.4.1 Reasons to Withhold Payment**

The District shall withhold payment in whole, or in part, as required by statute. In addition, the District may withhold payment in whole, or in part, to the extent reasonably necessary to protect the District if, in the District's opinion, the representations to the District required herein cannot be made. Payment, in whole, or in part, will be withheld based on the need to protect the District from loss because of, but not limited to, any of the following:

**19.4.1.1** Defective Work not remedied within FORTY-EIGHT (48) hours of written notice to Developer.

**19.4.1.2** Stop Payment Notices or other liens served upon the District as a result of the Contract.

**19.4.1.3** Failure to comply with the requirements of Public Contract Code section 2600 et seq. ("Skilled and Trained Workforce Requirements").

**19.4.1.4** Liquidated damages assessed against Developer.

**19.4.1.5** Reasonable doubt that the Work can be completed for the unpaid balance of the Guaranteed Maximum Price or by the Contract Time.

**19.4.1.6** Damage to the District or other contractor(s).

**19.4.1.7** Unsatisfactory prosecution of the Work by Developer.

**19.4.1.8** Failure to store and properly secure materials.

**19.4.1.9** Failure of Developer to submit, on a timely basis, proper, sufficient, and acceptable documentation required by the Contract Documents, including, without limitation, a Construction Schedule, Schedule of Submittals, Schedule of Values, Monthly Progress Schedules, Shop Drawings, Product Data and samples, Proposed product lists, executed Change Orders, and/or verified reports.

**19.4.1.10** Failure of Developer to maintain As-Built Drawings.

**19.4.1.11** Erroneous estimates by Developer of the value of the Work performed, or other false statements in an Application for Payment.

**19.4.1.12** Unauthorized deviations from the Contract Documents.

**19.4.1.13** Failure of Developer to prosecute the Work in a timely manner in compliance with the Construction Schedule, established progress schedules, and/or completion dates.

**19.4.1.14** Failure to provide acceptable electronic certified payroll records, as required by the Labor Code, by these Contract Documents or by written request for each journeyman, apprentice, worker, or other employee employed by Developer and/or by each Subcontractor in connection with the Work for the period of the Application for Payment or if payroll records are delinquent or inadequate.

**19.4.1.15** Failure to properly pay prevailing wages as required in Labor Code section 1720 et seq., failure to comply with any other Labor Code requirements, and/or failure to comply with labor compliance monitoring and enforcement by the DIR.

**19.4.1.16** Allowing an unregistered subcontractor, as described in Labor Code section 1725.5, to engage in the performance of any work under this Contract.

**19.4.1.17** Failure to comply with any, if applicable federal requirements regarding minimum wages, withholding, payrolls and basic records, apprentice and trainee employment requirements, equal employment opportunity requirements, Copeland Act requirements, Davis-Bacon Act and related requirements, Contract Work Hours and Safety Standards Act requirements.

**19.4.1.18** Failure to properly maintain or clean up the Site.

**19.4.1.19** Failure to timely indemnify, defend, or hold harmless the District.

**19.4.1.20** Failure to perform any implementation and/or monitoring required by the General Permit, including without limitation any SWPPP for the Project and/or the imposition of any penalties or fines therefore whether imposed on the District or Developer.

**19.4.1.21** Any payments due to the District, including but not limited to payments for failed tests, utilities changes, or permits.

**19.4.1.22** Failure to pay any royalty, license or similar fees.

**19.4.1.23** Failure to pay Subcontractor(s) or supplier(s) as required by law and Developer's subcontract agreement and by the Contract Documents; and

**19.4.1.24** Developer is otherwise in breach, default, or in substantial violation of any provision of the Contract Documents.

#### **19.4.2 Reallocation of Withheld Amounts**

**19.4.2.1** After prior written notice to Developer with details regarding the District's proposed application of withheld amounts, District may, in its discretion, apply any withheld amount to pay outstanding claims or obligations as defined herein. In so doing, District shall make such payments on behalf of Developer. If any payment is so made by District, then that amount shall be considered a payment made under the Contract Documents by District to Developer and District shall not be liable to Developer for any payment made in good faith. These payments may be made without prior judicial determination of claim or obligation. District will render Developer an accounting of funds disbursed on behalf of Developer.

**19.4.2.2** If Developer defaults or neglects to carry out the Work in accordance with the Contract Documents or fails to perform any provision thereof, District may, after FORTY-EIGHT (48) hours' written notice to Developer and opportunity to commence and pursue cure of default, and, without prejudice to any other remedy, make good such deficiencies. The District shall adjust the total Guaranteed Maximum Price by reducing the amount thereof by the cost of making good such deficiencies. If District deems it inexpedient to correct Work that is damaged, defective, or not done in accordance with the provisions of the Contract Documents, an equitable reduction in the Guaranteed Maximum Price (up to one hundred fifty percent (150%) of the estimated reasonable value of the nonconforming Work) shall be made therefor.

#### **19.4.3 Payment After Cure**

When Developer removes the grounds for declining approval, payment shall be made for amounts withheld because of them. No interest shall be paid on any retainage or amounts withheld due to the failure of Developer to perform in accordance with the terms and conditions of the Contract Documents.

### **19.5 Subcontractor Payments**

#### **19.5.1 Payments to Subcontractors**

No later than seven (7) days after receipt of any Tenant Improvement Payment, or pursuant to Business and Professions Code section 7108.5 and Public Contract Code section 7107, Developer shall pay to each Subcontractor, out of the amount paid to Developer on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled. Developer shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to its Sub-subcontractors in a similar manner.

#### **19.5.2 No Obligation of District for Subcontractor Payment**



The District shall have no obligation to pay, or to see to the payment of, money to a Subcontractor except as may otherwise be required by law.

### **19.5.3 Joint Checks**

District shall have the right in its sole discretion, if necessary for the protection of the District, to issue joint checks made payable to Developer and Subcontractors and/or material or equipment suppliers. The joint check payees shall be responsible for the allocation and disbursement of funds included as part of any such joint payment. In no event shall any joint check payment be construed to create any contract between the District and a Subcontractor of any tier, or a material or equipment supplier, or any obligation from the District to such Subcontractor or a material or equipment supplier or rights in such Subcontractor against the District.

## **20. Completion of the Work**

### **20.1 Completion**

**20.1.1** District will accept completion of Project and have the Notice of Completion recorded when the entire Work shall have been completed to the satisfaction of District.

**20.1.2** The Work may only be accepted as complete by action of the governing board of the District.

**20.1.3** District, at its sole option, may accept completion of Project and have the Notice of Completion recorded when the entire Work shall have been completed to the satisfaction of District, except for minor corrective items, as distinguished from incomplete items. If Developer fails to complete all minor corrective items within fifteen (15) days after the date of the District's acceptance of completion, District shall withhold from the final payment one hundred fifty percent (150%) of an estimate of the amount sufficient to complete the corrective items, as reasonably determined by District, until the item(s) are completed.

**20.1.4** At the end of the fifteen (15) day period, if there are any items remaining to be corrected, District may elect to proceed as provided herein related to adjustments to Guaranteed Maximum Price, and/or District's right to perform the Work of Developer.

### **20.2 Close-Out/Certification Procedures**

#### **20.2.1 Punch List**

Developer shall notify the Architect when Developer considers the Work complete. Upon notification, Architect will prepare a list of minor items to be completed or corrected ("Punch List"). Developer and/or its Subcontractors shall proceed promptly to complete and correct items on the Punch List. Failure to include an item on Punch List does not alter the responsibility of Developer to complete all Work in accordance with the Contract Documents.

#### **20.2.2 Close-Out/Certification Requirements**

##### **20.2.2.1 Utility Connections**

Buildings shall be connected to water, gas, sewer, electric, phone, and internet services, complete and ready for use. Service connections shall be made and existing services reconnected.

**20.2.2.2 As-Built/Record Drawings and Record Specifications**

**20.2.2.2.1** Developer shall provide exact “as-built” drawings of the Work upon completion of the Project as indicated in the Contract Documents, including but not limited to the Specifications (“As-Built Drawings”) as a condition precedent to approval of final payment. Developer shall legibly mark each item to record actual construction, including:

**20.2.2.2.1.1** Measured depths of foundation in relation to finish floor datum

**20.2.2.2.1.2** Measured horizontal and vertical locations of underground utilities and appurtenances, referenced to permit surface improvements

**20.2.2.2.1.3** Measured locations of internal utilities and appurtenances concealed in construction, referenced to visible and accessible features of the Work

**20.2.2.2.1.4** Field changes of dimension and detail

**20.2.2.2.1.5** Details not on original Contract Drawings

**20.2.2.2.1.6** Changes made by modification(s)

**20.2.2.2.1.7** References to related Shop Drawings and modifications.

**20.2.2.2.2** Developer is liable and responsible for any and all inaccuracies in the As-Built Drawings, even if inaccuracies become evident at a future date.

**20.2.2.2.3** Upon completion of the Work and as a condition precedent to approval of final payment, Developer shall obtain the Inspector’s approval of the corrected prints and deliver the same to Architect in a form acceptable to the Architect as part of closeout.

**20.2.2.3 Construction Storm Water Permit, if applicable**

Developer shall submit to District all electric and hard copy records required by the Construction Storm Water Permit, if applicable, within seven (7) days of Completion of the Project.

**20.2.3 Spare Parts and Maintenance Manuals**

**20.2.3.1** Developer shall provide products, spare parts, maintenance, and extra materials in quantities specified in the Specifications and in Manufacturer's recommendations.

**20.2.3.2** Developer shall provide District with all required Operation and Maintenance Data at one time. Partial or piecemeal submissions of Operation and Maintenance Data will not be accepted.

**20.2.4 Instruction of District Personnel**

**20.2.4.1** Before final inspection, at agreed upon times, Developer shall instruct District's designated personnel in operation, adjustment, and maintenance of products, equipment, and systems.

**20.2.4.2** For equipment requiring seasonal operation, Developer shall perform instructions for other seasons within six months or by the change of season.

**20.2.4.3** Developer shall use operation and maintenance manuals as basis for instruction. Developer shall review contents of manual with personnel in detail to explain all aspects of operation and maintenance.

**20.2.4.4** Developer shall prepare and insert additional data in Operation and Maintenance Manual when the need for such data becomes apparent during instruction.

**20.2.5 Source Programming**

Developer shall provide all source programming for all items in the Project.

**20.2.6 Verified Reports**

Developer shall completely and accurately fill out and file forms DSA 6-C or DSA 152 (or most current version applicable at the time the Work is performed), as appropriate. Refer to section 4-336 and section 4-343 of Part 1, Title 24 of the California Code of Regulations.

**20.3 Final Inspection**

**20.3.1** Developer shall comply with Punch List procedures as provided herein and maintain the presence of its District-approved project superintendent and project manager until the Punch List is complete to ensure proper and timely completion of the Punch List. Under no circumstances shall Developer demobilize its forces prior to completion of the Punch List without District's prior written approval. Upon receipt of Developer's written notice that all of the Punch List items have been fully completed and the Work is ready for final inspection and District acceptance, Architect and Project Inspector will inspect the Work and shall submit to Developer and District a final inspection report noting the Work, if any, required in order to complete in accordance with the Contract Documents. Absent unusual circumstances, this report shall consist of the Punch List items not yet satisfactorily completed.

**20.3.2** Upon Developer's completion of all items on the Punch List and any other uncompleted portions of the Work, Developer shall notify the District and

Architect, who shall again inspect such Work. If the Architect finds the Work complete and acceptable under the Contract Documents, the Architect will notify Developer, who shall then jointly submit to the Architect and the District its final Application for Payment.

### **20.3.3 Final Inspection Requirements**

**20.3.3.1** Before calling for final inspection, Developer shall determine that the following have been performed:

**20.3.3.1.1** The Work has been completed.

**20.3.3.1.2** All life safety items are completed and in working order.

**20.3.3.1.3** Mechanical and electrical Work, including, without limitation, security system, data, fire alarm, are complete and tested, fixtures are in place, connected, and ready for tryout.

**20.3.3.1.4** Electrical circuits scheduled in panels and disconnect switches labeled.

**20.3.3.1.5** Replace filters of operating equipment.

**20.3.3.1.6** Painting and special finishes complete.

**20.3.3.1.7** Doors complete with hardware, cleaned of protective film, relieved of sticking or binding, and in working order.

**20.3.3.1.8** Tops and bottoms of doors sealed.

**20.3.3.1.9** Floors waxed and polished as specified.

**20.3.3.1.10** Carpeted and soft surfaces vacuumed.

**20.3.3.1.11** Broken glass replaced and interior and exterior glass and all surfaces exposed to view cleaned.

**20.3.3.1.12** Equipment and fixtures cleaned to a sanitary condition.

**20.3.3.1.13** Grounds cleared of Developer's equipment, raked clean of debris, and remove waste and surplus materials, rubbish, and construction facilities from the Site and surrounding areas.

**20.3.3.1.14** Site cleaned, paved areas swept, and clean landscaped surfaces raked.

**20.3.3.1.15** Roofs, gutters, down spouts, and drainage systems cleaned of debris.

**20.3.3.1.16** Work cleaned, free of stains, scratches, and other foreign matter, damaged and broken material replaced.

**20.3.3.1.17** Temporary labels, tape, stains, and foreign substances removed, transparent and glossy surfaces polished,

**20.3.3.1.18** Finished and decorative work shall have marks, dirt, and superfluous labels removed.

**20.3.3.1.19** Final cleanup, as provided herein.

## **20.4 Costs of Multiple Inspections**

More than two (2) requests of the District to make a final inspection shall be considered an additional service of District, Architect, Construction Manager, and/or Project Inspector, and all subsequent costs will be invoiced to Developer and if funds are available, withheld from remaining payments.

## **20.5 Partial Occupancy or Use Prior to Completion**

### **20.5.1 District's Rights to Occupancy**

The District may occupy or use any completed or partially completed portion of the Work at any stage, and such occupancy shall not constitute the District's Final Acceptance of any part of the Work. Neither the District's Final Acceptance, the making of Final Payment, any provision in Contract Documents, nor the use or occupancy of the Work, in whole or in part, by District shall constitute acceptance of Work not in accordance with the Contract Documents nor relieve Developer or Developer's Performance Bond Surety from liability with respect to any warranties or responsibility for faulty or defective Work or materials, equipment and workmanship incorporated therein. The District and Developer shall agree in writing to the responsibilities assigned to each of them for payments, security, maintenance, heat, utilities, damage to the Work, insurance, the period for correction of the Work, and the commencement of warranties required by the Contract Documents. Any dispute as to responsibilities shall be resolved pursuant to the Claims Process herein, with the added provision that during the dispute process, the District shall have the right to occupy or use any portion of the Work that it needs or desires to use.

### **20.5.2 Inspection Prior to Occupancy or Use**

Immediately prior to partial occupancy or use, the District, Developer, and the Architect 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.

### **20.5.3 No Waiver**

Unless otherwise agreed upon, partial or entire occupancy or use of a portion or portions of the Work shall not constitute beneficial occupancy or District's acceptance of the Work not complying with the requirements of the Contract Documents.

## **21. Final Payment and Retention**

### **21.1 Final Payment**

Upon receipt of a final Application for Payment from Developer, the Architect will notify the District whether the Work is complete so that joint inspection of the Work can be scheduled. Thereafter, the District shall jointly inspect the Work and either accept the Work as complete or notify the Architect and Developer in writing of reasons why the Work is not complete. Upon District's acceptance of the Work of Developer as fully complete (that, absent unusual circumstances, will occur when the Punch List items have been satisfactorily completed), the District shall record a Notice of Completion with the County Recorder, and Developer shall, upon receipt of final payment from the District, pay the amount due Subcontractors.

## **21.2 Prerequisites for Final Payment**

The following conditions must be fulfilled prior to Final Payment:

**21.2.1** A full release of all Stop Payment Notices served in connection with the Work shall be submitted by Developer.

**21.2.2** A duly completed and executed conditional waiver and release upon final payment compliant with Civil Code section 8136 from each subcontractor of any tier and supplier to be paid from the final Tenant Improvement Payment.

**21.2.3** A duly completed and executed unconditional waiver and release upon Tenant Improvement Payment compliant with Civil Code section 8134 from each subcontractor of any tier and supplier that was paid from the previous Tenant Improvement Payment(s).

**21.2.4** A duly completed and executed "AGREEMENT AND RELEASE OF ANY AND ALL CLAIMS" from Developer.

**21.2.5** Developer shall have made all corrections to the Work that are required to remedy any defects therein, to obtain compliance with the Contract Documents or any requirements of applicable codes and ordinances, or to fulfill any of the orders or directions of District required under the Contract Documents.

**21.2.6** Each Subcontractor shall have delivered to Developer all written guarantees, warranties, applications, and bonds required by the Contract Documents for its portion of the Work.

**21.2.7** Developer must have completed all requirements set forth under "Close-Out/Certification Procedures," including, without limitation, submission of an approved set of complete Record Drawings.

**21.2.8** Architect shall have issued its written approval that final payment can be made.

**21.2.9** Developer shall have delivered to the District all manuals and materials required by the Contract Documents, which must be approved by the District.

**21.2.10** Developer shall have completed final clean up as provided herein.

## **21.3 Retention**

**21.3.1** The retention, less any amounts disputed by the District or that the District has the right to withhold pursuant to provisions herein, shall be paid:

**21.3.1.1** After approval by the District of the Architect of the Application and Certificate of Payment.

**21.3.1.2** After the satisfaction of the conditions set forth herein.

**21.3.1.3** No less than forty-five (45) days after the recording of the Notice of Completion by District; and

**21.3.1.4** After receipt of a duly completed and executed unconditional waiver and release upon Final Payment compliant with Civil Code section 8138 from each subcontractor of any tier and supplier that was paid from the Final Payment.

**21.3.2** No interest shall be paid on any retention, or on any amounts withheld due to a failure of Developer to perform, in accordance with the terms and conditions of the Contract Documents, except as provided to the contrary in any Escrow Agreement between the District and Developer pursuant to Public Contract Code section 22300.

#### **21.4 Substitution of Securities**

The District will permit the substitution of securities in accordance with the provisions of Public Contract Code section 22300.

### **22. Uncovering of Work**

If a portion of the Work is covered without Inspector or Architect approval or not in compliance with the Contract Documents, it must, if required in writing by the District, the Project Inspector, or the Architect, be uncovered for the Project Inspector's or the Architect's observation and be corrected, replaced and/or recovered at Developer's expense without change in the Guaranteed Maximum Price or Contract Time.

### **23. Nonconforming Work and Correction of Work**

#### **23.1 Nonconforming Work**

**23.1.1** Developer shall promptly remove from Premises all Work identified by District as failing to conform to the Contract Documents whether incorporated or not. Developer shall promptly replace and re-execute its own Work to comply with the Contract Documents without additional expense to the District and shall bear the expense of making good all work of other contractors destroyed or damaged by any removal or replacement pursuant hereto and/or any delays to the District or other contractors caused thereby.

**23.1.2** If Developer does not commence to remove Work that District has identified as failing to conform to the Contract Documents within a reasonable time, not to exceed FORTY-EIGHT (48) hours after written notice and complete removal of work within a reasonable time, District may remove it and may store any material at Developer's expense. If Developer does not pay expense(s) of that removal within ten (10) days' time thereafter, District may, upon ten (10) days' written notice, sell any material at auction or at private sale and shall deduct all costs and expenses incurred by the District and/or District may withhold those amounts from payment(s) to Developer.

#### **23.2 Correction of Work**

### **23.2.1 Correction of Rejected Work**

Pursuant to the notice provisions herein, Developer shall promptly correct the Work rejected by the District, the Architect, or the Project Inspector as failing to conform to the requirements of the Contract Documents, whether observed before or after Completion and whether or not fabricated, installed, or completed. Developer shall bear costs of correcting the rejected Work, including additional testing, inspections, and compensation for the Inspector's or the Architect's services and expenses made necessary thereby.

### **23.2.2 One-Year Warranty Corrections**

If, within one (1) year after the date of Completion of the Work or a designated portion thereof, or after the date for commencement of warranties established hereunder, or by the 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, Developer shall correct it promptly after receipt of written notice from the District to do so. This period of one (1) year shall be extended with respect to portions of the Work first performed after Completion by the period of time between Completion and the actual performance of the Work. This obligation hereunder shall survive District's acceptance of the Work under the Contract Documents and termination of the Contract Documents. The District shall give such notice promptly after discovery of the condition.

## **23.3 District's Right to Perform Work**

**23.3.1** If Developer should neglect to prosecute the Work properly or fail to perform any provisions of the Contract Documents, the District, after providing FORTY-EIGHT (48) hours' written notice and an opportunity to cure the failure, to Developer, may, without prejudice to any other remedy it may have, make good such deficiencies and may deduct the cost thereof from the payment then or thereafter due Developer.

**23.3.2** If it is found at any time, before or after completion of the Work, that Developer has varied from the Drawings and/or Specifications, including, but not limited to, variation in material, quality, form, or finish, or in the amount or value of the materials and labor used, District may require at its option:

**23.3.2.1** That all such improper Work be removed, remade, or replaced, and all work disturbed by these changes be made good by Developer at no additional cost to the District.

**23.3.2.2** That the District deduct from any amount due Developer the sum of money equivalent to the difference in value between the work performed and that called for by the Drawings and Specifications; or

**23.3.2.3** That the District exercise any other remedy it may have at law or under the Contract Documents, including but not limited to the District hiring its own forces or another contractor to replace Developer's nonconforming Work, in which case the District shall either issue a deductive Change Order, a Construction Change Directive, or invoice Developer for the cost of that work. Developer shall pay any invoices



within thirty (30) days of receipt of same or District may withhold those amounts from payment(s) to Developer.

## **24. Termination And Suspension**

The Parties' rights to terminate the Project are as indicated in the Facilities Lease. In the event of a termination of the Facilities Lease and notwithstanding any other provision in the Contract Documents, the Surety shall remain liable to all obligees under the Payment Bond and to the District under the Performance Bond for any claim related to the Project.

## **25. Claims Process**

### **25.1 Obligation to File Claims for Disputes**

**25.1.1** Should Developer otherwise seek extra time or compensation for any reason whatsoever, then Developer shall first follow procedures set forth in the Contract Documents including, without limitation, Articles 15, 16 and 17, all of which are conditions precedent to submitting a Claim pursuant to Article 25. A Notice of Delay or Proposed Change Order are less formal procedures that proceed the formal claim and do not constitute a Claim. A Claim also does not include correspondence, RFIs, vouchers, invoices, progress payment applications, or other routine or authorized form of requests for progress payments in compliance with the Contract. If a dispute remains, then Developer shall give written notice to District that expressly invokes this Article 25 within the time limits set forth herein.

**25.1.2** Developer's sole and exclusive remedy for Dispute is to file a written claim setting forth Developer's position as required herein within the time limits set forth herein.

### **25.2 Duty to Perform during Claim Process**

Developer and its subcontractors shall continue to perform its Work under the Contract, including the Disputed Work, and shall not cause a delay of the Work during any dispute, claim, negotiation, mediation, or arbitration proceeding, except by written agreement by the District.

### **25.3 Definition of Claim**

**25.3.1** Pursuant to Public Contract Code section 9204, the term "Claim" means a separate demand by Developer sent by registered mail or certified mail with return receipt requested, for one or more of the following:

**25.3.1.1** A time extension, including without limitation, for relief of damages or penalties for delay assessed by the District under the Contract;

**25.3.1.2** Payment by the District of money or damages arising from work done by, or on behalf of, Developer pursuant to the Contract and payment of which is not otherwise expressly provided for or to which Developer is not otherwise entitled to; or

**25.3.1.3** An amount of payment disputed by the District.

### **25.4 Claims Presentation**

#### **25.4.1 Form and Contents of Claim**

**25.4.1.1** If Developer intends to submit a Claim for an increase in the Guaranteed Maximum Price and/or Contract Time for any reason including, without limitation, the acts of District or its agents, Developer shall, within thirty (30) days after the event giving rise to the Claim, give notice of the Claim ("Notice of Potential Claim") in writing, specifically identifying Developer is invoking this Article 25 Claims Presentation. The Notice of Potential Claim shall provide Developer's preliminary request for an adjustment to the Guaranteed Maximum Price and/or Contract Time, with a description of the grounds therefore.

**25.4.1.2** Within thirty (30) days after serving the written Notice of Potential Claim, Developer shall provide a Claim including an itemized statement of the details and amounts of its Claim for any increase in the Guaranteed Maximum Price or Contract Time, as provided below, including a Time Impact Analysis and any and all other documentation substantiating Developer's claimed damages:

**25.4.1.2.1** The issues, events, conditions, circumstances and/or causes giving rise to the dispute;

**25.4.1.2.2** Citation to provisions in the Contract Documents, statute sections, and/or case law entitling Developer to an increase in the Guaranteed Maximum Price or Contract Time;

**25.4.1.2.3** The pertinent dates and/or durations and actual and/or anticipated effects on the Guaranteed Maximum Price, Contract Schedule milestones and/or Contract Time adjustments;

**25.4.1.2.4** The Time Impact Analysis of all time delays that shows actual time impact on the critical path; and

**25.4.1.2.5** The line-item costs for labor, material, and/or equipment, if applicable, for all cost impacts priced like a change order according to Article 17 and must be updated monthly as to cost and entitlement if a continuing claim.

**25.4.1.3** The Claim shall include the following certification by Developer:

**25.4.1.3.1** The undersigned Developer certifies under penalty of perjury that the attached dispute is made in good faith; that the supporting data is accurate and complete to the best of my knowledge and belief; that the amount requested accurately reflects the adjustment for which Developer believes the District is liable; and that I am duly authorized to certify the claim on behalf of Developer.

**25.4.1.3.2** Furthermore, Developer understands that the value of the attached dispute expressly includes any and all of Developer's costs and expenses, direct and indirect, resulting from the Work performed on the Project, additional time required on the Project and/or resulting from delay to the Project

including, without limitation, cumulative impacts. Any costs, expenses, damages, or time extensions not included are deemed waived.

**25.4.2** Developer shall bear all costs incurred in the preparation and submission of a Claim.

**25.4.3** Failure to timely submit a Claim and the requisite supporting documentation shall constitute a waiver of Developer's claim(s) against the District and Developer's Claim(s) for compensation or an extension of time shall be deemed waived, released, and discharged as to any entitlement for adjustment to Guaranteed Maximum Price and/or Contract Time.

## **25.5 Claim Resolution pursuant to Public Contract Code section 9204**

The Parties may mutually agree in writing to waive the claims procedure under Public Contract Code section 9204 and proceed directly to the commencement of a civil action or binding arbitration. Absent prior mutual waiver, Developer shall comply with the following steps:

### **25.5.1 STEP 1:**

**25.5.1.1** Upon receipt of a Claim by registered or certified mail, return receipt requested, including the documents necessary to substantiate it, the District shall conduct a reasonable review of the Claim and, within a period not to exceed forty-five (45) days, shall provide Developer a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, the District and Developer may, by mutual agreement, extend the time period to provide a written statement. If the District needs approval from its governing body to provide Developer a written statement identifying the disputed portion and the undisputed portion of the Claim, and the governing body does not meet within the 45 days or within the mutually agreed to extension of time following receipt of Claim sent by registered mail or certified mail, return receipt requested, the District shall have up to three (3) days following the next duly publicly noticed meeting of the governing body after the 45-day period, or extension, expires to provide Developer a written statement identifying the disputed portion and the undisputed portion.

**25.5.1.1.1** Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the District issues its written statement. Amounts not paid in a timely manner as required by this section, shall bear interest at seven percent (7%) per annum.

**25.5.1.2** Upon receipt of a Claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable. In this instance, District and Developer must comply with the sections below regarding Public Contract Code section 20104 et seq. and Government Code Claim Act Claims.

**25.5.1.3** If the District fails to issue a written statement, or to otherwise meet the time requirements of this section, this shall result in the Claim being deemed rejected in its entirety. A claim that is denied by reason of the District's failure to have responded to a claim, or its failure to otherwise meet the time requirements of this section, shall not constitute an adverse finding with regard to the merits of the claim or the responsibility or qualifications of Developer.

#### **25.5.2 STEP 2:**

**25.5.2.1** If Developer disputes the District's written response, or if the District fails to respond to a Claim within the time prescribed, Developer may demand in writing an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand in writing sent by registered mail or certified mail, return receipt requested, the District shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute. Within ten (10) business days following the conclusion of the meet and confer conference, if the claim or any portion of the claim remains in dispute, the District shall provide Developer a written statement identifying the portion of the claim that remains in dispute and the portion that is undisputed.

**25.5.2.2** Any payment due on an undisputed portion of the claim shall be processed and made within 60 days after the District issues its written statement. Amounts not paid in a timely manner as required by this section, shall bear interest at seven percent (7%) per annum.

#### **25.5.3 STEP 3:**

**25.5.3.1** Any disputed portion of the claim, as identified by Developer in writing, shall be submitted to nonbinding mediation, with the District and Developer sharing the associated costs equally. The District and Developer shall mutually agree to a mediator within 10 business days after the disputed portion of the claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. If mediation is unsuccessful, the parts of the claim remaining in dispute shall be subject to applicable procedures outside this section.

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

**25.5.3.2** Unless otherwise agreed to by the District and Developer in writing, the mediation conducted pursuant to this section shall excuse any further obligation under Public Contract Code section 20104.4 to mediate after litigation has been commenced.

#### **25.5.4 STEP 4:**

**25.5.4.1** If mediation under this section does not resolve the parties' dispute, the District may, but does not require arbitration of disputes under private arbitration or the Public Works Contract Arbitration Program.

#### **25.6 Subcontractor Pass-Through Claims**

**25.6.1** If a subcontractor or a lower tier subcontractor lacks legal standing to assert a claim against a District because privity of contract does not exist, the contractor may present to the District a Claim on behalf of a subcontractor or lower tier subcontractor. A subcontractor may request in writing, either on his or her own behalf or on behalf of a lower tier subcontractor, that Developer present a Claim for work which was performed by the subcontractor or by a lower tier subcontractor on behalf of the subcontractor. The subcontractor requesting that the Claim be presented to the District shall furnish reasonable documentation to support the Claim.

**25.6.2** Within forty-five (45) days of receipt of this written request from a subcontractor, Developer shall notify the subcontractor in writing as to whether Developer presented the Claim to the District and, if Developer did not present the Claim, provide the subcontractor with a statement of the reasons for not having done so.

**25.6.3** Developer shall bind all its Subcontractors to the provisions of this section and will hold the District harmless against Claims by Subcontractors.

#### **25.7 Government Code Claim Act Claim**

**25.7.1** If a Claim, or any portion thereof, remains in dispute upon satisfaction of all applicable Claim Resolution requirements, including those pursuant to Public Contract Code section 9204, Developer shall comply with all claims presentation requirements as provided in Chapter 1 (commencing with section 900) and Chapter 2 (commencing with section 910) of Part 3 of Division 3.6 of Title 1 of Government Code as a condition precedent to Developer's right to bring a civil action against the District.

**25.7.2** Developer shall bear all costs incurred in the preparation, submission and administration of a Claim. Any claims presented in accordance with the Government Code must affirmatively indicate Developer's prior compliance with the claims procedure herein of the claims asserted.

**25.7.3** For purposes of those provisions, the running of the time within which a claim pursuant to Public Contract Code section 20104.2 only must be presented to the District shall be tolled from the time the Developer submits its written claim until the time that the claim is denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

#### **25.8 Claim Resolution pursuant to Public Contract Code section 20104 et seq.**

**25.8.1** In the event of a disagreement between the parties as to performance of the Work, the interpretation of this Contract, or payment or nonpayment for Work performed or not performed, the parties shall attempt to resolve all claims

of three hundred seventy-five thousand dollars (\$375,000) or less which arise between Developer and District by those procedures set forth in Public Contract Code section 20104 et seq., to the extent applicable.

**25.8.1.1** Developer shall file with the District any written Claim, including the documents necessary to substantiate it, upon the application for final payment.

**25.8.1.2** For claims of less than fifty thousand dollars (\$50,000), the District shall respond in writing within forty-five (45) days of receipt of the Claim or may request in writing within thirty (30) days of receipt of the Claim any additional documentation supporting the claim or relating to defenses or claims the District may have against Developer.

**25.8.1.2.1** If additional information is required, it shall be requested and provided by mutual agreement of the parties.

**25.8.1.2.2** District's written response to the documented Claim shall be submitted to Developer within fifteen (15) days after receipt of the further documentation or within a period of time no greater than that taken by Developer to produce the additional information, whichever is greater.

**25.8.1.3** For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the District shall respond in writing to all written Claims within sixty (60) days of receipt of the claim, or may request, in writing, within thirty (30) days of receipt of the Claim any additional documentation supporting the Claim or relating to defenses or claims the District may have against Developer.

**25.8.1.3.1** If additional information is required, it shall be requested and provided upon mutual agreement of the District and Developer.

**25.8.1.3.2** The District's written response to the claim, as further documented, shall be submitted to Developer within thirty (30) days after receipt of the further documentation, or within a period of time no greater than that taken by Developer to produce the additional information or requested documentation, whichever is greater.

**25.8.1.4** If Developer disputes the District's written response, or the District fails to respond within the time prescribed, Developer may so notify the District, in writing, either within fifteen (15) days of receipt of the District's response or within fifteen (15) days of the District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the District shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.

**25.8.1.5** Following the meet and confer conference, if the claim or any portion of it remains in dispute, Developer shall file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2

(commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions the running of the time within which a claim must be filed shall be tolled from the time Developer submits its written Claim until the time the Claim is denied, including any period of time utilized by the meet and confer process.

**25.8.1.6** For any civil action filed to resolve claims filed pursuant to this section, within sixty (60) days, but no earlier than thirty (30) days, following the filing of responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within fifteen (15) days by both parties of a disinterested third person as mediator, shall be commenced within thirty (30) days of the submittal, and shall be concluded within fifteen (15) days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.

**25.8.1.7** If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of the Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act, (commencing with Section 2016) of Chapter 1 of Title 4 of part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

**25.8.1.8** The District shall not fail to pay money as to any portion of a Claim which is undisputed except as otherwise provided in the Contract Documents. In any suit filed pursuant to this section, the District shall pay interest at the legal rate on any arbitration award or judgment. Interest shall begin to accrue on the date the suit is filed in a court of law.

**25.8.2** Developer shall bind its Subcontractors to the provisions of this Article and will hold the District harmless against disputes by Subcontractors.

## **25.9 Claims Procedure Compliance**

**25.9.1** Failure to submit and administer claims as required in Article 25 shall waive Developer's right to claim on any specific issues not included in a timely submitted claim. Claim(s) not raised in a timely protest and timely claim submitted under this Article 25 may not be asserted in any subsequent litigation, Government Code Claim, or legal action.

**25.9.2** District shall not be deemed to waive any provision under this Article 25, if at District's sole discretion, a claim is administered in a manner not in accord with this Article 25. Waivers or modifications of this Article 25 may only be made by a signed change order approved as to form by legal counsel for both District and Developer; oral or implied modifications shall be ineffective.

## **25.10 Claim Resolution Non-Applicability**

**25.10.1** The procedures for dispute and claim resolution set forth in this Article shall not apply to the following:

**25.10.1.1** Personal injury, wrongful death or property damage claims.

**25.10.1.2** Latent defect or breach of warranty or guarantee to repair.

**25.10.1.3** Stop payment notices.

**25.10.1.4** District's rights set forth in the Article on Suspension and Termination.

**25.10.1.5** Disputes arising out of labor compliance enforcement by the Department of Industrial Relations; or

**25.10.1.6** District rights and obligations as a public entity set forth in applicable statutes; provided, however, that penalties imposed against a public entity by statutes, including, but not limited to, Public Contract Code sections 20104.50 and 7107, shall be subject to the Claim Resolution requirements provided in this Article.

## **25.11 Attorney's Fees**

**25.11.1** Should litigation be necessary to enforce any terms or provisions of this Contract, then each party shall bear its own litigation and collection expenses, witness fees, court costs and attorney's fees.

## **26. State Labor, Wage & Hour, Apprenticeship, And Related Provisions**

### **26.1 Labor Compliance and Enforcement**

Since this Project is subject to labor compliance and enforcement by the Department of Industrial Relations ("DIR"), Developer specifically acknowledges and understands that it shall perform the Work of this Agreement while complying with all the applicable provisions of Division 2, Part 7, Chapter 1, of the Labor Code and Title 8 of the California Code of Regulations, including, without limitation, the requirement that Developer and all Subcontractors shall timely furnish complete and accurate electronic certified payroll records directly to the DIR. The District may not issue payment if this requirement is not met.

### **26.2 Wage Rates, Travel, and Subsistence**

**26.2.1** Pursuant to the provisions of Article 2 (commencing at section 1770), Chapter 1, Part 7, Division 2, of the Labor Code of California, the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this public work is to be performed for each craft, classification, or type of worker needed to execute the Contract Documents are on file at the District's principal office and copies will be made available to any interested party on request or available online at <http://www.dir.ca.gov/>. Developer shall obtain and post a copy of these wage rates at the job site.

**26.2.2** Holiday and overtime work, when permitted by law, shall be paid for at a rate of at least one and one-half times the above specified rate of per diem wages, unless otherwise specified. The holidays upon which those rates shall



be paid need not be specified by the District but shall be all holidays recognized in the applicable collective bargaining agreement. If the prevailing rate is not based on a collectively bargained rate, the holidays upon which the prevailing rate shall be paid shall be as provided in Section 6700 of the Government Code.

**26.2.3** Developer shall pay and shall cause to be paid each worker engaged in Work on the Project not less than the general prevailing rate of per diem wages determined by the Director of the Department of Industrial Relations ("DIR") ("Director"), regardless of any contractual relationship which may be alleged to exist between Developer or any Subcontractor and such workers.

**26.2.4** If, prior to execution of the Facilities Lease, the Director determines that there has been a change in any prevailing rate of per diem wages in the locality in which the Work under the Contract Documents is to be performed, such change shall not alter the wage rates in the Contract Documents subsequently awarded.

**26.2.5** Pursuant to Labor Code section 1775, Developer shall, as a penalty, forfeit the statutory amount (believed by the District to be currently two hundred dollars (\$200) to District for each calendar day, or portion thereof, for each worker paid less than the prevailing rates, determined by the District and/or the Director, for the work or craft in which that worker is employed for any public work done under Contract by Developer or by any Subcontractor under it. 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 Developer.

**26.2.6** Any worker employed to perform Work on the Project, which Work is not covered by any classification listed in the general prevailing wage rate of per diem wages determined by the Director, shall be paid not less than the minimum rate of wages specified therein for the classification which most nearly corresponds to Work to be performed by him, and that minimum wage rate shall be retroactive to time of initial employment of the person in that classification.

**26.2.7** Pursuant to Labor Code section 1773.1, per diem wages are deemed to include employer payments for health and welfare, pension, vacation, travel time, subsistence pay, and apprenticeship or other training programs authorized by Labor Code section 3093, and similar purposes.

**26.2.8** Developer shall post at appropriate conspicuous points on the Project Site a schedule showing all determined minimum wage rates and all authorized deductions, if any, from unpaid wages actually earned. In addition, Developer shall post a sign-in log for all workers and visitors to the Site, a list of all Subcontractors of any tier on the Site, and the required Equal Employment Opportunity poster(s).

### **26.3 Hours of Work**

**26.3.1** As provided in Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2, of the Labor Code, eight (8) hours of labor shall constitute a legal day of work. The time of service of any worker employed at any time by Developer or by any Subcontractor on any subcontract under the Contract

Documents upon the Work or upon any part of the Work contemplated by the Contract Documents shall be limited and restricted by Developer to eight (8) hours per day, and forty (40) hours during any one week, except as hereinafter provided. Notwithstanding the provisions hereinabove set forth, Work performed by employees of Developer in excess of eight (8) hours per day and forty (40) hours during any one week, shall be permitted upon this public work upon compensation for all hours worked in excess of eight (8) hours per day at not less than one and one-half times the basic rate of pay.

**26.3.2** Developer shall keep and shall cause each Subcontractor to keep an accurate record showing the name of and actual hours worked each calendar day and each calendar week by each worker employed by Developer in connection with the Work or any part of the Work contemplated by the Contract Documents. The record shall be kept open at all reasonable hours to the inspection of District and to the Division of Labor Standards Enforcement of the DIR.

**26.3.3** Pursuant to Labor Code section 1813, Developer shall, as a penalty, forfeit the statutory amount (believed by the District to be currently twenty-five dollars (\$25)) to the District for each worker employed in the execution of the Contract Documents by Developer or by any Subcontractor for each calendar day during which a worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of Article 3 (commencing at section 1810), Chapter 1, Part 7, Division 2, of the Labor Code.

**26.3.4** Any Work necessary to be performed after regular working hours, or on Sundays or other holidays shall be performed without additional expense to the District.

## **26.4 Payroll Records**

**26.4.1** Developer shall upload, and shall cause each Subcontractor performing any portion of the Work under this Contract to upload, an accurate and complete certified payroll record ("CPR") electronically using DIR's eCPR System by uploading the CPRs by electronic XML file or entering each record manually using the DIR's iform (or current form) online no less than every thirty (30) days while Work is being performed and within thirty (30) days after the final day of Work performed on the Project and within ten (10) days of any request by the District or Labor Commissioner at <http://www.dir.ca.gov/Public-Works/Certified/Payroll-Reporting.html> or current application and URL, 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 Developer and/or each Subcontractor in connection with the Work.

**26.4.1.1** The CPRs enumerated hereunder shall be filed directly with the DIR on a weekly basis or to the requesting party, whether the District or DIR, within ten (10) days after receipt of each written request. The CPRs from Developer and each Subcontractor for each week shall be provided on or before ten (10) days after the end of the Sunday to Saturday conventional week covered by the CPRs. District may not make any payment to Developer until:

**26.4.1.1.1** Developer and/or its Subcontractor(s) provide CPRs acceptable to the District and DIR.

**26.4.1.1.2** Any delay in Developer and/or its Subcontractor(s) providing CPRs to the District or DIR in a timely manner may directly delay the District's review and/or audit of the CPRs and Developer's payment.

**26.4.2** All CPRs shall be available for inspection at all reasonable hours at the principal office of Developer on the following basis:

**26.4.2.1** A certified copy of an employee's CPR shall be made available for inspection or furnished to the employee or his/her authorized representative on request.

**26.4.2.2** CPRs shall be made available for inspection or furnished upon request or as required by regulation to a representative of the District, Division of Labor Standards Enforcement, Division of Apprenticeship Standards, and/or the DIR.

**26.4.2.3** CPRs shall be made available upon request by the public for inspection or copies thereof made; provided, however, that a request by the public shall be made through the District, Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested CPRs have not been provided pursuant to the provisions herein, the requesting party shall, prior to being provided the records, reimburse the costs of preparation by Developer, Subcontractors, and the entity through which the request was made. The public shall not be given access to the records at the principal office of Developer.

**26.4.3** Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by District, Division of Apprenticeship Standards, Division of Labor Standards Enforcement, or DIR 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 Developer awarded the Project under the Contract Documents or performing under the Contract Documents shall not be marked or obliterated.

**26.4.4** Developer shall inform District of the location of the records enumerated hereunder, including the street address, city, and county, and shall, within five (5) working days of a change in location of the records, provide a notice of change of location and address.

**26.4.5** In the event of noncompliance with the requirements of this section, Developer shall have ten (10) days in which to comply subsequent to receipt of written notice specifying in what respects Developer must comply with this section. Should noncompliance still be evident after the ten (10) day period, Developer shall, as a penalty, forfeit up to one hundred dollars (\$100) to District for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Labor Commissioner, these penalties shall be withheld from Tenant Improvement Payments then due.

**26.4.6 [Reserved]**

## **26.5 [Reserved]**

## **26.6 Apprentices**

**26.6.1** Developer acknowledges and agrees that, if the Contract Documents involve a dollar amount greater than or a number of working days greater than that specified in Labor Code section 1777.5, then this Contract is governed by the provisions of Labor Code Section 1777.5 and 29 CFR part 5. It shall be the responsibility of Developer to ensure compliance with this Article and with Labor Code section 1777.5 for all apprenticeship occupations.

**26.6.2** Apprentices of any crafts or trades may be employed and, when required by Labor Code section 1777.5, shall be employed provided they are properly registered in full compliance with the provisions of the Labor Code.

**26.6.3** Every apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade at which he/she is employed and shall be employed only at the work of the craft or trade to which she/he is registered.

**26.6.4** Only apprentices, as defined in section 3077 of the Labor Code, who are in training under apprenticeship standards and written apprentice agreements under Chapter 4 (commencing at section 3070), Division 3, of the Labor Code, are eligible to be employed. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship standards and apprentice agreements under which he/she is training.

**26.6.5** Pursuant to Labor Code section 1777.5, if that section applies to this Contract as indicated above, Developer and any Subcontractors employing workers in any apprenticeable craft or trade in performing any Work under this Contract shall apply to the applicable joint apprenticeship committee for a certificate approving Developer or Subcontractor under the applicable apprenticeship standards and fixing the ratio of apprentices to journeymen employed in performing the Work.

**26.6.6** Pursuant to Labor Code section 1777.5, if that section applies to this Contract as indicated above, Developer and any Subcontractor may be required to make contributions to the apprenticeship program.

**26.6.7** If Developer or Subcontractor willfully fails to comply with Labor Code section 1777.5, then, upon a determination of noncompliance by the Administrator of Apprenticeship, it shall:

**26.6.7.1** Be denied the right to bid on any subsequent project for one (1) year from the date of such determination.

**26.6.7.2** Forfeit, as a penalty, to District the full amount stated in Labor Code section 1777.7. Interpretation and enforcement of these provisions shall be in accordance with the rules and procedures of the California Apprenticeship Council and under the authority of the Chief of the Division of Apprenticeship Standards.

**26.6.7.3** Developer and all Subcontractors shall comply with Labor Code section 1777.6, which section forbids certain discriminatory practices in the employment of apprentices.

**26.6.7.4** Developer shall become fully acquainted with the law regarding apprentices prior to commencement of the Work. Special attention is directed to sections 1777.5, 1777.6, and 1777.7 of the Labor Code, and Title 8, California Code of Regulations, Section 200 et seq. Questions may be directed to the State Division of Apprenticeship Standards, 455 Golden Gate Avenue, 9th Floor, San Francisco, California 94102.

## **26.7 Skilled and Trained Workforce**

**26.7.1** Developer and its subcontractors at every tier hereby provide an enforceable commitment to comply with Public Contract Code section 2600 et seq., which requires use of a skilled and trained workforce to perform all work on the Contract or Project that falls within an apprenticeable occupation in the building and construction trades.

**26.7.1.1** "Apprenticeable Occupation" means an occupation for which the Chief of the Division of Apprenticeship Standards of the Department of Industrial Relations ("Chief") had approved an apprenticeship program pursuant to Section 3075 of the Labor Code before January 1, 2014.

**26.7.1.2** "Skilled and Trained Workforce" means a workforce that meets all of the following conditions:

**26.7.1.2.1** All of the workers are either skilled journeypersons or apprentices registered in an apprenticeship program approved by the Chief.

**26.7.1.2.2** That either (A) the number of the skilled journeypersons employed to perform work on the Contract or Project by Developer or its subcontractors at every tier are graduates of an apprenticeship program for the applicable occupation that was either approved by the Chief pursuant to Labor Code section 3075 or located outside California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor, or (B) the hours of work performed by skilled journeypersons who have graduated from an approved apprenticeship program meet at least the percentages set forth in the following chart:

REQUIREMENT	EXCLUDED OCCUPATIONS
0%	Teamster
At least 30%	Acoustical installer, bricklayer, carpenter, cement mason, drywall installer or lather, marble mason, finisher, or setter, modular furniture or systems installer, operating engineer, pile driver, plasterer, roofer or waterproofer, stone mason, surveyor, terrazzo worker or finisher, and tile layer, setter, or finisher
At least 60%	All remaining apprenticeable occupations

**26.7.1.2.3** For an apprenticeable occupation in which no apprenticeship program has been approved by the Chief before January 1, 1995, up to one-half of the above graduation percentage requirements set forth in the above chart may be satisfied by skilled journeypersons who commenced working in the apprenticeable occupation before the Chief's approval of an apprenticeship program for that occupation in the county in which the Project is located.

**26.7.1.2.4** The contractor or subcontractor need not meet the apprenticeship graduation requirements if:

**26.7.1.2.4.1** During a calendar month, Developer or subcontractor employs skilled journeypersons to perform fewer than 10 hours of work on the Contract or Project; or

**26.7.1.2.4.2** The subcontractor was not a listed subcontractor under Public Contract Code section 4104 or a substitute for a listed subcontractor, and the subcontract does not exceed one-half of one percent (0.5%) of the price of the prime contract.

**26.7.1.3** "Skilled Journeyperson" means a worker who either:

**26.7.1.3.1** Graduated from an apprenticeship program for the applicable occupation that was approved by the Chief or located outside of California and approved for federal purposes pursuant to the apprenticeship regulations adopted by the federal Secretary of Labor; or

**26.7.1.3.2** Has at least as many hours of on-the-job experience in the applicable occupation as would be required to graduate from an apprenticeship program for the applicable occupation that is approved by the Chief.

**26.7.2** Developer and its subcontractors will demonstrate its compliance with the Skilled and Trained Workforce requirements by either of the following:

**26.7.2.1** Provide monthly reports to the District demonstrating that Developer and its subcontractors are complying with the requirements of Public Contract Code section 2600 et seq. (in particular, per Public Contract Code section 2602(a)(2), the monthly reports shall "include the full name of, and identify the apprenticeship program name, location, and graduation date of, each worker relied upon to satisfy the apprenticeship graduation percentage requirements of paragraph (2) of subdivision (d) of Section 2601" of the Public Contract Code), which shall be a public record under California Public Records Act, Government Code section 7920.000 et seq.; or

**26.7.2.2** Provide evidence that Developer and its subcontractors have agreed to be bound by: (1) a project labor agreement entered into by the District that binds all contractors and all its subcontractors at every tier performing work on the Project to use a skilled and trained

workforce; (2) the extension or renewal of a project labor agreement entered into by the District prior to January 1, 2017; or (3) a project labor agreement that binds all contractors and all its subcontractors at every tier performing work on the Project to use a skilled and trained workforce.

## **26.8 [Reserved]**

## **26.9 Non-Discrimination**

**26.9.1** Developer herein agrees to comply with the provisions of the California Fair Employment and Housing Act as set forth in Part 2.8 of Division 3 of Title 2 of the California Government Code, commencing at section 12900; the Federal Civil Rights Act of 1964, as set forth in Public Law 88-352, and all amendments thereto; Executive Order 11246; and all administrative rules and regulations found to be applicable to Developer and Subcontractor.

**26.9.2** Special requirements for Federally Assisted Construction Contracts: During the performance of the requirement of the Contract Documents, Developer agrees to incorporate in all subcontracts the provisions set forth in Chapter 60-1.4(b) of Title 41 published in Volume 33 No. 104 of the Federal Register dated May 28, 1968.

## **26.10 Labor First Aid**

Developer shall maintain emergency first aid treatment for Developer's laborers and mechanics on the Project which complies with the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. § 651 et seq.) and the California Occupational Safety and Health Act of 1973 (Lab. Code, § 6300 et seq.; 8 Cal. Code of Regs., § 330 et seq.).

## **27. [Reserved]**

## **28. Miscellaneous**

### **28.1 Assignment of Antitrust Actions**

Although this project may not have been formally bid, the following provisions may apply:

**28.1.1** Section 7103.5(b) of the Public Contract Code states:

In entering into a public works contract or subcontract to supply goods, services, or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding 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, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor, without further acknowledgment by the parties.

**28.1.2** Section 4552 of the Government Code states in pertinent part:

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.

**28.1.3** Section 4553 of the Government Code states in pertinent part:

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.

**28.1.4** Section 4554 of the Government Code states in pertinent part:

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.

**28.1.5** Under this Article, "public purchasing body" is District and "bidder" is Developer.

## **28.2 Excise Taxes**

If, under Federal Excise Tax Law, any transaction hereunder constitutes a sale on which a Federal Excise Tax is imposed and the sale is exempt from such Federal Excise Tax because it is a sale to a State or Local Government for its exclusive use, District, upon request, will execute documents necessary to show (1) that District is a political subdivision of the State for the purposes of such exemption, and (2) that the sale is for the exclusive use of District. No Federal Excise Tax for such materials shall be included in any Guaranteed Maximum Price.

## **28.3 Taxes**

Guaranteed Maximum Price is to include any and all applicable sales taxes or other taxes that may be due in accordance with section 7051 et seq. of the Revenue and Taxation Code, Regulation 1521 of the State Board of Equalization or any other tax code that may be applicable.

## **28.4 Shipments**

Developer is responsible for any or all damage or loss to shipments until delivered and accepted on Site, as indicated in the Contract Documents. There must be no charge for containers, packing, unpacking, drayage, or insurance. The total Guaranteed



Maximum Price shall be all inclusive (including sales tax) and no additional costs of any type will be considered.

#### **28.5 Compliance with Government Reporting Requirements**

If this Contract is subject to federal or other governmental reporting requirements because of federal or other governmental financing in whole or in part for the Project of which it is part, or for any other reason, Developer shall comply with those reporting requirements at the request of the District at no additional cost.

[END OF DOCUMENT]

**EXHIBIT D-1**

**SPECIAL CONDITIONS**

Attached are the special terms and conditions for the Project.

## **EXHIBIT D-1**

### **SPECIAL CONDITIONS**

#### **1. COVID-19 Protocols**

Developer shall, at its cost, timely comply with all applicable federal, State, and local requirements relating to COVID-19 or other public health emergency/epidemic/pandemic protocols.

#### **2. Occupies Site**

##### **2.1. Access.**

Access to the school buildings and entry to buildings, classrooms, restrooms, mechanical rooms, electrical rooms, or other rooms, for construction purposes, must be coordinated with District and onsite District personnel before Work is to start. Unless agreed to otherwise in writing, only a school custodian will be allowed to unlock and lock doors in existing building(s). The custodian will be available only while school is in session. If a custodian is required to arrive before 7:00 a.m. or leave after 5:00 p.m. to accommodate Developer's Work, the overtime wages for the custodian will be paid by Developer, unless at the discretion of the District, other arrangements are made in advance.

##### **2.2. Master Key.**

Upon request, the District may, at its own discretion, provide a master key to the school site for the convenience of Developer. Developer agrees to pay all expenses to re-key the entire school site and all other affected District buildings if the master key is lost or stolen, or if any unauthorized party obtains a copy of the key or access to the school.

##### **2.3. Maintaining Services.**

Developer is advised that Work is to be performed in spaces regularly scheduled for instruction. Interruption and/or periods of shutdown of public access, electrical service, water service, lighting, or other utilities shall be only as arranged in advance with the District. Developer shall provide temporary services to all facilities interrupted by Developer's Work.

##### **2.4. Maintaining Utilities.**

Developer shall maintain in operation during duration of Contract, drainage lines, storm drains, sewers, water, gas, electrical, steam, and other utility service lines within working area.

##### **2.5. Confidentiality.**

Developer shall maintain the confidentiality of all information, documents, programs, procedures, and all other items that Developer encounters while performing the Work. This requirement shall be ongoing and shall survive the expiration or termination of this Contract and specifically includes, without limitation, all student, parent, and employee disciplinary information and health information.

## **2.6. Work during Instructional Time.**

Developer acknowledges that the Project may overlap with ongoing instruction in existing facilities. If so, Developer agrees to cooperate to the best of its ability to minimize any disruption to school operations and any use of school facilities by the public up to, and including, rescheduling specific work activities, at no additional cost to District. If Developer cannot adequately minimize the disruption to District's satisfaction, District reserves the right to require that Developer perform Work outside of school operation hours at no additional cost to District.

## **2.7. No Work during Student Testing.**

Developer shall, at no additional cost to the District and at the District's request, coordinate its Work to not disturb District students including, without limitation, not performing any Work when students at the Site are taking State or Federally required tests.

## **3. Substitution for Specified Items**

*The following provisions are added to Section 1.7 to **Exhibit D** to the Facilities Lease:*

**1.7.1** Whenever in the Specifications any materials, process, or article is indicated or specified by grade, patent, or proprietary name, or by name of manufacturer, that Specification shall be deemed to be followed by the words "or equal." Developer may, unless otherwise stated, offer any material, process, or article that shall be substantially equal or better in every respect to that so indicated or specified.

**1.7.1.1** If the material, process, or article offered by Developer is not, in the opinion of the District, substantially equal or better in every respect to that specified, then Developer shall furnish the material, process, or article specified in the Specifications without any additional compensation or change order.

**1.7.1.2** This provision shall not be applicable with respect to any material, product, thing or service for which District made findings and gave notice in accordance with Public Contract Code section 3400(c); therefore, Developer shall not be entitled to request a substitution with respect to those materials, products or services.

**1.7.2** A request for a substitution shall be submitted as follows:

**1.7.2.1** Developer shall notify the District in writing of any request for a substitution at least ten (10) days prior to proposal opening as indicated in the Request for Qualifications and Proposals.

**1.7.2.2** Requests for Substitutions after award of the Contract shall be submitted within thirty-five (35) days of the date of the Notice to Proceed with Construction.

**1.7.3** Within 35 days after the date of the Notice to Proceed with Construction, Developer shall provide data substantiating a request for substitution of "an equal" item, including but not limited to the following:

**1.7.3.1** All variations of the proposed substitute from the material specified including, but not limited to, principles of operation, materials, or construction finish, thickness or gauge of materials, dimensions, weight, and tolerances;

**1.7.3.2** Available maintenance, repair or replacement services;

**1.7.3.3** Increases or decreases in operating, maintenance, repair, replacement, and spare parts costs;

**1.7.3.4** Whether or not acceptance of the substitute will require other changes in the Work (or in work performed by the District or others under Contract with the District); and

**1.7.3.5** The time impact on any part of the Work resulting directly or indirectly from acceptance of the proposed substitute.

**1.7.4** No substitutions shall be made until approved, in writing, by the District. The burden of proof as to equality of any material, process, or article shall rest with Developer. Developer warrants that if substitutes are approved:

**1.7.4.1** The proposed substitute is equal or superior in all respects to that specified, and that such proposed substitute is suitable and fit for the intended purpose and will perform adequately the function and achieve the results called for by the general design and the Contract Documents;

**1.7.4.2** Developer provides the same warranties and guarantees for the substitute that would be provided for that specified;

**1.7.4.3** Developer shall be fully responsible for the installation of the substitute and any changes in the Work required, either directly or indirectly, because of the acceptance of such substitute, with no increase in Contract Price or Contract Time. Incidental changes or extra component parts required to accommodate the substitute will be made by Developer without a change in the Contract Price or Contract Time;

**1.7.4.4** Developer shall be responsible for any re-design costs occasioned by District's acceptance and/or approval of any substitute; and

**1.7.4.5** Developer shall, in the event that a substitute is less costly than that specified, credit the District with one hundred percent (100%) of the net difference between the substitute and the originally specified material. In this event, Developer agrees to execute a deductive Change Order to reflect that credit.

**1.7.5** In the event Developer furnishes a material, process, or article more expensive than that specified, the difference in the cost of that material, process, or article so furnished shall be borne by Developer.

**1.7.6** In no event shall the District be liable for any increase in Contract Price or Contract Time due to any claimed delay in the evaluation of any proposed substitute or in the acceptance or rejection of any proposed substitute.

**1.7.7** Developer shall be responsible for any costs the District incurs for professional services, DSA fees, or delay to the Project Schedule, if applicable, while DSA reviews changes for the convenience of Developer and/or to accommodate Developer's means and methods. District may deduct those costs from any amounts owing to Developer for the review of the request for substitution, even if the request for substitution is not approved. District, at its sole discretion, shall deduct from the payments due to and/or

invoice Developer for all the professional services and/or DSA fees or delay to the Project Schedule, if applicable, while DSA reviews changes for the convenience of Developer and/or to accommodate Developer's means and methods.

#### **4. Disabled Veterans Business Enterprise**

This Project uses or may plan to use funds allocated pursuant to the State of California School Facility Program for the construction and/or modernization of school buildings. Education Code Section 17076.11 requires the District to have a participation goal for disabled veteran business enterprises ("DVBE") of at least three percent (3%), per year, of the overall dollar amount expended each year by the District on projects that receive state funding. Accordingly, Developer must submit the Disabled Veteran Business Enterprise Participation Certification to the District after issuance of the Notice of Award After Guaranteed Maximum Price, identifying the steps Developer took to solicit DVBE participation in conjunction with this Contract.

#### **5. Owner-Controlled or Wrap-Up Insurance Program**

Developer and all Subcontractors under the Developer shall participate in and comply with the owner-controlled or wrap-up insurance program ("OCIP") as required by the District, OCIP Administrator, insurers, or designees, prior to the commencement of construction activities at the Project. For the participating contractors, this provision supersedes and replaces the insurance requirements found in Section 15.1 of the Facility Lease Agreement. The Statewide Educational Wrap Up Program ("SEWUP") Contractual Provisions attached hereto as Appendix A and incorporated herein.

For those coverages not provided by the OCIP as described in the OCIP Manual, Developer shall procure and maintain, at its own expense, until completion and final acceptance of the Work at least the insurance as provided in Section 15 of the Facilities Lease.

## **Appendix A**

### **OWNER CONTROLLED INSURANCE PROGRAM (OCIP)**

#### **1.1 INTRODUCTION**

The District, hereinafter referenced as “District” or “Owner”, has elected, at its sole discretion, to implement an Owner Controlled Insurance Program (“OCIP”) under the Statewide Educational Wrap Up Program (“SEWUP”). The SEWUP Joint Powers Authority (“JPA”) will be providing the OCIP on behalf of the Owner. All terms and conditions of the SEWUP Contractual Provisions will apply during the term of the contract.

The SEWUP JPA will provide Workers’ Compensation, Employer’s Liability, General & Excess Liability, and Contractor’s Pollution Liability for all Enrolled Contractors (and their Enrolled Subcontractors of every tier) and other designated parties for work performed at the Project Site (hereinafter called “Project”) as well as builder’s risk insurance. The Owner agrees to pay all premiums associated with the OCIP, unless otherwise stated in this section and in other contract documents. The OCIP coverages will be primary to other valid and collectable insurance for the owner and enrolled parties in the program.

Insurance coverage provided under the OCIP is limited in scope and specific to work performed after the inception date of enrollment into the OCIP. Labor and ongoing operations related to offsite locations are not covered by the OCIP. In addition to any insurance provided by the Owner, all Contractors/Subcontractors will be responsible for providing certain insurance as specified in section 1.7. The Owner recommends that Contractors discuss the OCIP with their insurance agents, brokers or consultants to ensure that other proper coverages are maintained, prior to contract acceptance.

**Keenan & Associates**, hereinafter called “Program Administrator”, shall administer the OCIP on behalf of the SEWUP JPA. At all times, all Contractors/Subcontractors shall: (a) cooperate with Owner, Program Administrator, and all OCIP insurers, as applicable, and their respective consultants, agents and representatives, in its or their administration of the OCIP and all other terms and conditions described herein, and (b) comply with the terms, conditions, warranties, and subjectivities of the insurance policies provided pursuant to the OCIP, including, without limitation, any and all directives and requirements of Owner’s and the OCIP insurers’ respective consultants, agents and representatives, including, without limitation, any directive or requirement relating to loss control, and quality control, and the closure to Owner’s satisfaction of open items on any and all quality control checklists and inventories.

#### **A. Participation in the OCIP**

Participation in the OCIP is mandatory but not automatic. Each Eligible Contractor/Subcontractor must follow the guidelines, as specified in section 1.5.

##### **Definitions:**

Enrollment: An Eligible Contractor/Subcontractor is considered Enrolled once required documents are received, reviewed, and processed by the OCIP Program Administrator to the insurer. (See Sections 1.7 and 1.8)

Contractor: Includes all vendors, suppliers, businesses, persons, or entities and entities which the Owner has engaged directly by contract to perform services relating to the Project.

Subcontractor: Includes, but is not limited to, all businesses, vendors, suppliers, and other persons or entities that have been engaged by a Contractor to perform or assist with the performance of services relating to the Project, including all sub-tier contractors.

Eligible: Includes all Contractors/Subcontractors providing direct labor on the Project, and excludes Ineligible Contractors, as defined below. Temporary labor services and leasing companies are to be treated as Eligible Contractors.

Ineligible: It is not the intent to insure certain entities and scopes of work, including, but not necessarily limited to the following: consultants; suppliers; abatement and/or removal of hazardous materials; vendors; off-site fabricators; materials dealers; surveyors; guard services; non-construction janitorial services; and truckers, including trucking to the Project where delivery is the only scope of work performed; contractors subbing out installation who are not performing labor on the project site; and contractors performing landscape maintenance (though landscape work itself is covered). Ineligible parties are required to ensure that any eligible subcontractors who provide on-site labor comply with the OCIP Enrollment. Program Administrator reserves the right to reconsider an ineligible entity's participation in the OCIP should its scope of work or contract change at any time. **Any questions regarding a contractor's status as "Eligible" or "Ineligible" should be referred by written request to Owner and approved by the Program Administrator.**

**EACH CONTRACTOR/SUBCONTRACTOR MUST INCLUDE THIS DOCUMENT WITH THEIR BID SPECIFICATIONS TO ANY AND ALL SUBCONTRACTORS, INCLUDING ALL SUB-TIER SUBCONTRACTORS.** Any contractor/subcontractor's failure to comply with the OCIP Administrator and all OCIP requirements shall be considered non-compliant under the contract.

Enrollment of each Contractor's eligible Subcontractors is mandatory. Contractor shall notify Owner and the Program Administrator in writing of the identity of each Subcontractor regardless of enrollment eligibility and shall cause each Subcontractor to notify the Program Administrator in writing of the identity of each of its Sub-subcontractors, prior to such party's commencement of their work and entry onto the Project. Contractors and Subcontractors of all tiers shall not be deemed enrolled until the Program Administrator and OCIP insurers receive and approve a completed Contract Enrollment Form for each awarded contract. Enrollment is required prior to commencement of on-site activities but no contractor shall be enrolled sooner than 30 days prior to their start date. Each Contractor/Subcontractor shall be solely responsible for any and all losses, damages, claims, liabilities, and suits arising out of such Subcontractor's failure to enroll, or delay in enrolling, any of its Subcontractors.

**Unless otherwise directed by the Owner, Ineligible Contractors and Subcontractors will be required to maintain their own insurance for both on-site and off-site activities and will be required to participate in the Project Safety Program (See Section 1.16). Minimum Insurance and endorsement requirements are located in Section 1.7 & 1.8. Each ineligible contractor must register with the OCIP's online portal ("WrapPortal"). All required certificates and endorsements must be supplied via WrapPortal.**



## **B. Project Site and Offsite Premises**

Coverages provided by the OCIP are **Project Site** specific. The Project Site shall be designated by the Owner. The Project Site consists of any and all projects that are endorsed to this policy, which includes the following:

1. Ways and means adjoining the endorsed project site.
2. Adjacent locations to the endorsed project sites where incidental operations are being performed, excluding permanent locations.

With the exception of 1 and 2 mentioned above, off-site locations, labor and ongoing operations are not covered by the OCIP. It will be the responsibility of each Contractor/Subcontractor to maintain off-site insurance, as identified in Section 1.7, which specifies coverage types and minimum limits. Contractor/Subcontractor will promptly furnish to the Owner, or its designated representative, Certificates of Insurance evidencing that all required insurance is in force.

## **1.2 PREQUALIFICATION & COST IDENTIFICATION**

### **A. Contractor Pre-Qualification**

Pursuant to Government Code Section 4420.5, Bidders must meet certain minimum standards to bid on the Owners' Project. The following qualification standards apply to ALL Bidding Contractors at time of bid opening:

1. **Average Workers' Compensation Experience Modification Rate (EMR) of 1.25 or less over the last five (5) years OR the current published year.**
  - a. *We encourage the bidder to choose subcontractors who meet these requirements however this will not exclude eligible subcontractors from enrolling in the OCIP.*
2. **Zero (0) Serious and Willful violations (Labor Code Section 6300) against them in the past five (5) years**
3. **Evidence of an Injury and Illness Prevention Program (IIPP). Evidence is required to be submitted post bid opening and prior to bid award.**

**FAILURE TO MEET THESE MINIMUM STANDARDS SHALL DISQUALIFY THE BIDDER.**

### **B. Contractor Insurance Cost Identification**

Contractor's base bid shall exclude all costs for insurance coverages provided under the OCIP. If insurance cost is not removed, the bidder may not qualify as the lowest responsive bidder. The Bidder declares under penalty of perjury under California law, that the base bid excludes any costs relating to any insurance coverages afforded under the OCIP and that each subcontractor to the Bidder has similarly excluded costs for any insurance coverage afforded under the OCIP.

### **C. Change Order Pricing**

All Contractors/Subcontractors declare, under penalty of perjury under California law, that any change order issued to the contract is priced to exclude any costs relating to any insurance coverage afforded under the OCIP.

### **1.3 OWNER-PROVIDED INSURANCE COVERAGES**

CONTRACTOR/SUBCONTRACTOR SHOULD REFER TO THE ACTUAL POLICIES FOR DETAILS CONCERNING COVERAGE, EXCLUSIONS, AND LIMITATIONS. THE ORIGINAL POLICIES WILL PREVAIL AS THE SOLE BINDING AGREEMENT IN CONNECTION WITH ANY CLAIM OR QUESTION REGARDING COVERAGE PROVIDED BY THE OCIP. OCIP POLICIES AND PROJECT INSURANCE MANUAL ARE AVAILABLE UPON WRITTEN REQUEST TO THE PROGRAM ADMINISTRATOR.

THE OCIP IS INTENDED TO PROVIDE BROAD COVERAGES AND HIGH LIMITS TO ALL ENROLLED CONTRACTORS/SUBCONTRACTORS. THE OWNER DOES NOT WARRANT OR REPRESENT THAT THE OCIP COVERAGES CONSTITUTE AN INSURANCE PROGRAM THAT COMPLETELY ADDRESSES THE RISKS OF THE CONTRACTORS/SUBCONTRACTORS. PRIOR TO CONTRACT AWARD, IT IS THE RESPONSIBILITY OF ALL CONTRACTORS/SUBCONTRACTORS TO ENSURE THAT THE OCIP COVERAGES PROVIDED SUFFICIENTLY ADDRESS THEIR INSURANCE NEEDS. UPON REQUEST, OCIP POLICIES ARE AVAILABLE FOR REVIEW.

OCIP coverage applies only to Work performed under the contract at the Project (see Section 1.1, B for definition). All Contractors must provide their own insurance for Automobile Liability and off-site locations, labor, and operations.

Such policies or programs may be amended from time to time, and the terms of such policies or programs, as amended, are incorporated herein by reference.

The Contractors/Subcontractors enrolled in the OCIP agree that the OCIP policies' limits of liability, coverage terms and conditions shall determine the scope of coverage provided by the OCIP. As of October 1, 2023, 100% of the limits are available with a minimum of \$800 Million in construction values to be insured.

- A. Workers' Compensation and Employer's Liability Insurance will be provided in accordance with applicable state laws to all Enrolled Contractors/Subcontractors (each as a named insured, and issued an individual policy) reflecting the following Limits of Liability:**

**Workers' Compensation: California Statutory Benefits**

**Employer's Liability:**

- \$1,000,000 Bodily Injury each Accident
- \$1,000,000 Bodily Injury by Disease – Policy Limit
- \$1,000,000 Bodily Injury by Disease – Each Employee

1. Deductible: None

2. Exclusions: The known exclusions for this coverage are set forth below:

Bodily Injury Outside US or Canada	Intentional or Aggravated Bodily Injury
Bodily Injury To Any Member of Flying Crew	Obligations Imposed By Disability Benefits or Any Similar Law
Bodily Injury To Person Subject To Federal Workers' Compensation	Obligations Imposed By Occupational Disease Laws
Bodily Injury To Person Subject To Occupational Disease Laws	Obligations Imposed By Unemployment Compensation Laws
Contractual Liability	Obligations Imposed By Workers' Compensation Laws
Employees Knowingly Employed Illegally	State or Federal Law Violation Fines, Penalties
Employment Related Practices	

This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that are not identified on the table. It is the responsibility of the Contractor/Subcontractor to review the policy for the complete details of all exclusions.

3. **Policy Term:** The master policy effective date is October 1, 2023. The policy term is three years, with one automatic two-year renewal. The policy is intended to remain in effect for duration of the contractor's contracted work. Warranty work and post contract repair work is excluded. Each Contractor/Subcontractor is insured under the policy for the length of its work at the Project.

**B. General and Excess Liability Insurance is written on an "Occurrence" form under master liability policies. Certificates of Insurance will be provided to all enrolled Contractors/Subcontractors as named insureds, with the total limits of liability reflecting the following:**

- \$125,000,000 Bodily Injury and Property Damage Liability
- \$195,000,000 General Aggregate
- \$125,000,000 Products and Completed Operations
- 10 Years Completed Operations

1. Deductible: None

2. Conditional Warranties\*:

- a. **Subsidence:** It is expressly warranted that the Named Insured and all Contractors and Sub-Contractors comply with all recommendations contained in the geotechnical/ environmental reports. Failure to comply will result in subsidence coverage being null and void and a full subsidence exclusion would be re-instated.
- b. **EIFS Installation Agreement:** The following terms and conditions shall be satisfied in connection with all EIFS work on any Project:
  - ii. EIFS work is to be specifically identified and its value declared.
  - iii. All EIFS work will be monitored by an independent EIFS inspection company to document compliance with manufacturers' handling and installation instructions.
  - iv. EIFS product manufacturers and warranty providers will be identified and provided to the Owner.

3. Exclusions: The known exclusions for this coverage are set forth below:

Aircraft, Auto or Watercraft	Nuclear
Asbestos	Personal and Advertising Bodily Injury
Medical Payments Coverage	Pollution and Hazardous Materials
Certain Exclusions to Personal and Advertising Injury Liability	Prior Continuous, or Progressively Deteriorating Injury or Damage
Certified Acts of Terrorism	Professional Liability
Communicable Disease	Property Damage to the Project During the Course of Construction
Contractual Liability (Limited Coverage Provided)	Punitive Damages
Cross Suits – Limited	Residential and Condominium Conversion
Cyber and Data	Recall of Products, Work Or Impaired Property

Employers Liability	Silica or Silica Mixed Dust
Employment Related Practices	Subsidence - Conditional Warranty – So long as Contractor/Subcontractors follows specifications of geotechnical/environmental reports then the exclusion will be waived; if not, exclusion will be fully implemented
Expected or Intended Injury	Violation of Statutes Governing Collecting, Transmitting Information
Fungi Or Bacteria	Violation of Statutes Governing Email, Fax, Phone Calls
Lead	War
Certain exclusions for transportation or use of Mobile Equipment	Workers Compensation and Similar Laws

This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that are not identified on the table. It is the responsibility of the Contractor/Subcontractor to review the policy for the complete details of all exclusions and policy terms.

**4. Policy Term:**

- a. The master policy effective date is October 1, 2023. The policy is intended to remain in effect for the length of the construction of the Project or through October 1, 2028 at 12:01am, whichever comes first.
- b. Ten years Products and Completed Operations coverage

**C. Contractor's Pollution Liability is written on an "Occurrence" form under a master liability policy. Certificates of Insurance will be provided to all enrolled Contractors/Subcontractors, as named insured, reflecting the following Limits of Liability:**

- \$15,000,000 Per Occurrence / \$25,000,000 Policy Aggregate
- Defense costs are outside of limits up to \$1,000,000.

1. \$10,000 Deductible per Occurrence
2. Contractor/Subcontractor shall be liable for payment of the deductible, at its expense; to the extent claims payable are attributable to their acts or omissions and/or the acts or omissions of its Subcontractors of any tier or any other entity or person for whom it may be responsible. The deductible will apply to each occurrence and must be satisfied prior to payment of the loss. The deductible amount shall not be reimbursed by the OCIP Insurance Program or the District.
3. Exclusions: The known exclusions for this coverage are set forth below:

Auto, Aircraft, Vessel Or Rolling Stock	Nuclear
Claims Between Certain Insureds	Other Entities
Contractual Liability	Pre-Existing Conditions
Damage To Property	Products
Fines, Penalties, and Treble Damages	Terrorism
Employment Related Practices	War
Owned Hazardous Materials Facility	Workers Compensation and Similar Laws

This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that are not identified on the table. It is

the responsibility of the Contractor/Subcontractor to review the policy for the complete details of all exclusions.

4. Policy Term:

- a. The master policy effective date is October 1, 2023. The policy is intended to remain in effect for the length of the Project or through October 1, 2028 at 12:01am, whichever comes first.

**D. Builder's Risk** coverage will be in place during the course of construction at the Project. Such insurance shall be written on a repair or replacement cost basis, subject to exclusions, sub limits, property limitations and conditions. Such insurance shall include the interests of the Owner as named insured and enrolled Contractors/Subcontractors as additional insureds. The deductible schedule is as follows:

**Deductibles**

- \$5,000 - \$50,000 deductible (depending on type of structure) for Wood Frame, Modular, Tilt-Up Construction, Joisted Masonry, and Fire Resistive / Non-Combustible / Masonry Non-Combustible.
  - Up to \$100,000 deductible for Water Damage to All Construction Types
  - Deductibles are subject to increase if a Project's Builder's Risk term is extended 60 days or more.
1. Contractor/Subcontractors shall be responsible for the applicable deductible. The deductible shall apply to each occurrence and must be satisfied prior to payment of the loss. The deductible shall not be reimbursed by the OCIP Insurance Program or the District.
  2. Exclusions: The known exclusions for this coverage are set forth below:

Asbestos	Foreign Terrorism
Certain Offsite Property	Infidelity, Dishonesty, Fraudulent Activity of Insured
Certain Release, Discharge, Escape, or Dispersal of Contaminants or Pollutants	Land, Values of Land, Cut, & Fill etc. Prior to Project Commencement
Certified Acts of Terrorism (Optional Coverage)	Loss Under Any Manufacturer or Supplier Guarantee/Warranty
Cessation of Work	Normal Subsidence
Consequential Loss (except as provided in Delay in Opening Coverage)	Nuclear
Communicable Disease	
Contractor's Tools, Machinery, Plans, Equipment	Offshore or Barrier Island Property
Cost of Making Good (Optional Coverage)	Property That Stores, Processes, or Handles Radioactive Materials
Damage to Existing Property (Optional Coverage)	Rolling Stock, Aircraft, Watercraft
Damage While Testing Prototype or Used Machinery/Equipment	Software Loss, unless results from an Open Peril
Damages, Fines, Penalties at Government Agency or Court Order	Standing Timber, Growing Crops, Animals
Disappearance or When Revealed by Inventory Shortage Alone	Vehicles or Equipment Licensed For Highway Use
Earth Movement (Optional Coverage)	War and Military Action
Electrical, Magnetic, or Errors Related to Electronic Records	
Financial Accounts, Instruments, Stamps, Deeds, Precious Material	
Flood (Optional Coverage) (rain and the accumulation of rainwater included in Flood definition)	

This builder's risk coverage and exclusion summary may not be all inclusive. The policy language may contain additional exclusionary language, limitations or carve-backs that are not identified on the table. It is the responsibility of the Contractor/Subcontractor to review the policy for the complete details of all exclusions, sublimit and deductibles.

3. Special Conditions: **All Wood Frame and Modular projects are subject to Protective Safeguards as shown in OCIP EXHIBIT A.**
4. **Policy Term:** The policy term is the term of the project.
5. *All Contractors/ Subcontractors shall be responsible for any loss or damage to their personal property. This would include, but is not limited to, tools, equipment, mobile construction equipment, or materials NOT intended to be a permanent part of the building, whether owned, borrowed, used, leased, or rented by any Contractor/ Subcontractor. Any insurance purchased by the Contractors/ Subcontractors, or self-insurance, shall be the Contractors'/ Subcontractors' sole source of recovery in the event of a loss.*

**E. OCIP Policies Establish OCIP Coverage.** The insurance coverages, limits of liability, definitions, terms, conditions, exclusions, and limitations referenced in these contractual provisions and the other contract documents are set forth in full in the OCIP insurance policies. The summary descriptions of such policies in these contractual provisions, in the Project Insurance Manual, or in any other contract document or elsewhere are not intended to be complete or to alter or amend any provisions of the actual OCIP policies. To the extent, if any, such descriptions herein or therein conflict with any such insurance policies, the provisions of the actual insurance policies shall govern. To the extent there are any other conflicts between or among the provisions of such insurance policies, these contractual provisions, the contract documents, or the Project Insurance Manual, then in descending order, the insurance policies shall govern, followed by these contractual provisions, the contract, the other contract documents, then the Project Insurance Manual. Contractor/Subcontractor acknowledges that it has had the opportunity to review the insurance policies as provided in Section 1.3, and that it is relying solely on the provisions set forth in the insurance policies, and not upon any oral or written statement or reference in these contractual provisions, any other contract document, the Project Insurance Manual, or otherwise.

#### **1.4 OCIP CERTIFICATES AND POLICIES**

All Enrolled Contractors/Subcontractors will receive Certificates of Insurance for Workers' Compensation, General Liability, Excess Liability and Contractor's Pollution Liability coverages. Each enrolled Contractor/Subcontractor will receive their own Workers' Compensation policy. Program Administrator will provide a copy of the OCIP policies upon written request. Such policies or programs may be amended from time to time and the terms of such policies or programs, as they may be amended, are incorporated herein by reference. Contractors/Subcontractors hereby agree to be bound by the terms of coverage, as contained in such insurance policies and/or self-insurance programs.

#### **1.5 CONTRACTOR/SUBCONTRACTOR RESPONSIBILITIES**

Participation in the OCIP is mandatory but not automatic. Contractor /Subcontractor must comply with the following:

**A. Contractor Eligibility**, see Section 1.1, **A** for definition.

**B. Contractor Registration & Enrollment**

The Program Administrator will provide online registration via WrapPortal (see Section 1.1 A); a User Name, Password and URL for website enrollment will be provided to each Subcontractor upon entry of Subcontractor identifying information into WrapPortal by Contractor or Parent Subcontractor regardless of enrollment eligibility.

An Eligible Contractor/subcontractor is not enrolled until the Program Administrator and OCIP insurers receive and approve a completed OCIP Enrollment via WrapPortal for each awarded contract. Subcontractor shall also upload declarations pages, including proof of rates from Subcontractor's current policies. Enrollment is required prior to commencement of on-site activities but no Subcontractor shall be enrolled sooner than 30 days prior to their start date. Subcontractors must provide the Required Insurance Coverages (see Sections 1.7 and 1.8) via WrapPortal.

Any Subcontractor who enrolls in the OCIP after their start date must provide a No-Known-Loss Letter to the Program Administrator, along with the enrollment documentation. Late Enrollment is not guaranteed and must be approved and accepted by the insurance carrier. Upon approval, the Program Administrator will provide evidence of OCIP coverage to the Subcontractor, as noted in Section 1.4

All Contractors/Subcontractors of all tiers shall cooperate with and require their Subcontractors to cooperate with the Owner and the Program Administrator regarding the administration and operation of the OCIP.

**C. Contractor/Subcontractor Compliance with Other Forms and Procedures**

All Enrolled Contractors/Subcontractors are required to complete and submit the following forms:

**1. Project Site Monthly Payroll Report**

Project Site Monthly Payroll must be submitted to the Program Administrator by the 10<sup>th</sup> of each month via WrapPortal until the completion of the contract and in no event shall be later than the 15<sup>th</sup> of each month. This report must summarize the unburdened payroll by Workers' Compensation Class Code. Certified payroll is not a requirement of the OCIP and cannot be accepted. **If the Project Site Monthly Payroll Report is not submitted to the Program Administrator, the Contractor, Construction Manager and/or Owner may withhold payment from the prime or parent contractor until the report is received.** Subcontractor agrees to keep and maintain accurate and classified records of their payroll for operations at the Project Site. This payroll information is submitted to the OCIP insurer. At the end of each contract, a carrier audit may be performed using the reported payroll and other supporting documents, as required by the California Workers Compensation Insurance Rating Bureau (WCIRB).

**Workers' Compensation Insurance Rating Bureau Requirements**

*Once an Eligible Contractor/Subcontractor is enrolled into the OCIP, a separate Workers' Compensation Policy will be issued to them. All Enrolled Contractors/Subcontractors shall comply with the rules and regulations of the California Workers Compensation Insurance Rating Bureau (WCIRB).*

**2. Contractor's Completion Notice**

*Contractor's Completion Notice* must be submitted to the Program Administrator via WrapPortal upon completion of work at the Project, which includes punch list items, but not warranty work. Contractor/Subcontractor shall cooperate with Contractor in completing the *Contractor's Completion Notice*. The Contractor's Completion Notice shall evidence all enrolled Contractors/Subcontractors' **final contract value, actual start and completion dates**, per contract. This information is used to confirm that each Workers' Compensation Policy was issued with correct policy term dates, covering the Contractors/Subcontractors for the duration of their work at the Project. This information is subsequently submitted to the Workers' Compensation Insurance Rating Bureau (WCIRB).

### **3. Project Insurance Manual**

*A Project Insurance Manual* will be provided to all awarded Contractors/Subcontractors, which includes a Program Summary, Claims Reporting Instructions, Project Safety Guidelines, necessary forms, and contact information. Copies can be requested from the Program Administrator.

#### **Contractor/Subcontractor Compliance with all aspects of the OCIP**

All Contractors/Subcontractors further acknowledge and agree to comply fully and promptly with such safety, loss control, and quality control rules, requirements, and directives as may from time to time be promulgated by Owner, the Program Administrator and/or the OCIP insurers or any of its or their respective consultants, agents, or representatives. Neither the Contractor or Subcontractor of any tier shall impede or otherwise prevent Owner, their representatives or the Program Administrator or their respective consultants from entering or otherwise accessing the project or its related off-site locations. Nothing in this document, or any other contract document or in the Project Insurance Manual, shall be deemed to render Owner or any of its affiliates of any tier an employer of Contractor/Subcontractor or any of its Subcontractors or any of its or their personnel or employees. **Failure to comply will be considered non-performance under the contract.**

It is the obligation of each Eligible Contractor/Subcontractor to enroll in the OCIP and to comply with all OCIP requirements set forth in these contractual provisions, in the OCIP insurance policies, in the Project Insurance Manual, and elsewhere in the contract documents. Contractor/Subcontractor shall provide each of its Subcontractors, among other things, with a copy of the Project Insurance Manual and a copy of these contractual provisions. Contractor/Subcontractor shall require in writing that each enrolling Subcontractor comply with, among other things, the provisions of the OCIP insurance policies, the Project Insurance Manual, and the contract documents. All such requirements shall be included in all subcontracts and sub-subcontracts with eligible parties. The failure of Contractor/Subcontractor or any other party to provide eligible Subcontractors with a copy of this document, the Project Insurance Manual, and/or all other applicable requirements shall not relieve any such Subcontractor of any of the obligations contained therein.

Contractor/Subcontractor shall keep and maintain accurate records and information in accordance with the requirements of the OCIP Insurer(s), the Project Administrator, the Project Insurance Manual, and the contract documents, and shall provide such records and information to Owner, the Program Administrator, and/or the OCIP insurers upon request.



## 1.6 **OCIP DISCLAIMER**

The Owner does not warrant or represent that the OCIP coverages constitute an insurance program that completely addresses all the risks of the Contractors/Subcontractors. Prior to the commencement of work under the contract, it is the responsibility of all Contractors/Subcontractors to ensure that the OCIP coverages provided sufficiently address their insurance needs. Any additional insurance coverage purchased will be at Contractor's/Subcontractor's option and sole expense.

## 1.7 **REQUIRED CONTRACTOR/SUBCONTRACTOR PROVIDED INSURANCE COVERAGES**

For any work under this contract, and until completion and final acceptance of the work by the Owner, the Contractors/Subcontractors shall, at their own expense, promptly furnish Certificates of Insurance evidencing that coverage is in force and any required Additional Insured Endorsements to the Owner, with a copy to the Program Administrator for the following coverages, before commencing work on the Project.

- A. Automobile Liability Insurance Requirements and Limits:** See Section 1.8 for Certificate Holder and Additional Insured Endorsement specifications. Automobile Liability Insurance must cover all vehicles owned by, hired by, or used on behalf of the Contractors/Subcontractors for both Project Site and off-site operations with the following minimum limits of liability:

Auto Liability Insurance Limits required:

### **All Contractors/Subcontractors\***

#### General/Prime

#### Subcontractor

#### Contractor

\$2,000,000

\$1,000,000

Bodily Injury and Property Damage  
Liability

**\*See Section 1.8 for additional insured language**

- B. Workers' Compensation and Employer's Liability Insurance Limits:**

Workers' Compensation – Statutory Benefits - All States

Employer's Liability:

\$1,000,000 Bodily Injury each Accident

\$1,000,000 Bodily Injury by Disease – Policy Limit

\$1,000,000 Bodily Injury by Disease – Each Employee

**C. General Liability Insurance, minimum limits of liability are as follows:**

**Eligible Contractors/Subcontractors**

<u>General/Prime Contractor</u>	<u>Subcontractor</u>	
\$2,000,000	\$1,000,000	Bodily Injury and Property Damage Liability Per Occurrence
\$2,000,000	\$1,000,000	General Aggregate
\$2,000,000	\$1,000,000	Products/Completed Operations Aggregate
\$2,000,000	\$1,000,000	Personal/Advertising Injury Liability Per Person or Organization

**Ineligible Contractors / Subcontractors (Excluded)**

<u>General/Prime Contractor</u>	<u>Subcontractor</u>	
\$2,000,000	\$1,000,000	Bodily Injury and Property Damage Liability Per Occurrence
\$2,000,000	\$1,000,000	General Aggregate
\$2,000,000	\$1,000,000	Products/Completed Operations Aggregate
\$2,000,000	\$1,000,000	Personal/Advertising Injury Liability Per Person or Organization

- D. Professional Liability Insurance:** If Contractor's/Subcontractor's work requires design and/or design-assist services, or Contractor/Subcontractor performs professional services of any kind, Contractor/Subcontractor shall purchase and maintain, at its sole cost and expense, Professional Liability (Errors and Omissions) insurance for all professional services provided. This Professional Liability insurance shall include full prior acts coverage sufficient to cover the services under this agreement, with the following minimum limits of liability:

\$1,000,000 per Claim/Annual Aggregate

Deductible or self-insured retention amount must not be greater than \$100,000 per claim, including coverage of contractual liability.

Professional Liability Insurance is to be maintained during the term of the contract and for so long as the insurance is reasonably available as provided herein, for a period of ten (10) years after completion of the services.

- E. Environmental and Asbestos Abatement Coverages:** If the Contractor's/Subcontractor's scope of work involves the removal of asbestos, the removal/replacement of underground tanks, or the removal of toxic chemicals and substances, the Contractor/Subcontractor will be required to provide the following minimum limits of liability, for such exposures subject to requirements and approval of the Owner:

\$1,000,000 per Claim/Aggregate

- F. Aircraft or Watercraft Liability Insurance:** If any Contractor/Subcontractor requires the use of Aircraft or Watercraft at the Project Site, the Contractor/Subcontractor shall purchase

and maintain, or cause the operator of the Aircraft or Watercraft to purchase and maintain, Aircraft or Watercraft liability insurance. This must insure passengers and the General Public against personal injury, bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others. It includes Aircraft or Watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading". Contractor/Subcontractor will be required to provide the following minimum limits of liability, for such exposures subject to requirements and approval of the Owner:

\$5,000,000 per Claim/Aggregate

#### **1.8 REQUIRED CONTRACTOR/SUBCONTRACTOR CERTIFICATES OF INSURANCE AND ADDITIONAL INSURED ENDORSEMENTS**

Certificates of Insurance and Additional Insured Endorsements acceptable to the Owner and Program Administrator must be filed with the Owner within ten (10) days after award of the contract to all Contractors/Subcontractors and prior to commencement of on-site activities.

All required insurance shall be maintained, without interruption, from the date of commencement of on-site activities, until the date of the final payment or expiration of any extended period, as set forth in this agreement. These certificates and additional insured endorsements required by Section 1.7 and 1.8 shall provide not less than thirty (30) days prior written notice to the Owner, with a copy to the Program Administrator, of any material change in the insurance, cancellation, or non-renewal.

Certificates of Insurance, the Project must be identified on the Certificate of Insurance in the "Description of Operations/Locations/Vehicles/Special Items" section. The Certificates of Insurance should name District, as the Certificate Holder, as specified below:

##### **Certificate Holder:**

**Modesto City Schools**  
c/o Statewide Educational Wrap Up Program (SEWUP)  
2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501

**Additional Insured Endorsements:** The Owner must be specifically named on the Schedule of an Additional Insured Endorsement, under the section titled, "Name of Person or Organization", as specified below:

1. **The District, CM, Architect, Inspector, the State of California, their officers, employees, agents, volunteers, and independent contractors as additional insureds.**
2. All Contractors/Subcontractors must provide an additional insured endorsement for automobile liability.

Ineligible Contractors/Subcontractors must provide an additional insured endorsement on both the Automobile Liability and General Liability policies and a waiver of subrogation on workers' compensation.

**Modesto City Schools**  
c/o Statewide Educational Wrap Up Program (SEWUP)  
2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501

### **1.9 CONTRACTOR/SUBCONTRACTOR INSURANCE FOR PERSONAL PROPERTY AND EQUIPMENT**

All Contractors/Subcontractors shall be solely responsible for any loss or damage to their personal property including, without limitation, their tools and equipment, mobile construction equipment, scaffolding, and temporary structures, whether owned, borrowed, used, leased, or rented by any Contractor/Subcontractor. Contractors/Subcontractors may at their sole discretion, purchase and maintain insurance or self-insure such equipment and property, and any deductible in relation thereto shall be their sole responsibility. Any insurance, including self-insurance, shall be the Contractors'/Subcontractors' sole source of recovery in the event of a loss.

Any type of insurance or any increase of limits of liability not described in this Section, which the Contractors/Subcontractors require for their own protection or on account of any statute, will be their own responsibility and at their expense.

### **1.10 ASSIGNMENT OF RETURN PREMIUMS**

The Owner will be responsible for the payment of all premiums associated solely with the OCIP and will be the sole recipient of any dividend(s) and/or return premium(s) generated by the OCIP.

### **1.11 WAIVER OF SUBROGATION AND OWNER INDEMNIFICATION**

With respect to their work on the Project:

1. Owner waives all rights of subrogation and recovery against the Contractors/Subcontractors for any loss or damage which is insured under the OCIP.
2. Contractors/Subcontractors waive all rights of subrogation and recovery against the Owner and other Contractors/Subcontractors for any loss or damage which is insured under the OCIP.
3. The Contractors/Subcontractors are obligated to indemnify the Owner for damages or claims not covered by the OCIP.

### **1.12 NO RELEASE**

The provision of the OCIP by the Owner will in no way be interpreted as relieving the Contractors/Subcontractors of any other responsibility or liability under this agreement or any applicable law, statute, regulation, or order.

### **1.13 OWNER'S RIGHT TO AUDIT**

The Contractor/Subcontractor will permit the Owner and/or its representative to examine and/or audit its books, records, and insurance policy information. Contractor/Subcontractor will also provide any additional information to the Owner, or its appointed representatives, as may be required.

### **1.14 DUTIES IN THE EVENT OF A LOSS**

Contractors/Subcontractors are required to report all losses and potential losses promptly to OCIP insurers and/or Program Administrator. A full description and details of the incurred loss are also required.

The Contractor/Subcontractor shall assist the Owner, its agents, and the Program Administrator, by providing the utmost cooperation in the adjustment of claims arising out of the operations conducted

under, or in connection with, the Project and shall cooperate with the Owner's insurers in claims and demands that arise out of the Project and that the insurers are called upon to adjust.

**In the event of an accident, it shall be the responsibility of the employing and/or responsible Contractor/Subcontractor to see that injured workers or members of the public are provided immediate medical treatment. All appropriate medical and claim forms must be filed in accordance with the claim procedures developed for this Project by Keenan & Associates, hereinafter called "Program Administrator." This includes notification to the appropriate state authorities, if necessary.**

#### **1.15 OCCUPATIONAL SAFETY AND HEALTH COMPLIANCE**

All Contractors/Subcontractors are expected to comply with all applicable local, state, and federal occupational safety and health requirements. If additional safety and health requirements are set forth in the contract specifications, all contractors shall comply with these requirements.

It is the responsibility of each Contractor/Subcontractor to maintain an environment free of recognized hazards. All Contractors/Subcontractors shall exercise reasonable care to prevent work-related injuries; property and equipment damage at the Project, as well as minimize risk to the public and third-party property.

The Program Administrator shall conduct periodic loss control surveys on behalf of the District. These surveys will focus on evaluating the Contractors'/Subcontractors' efforts to minimize loss, assist in identifying loss exposures, and to recommend appropriate corrective measures. The Program Administrator is a resource to supplement the safety and loss prevention activity of Contractors/Subcontractors. Its loss control survey activities or other activities of the Program Administrator and/or OCIP insurers do not in any way relieve the Contractors/Subcontractors of their responsibilities for Project safety.

#### **1.16 PROJECT SAFETY PROGRAM**

**In addition, local, state, and federal occupational safety and health laws, the following standards apply to all Enrolled and Non-Enrolled Contractors/Subcontractors.**

##### **A. Safety Orientation**

1. Contractor/Subcontractor employees shall be provided with a project specific safety orientation prior the start of the project. At a minimum, the orientation will address the following items:
  - a. The District's site safety requirements.
  - b. Site specific safety hazards and protective measures for these hazards.
  - c. Emergency telephone numbers and procedures.
  - d. Local medical clinic/hospital information within the Medical Provider Network (MPN).

##### **B. Program Management**

1. Each Contractor/Subcontractors shall have the following safety programs:
  - a. Injury and Illness Prevention Plans
  - b. Hazard Communication Programs
  - c. Heat Illness Prevention Plans
2. Each Contractor/Subcontractor shall have an onsite competent person responsible for occupational safety and health. A competent person is one who is capable of identifying

existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them.

### **C. Mandatory 6' Fall Protection**

1. Contractor/Subcontractor employees shall be protected from fall exposures of 6 feet or greater. Activities include but are not limited to:
  - a. Steel erection
  - b. Roofing
  - c. Framing
  - d. Decking
  - e. Work performed from scaffolds
  - f. Work performed from ladders

**Exceptions:** The following exceptions apply only to framers and wood frame activities:

- a. When installing or “rolling” the joists, Cal/OSHA fall protection requirements shall govern.
  - b. When framers are walking/working on securely braced joists, rafters, or roof trusses on center spacing not exceeding 24 inches, and more than 6’ from an unprotected side or edge, they shall be considered protected from falls between the joists, rafters, or roof trusses.
2. A safety monitor as means of fall protection is prohibited.
  3. Ladder jacks and lean-to scaffolds are prohibited.
  4. Contractor/Subcontractors are required to provide training to their employees who might be exposed to a fall hazard prior to the exposure or upon hiring. This training shall be documented and available for review.
  5. Methods of fall protection include but are not limited to the following:
    - a. Railings
    - b. Covers for Floor, Roof, and Wall Openings
    - c. Personal Fall Arrest Systems, Personal Fall Restraint Systems, and Positioning Devices
    - d. Controlled Access Zones
  6. The design and construction of railings shall conform to the Cal/OSHA Construction Safety Orders.
  7. The use of wire ropes as top rails and intermediate rails of guardrail systems used for perimeter protection, or at interior openings such as stairways and elevator shafts, shall be installed in accordance with Cal/OSHA requirements. Additionally, wire ropes shall be secured to each support and taut at all times. The maximum deflection of the top rail when a load of 200 pounds is applied in any direction at any point of the top rail shall not exceed 3 inches in one direction which includes the free hanging sag in the wire rope.
  8. The minimum parapet height allowed for fall protection is 42 inches or greater.
  9. Covers used to cover floor, roof, and wall openings shall be secured in place to prevent accidental removal or displacement and shall be marked in accordance with Cal/OSHA Construction Safety Orders.

10. Covers used to cover floor and roof openings shall be capable of safely supporting the greater of 400 pounds or twice the weight of the employees, equipment and materials that may be imposed on any one square foot area of the cover at any time.
11. Controlled access zones shall be defined by a control line or other means that restricts access. Each line shall have a minimum breaking strength of 200 pounds. Signs shall be posted to warn unauthorized employees to stay out of the controlled access zone.
12. Control lines shall consist of ropes, wires, tapes, or equivalent materials. Control lines shall be erected and supported in accordance with Cal/OSHA Construction Safety Orders.
13. Scaffold Access/Egress. An internal ladder system with hatches and drop-down ladders or temporary stairs shall be provided for safe access/egress on all scaffolds 20 feet or greater in height. External straight ladders are prohibited on all scaffolds if it exposes a user to a fall of 20 feet or greater in height. Exception: When adjustable scaffolds are utilized.
14. When adjustable scaffolds are utilized, they shall have rest platforms at 20-foot maximum vertical intervals.

#### **D. Site Safety**

**According to industry practices, it is the responsibility of contractors of all tiers to exercise reasonable care to prevent work-related injuries; property and equipment damage at the project site, and to minimize risk to the third-party persons and property. Contractors/Subcontractors of all tiers shall be expected to comply with the following safety and loss control requirements:**

1. All Subcontractors shall identify their contact person(s) to the General or Prime Contractor.
2. All Contractors/Subcontractors shall follow District procedures for dealing with the media.
3. At all times, hard hats shall be worn in the construction environment. Hard hats shall meet the requirements of ANSI Z89.1. No modification to the shell or suspension is allowed except when such changes are approved by the manufacturer.
4. 100% protective eyewear with side shield protection is required while in the construction environment, shop, or anytime eye hazards exist. Protective eyewear shall bear a legible and permanent "Z87" logo to indicate compliance with applicable ANSI/ASSE Standard.
5. All construction employees shall wear clothing suitable for the weather and work conditions. At a minimum, this shall be short sleeved shirts, long pants, and leather or other protective work shoes or boots.
6. Alcohol is prohibited on District property always.
7. Contractors/Subcontractors will be required to respond to all District complaints about objectionable levels of dust or noise and will be required to provide prompt and appropriate abatement.
8. Construction personnel cannot enter District grounds other than the construction site unless accompanied by District personnel and are allowed only "incidental" contact with

students. Violations of these requirements by any construction employee will result in a mandatory background check of that employee – including fingerprinting – as required by state law.

9. All prime contractors must attend the site-specific pre-construction meeting.
10. No sexual reference or preference shall be permitted on any piece of clothing or the hardhat. Any employee observed disregarding this policy shall be removed from the job site until further notice.
11. Contractors and subcontractors at all times shall keep premises free from debris such as waste, rubbish, and excess materials and equipment caused by contract work. Contractors and subcontractors shall not leave debris under, in, or about the premises. Upon completion of the contract work, contractors and subcontractors shall clean the interior and exterior of the building or improvement including fixtures, equipment, walls, floors, ceilings, roofs, window sills and ledges, horizontal projections, and any areas where debris has collected so surfaces are free from foreign material or discoloration. Contractors and subcontractors shall clean and polish all glass, plumbing fixtures, and finish hardware and similar finish surfaces and equipment and contractor shall also remove temporary fencing, barricades, planking and construction toilet and similar temporary facilities from the site. No glass containers are permitted on the site.
12. Theft or willful damage to any property of the District, student, or other contractors will be prosecuted fully.
13. All Contractors/Subcontractors will advise non-English speaking employees in their native language either in a written format or via an interpreter of these policies.

#### **E. Crane Safety**

1. In accordance with Title 8, California Code of Regulations, section 5006.1, employers shall only permit operators who have a valid certificate (license) of competency to operate cranes. The operator shall have his license on his person, readily available for review.
2. All cranes used in lifting service, exceeding 3 tons rated capacity, and their accessory gear shall not be used until the employer has ascertained that such equipment has been certificated in accordance with Cal/OSHA as evidenced by current and valid documents. Certificates (annual and quadrennial) attesting to current compliance with testing and examination standards shall be maintained, readily available for each crane.
3. The contractor shall provide an erection plan and procedure for erection of trusses and beams over 25 feet long. The erection plan and procedure shall be prepared by a civil engineer currently registered in California. This plan and procedure shall be followed and kept available on the job site.

#### **F. Fire Prevention During Welding, Cutting, and Other Hot Work**

1. Contractors engaged in welding and allied processes, heat treating, grinding, cutting, thawing pipe, powder-driven fasteners, hot riveting, torch-applied roofing in conjunction with the requirements of NFPA 241, and similar applications producing or using a spark, flame, or heat shall adhere to National Fire Protection Association Standard 51B entitled “Standard for Fire Prevention During Welding, Cutting, and Other Hot Work.”



#### **G. Incident Investigation Requirements**

1. The contractor shall perform thorough, in-depth investigations and evaluations of all incidents. A formal incident investigation shall be conducted whenever any incident occurs, including, without limitation, both non-injury incidents and incidents involving first aid. Additionally, near miss accidents and/or incidents must be reported and undergo the same in-depth investigation, root cause analysis and lessons learned process. The incident investigation report shall be e-mailed to Keenan and Associates within 5 working days.
2. Recommendations and lessons learned to prevent recurrence of incidents shall be documented and communicated to all employees of contractor and subcontractors through safety meetings and on-the-job training.

#### **H. Return to Work:**

1. The District and OCIP Carrier are committed to working with all Enrolled Contractors and Subcontractors to promote the successful & timely return to work of injured employees following a work-related injury. The purpose of this policy is to ensure that Enrolled Contractor/Subcontractor employees who temporarily cannot return to their normal duties due to job-related injury or illness but can safely perform transitional duties while recovering is offered appropriate transitional duties for a limited time only.
  - a. An employee who has experienced a job-related injury requiring medical treatment must provide a proper medical release prior to returning to work.
  - b. An employee who has been removed from the jobsite ambulatory must provide a proper medical release prior to returning to work.
  - c. Each Enrolled Contractor/Subcontractor will cooperate with the OCIP Carrier to facilitate the return to work of any injured employee capable of safely performing transitional duties.
  - d. When the employee is released to transitional duties, it is the Enrolled Contractor/Subcontractor's responsibility to facilitate the injured employee's return to work.
  - e. The Enrolled Contractor/Subcontractor is expected to accommodate the injured employee and facilitate the return to work.
  - f. It will be the responsibility of the insurance carrier to maintain communication with the treating physician and the Enrolled Contractor/Subcontractor to facilitate the prompt return of an employee to full work status.

#### **I. Conflicting Safety Requirements:**

Contractors and subcontractors shall adhere to all applicable federal, state, local, and contractual safety and health requirements. If there is a conflict between any of these safety and health requirements, the most stringent requirement shall apply.

#### **J. Noncompliance and Unsafe Practices**

Owner or their representative shall have the authority to immediately cease any and all operation (s) on the jobsite that is deemed by Owner or their representative to be unsafe to property or has the potential to cause Bodily Injury, pursuant to Title VIII California Code of Regulation, Section 1511. Any such cession of work shall not constitute recoverable delay or other contractual remedies for liquidated damages and may expose the offending contractor to any such losses to the District or other trades.

#### **K. Professional Conduct Clause**

Contractors and subcontractors shall at all times adhere to safety requirements (contractual and regulatory) and shall encourage safe and professional behavior among their employees. Contractor and subcontractors shall not allow on the job site any unfit person, unsafe person, anyone unskilled and unqualified to perform the work assigned to them, or anyone exhibiting such qualities. Any person in the employ of the contractor or subcontractor whom the District or the District's agent/representative may deem incompetent, unsafe, or unfit shall be immediately dismissed from the OCIP job site and shall not again be allowed on the OCIP the job site except with the written consent of District or the District's agent/representative. The District reserves the right to request that the contractor or subcontractor's assigned Project Supervisor/Manager be replaced immediately.

**1.17 OWNER'S INSURANCE OBLIGATIONS; CONTRACTORS' /SUBCONTRACTORS' OBLIGATIONS; REPRESENTATIONS, WARRANTIES AND DISCLAIMERS**

(a) Owner assumes no obligation to provide insurance other than that summarily described in these Contractual Provisions, in the Project Insurance Manual, and in the OCIP insurance policies. Contractor/Subcontractor shall review the OCIP coverages, limits of liability, and insurance policies to satisfy themselves that the coverages offered thereby meet its needs. Nothing contained herein shall be deemed to place any responsibility on Owner, and Owner disclaims any responsibility, for ensuring that the insurance provided by the OCIP is sufficient for the conduct of Contractor's/Subcontractor's business or performance of the Work, including, without limitation, the adequacy of the limits of liability provided by, and as to all other terms, conditions, and exclusions of, the OCIP insurance policies. The furnishing of insurance by Owner through the OCIP shall in no way relieve or limit or be construed to relieve or limit Contractor/Subcontractor of any responsibility, liability or obligation imposed by the contract, the contract documents, the Project Insurance Manual, the OCIP insurance policies, or by law, including, without limitation, all indemnification obligations on the part of Contractor/Subcontractor.

(b) By enrolling in the OCIP, Contractor/Subcontractor acknowledge that (i) the limits of liability of the OCIP insurance policies are shared by all insured parties under the OCIP; (ii) Owner is not an insurer or in the business of insurance and is not an agent, broker, partner or guarantor of Contractor/Subcontractor or any of the insurance companies providing coverage under the OCIP (the "OCIP insurers"); and (iii) Owner is not responsible for (a) the availability, adequacy, or exhaustion of the limits of the OCIP, (b) the present or future solvency of any of the OCIP insurers or (c) any claims or disputes by, between or among Owner, Contractor/Subcontractor and any of the OCIP insurers, including, without limitation, claims or disputes arising out of any the OCIP insurers' payment or nonpayment of claims or losses, or such insurers' contractual or extra-contractual duties, including, without limitation, defense and/or indemnity obligations. Any type of insurance coverage or limits of liability not provided by the OCIP which Contractor/Subcontractor desires for its own protection, or which is required by applicable laws or regulations, shall be its sole responsibility and expense and shall not be included in its compensation for performance of the contract work. If Contractor/Subcontractor believes that additional limits of liability beyond those provided by the OCIP would be prudent for its protection, it agrees to investigate and procure such additional limits of liability for itself at its sole cost.

(c) By enrolling in the OCIP, Contractor/Subcontractor represents and warrants that it has had the opportunity to read and analyze (and to obtain professional assistance to read and analyze) a copy of

the OCIP insurance policies and understand the contents thereof. Any reference in these contractual provisions, in the Project Insurance Manual, or elsewhere in any contract document as to amount, nature, type or extent of coverage provided under the OCIP and/or potential applicability to any potential claim or loss is for reference only and Contractor/Subcontractor represents and warrants that it has not relied upon any such reference or any other oral or written statement by or on behalf of Owner, the Project Administrator, or any of its or their agents, employees or representatives, but solely upon its own independent review and analysis of the OCIP insurance policies in formulating any understanding and/or belief as to amount, nature, type or extent of any coverage, conditions, extensions, or limits of liability provided by and as to all other terms of the OCIP insurance policies and/or their potential applicability to any claim or loss or their sufficiency for the conduct of Contractor's/Subcontractor's business or performance under the contract documents. To the extent that Contractor/Subcontractor deems it prudent to secure and maintain additional, supplemental, excess, or wholly independent insurance or liability associated with its work on the Project or otherwise, it shall be responsible to do so at its sole expense.

(d) Contractor/Subcontractor hereby releases Owner, the Program Administrator and their respective representatives, agents, directors, officers, employees, partners, shareholders, members, affiliates of every tier, successors, and assigns from any and all claims and liabilities arising out of or relating to acts, errors, omissions or negligence (i) in the design, selection, placement, adequacy, amount, limits, scope and nature of insurance coverage afforded by the OCIP, (ii) in the selection, performance and present and future solvency of the OCIP insurers, and (iii) in the implementation and administration of the OCIP. Contractor/Subcontractor shall make its own determinations regarding such matters and expressly waives all rights and benefits conferred upon it by the provisions of California Civil Code Section 1542, which provides:

**“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”**

Contractor/Subcontractor expressly acknowledges that the foregoing waiver of the provisions of Section 1542 was separately bargained for, and expressly agrees that the release provision shall be given full force and effect, including, without limitation, as to unknown or unsuspected claims, demands, liabilities and causes of action, if any may exist or arise. This release provision shall survive the completion of the contract work and the expiration or other termination of the Agreement.

#### **1.18 JOINT DEFENSE OF CLAIMS AND SUITS AGAINST MORE THAN ONE INSURED**

(a) If a claim, demand, suit, or other proceeding (“Claim”) is brought against more than one insured under the OCIP, Owner and Contractor/Subcontractor recognize the common interest of all OCIP insureds in jointly defending that Claim. To the fullest extent permitted by law, and absent a material, current, actual, conflict of interest that cannot be waived and which mandates the appointment of separate counsel under applicable law, Owner and Contractor/Subcontractor insured under the OCIP (i) shall be defended by the same counsel and by the same consultants and experts selected by Owner and/or the OCIP insurers at its or their sole discretion, regardless of whether the defense under the OCIP is provided subject to a reservation of rights issued by any OCIP insurer, and (ii) waive their respective rights to independent counsel as to any and all such Claims. This waiver is deemed to be continuing. Contractor/Subcontractor agrees to execute such other documents as are required to effectuate this waiver and fulfill the purpose of this Section 1.18.

(b) In defense of Claims arising under the OCIP, information shared with counsel engaged to defend the insureds (“Defense Counsel”) will be protected from disclosure and shall remain privileged even after the termination of the OCIP and/or the completion of the Project. Contractor/Subcontractor agrees not to disclose to any person or entity, other than to Owner and to Defense Counsel, any confidential information obtained in the defense or pursuit of Claims covered, or potentially covered, under the OCIP. Any such confidential information shall only be used in matters that arise directly pursuant to such OCIP Claims. However, disclosures of such confidential information may be made (i) upon written approval from Defense Counsel or (ii) where required by court order or by applicable law.

(c) Nothing in this Section 1.18 shall preclude Contractor/Subcontractors from engaging counsel of its choice, at its sole expense, to associate in the defense of any such Claim.

### **1.19 Duty of Care**

Nothing contained in the OCIP insurance policies, the contract, these contractual provisions, any other contract document, or the Project Insurance Manual shall relieve Contractor/Subcontractor of its obligations to exercise due care in the performance of its duties in connection with the contract work and to complete the contract work in strict compliance with the contract documents.

**NOTE: THE OWNER AND PROGRAM ADMINISTRATOR MUST APPROVE CHANGES TO ANY OCIP REQUIREMENT OR PROCEDURE. NO CONTRACTOR OR SUBCONTRACTOR HAS THE AUTHORITY TO AMEND THE OCIP REQUIREMENTS.**

## OCIP EXHIBIT A

### **PROTECTIVE SAFEGUARDS**

#### **APPLICABLE TO 'WOOD FRAME' PROJECTS ONLY:**

The Builders Risk Policy will not pay for LOSS caused by or resulting from exposures if the applicable protective safeguards are not maintained during the Builders Risk Policy term of INSURED PROJECT.

As a condition precedent to fire, theft, vandalism, and malicious mischief coverage provided by the Builders Risk Policy, the following protective safeguards will be maintained at every INSURED PROJECT site of Wood Frame construction insured by the Builders Risk Policy.

1. **Fencing** – The entire INSURED PROJECT site shall be surrounded with a six-foot chain-link fence suitably anchored in the ground and placed a reasonable distance from the insured property. Gates through the chain link fence shall be securely locked during non-working hours.
2. **Lighting** – The entire INSURED PROJECT site shall be illuminated from sunset to sunrise, each day.

\*\*Wood Frame Projects with total insured values greater than \$15M may also be required to provide the following:

- Electronic Security – Electronic security by a contracted service from a surveillance company that owns and operates a UL-certified, North American based monitoring center. The surveillance system must be cloud-based and operational covering 100% of the INSURED PROJECT site utilizing infrared illumination or thermal imaging cameras. The electronic security system must have the following capabilities:
  - Live audible voice-over functionality;
  - Lighting or visual indication features;
  - Four hour back up battery life in the event AC power is lost.

**OCIP EXHIBIT B**  
**PROJECT INSURANCE MANUAL**

(See Attachment)



*www.sewup.org*



**Statewide Educational Wrap Up Program (SEWUP) JPA**

# **Owner Controlled Insurance Program (OCIP) Project Insurance Manual**

**Program Administrator:  
Keenan & Associates**

*This manual is intended to provide only a general overview of the Owner Controlled Insurance Program and does not in any way alter or take precedence over the language in the actual insurance policies and contracts. It makes no promise to provide insurance to those not enrolled in the Owner Controlled Insurance Program*



[www.sewup.org](http://www.sewup.org)

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# Preface

## About This Manual

- Identifies responsibilities of the various parties involved in the project
- Provides a basic description of the OCIP coverage and program structure
- Describes audit and administrative procedures
- Provides answers to basic questions about the OCIP
- Claim reporting procedures
- Will be updated as necessary

## This Manual Does Not

- Provide OCIP coverage interpretations
- Provide complete information about OCIP coverages (Refer to OCIP policies)
- Provide answers to specific claims questions

# 1.0 Introduction

The Statewide Educational Wrap Up Program JPA (SEWUP), of which Modesto City Schools is a member, is providing an Owner Controlled Insurance Program (OCIP) for work performed at the specific project site, on behalf of the District, who is the “Owner”. The OCIP is an insurance program that insures eligible and enrolled subcontractors, for Work performed at the Job Site.

Certain subcontractors are excluded from this OCIP. These parties are identified in the Contract Documents and Section 1.1 (Definitions) of this manual.

The District will pay the insurance premiums for the OCIP coverage described in this manual. You should notify your insurer(s) to endorse your coverage to be excess and contingent over the insurance provided under this OCIP for on-site activities and the related costs. Each bidder, the Entity and its subcontractors, are required to exclude from its bid price and requests for payment, the cost of insurance coverages that will be provided by the OCIP.

## Note

The guidelines in this manual are to be used for informational purposes only. This manual does not constitute a contractual agreement. If conflicts exist between this manual and OCIP Insurance Policies, or this manual and the Contract between the District, Construction Manager, Entity (and its Enrolled Subcontractors of every tier), OCIP Policies or Owner’s Contract will govern.

**Any questions regarding a Subcontractor’s status as “Eligible” or “Ineligible” should be referred by written request to Contractor and District and approved by the Program Administrator.**

## 1.1 Participation in the OCIP

Participation in the OCIP is mandatory but not automatic. Enrollment eligibility will be determined upon completion of an online enrollment form which will include documentation of trade, scope of work, estimated value, estimated start and completion. Entity and its Enrolled Subcontractors of every tier must register via WrapPortal ([www.keenanwrap.com](http://www.keenanwrap.com)) and adhere to all program requirements, as specified in Section 6.0.

**The program Administrator will provide access to an online enrollment via Keenan Wrap, through its proprietary software referred to herein as WrapPortal; a User Name, Password and URL for website enrollment will be provided to each subcontractor upon entry of Subcontractor identifying information into WrapPortal by Entity or Parent Subcontractor.**

**Enrollment of Entity and eligible Subcontractors is mandatory.**

- Entity shall notify District and the Program Administrator in writing of the identity of each Subcontractor regardless of enrollment eligibility and shall cause each Subcontractor to notify the Program Administrator in writing of the identity of each of its Sub-subcontractors, prior to such parties’ commencement of their portion of the Work and prior to their entry onto the Project.
- Entity and subcontractors of all tiers shall not be deemed enrolled until the Program Administrator and OCIP insurers receive and approve a completed Contract Enrollment Form, for each awarded contract. Enrollment is required prior to commencement of on-site activities but no subcontractor shall be enrolled sooner than 30 days prior to their start date. Entity/Subcontractors shall be solely responsible for any and all losses, damages, claims,

liabilities, and suits arising out of such Subcontractor's failure to enroll, or delay in enrolling, any of its Subcontractors.

## Definitions:

**Enrollment:** Entity and each Eligible Subcontractor is considered Enrolled once required documents are received, reviewed, and processed by the OCIP Program Administrator to the insurer.

**Entity:** The Lease-Leaseback Entity that the District engaged pursuant to the Site Lease and the Facilities Lease to perform services relating to the Project.

**Subcontractor:** Includes all vendors, suppliers, contractors, businesses, and other persons or entities that have been engaged by Entity to perform, or assist with the performance of, services relating to the Project.

**Start Date:** The date that a Subcontractor begins on-site Project-related activities, which may include Project meetings required to be held on the Project site.

**Eligible:** Includes Entity and all Subcontractors providing direct labor on the Project, and excludes Ineligible Contractors, as defined below. Temporary labor services and leasing companies are to be treated as Eligible Contractors.

**Ineligible:** It is not the intent to insure or enroll every entity on the Project. "Ineligible" entities include, but are not limited to:

- consultants and other professionals, such as surveyors, design professionals, inspectors, testing professionals, and others.
- material suppliers and/or vendors that do not install materials or otherwise provide labor on the Project Site.
- contractors not performing work on the Project Site.
- contractors for abatement and/or removal of hazardous materials;
- service providers, such as security guards and non-construction janitorial service providers, and contractors performing landscape maintenance (although landscape work itself is covered);
- truckers, including trucking to the Project where delivery is the only scope of work performed; and
- other entities that do not install materials or perform work constructing the Project.

Ineligible entities are required to ensure that any eligible subcontractors who provide on-site labor comply with the OCIP Enrollment and are provided with a copy of this OCIP Project Manual.

Ineligible entities will be required to adhere to insurance certificate requirements as stated in section 5.0, Entity and Subcontractor Provided Insurance Coverage. In addition, any party deemed as Ineligible, but who has direct labor on the Project, will be required to participate in the Project Safety Program (see Section 6.0).

## 1.2 Project Site and Offsite Premises

Coverages provided by the OCIP are Project Site specific. The Project Site shall be designated by the District. The Project Site consists of any and all projects that are endorsed to this policy, which includes the:

1. Ways and means adjoining the endorsed project site.
2. Adjacent locations to the endorsed projects sites where incidental operations are being performed, excluding permanent locations.

With the exception of 1 and 2 mentioned above, off-site (a) locations, (b) labor, and (c) ongoing operations are not covered by the OCIP. It will be the responsibility of Entity and each Subcontractor to maintain off-site insurance, as identified in Section 5.0, which specifies coverage types and minimum limits. Entity/Subcontractor will promptly furnish to the District, or its designated representative, Certificates of Insurance evidencing that all required insurance is in force.

## 2.0 Qualification & Cost Identification

### 2.1 Contractor Qualification

Pursuant to Government Code Section 4420.5, Bidders must meet certain minimum standards to bid on the Districts' Project. The following qualification standards apply at the time of bid opening:

1. Entity shall have an average Workers' Compensation Experience Modification Rate (EMR) of 1.25 or less over the last five (5) years **OR** the current published year.
  - a. *The District strongly encourages Entity to require subcontractors to also meet this requirement, but eligible subcontractors that do not meet this standard will not be prevented from enrolling in the OCIP.*
2. Entity shall have Zero (0) Serious and Willful violations (Labor Code Sections 6300 *et seq.*) against it in the past five (5) years
3. Entity shall have provided evidence of its Injury and Illness Prevention Program (IIPP) prior to award of the Facilities Lease.

### 2.2 Insurance Cost Exclusion

Contractor shall exclude all costs for insurance coverages provided under the OCIP. Subcontractors must certify that their bids exclude any costs relating to any insurance coverages afforded under the OCIP. The District will reject any proposed Subcontractor who has not so certified in its bid.

### 2.3 Change Order Pricing

No change order will include any costs or markup relating to any insurance coverage afforded under the OCIP.

## 3.0 Information Directory

### 3.1 Program Administrator

**Keenan & Associates - SEWUP Department**  
2355 Crenshaw Blvd., Suite 200  
Torrance, CA 90501  
Phone: 800.654.8102

### 3.2 Insurance Companies

Workers' Compensation:	Liberty Mutual Insurance
General Liability:	Lloyds of London
Excess Liability:	Lloyds of London
	Endurance American Specialty Insurance Company
	Crum & Forester Specialty Insurance Company
	Texas Insurance Company
	Fair American Select Insurance Company
	Great American Assurance Company
	Starr Surplus Lines Insurance Company
	Westchester Surplus Lines Insurance Company
	Navigators Specialty Insurance Company
Builder's Risk:	Illinois Union Insurance Company
Contractor's Pollution Liability:	Berkeley Assurance Insurance Company

**See Section 7.0 For Claims Reporting Instructions and Procedures.**

***Questions Regarding OCIP*** Refer questions concerning the OCIP and its administration or coverage's to the Program Administrator. Answers to questions may also be found in Section 9.0 - Frequency Asked Questions.

## 4.0 OCIP Coverages Provided by the District

Entity/subcontractor should refer to the actual policies for details concerning coverage, exclusions, and limitations. In the event of any claim or question regarding coverage provided by the OCIP, the original policies will prevail. OCIP policies are available upon written request to the program administrator.

The OCIP is for the benefit of the District and Enrolled Entity /Subcontractors of all tiers who have on-site employees. OCIP coverage applies only to Work performed under Facilities and Site Lease at the Project. (see Section 1.3). Entity and all Subcontractors must provide their own insurance for Automobile Liability and off-site locations, labor, and operations. The following coverages are provided by the OCIP:

- **Workers' Compensation and Employers Liability**
- **Commercial General & Excess Liability**
- **Builder's Risk**
- **Contractor's Pollution Liability**

A Certificate of Insurance evidencing workers' compensation & employer's liability, general and excess liability and pollution liability insurance will be issued to Enrolled Entity/Subcontractors via WrapPortal. Other documentation including forms, posting notices, etc., will be provided to Enrolled Entity and each Enrolled Subcontractor.

#### **OCIP Disclaimer**

The OCIP is intended to provide broad coverages and high limits to Enrolled Entity/Subcontractors. The District does not warrant or represent that the OCIP coverages constitute an insurance program that completely addresses the risks of the Entity/Subcontractors. It is the responsibility of Entity and all Subcontractors to ensure that the OCIP coverages provided sufficiently address their insurance needs. Upon request, OCIP policies are available for review.

## **4.1 Workers' Compensation and Employer's Liability Insurance**

Workers' Compensation and Employer's Liability Insurance will be provided, in accordance with applicable state laws, to Entity and all Enrolled Subcontractors, each as named insured, and issued an individual policy reflecting the following Limits of Liability:

### **Coverage A – Workers' Compensation**

California Statutory Benefits

### **Coverage B – Employers Liability**

\$1,000,000 Bodily Injury each Accident

\$1,000,000 Bodily Injury by Disease – Policy Limit

\$1,000,000 Bodily Injury by Disease – Each Employee

**Contractor Deductible:** None

**Exclusions:** The known exclusions for this coverage are listed in **Section 11.0 – Known Policy Exclusions**. This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that are not identified on the table. It is the responsibility of the Entity/Subcontractor to review the policy for the complete details of all exclusions.

**Policy Term:** The master policy effective date is October 1, 2023. The policy term is three years, with one automatic two-year renewal. The policy is intended to remain in effect for duration of the contractor's construction Work. Warranty work and post-acceptance repair work is excluded; Entity and any Subcontractor providing such warranty or post-acceptance repair work must have their own insurance comparable to that required for ineligible entities. Entity and each Subcontractor is insured under the policy for the length of its work at the Project, or the policy end date, whichever comes first.

## **4.2 Commercial General Liability & Excess Liability Insurance**

Entity and all Enrolled Subcontractors are considered Named Insured under SEWUP's Master General & Excess Liability policies. The Master Policies are available for review by Entity/Subcontractors, upon request to the Owner or the Program Administrator.

### **Primary Coverage: Total Limits for Bodily Injury and Property Damage**

\$125,000,000 Each Occurrence

\$195,000,000 General Annual Aggregate – per Policy

\$125,000,000 Products and Completed Operations Aggregate



Ten (10) year Products and Completed Operations Extension after Notice of Completion is filed by the Owner, or date Occupancy is taken with a single non-reinstated aggregate limit.

**Policy Forms: “Occurrence” Form**

**Contractor Deductible:** None

**Conditional Warranties:**

- A. **Subsidence:** It is expressly warranted that the Named Insured, Entity, and all Sub-Contractors comply with all recommendations contained in the geotechnical/environmental reports. Failure to comply will result in subsidence coverage being null and void and a full subsidence exclusion would be re-instated.
- B. **EIFS Installation Agreement:** The following terms and conditions shall be satisfied:
  1. All EIFS type of work will be monitored and video recorded to ensure product warranty remains intact and not invalidated through erroneous installation.
  2. Details of who is providing the EIFS warranty will be provided on a per project basis
  3. EIFS value is to be declared per project
  4. EIFS purpose and use is to be declared per project

**Exclusions:** This insurance does not provide coverage for products liability of any enrolled party for any product manufactured, assembled or otherwise worked upon away from the Project Site.

The known exclusions for this coverage are listed in **Section 11.0 – Known Policy Exclusions**. This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that are not identified on the table. It is the responsibility of the Entity/Subcontractor to review the policy for the complete details of all exclusions.

**Policy Term:** The master policy effective date is October 1, 2023. The policy is intended to remain in effect for the duration of Project construction or through October 1, 2028 at 12:01am, whichever comes first.

Ten years Products and Completed Operations coverage.

### 4.3 Contractor’s Pollution Liability Insurance

Contractor’s Pollution Liability is written on an “Occurrence” form under a master liability policy. This Master policy is available for review by Entity/Subcontractors, upon request to the Owner or the Program Administrator. Certificates of Insurance will be provided to enrolled Entity and Subcontractors, as named insured.

**Primary Coverage:** Bodily Injury or Property Damage from a pollution event as defined within the policy form resulting from covered operations or completed operations.

**Limits:**

- \$15,000,000 Per Occurrence / \$25,000,000 Policy Aggregate
- Defense costs are outside of limits up to \$1M.

**Deductible:** \$10,000 Per Occurrence

Entity/Subcontractor shall be liable, at its expense; to the extent claims payable are attributable to their acts or omissions and/or the acts or omissions of its Subcontractors of any tier or any other entity or person for whom it may be responsible. The deductible will apply to each occurrence and must be satisfied prior to payment of the loss. The deductible amount shall not be reimbursed by the OCIP Insurance Program or the District.



**Exclusions:** The known exclusions for this coverage are listed in **Section 11.0 – Known Policy Exclusions**. This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that may not be identified in the list. It is the responsibility of the Contractor/Subcontractor to review the policy for the complete details of all exclusions.

**Policy Term:** The master policy effective date is October 1, 2023. The policy is intended to remain in effect for the duration of Project construction or through October 1, 2028 at 12:01am, whichever comes first.

## 4.4 Builder's Risk Insurance

The Builders Risk Master Policy names the Owner as named insured and enrolled Entity/Subcontractors as additional insured's. This Master policy is available for review by Entity/Subcontractors, upon request to the Owner or the Program Administrator.

Builder's Risk coverage will be in place during the Course of Construction at the Project. Such insurance shall be written on a repair or replacement cost basis, subject to exclusions, sub limits, property limitations and conditions. Such insurance shall include the interests of the District as named insured and enrolled Entity/Subcontractors as additional insureds. The deductible schedule is as follows:

**Deductibles:** A deductible, which shall be determined by the type of construction, will apply to each occurrence. The deductible schedule is as follows:

- \$5,000 - \$50,000 deductible (depending on type of structure) for Wood Frame, Masonry Non-Combustible or Joisted Masonry, and Fire Resistive / Non-Combustible.
- Up to \$100,000 deductible for Water Damage to All Construction Classifications.
- Deductibles are subject to increase if a Project's Builder's Risk term is extended 60 days or more

Entity/Subcontractors shall be responsible for the applicable deductible. The deductible shall apply to each occurrence and must be satisfied prior to payment of the loss. **The deductible shall not be reimbursed by the OCIP Insurance Program or the District.**

**Exclusions:** The known exclusions for this coverage are listed in **Section 11.0 – Known Policy Exclusions**. This is a summary and may not be exhaustive. The policy language may contain additional exclusionary language, limitations or carve-backs that may not be identified in the list. It is the responsibility of the Entity/Subcontractors to review the policy for the complete details of all exclusions.

**Policy Term:** The policy term is the term of the project.

**Note:** Entity/Subcontractors shall be responsible for any loss or damage to their personal property. This would include, but is not limited to, tools, equipment, mobile construction equipment, or materials NOT intended to be a permanent part of the building, whether owned, borrowed, used, leased, or rented by any Entity/Subcontractor. Any insurance purchased by the Entity/Subcontractors, or self-insurance, shall be the Entity's/Subcontractors' sole source of recovery in the event of a loss.

## 4.5 OCIP Certificates & Policies

Entity and all Enrolled Subcontractors will receive Certificates of Insurance for Workers' Compensation, General Liability, Excess Liability and Contractor's Pollution Liability coverages. Each enrolled Entity/Subcontractor will receive their own Workers' Compensation policy. Program Administrator will provide a copy of the OCIP policies upon written request. Such policies or programs may be amended from time to time and the terms of such policies or programs, as they may

be amended, are incorporated herein by reference. Entity/Subcontractors hereby agree to be bound by the terms of coverage, as contained in such insurance policies and/or self-insurance programs.

## 5.0 Entity/Subcontractor Required Insurance Coverage

For any Work under the Facilities and Site Lease, and until expiration of the Facilities and Site Lease, the Entity/Subcontractors shall, at their own expense, promptly furnish Certificates of Insurance evidencing that coverage is in force and any required Additional Insured Endorsements to the District, with a copy to the Program Administrator for the following coverages, before commencing work on the Project. Any deductibles or self-insured retentions must be declared to and approved by the District, which amounts shall be no greater than \$50,000. Any and all deductibles or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of the Entity/Subcontractor. All policies and endorsements are subject to approval at the sole discretion of the District and Program Administrator. Endorsements with expiration dates will not be accepted.

**All required insurance shall be maintained, without interruption, from the date of commencement work until expiration of the Facilities and Site Lease.** Certificates and additional insured endorsements shall provide not less than thirty (30) days prior written notice to the District and Program Administrator, of any material change in the insurance, cancellation, or non-renewal.

### 5.1 Automobile Liability Insurance

See Section 5.8 for Certificate Holder and Additional Insured Endorsement specifications. Automobile Liability Insurance must cover all vehicles owned by, hired by, or used on behalf of the Entity/Subcontractors for both Project Site and off-site operations with the following minimum limits of liability:

- Auto Liability Insurance Limits required:

#### Entity / Subcontractors

General/Prime Contractor	Subcontractor	
\$2,000,000	\$1,000,000	Bodily Injury and Property Damage

### 5.2 Workers' Compensation and Employer's Liability Insurance

- Required limits on Certificate of insurance are as follows:

#### Entity / Subcontractors

Workers' Compensation	Statutory Benefits - All States
Employers Liability	
\$1,000,000	Bodily Injury each Accident
\$1,000,000	Bodily Injury by Disease – Policy Limit
\$1,000,000	Bodily Injury by Disease – Each Employee

In accordance with the provisions of Section 3700 of the Labor Code, Entity and each Subcontractor shall secure the payment of compensation to its employees for all work not covered by the OCIP. Entity shall sign and file with the District the following certificate, and shall require each Subcontractor to file such statement with the District prior to commencing Work:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work of this Contract.

Entity shall furnish a certificate of insurance or a certificate of permission to self-insure under the Workers' Compensation and Employers' Liability Insurance statutes of the State of California.

5.3 General Liability Insurance

- Minimum Required limits of insurance are as follows:

Entity / Subcontractors

General/Prime Contractor	Subcontractor	
\$2,000,000	\$1,000,000	Bodily Injury and Property Damage
\$2,000,000	\$1,000,000	Per Occurrence
\$2,000,000	\$1,000,000	General Aggregate
\$2,000,000	\$1,000,000	Products/Completed Operations Aggregate
\$2,000,000	\$1,000,000	Personal/Adv. Injury Aggregate

5.4 Professional Liability Insurance

- If Entity's/Subcontractor's work requires design and/or design-assist services, or Entity/Subcontractor performs professional services of any kind, Entity/Subcontractor shall purchase and maintain, at its sole cost and expense, Professional Liability (Errors and Omissions) insurance to protect, defend, and hold harmless the District and its officers, officials, directors, trustees, agents, employees and volunteers from all claims arising out of professional services provided. This Professional Liability insurance shall include full prior acts coverage sufficient to cover the services under this agreement, with the following minimum limits of liability:

Entity: not less than \$5,000,000 per Claim/Annual Aggregate  
Subcontractor: not less than \$2,000,000 per Claim/Annual Aggregate

- Deductible or self-insured retention amount must not be greater than \$50,000 per claim, including coverage of contractual liability.
- Professional Liability Insurance is to be maintained during the term of the contract and for so long as the insurance is reasonably available as provided herein, for a period of ten (10) years after completion of the services.

5.5 Environmental and Asbestos Abatement Coverages

- If the Entity's/Subcontractor's scope of work involves the removal of asbestos, the removal/replacement of underground tanks, or the removal of toxic chemicals and substances, the Entity/Subcontractor will be required to provide the following minimum limits of liability, for such exposures subject to requirements and approval of the District:

\$1,000,000 per Claim/Aggregate

## 5.6 Aircraft or Watercraft Liability Insurance

- If any Entity/Subcontractor requires the use of Aircraft or Watercraft at the Project Site, including without limitation aircraft insurance required in connection with use of drones, the Entity/Subcontractor shall purchase and maintain, or cause the operator of the Aircraft or Watercraft to purchase and maintain, Aircraft or Watercraft liability insurance. This must insure passengers and the General Public against personal injury, bodily injury or property damage arising out of the ownership, maintenance, use or entrustment to others. It includes Aircraft or Watercraft owned or operated by or rented or loaned to any insured. Use includes operation and “loading or unloading.” **Use of drones or other aircraft or watercraft without the required insurance shall be a material breach of the Facilities Lease.** Entity/Subcontractor will be required to provide the following minimum limits of liability, for such exposures subject to requirements and approval of the District:

\$5,000,000 per Claim/Aggregate

**Drones are considered aircraft and coverage is expressly excluded from the OCIP policies.**

## 5.7 Entity/Subcontractor Insurance for Personal Property and Equipment

- Entity and all Subcontractors shall be solely responsible for any loss or damage to their personal property including, without limitation, their tools and equipment, mobile construction equipment, scaffolding, and temporary structures, whether owned, borrowed, used, leased or rented by any Entity/Subcontractor. Entity/Subcontractors may at their sole discretion, purchase and maintain insurance or self-insure such equipment and property, and any deductible in relation thereto shall be their sole responsibility. Any insurance, including self-insurance, shall be the Entity's/Subcontractors' sole source of recovery in the event of a loss.
- **Any type of insurance or any increase of limits of liability not described in this Section, which the Entity/Subcontractors require for their own protection or on account of any statute, will be their own responsibility and at their expense.**

## 5.8 Required Entity/Subcontractor Certificates of Insurance and Additional Insured Endorsements

Certificates of Insurance and Additional Insured Endorsements acceptable to the District and Program Administrator must be filed by the Entity with the District within five (5) days of execution of the Facilities Lease. Certificates of Insurance and Additional Insured Endorsements acceptable to the District and Program Administrator must be filed by Subcontractors with the District within ten (10) days after award of the subcontract and prior to commencement of Work.

These certificates and additional insured endorsements required by Section 5.0 and 5.8 shall provide not less than thirty (30) days prior written notice to the District (ten [10] days for non-payment of premium), with a copy to the Program Administrator, of any material change in the insurance, cancellation, or non-renewal.

Certificates of Insurance, the Project must be identified on the Certificate of Insurance in the “Description of Operations/Locations/Vehicles/Special Items” section. The Certificates of Insurance should name District, as the Certificate Holder, as specified below:

**Certificate Holder:**

**Modesto City Schools**

c/o Statewide Educational Wrap Up Program (SEWUP)

2355 Crenshaw Blvd., Suite 200

Torrance, CA 90501

**Additional Insured Endorsements:**

The District must be specifically named on the Schedule of an Additional Insured Endorsement, under the section titled, “Name of Person or Organization”, as specified below:

- A. The District, CM, Architect, Inspector, their officers, employees, agents, volunteers and independent contractors as additional insureds.
- B. Entity and all Subcontractors must provide an **additional insured endorsement** for **automobile liability**.

**Ineligible Subcontractors must provide an additional insured endorsement on both the Automobile Liability and General Liability policies and a waiver of subrogation on workers’ compensation.**

**Modesto City Schools**

c/o Statewide Educational Wrap Up Program (SEWUP)

2355 Crenshaw Blvd., Suite 200

Torrance, CA 90501

## 6.0 Entity/Subcontractor Requirements & Responsibilities

*Throughout the course of the Project, Subcontractors will be responsible for reporting and maintaining certain records as outlined in this section.*

Entity and all Subcontractors of all tiers shall cooperate with, and require their Subcontractors to cooperate with, the District and the Program Administrator, in regard to the administration and operation of the OCIP. **Each Subcontractor must include this document with their bid specifications to any and all Subcontractors.**

**Responsibilities of Entity/Subcontractors:**

- Enrolling in the OCIP and assuring all eligible tier subcontractors promptly enroll in the OCIP, via WrapPortal, prior to the start of any work
- Complying with the provisions of the OCIP Manual and cooperating in the administration and operation of the OCIP
- Identifying and removing from bid the cost of OCIP-provided insurance (by eligible Entity / subcontractors)
- Providing each Subcontractor with a copy of the OCIP Project Insurance Manual
- Providing timely evidence of insurance to the SEWUP Department via WrapPortal

- **Notifying the SEWUP Department of all awarded subcontracts via WrapPortal**
- Maintaining and reporting monthly payroll records (by all eligible subcontractors) via WrapPortal
- Complying with the OCIP Administrator's requests for information
- Complying with insurance, claims reporting, and safety procedures
- Notifying OCIP Administrator immediately of any insurance cancellation or non-renewal of Entity/Subcontractor required insurance
- Complying with the OCIP insurance policy requirements, including but not limited to, physical audit of payroll records by the insurance company or its representatives.

## 6.1 Registration & Enrollment

### A. Registration:

The Program Administrator will provide online registration via Keenan Wrap, through its proprietary software referred to herein as “WrapPortal”; a User Name, Password, and URL for website enrollment will be provided to each Subcontractor upon entry of Subcontractor identifying information into WrapPortal by Entity or Parent Subcontractor regardless of enrollment eligibility (See section 1.2).

Required information for Registration (regardless of eligibility), Enrollment information and all required Documents must be entered / uploaded into WrapPortal, for each awarded within ten (10) days of Contract Award and prior to commencement of On-site activities.

### B. Enrollment:

Neither Entity nor any Eligible Subcontractor is enrolled until the Program Administrator and OCIP insurers receive and approve a completed OCIP Enrollment via WrapPortal for each awarded contract. **The following must be completed for Program Administrator Review:**

1. Entry of all related enrollment information in Wrap Portal including Required Entity/Subcontractor Primary Insurance Coverages (see Sections 5.0 & 5.8) via WrapPortal.
2. Declarations pages, including proof of rates from Subcontractor’s current policies must be uploaded to WrapPortal.
3. Required Certificate of Insurance and Additional Insured Endorsement (see Sections 5.8) must be uploaded to WrapPortal

Enrollment is required prior to each Subcontractor’s Start Date, but no Subcontractor shall be enrolled sooner than 30 days prior to their Start Date.

- C. Late Enrollments:** Any Subcontractor who enrolls in the OCIP after their Start Date must provide a No-Known-Loss Letter to the Program Administrator, along with the enrollment documentation. Late Enrollment is not guaranteed and must be approved and accepted by the insurance carrier. Upon approval, the Program Administrator will provide evidence of OCIP coverage to the Subcontractor, as noted in Section 6.0.



## 6.2 Confirmation of Enrollment & Evidence of OCIP Coverages

Upon review of completed enrollment, OCIP Administrator will acknowledge acceptance of the Eligible Subcontractor into the Owner's OCIP, by issuing the following to each Enrolled Party:

4. Confirmation Letter
5. OCIP Certificates of Insurance
6. Claims Kit, including DWC1 and MPN Notices

These documents, as issued by the OCIP Administrator, will clearly identify the effective dates of the OCIP coverages for the Contract. A separate Workers' Compensation policy will be issued and sent to each Enrolled Party.

Should an Enrolled Party perform work on several contracts/projects, an Enrollment Form must be completed in WrapPortal for each contract. The OCIP Administrator will issue confirmation letters and certificates of insurance to each Enrolled Party for each separate contract. However, only one individual Workers' Compensation policy (that will apply to all contracts/projects) will be issued to each Enrolled Party.

## 6.3 Payroll Reporting Compliance

### A. Project Site Monthly Payroll Report Requirements

- Project Site Monthly Payroll must be submitted to the Program Administrator by the 10th of each month via WrapPortal until the completion of the contract and in no event shall be later than the 15th of each month. Payroll shall be reported only for labor performed at the project jobsite.
- Monthly Payroll Reporting is to begin from the enrollment effective date until the completion of the contract or the policy end date.
- Should no work be performed on the Project Site during a given month, each Enrolled Party is required to submit a form stating that "Non-Performance."
- Payroll reporting must summarize the unburdened payroll by Workers' Compensation Class Code. Certified payroll is not a requirement of the OCIP and cannot be accepted.
- If Monthly Payroll Report is not submitted to Program Administrator on a monthly basis, the Construction Manager and/or Owner can withhold payment until the report is received.
- For those Enrolled Parties performing Work under multiple contracts, for each contract, a Monthly Payroll Report is required each month until contract is finalized.
- All reported project site monthly payroll reported from October through the end of September is submitted by Program Administrator to the OCIP Insurance Carrier for auditing.
- Subcontractor shall keep and maintain accurate and classified records of their payroll for operations at the Project Site.
- A carrier audit may be performed using the reported payroll and other supporting documents. Entity/Subcontractor agrees to cooperate with the OCIP insurance carrier(s) or their 3 party auditors by responding to and providing documents as requested in a timely manner.

## **B. Workers' Compensation Insurance Rating Bureau Requirements**

- **Payroll Reporting for Each Workers' Compensation Policy Issued** - Once an Eligible Entity/Subcontractor is enrolled into the OCIP, the Program Administrator will issue a separate Workers' Compensation Policy. All Enrolled Subcontractors will need to comply with the rules and regulations of the California Workers Compensation Insurance Rating Bureau (WCIRB). This requires each Enrolled Party to maintain payroll records for each Contract location under the policy issued. Such records will allocate the payroll by Workers' Compensation classification(s) and exclude the excess or premium paid for overtime (i.e., only the straight-time rate will apply to overtime hours worked).
- **Insurance Company Payroll Audit** – Enrolled Entity/Subcontractors must properly classify payrolls, as these are reported to the rating bureau for calculation of future Experience Modifiers for the Enrolled Party's firm. Enrolled Entity/Subcontractors shall make available for inspection and copying their respective company books, vouchers, contracts, documents, and records, of any and all types, for physical inspection by the auditors of the OCIP insurance carrier(s) or Owner's representatives. Availability of records must be for a reasonable time during the policy period, any extension, or during a final audit period, as required by the OCIP Insurance Policies.

### **6.4 Contract Completion / Closeout Compliance**

Contractor's Completion Notice must be submitted by Entity to the Program Administrator via WrapPortal upon completion of construction Work at the Project, which includes punch list items, but not warranty work. Subcontractors shall cooperate with Entity in completing the *Contractor's Completion Notice*. This form evidences all enrolled Subcontractors' actual start and completion dates, per each subcontract. This information is used to confirm that each Workers' Compensation Policy was issued with correct policy term dates, covering the Subcontractors for the duration of their work at the Project. This information is subsequently submitted to the Workers' Compensation Insurance Rating Bureau (WCIRB).

### **6.5 Entity/Subcontractor Compliance with all aspects of the OCIP**

Entity and all Subcontractors must comply fully and promptly with such safety, loss control, and quality control rules, requirements, and directives as may from time to time be promulgated by District, the Program Administrator, and/or the OCIP insurers or any of its or their respective consultants, agents, or representatives. Neither the Entity nor any Subcontractor of any tier shall impede or otherwise prevent District, its representatives, or the Program Administrator, or their respective consultants, from entering or otherwise accessing the Project in accordance with the Facilities and Site Lease or any Project-related off-site locations. Nothing in this Project Insurance Manual or any other contract document shall be deemed to render District or any of its affiliates of any tier an employer of Entity/Subcontractor or any of its Subcontractors or any of its or their personnel or employees. Failure to comply with all OCIP requirements will be considered a material breach of the Facilities and Site Lease.

It is the obligation of Entity and each Eligible Subcontractor to enroll in the OCIP and to comply with all OCIP requirements set forth in this document, in the OCIP insurance policies, and elsewhere in the Facilities and Site Lease.

**Entity/Subcontractor shall provide each of its Subcontractors, among other things, with a copy of the Project Insurance Manual and shall flow down and bind all Subcontractors to the terms of this document. Entity/Subcontractor shall require in writing that each enrolling**



**Subcontractor comply with, among other things, the provisions of the OCIP insurance policies, the Project Insurance Manual, and the Facilities and Site Lease.**

All such requirements shall be included in all subcontracts and sub-subcontracts with eligible parties. The failure of Entity/Subcontractor or any other party to provide eligible Subcontractors with a copy of the Project Insurance Manual, the Facilities and Site Lease, and/or all other applicable requirements shall not relieve any such Subcontractor of any of the obligations contained therein.

Entity/Subcontractor shall keep and maintain accurate records and information in accordance with the requirements of the OCIP Insurer(s), the Project Administrator, the Project Insurance Manual, and the Facilities and Site Lease, and shall provide such records and information to District, the Program Administrator, and/or the OCIP insurers upon request.

## **7.0 Safety**

### **7.1 Occupational Safety and Health Compliance**

Entity and all Subcontractors must comply with all applicable local, state, and federal occupational safety and health requirements as well as any additional safety and health requirements set forth in the Facilities and Site Lease.

The Program Administrator shall conduct periodic loss control surveys on behalf of the District. These surveys will focus on evaluating the Entity's/Subcontractors' efforts to minimize loss, assisting in identifying loss exposures, and recommending appropriate corrective measures. The Program Administrator is a resource to supplement the safety and loss prevention activity of Entity/Subcontractors. Its loss control survey activities or other activities of the Program Administrator and/or OCIP insurers do not in any way relieve the Entity/Subcontractors of their responsibilities for Project safety.

### **7.2 Project Safety Program**

**In addition to local, state, and federal occupational safety and health laws, the following standards apply to all OCIP Enrolled and Non-Enrolled Contractors/Subcontractors.**

#### **A. Safety Orientation**

1. Entity/Subcontractor employees shall be provided with a project specific safety orientation prior the start of the project. At a minimum, the orientation will address the following items:
  - a. The District's site safety requirements.
  - b. Site specific safety hazards and protective measures for these hazards.
  - c. Emergency telephone numbers and procedures.
  - d. Local medical clinic/hospital information within the Medical Provider Network (MPN).

#### **B. Program Management**

1. Entity and each Subcontractor shall have the following safety programs:
  - a. Injury and Illness Prevention Plans
  - b. Hazard Communication Programs
  - c. Heat Illness Prevention Plans

2. Each Contractor/Subcontractor shall have an onsite competent person responsible for occupational safety and health. A competent person is one who is capable of identifying existing and predictable hazards in the surroundings or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them.
3. Entity and each Subcontractor shall have an onsite competent person responsible for occupational safety and health.

### **C. Mandatory 6' Fall Protection**

1. Entity/Subcontractor employees shall be protected from fall exposures of 6 feet or greater. Activities include but are not limited to:

- |                   |                                  |
|-------------------|----------------------------------|
| a. Steel erection | d. Decking                       |
| b. Roofing        | e. Work performed from scaffolds |
| c. Framing        | f. Work performed from ladders   |

2. The following exceptions apply only to framers and wood frame activities:
  - a. When installing or “rolling” the joists, Cal/OSHA fall protection requirements shall govern.
  - b. When framers are walking/working on securely braced joists, rafters, or roof trusses on center spacing not exceeding 24 inches, and more than 6' from an unprotected side or edge, they shall be considered protected from falls between the joists, rafters, or roof trusses.
3. A safety monitor as means of fall protection is prohibited.
4. Ladder jacks and lean-to scaffolds are prohibited.
5. Entity/Subcontractors are required to provide training to their employees who might be exposed to a fall hazard prior to the exposure or upon hiring. This training shall be documented and available for review.
6. Methods of fall protection include but are not limited to the following:
  - a. Railings
  - b. Covers for Floor, Roof, and Wall Openings
  - c. Personal Fall Arrest Systems, Personal Fall Restraint Systems, and Positioning Devices
  - d. Controlled Access Zones
7. The design and construction of railings shall conform to the Cal/OSHA Construction Safety Orders.
8. The use of wire ropes as top rails and intermediate rails of guardrail systems used for perimeter protection, or at interior openings such as stairways and elevator shafts, shall be installed in accordance with Cal/OSHA requirements. Additionally, wire ropes shall be secured to each support and taut at all times. The maximum deflection of the top rail when a load of 200 pounds is applied in any direction at any point of the top rail shall not exceed 3 inches in one direction which includes the free hanging sag in the wire rope.
9. The minimum parapet height allowed for fall protection is 42 inches or greater.

10. Covers used to cover floor, roof, and wall openings shall be secured in place to prevent accidental removal or displacement and shall be marked in accordance with Cal/OSHA Construction Safety Orders.
11. Covers used to cover floor and roof openings shall be capable of safely supporting the greater of 400 pounds or twice the weight of the employees, equipment and materials that may be imposed on any one square foot area of the cover at any time.
12. Controlled access zones shall be defined by a control line or other means that restricts access. Each line shall have a minimum breaking strength of 200 pounds. Signs shall be posted to warn unauthorized employees to stay out of the controlled access zone.
13. Control lines shall consist of ropes, wires, tapes, or equivalent materials. Control lines shall be erected and supported in accordance with Cal/OSHA Construction Safety Orders.
14. Scaffold Access/Egress. An internal ladder system with hatches and drop-down ladders or temporary stairs shall be provided for safe access/egress on all scaffolds 20 feet or greater in height. External straight ladders are prohibited on all scaffolds if it exposes a user to a fall of 20 feet or greater in height.
15. When adjustable scaffolds are utilized, they shall have rest platforms at 20-foot maximum vertical intervals

#### **D. Site Safety**

**According to industry practices, it is the responsibility of contractors of all tiers to exercise reasonable care to prevent work-related injuries; property and equipment damage at the project site, as well as minimize risk to the third-party persons and property. Entity/Subcontractors of all tiers shall be expected to comply with the following safety and loss control requirements:**

1. All Subcontractors shall identify their contact person(s) to the Entity.
2. Entity and all Subcontractors shall follow District procedures for dealing with the media.
3. At all times, hard hats shall be worn in the construction environment. Hard hats shall meet the requirements of ANSI Z89.1. No modification to the shell or suspension is allowed except when such changes are approved by the manufacturer.
4. 100% protective eyewear with side shield protection is required while in the construction environment, shop, or anytime eye hazards exist. Protective eyewear shall bear a legible and permanent “Z87” logo to indicate compliance with applicable ANSI/ASSE Standard.
5. All construction employees shall wear clothing suitable for the weather and work conditions. At a minimum, this shall be short sleeved shirts, long pants, and leather or other protective work shoes or boots.
6. Alcohol, illegal drugs, marijuana (in any form), and tobacco are prohibited on District property always.
7. Entity/Subcontractors will be required to respond to all District complaints about objectionable levels of dust or noise and will be required to provide prompt and appropriate abatement.
8. When the Project site is occupied by the District, Entity’s and its Subcontractors’ personnel cannot enter District grounds other than the construction site unless accompanied by District personnel and are allowed only “incidental” contact with students. Violations of these requirements by any such personnel will result in a mandatory background check of that individual– including fingerprinting – as required

by state law. This provision shall not limit the District's available remedies in the event of such an incident.

9. No sexual reference or preference shall be permitted on any piece of clothing or the hardhat. Any employee observed disregarding this policy shall be removed from the job site until further notice.
10. As required by the Facilities Lease, Entity and Subcontractors at all times shall keep premises free from debris such as waste, rubbish, and excess materials and equipment caused by Work. No glass containers are permitted on the site.
11. Theft or willful damage to any property of the District, student, or other contractors will be prosecuted fully.
12. Entity and all Subcontractors will advise non-English speaking employees in their native language either in a written format or via an interpreter of these policies.

#### **E. Crane Safety**

1. In accordance with Title 8, California Code of Regulations, section 5006.1, employers shall only permit operators who have a valid certificate (license) of competency to operate cranes. The operator shall have his license on his person, readily available for review.
2. All cranes used in lifting service, exceeding 3 tons rated capacity, and their accessory gear shall not be used until the employer has ascertained that such equipment has been certificated in accordance with Cal/OSHA as evidenced by current and valid documents. Certificates (annual and quadrennial) attesting to current compliance with testing and examination standards shall be maintained, readily available for each crane.
3. The Entity shall provide an erection plan and procedure for erection of trusses and beams over 25 feet long. The erection plan and procedure shall be prepared by a civil engineer currently registered in California. This plan and procedure shall be followed and kept available on the job site.

#### **F. Fire Prevention During Welding, Cutting, and Other Hot Work**

1. Contractors engaged in welding and allied processes, heat treating, grinding, cutting, thawing pipe, powder-driven fasteners, hot riveting, torch-applied roofing in conjunction with the requirements of NFPA 241, and similar applications producing or using a spark, flame, or heat shall adhere to National Fire Protection Association Standard 51B entitled "Standard for Fire Prevention During Welding, Cutting, and Other Hot Work."

#### **G. Incident Investigation Requirements**

1. The Entity shall perform thorough, in-depth investigations and evaluations of all incidents. A formal incident investigation shall be conducted whenever any incident occurs, including, without limitation, both non-injury incidents and incidents involving first aid. Additionally, near miss accidents and/or incidents must be reported and undergo the same in-depth investigation, root cause analysis and lessons learned process. The incident investigation report shall be e-mailed to Keenan and Associates within 5 working days.
2. Recommendations and lessons learned to prevent recurrence of incidents shall be documented and communicated to all employees of Entity and Subcontractors through safety meetings and on-the-job training.

## **H. Return to Work**

1. The District and OCIP Carrier are committed to working with Entity and all Enrolled Subcontractors to promote the successful & timely return to work of injured employees following a work-related injury. The purpose of this policy is to ensure that Enrolled Entity/Subcontractor employees who temporarily cannot return to their normal duties due to job-related injury or illness but can safely perform transitional duties while recovering is offered appropriate transitional duties for a limited time only.
  - a. An employee who has experienced a job-related injury requiring medical treatment must provide a proper medical release prior to returning to work.
  - b. An employee who has been removed from the jobsite ambulatory must provide a proper medical release prior to returning to work.
  - c. Entity and each Enrolled Subcontractor will cooperate with the OCIP Carrier to facilitate the return to work of any injured employee capable of safely performing transitional duties.
  - d. When the employee is released to transitional duties, it is the Enrolled Entity's/Subcontractor's responsibility to facilitate the injured employee's return to work.
  - e. The Enrolled Entity/Subcontractor is expected to accommodate the injured employee and facilitate the return to work.
  - f. It will be the responsibility of the Insurance Carrier's Adjuster to maintain communication with the treating physician and the Enrolled Entity/Subcontractor to facilitate the prompt return of an employee to full work status.

## **I. Conflicting Safety Requirements**

The District and SEWUP OCIP program place a very high value on project safety. Each may have their own safety requirements that are very similar in nature. However, in the event the requirements are in conflict or one is silent on a particular matter, then the requirement affording the greatest of amount protection will control. For example, if the District's Safety Program Requirements do not mandate 6' Fall Protection, then Section "7.2 C Mandatory 6' Fall Protection" contained in the SEWUP Project Insurance Manual will control.

## **J. Noncompliance and Unsafe Practices**

District or their representative shall have the authority to immediately cease any and all operation (s) on the jobsite that is deemed by District or their representative to be unsafe to property or has the potential to cause Bodily Injury, pursuant to Title VIII California Code of Regulation, Section 1511. Any such cession of work shall not constitute recoverable delay or other contractual remedies for liquidated damages and may expose the offending contractor to any such losses to the District or other trades.

## **K. Professional Conduct Clause**

Entity and subcontractors shall at all times adhere to safety requirements (contractual and regulatory) and shall encourage safe and professional behavior among their employees. Entity and subcontractors shall not allow on the job site any unfit person, unsafe person, anyone unskilled and unqualified to perform the work assigned to them, or anyone exhibiting such qualities. Any person in the employ of the contractor or subcontractor whom the District or the District's agent/representative may deem incompetent, unsafe,

or unfit shall be immediately dismissed from the OCIP job site and shall not again be allowed on the OCIP the job site except with the written consent of District or the District's agent/representative. The District reserves the right to request that the contractor or subcontractor's assigned Project Supervisor/Manager be replaced immediately

## 8.0 Claims Reporting

### Accident/Claims Reporting Procedures - Overview

This section describes the basic procedures for reporting SEWUP claims: Workers' Compensation, General Liability, Pollution Liability, and Damage to the Project (Builders Risk).

**The OCIP Administrator provides an Accident Claims Reporting Guide to Enrolled Entity and Subcontractors.** The Accident Claims Reporting Guide provides instructions and necessary information for reporting a claim, including policy numbers and site location codes. **This manual includes the required claim forms and postings.** Additional claim forms can be obtained from the OCIP Administrator upon request.

### 8.1 Workers' Compensation Claim Reporting & Procedures

If the injury requires a doctor (or medical office) visit or involves lost time, please follow the procedures listed below.

Entity/Subcontractors' on-site personnel must follow these procedures if any employee is involved in an accident or occurrence resulting in bodily injury or death:

**The main responsibility for any Entity/Subcontractor is first to see that the injured worker receives immediate medical care.** Immediately contact 911 for any serious, traumatic, and life-threatening injuries.

If an employee reports a work injury or illness that is minor and does not require a doctor visit or time off from work, the supervisor should refer the employee to the nearest **First Aid Treatment** available at the jobsite.

Call Liberty Mutual Insurance Company at **1-800-362-0000** or email them at [CLclaimsreports@libertymutual.com](mailto:CLclaimsreports@libertymutual.com) to report the injury. Access the Workers' Compensation Claim Kit, sent to you by the Program Administrator, which contains forms to be completed by employee and employer, as well as accident reporting guidelines. Have the following items ready when reporting the claim:

- SEWUP Workers' Compensation Policy Number (Provided at time of enrollment)
- SEWUP Site Location Code

### Medical Provider Network (MPN)

Liberty Mutual Insurance, the Statewide Educational Wrap Up Program's insurance carrier, has implemented the following Medical Provider Network (MPN):

#### Liberty Mutual Insurance MPN

The above MPN is to be utilized for the medical treatment of injured employees, unless the employee has pre-designated their medical provider prior to the date of loss. In emergency situations, it is always recommended that the injured worker be treated at an emergency medical facility first, and then sent to a physician in the Medical Provider Network (MPN).



### **MPN Regulations & Guidelines:**

- California MPN rules and regulations require that the injured worker must receive the Full Written MPN Notification when an injury is reported, or at the time of injury. The English version is given to English speaking employees and the Spanish version is given to Spanish speaking employees.
- The MPN regulations are silent about Employee Acknowledgement Letters. As an employer, you have the right to use acknowledgement letters for your employees to sign when you give your employee the Full Written MPN Notification.
- An MPN Panel Card shall be posted at SEWUP Project Jobsite, Displaying the Name, Address and a Map of Designated Medical Clinic close to the jobsite.
- For locating participating medical providers within the Liberty Mutual Insurance MPN, use your Internet Browser to access the below website, which will provide links for locating a medical provider within the network by specialty and by location,

<https://lmi.co/LMnetworks>

### **State Required Workers' Compensation Forms**

The Labor Code requires that an employee report any injury immediately to the employer. There are essential requirements for both the employer and employee to perform, once the injury has actually been reported.

The Labor Code provides for possible penalties to be assessed if the following time lines are not met:

- Provision of the Employee Claim Form, DWC-1; report within one (1) working day of the employer's knowledge of a disability or injury beyond first aid. Each employer is responsible for providing this form to an injured employee. Should the employee not be available for hand delivery, mail the DWC-1 to the employee at their home address.
- Provision of the Employer's Report of Injury, Form 5020; report, within five (5) days of knowledge, every occupational injury or illness which results in lost time beyond the date of the incident or requires medical treatment at a medical facility. In addition, every serious illness/injury or death must be reported immediately by telephone or fax to the nearest office of the California Division of Occupational Safety and Health.

## **8.2 General Liability Claim Reporting**

Entity/Subcontractor must immediately report all known or suspected First Party, Third Party or Pollution Liability incidents occurring at the Project Site involving bodily injury, death, or any damage to property to the following:

- Keenan & Associates - **1-310-212-0363 x.2011**. Have the following information ready when reporting claim
  - SEWUP **General Liability Policy Number**
  - SEWUP **Site Location Code**
- Program Administrator (SEWUP) – Email: [TMyer@Keenan.com](mailto:TMyer@Keenan.com) & [SEWUP@keenan.com](mailto:SEWUP@keenan.com), Phone: (800) 654-8102. Notice of Occurrence - Accident/Incident Report may be emailed.

### 8.3 Builder's Risk Claim Reporting

Entity/Subcontractors must immediately report all property damage to your work or work of any other Entity/Subcontractor at the Project Site, to the following:

- Keenan & Associates - **1-310-212-0363 x.2116**
- Ace USA Property Claims – Email: [Propertyfirstnotices@acegroup.com](mailto:Propertyfirstnotices@acegroup.com), Phone: (800) 433-0385
- Program Administrator (SEWUP) – Email: [TMyer@Keenan.com](mailto:TMyer@Keenan.com) & [SEWUP@keenand.com](mailto:SEWUP@keenand.com), Phone: (800) 654-8102.

**Note:** Always take appropriate emergency measures to prevent additional injury or damage, including contacting police and fire authorities as required by law.

### 8.4 Contractor's Pollution Liability Claim Reporting

Entity/Subcontractors must immediately report all third-party accidents related to a known or suspected pollution incident at the Project Site involving bodily injury, death, or any damage to property to the following:

- Keenan & Associates - **1-310-212-0363 x.2116**
- Berkley Assurance Company - Electronic Reporting - [BCPclaims@BerkleyCP.com](mailto:BCPclaims@BerkleyCP.com)
- Program Administrator (SEWUP) – Email: [TMyer@Keenan.com](mailto:TMyer@Keenan.com) & [SEWUP@keenand.com](mailto:SEWUP@keenand.com), Phone: (800) 654-8102.

### 8.5 Automobile Claim Reporting

NO coverage is provided for automobile accidents under the OCIP. It is the sole responsibility of each Contractor and Subcontractor to report claims involving their automobiles to their own insurance carrier.

### 8.6 Instructions and Procedures – Litigation Papers, Legal Documents, etc.

If your firm is served with a lawsuit arising out of your involvement with the District's Project, or if receipt of litigation papers or legal documents is your first notice of a claim, forward to the following:

- Program Administrator (SEWUP) – Email: [TMyer@Keenan.com](mailto:TMyer@Keenan.com) & [SEWUP@keenand.com](mailto:SEWUP@keenand.com), Phone: (800) 654-8102.

### 8.7 Investigation Assistance/Confirmation of Claim Receipt

Entity/Subcontractors will assist in the investigation of any accident or occurrence involving injury to persons or property. Entity/Subcontractors must cooperate with the companies involved in adjusting any claim by securing and giving evidence and obtaining the participation and attendance of witnesses required for the investigation and defense of any claim or suit.

Upon receipt of the claim or incident from the Entity/Subcontractor, the respective OCIP insurance carrier will send a claims acknowledgment letter with the assigned claims file number. Always cooperate with the District Owner or the OCIP insurer representatives in the accident investigation.

## 9.0 Claims Forms



## 9.1 First Report of Injury (5020)

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

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

State of California <b>EMPLOYER'S REPORT OF OCCUPATIONAL INJURY OR ILLNESS</b>		PLEASE COMPLETE (TYPE, IF POSSIBLE). MAIL TWO COPIES TO:		OSHA CASE NO.	
				<input type="checkbox"/> FATALITY	
Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers compensation benefits or payments of guilty of a felony.		NOTICE: California law requires employers to report within five days of knowledge every occupational injury or illness which results in lost time beyond the date of the incident OR requires medical treatment beyond first aid. If an employee subsequently dies as a result of a previously reported injury or illness, the employer must file within five days of knowledge an amended report indicating death. In addition, every serious illness/injury or death must be reported immediately by telephone or telegraph to the nearest office of the California Division of Occupational Safety and Health.			
EMPLOYER	1. FIRM NAME			1A. POLICY NUMBER	
	2. MAILING ADDRESS (Number and Street, City, ZIP)			2A. PHONE NUMBER	
	3. LOCATION, IF DIFFERENT FROM MAILING ADDRESS (Number and Street, City, ZIP)			3A. LOCATION CODE	
	4. NATURE OF BUSINESS, e.g., painting contractor, wholesale grocer, sawmill, hotel, etc.			5. STATE UNEMPLOYMENT INSURANCE ACCT NUMBER	
	6. TYPE OF EMPLOYER <input type="checkbox"/> PRIVATE <input type="checkbox"/> STATE <input type="checkbox"/> CITY <input type="checkbox"/> COUNTY <input type="checkbox"/> SCHOOL <input type="checkbox"/> DIST <input type="checkbox"/> OTHER <input type="checkbox"/> GOV - SPECIFY _____			Occupation	
EMPLOYEE	7. EMPLOYEE NAME		8. SOCIAL SECURITY NUMBER		9. DATE OF BIRTH (mm dd yy)
	10. HOME ADDRESS (Number and Street, City, ZIP)		10A. PHONE NUMBER		Age
	11. SEX <input type="checkbox"/> MALE <input type="checkbox"/> FEMALE	12. OCCUPATION (Regular job title - NO initials, abbreviations or numbers)		13. DATE OF HIRE (mm dd yy)	
	14. EMPLOYEE USUALLY WORKS hours _____ days _____ total _____ per day per week wkly. hrs		14A. EMPLOYMENT STATUS (check applicable status at time of injury) regular _____ part _____ temp _____ seasonal _____ (full-time time)		14B. Under what class code of your policy were wages assigned
	15. GROSS WAGES/SALARY \$ _____ PER _____		16. OTHER PAYMENTS NOT REPORTED AS WAGES/Salary (e.g., tips, meals, lodging, overtime, bonuses, etc.)? <input type="checkbox"/> YES \$ _____ PER _____ <input type="checkbox"/> NO		Weekly Hours
INJURY OR ILLNESS	17. DATE OF INJURY OR ONSET OF ILLNESS (mm dd yy)		18. TIME INJURY/ILLNESS OCCURRED A.M. _____ P.M. _____		19. TIME EMPLOYEE BEGAN WORK A.M. _____ P.M. _____
	20. IF EMPLOYEE DIED, DATE OF DEATH (mm dd yy)		21. UNABLE TO WORK FOR AT LEAST ONE FULL DAY AFTER DATE OF INJURY <input type="checkbox"/> YES <input type="checkbox"/> NO		22. DATE LAST WORKED (mm dd yy)
	23. DATE RETURNED TO WORK (mm dd yy)		24. IF STILL OFF WORK CHECK THIS BOX <input type="checkbox"/>		County
	25. PAID FULL WAGES FOR DAY OF INJURY OR LAST DAY WORKED <input type="checkbox"/> YES <input type="checkbox"/> NO		26. SALARY BEING CONT'D? <input type="checkbox"/> YES <input type="checkbox"/> NO		27. DATE OF EMPLOYER'S KNOWLEDGE NOTICE OF INJURY/ILLNESS (mm dd yy)
	28. DATE EMPLOYEE WAS PROVIDED EMPLOYEE CLAIM FORM (mm dd yy)		29. SPECIFIC INJURY/ILLNESS AND PART OF BODY AFFECTED, MEDICAL DIAGNOSIS, if available, e.g., second degree burns on right arm, tendonitis of left elbow, lead poisoning		Part of Body
	30. LOCATION WHERE EVENT OR EXPOSURE OCCURRED (Number and Street, City)		30A. COUNTY		30B. ON EMPLOYER'S PREMISES <input type="checkbox"/> YES <input type="checkbox"/> NO
	31. DEPARTMENT WHERE EVENT OR EXPOSURE OCCURRED, e.g., shipping department, machine shop		32. OTHER WORKERS INJURED/ILL IN THIS EVENT? <input type="checkbox"/> YES <input type="checkbox"/> NO		Event
	33. EQUIPMENT, MATERIALS AND CHEMICALS THE EMPLOYEE WAS USING WHEN EVENT OR EXPOSURE OCCURRED, e.g., acetylene, welding torch, farm tractor, scaffold		34. SPECIFIC ACTIVITY THE EMPLOYEE WAS PERFORMING WHEN EVENT OR EXPOSURE OCCURRED, e.g., welding seams of metal forms, loading boxes into truck		Sec. Source
	35. HOW INJURY/ILLNESS OCCURRED. DESCRIBE SEQUENCE OF EVENTS SPECIFY OBJECT OR EXPOSURE WHICH DIRECTLY PRODUCED THE INJURY/ILLNESS (e.g., worker stepped back to inspect work and slipped on scrap material. As he fell, he brushed against flash weld and burned right hand). USE SEPARATE SHEET IF NECESSARY		36. NAME AND ADDRESS OF PHYSICIAN (Number and Street, City, ZIP)		36A. PHONE NUMBER
	37. IF HOSPITALIZED AS AN INPATIENT, NAME AND ADDRESS OF HOSPITAL (Number and Street, City, ZIP)		37A. PHONE NUMBER		
COMPLETED BY (type or print)		SIGNATURE		TITLE	DATE

## 9.2 Workers' Compensation Claim Form (DWC-1)

### *Formulario de Reclamo de Compensación para Trabajadores (DWC 1) y Notificación de Posible Elegibilidad*

If you are injured or become ill, either physically or mentally, because of your job, including injuries resulting from a workplace crime, you may be entitled to workers' compensation benefits. Attached is the form for filing a workers' compensation claim with your employer. **You should read all of the information below.** Keep this sheet and all other papers for your records. You may be eligible for some or all of the benefits listed depending on the nature of your claim. If required you will be notified by the claims administrator, who is responsible for handling your claim, about your eligibility for benefits.

To file a claim, complete the "Employee" section of the form, keep one copy and give the rest to your employer. Your employer will then complete the "Employer" section, give you a dated copy, keep one copy and send one to the claims administrator. Benefits can't start until the claims administrator knows of the injury, so complete the form as soon as possible.

**Medical Care:** Your claims administrator will pay all reasonable and necessary medical care for your work injury or illness. Medical benefits may include treatment by a doctor, hospital services, physical therapy, lab tests, x-rays, and medicines. Your claims administrator will pay the costs directly so you should never see a bill. For injuries occurring on or after 1/1/04, there is a limit on some medical services.

**The Primary Treating Physician (PTP)** is the doctor with the overall responsibility for treatment of your injury or illness. Generally your employer selects the PTP you will see for the first 30 days, however, in specified conditions, you may be treated by your predesignated doctor. If a doctor says you still need treatment after 30 days, you may be able to switch to the doctor of your choice. Special rules apply if your employer offers a Health Care Organization (HCO) or after 1/1/05, has a medical provider network. Contact your employer for more information. If your employer has not put up a poster describing your rights to workers' compensation, you may choose your own doctor immediately.

Within one working day after an employee files a claim form, the employer shall authorize the provision of all treatment, consistent with the applicable treating guidelines, for the alleged injury and shall continue to provide treatment until the date that liability for the claim is accepted or rejected. Until the date the claim is accepted or rejected, liability for medical treatment shall be limited to ten thousand dollars (\$10,000).

**Disclosure of Medical Records:** After you make a claim for workers' compensation benefits, your medical records will not have the same privacy that you usually expect. If you don't agree to voluntarily release medical records, a workers' compensation judge may decide what records will be released. If you request privacy, the judge may "seal" (keep private) certain medical records.

**Payment for Temporary Disability (Lost Wages):** If you can't work while you are recovering from a job injury or illness, you will receive temporary disability payments. These payments may change or stop when your doctor says you are able to return to work. These benefits are tax-free. Temporary disability payments are two-thirds of your average weekly pay, within minimums and maximums set by state law. Payments are not made for the first three days you are off the job unless you are hospitalized overnight or cannot work for more than 14 days.

Si Ud. se lesiona o se enferma, ya sea física o mentalmente, debido a su trabajo, incluyendo lesiones que resulten de un crimen en el lugar de trabajo, es posible que Ud. tenga derecho a beneficios de compensación para trabajadores. Se adjunta el formulario para presentar un reclamo de compensación para trabajadores con su empleador. **Ud. debe leer toda la información a continuación.** Guarde esta hoja y todos los demás documentos para sus archivos. Es posible que usted reúna los requisitos para todos los beneficios, o parte de éstos, que se enumeran, dependiendo de la índole de su reclamo. Si se requiere, el/la administrador(a) de reclamos, quien es responsable del manejo de su reclamo, le notificará a usted, lo referente a su elegibilidad para beneficios.

Para presentar un reclamo, complete la sección del formulario designada para el "Empleado", guarde una copia, y déle el resto a su empleador. Entonces, su empleador completará la sección designada para el "Empleador", le dará a Ud. una copia fechada, guardará una copia, y enviará una al/la administrador(a) de reclamos. Los beneficios no pueden comenzar hasta, que el/la administrador(a) de reclamos se entere de la lesión, así que complete el formulario lo antes posible.

**Atención Médica:** Su administrador(a) de reclamos pagará toda la atención médica razonable y necesaria, para su lesión o enfermedad relacionada con el trabajo. Es posible que los beneficios médicos incluyan el tratamiento por parte de un médico, los servicios de hospital, la terapia física, los análisis de laboratorio y las medicinas. Su administrador(a) de reclamos pagará directamente los costos, de manera que usted nunca verá un cobro. Para lesiones que ocurren en o después de 1/1/04, hay un límite de visitas para ciertos servicios médicos.

**El Médico Primario que le Atiende-Primary Treating Physician** **PTP** es el médico con toda la responsabilidad para dar el tratamiento para su lesión o enfermedad. Generalmente, su empleador selecciona al PTP que Ud. Verá durante los primeros 30 días. Sin embargo, en condiciones específicas, es posible que usted pueda ser tratado por su médico predesignado. Si el doctor dice que usted aún necesita tratamiento después de 30 días, es posible que Ud. pueda cambiar al médico de su preferencia. Hay reglas especiales que son aplicables cuando su empleador ofrece una Organización del Cuidado Médico (HCO) o después de 1/1/05 tiene un Sistema de Proveedores de Atención Médica. Hable con su empleador para más información. Si su empleador no ha colocado un poster describiendo sus derechos para la compensación para trabajadores, Ud. puede seleccionar a su propio médico inmediatamente.

El empleador autorizará todo tratamiento médico consistente con las directivas de tratamiento aplicables a la lesión o enfermedad, durante el primer día laboral después que el empleado efectúa un reclamo para beneficios de compensación, y continuará proveyendo este tratamiento hasta la fecha en que el reclamo sea aceptado o rechazado. Hasta la fecha en que el reclamo sea aceptado o rechazado, el tratamiento médico será limitado a diez mil dólares (\$10,000).

**Divulgación de Expedientes Médicos:** Después de que Ud. presente un reclamo para beneficios de compensación para los trabajadores, sus expedientes médicos no tendrán la misma privacidad que usted normalmente espera. Si Ud. no está de acuerdo en divulgar voluntariamente los expedientes médicos, un(a) juez de compensación para trabajadores posiblemente decida qué expedientes se revelarán. Si Ud. Solicita privacidad, es posible que el/la juez "selle" (mantenga privados) ciertos expedientes médicos.

**Pago por Incapacidad Temporal (Sueldos Perdidos):** Si Ud. no puede trabajar, mientras se está recuperando de una lesión o enfermedad relacionada con el trabajo, Ud. recibirá pagos por incapacidad temporal. Es posible que estos pagos cambien o paren, cuando su médico diga que Ud. está en condiciones de regresar a trabajar. Estos beneficios son libres de impuestos. Los pagos por incapacidad temporal son dos tercios de su pago semanal promedio, con cantidades mínimas y máximas establecidas por las leyes estatales. Los pagos no se hacen durante los primeros tres



**Return to Work:** *To help you to return to work as soon as possible, you should actively communicate with your treating doctor, claims administrator, and employer about the kinds of work you can do while recovering. They may coordinate efforts to return you to modified duty or other work that is medically appropriate. This modified or other duty may be temporary or may be extended depending on the nature of your injury or illness.*

**Payment for Permanent Disability:** If a doctor says your injury or illness results in a permanent disability, you may receive additional payments. The amount will depend on the type of injury, your age, occupation, and date of injury.

**Vocational Rehabilitation (VR):** If a doctor says your injury or illness prevents you from returning to the same type of job and your employer doesn't offer modified or alternative work, you may qualify for VR. If you qualify, your claims administrator will pay the costs, up to a maximum set by state law. VR is a benefit for injuries that occurred prior to 2004.

**Supplemental Job Displacement Benefit (SJDB):** If you do not return to work within 60 days after your temporary disability ends, and your employer does not offer modified or alternative work, you may qualify for a nontransferable voucher payable to a school for retraining and/or skill enhancement. If you qualify, the claims administrator will pay the costs up to the maximum set by state law based on your percentage of permanent disability. SJDB is a benefit for injuries occurring on or after 1/1/04.

**Death Benefits:** If the injury or illness causes death, payments may be made to relatives or household members who were financially dependent on the deceased worker.

**It is illegal for your employer** to punish or fire you for having a job injury or illness, for filing a claim, or testifying in another person's workers' compensation case (Labor Code 132a). If proven, you may receive lost wages, job reinstatement, increased benefits, and costs and expenses up to limits set by the state.

You have the right to disagree with decisions affecting your claim. If you have a disagreement, contact your claims administrator first to see if you can resolve it. If you are not receiving benefits, you may be able to get State Disability Insurance (SDI) benefits. Call State Employment Development Department at (800) 480-3287.

You can obtain free information from an information and assistance officer of the State Division of Workers' Compensation, or you can hear recorded information and a list of local offices by calling **(800) 736-7401**. You may also go to the DWC web site at **[www.dir.ca.gov](http://www.dir.ca.gov)**. Link to Workers' Compensation.

**You can consult with an attorney.** Most attorneys offer one free consultation. If you decide to hire an attorney, his or her fee will be taken out of some of your benefits. For names of workers' compensation attorneys, call the State Bar of California at (415) 538-2120 or go to their web site at **[www.californiaspecialist.org](http://www.californiaspecialist.org)**.

is en que Ud. no trabaje, a menos que Ud. sea hospitalizado(a) de che, o no pueda trabajar durante más de 14 días.

**Regreso al Trabajo:** Para ayudarle a regresar a trabajar lo antes posible, Ud. debe comunicarse de manera activa con el médico que le atiende, el/la administrador(a) de reclamos y el empleador, con respecto a las clases de trabajo que Ud. puede hacer mientras se recupera. Es posible que ellos coordinen esfuerzos para regresarle a un trabajo modificado, o a otro trabajo, que sea apropiado desde el punto de vista médico. Este trabajo modificado, u otro trabajo, podría extenderse o no temporalmente, dependiendo de la índole de su lesión o enfermedad.

**Pago por Incapacidad Permanente:** Si el doctor dice que su lesión o enfermedad resulta en una incapacidad permanente, es posible que Ud. reciba pagos adicionales. La cantidad dependerá de la clase de lesión, su edad, su ocupación y la fecha de la lesión.

**Rehabilitación Vocacional:** Si el doctor dice que su lesión o enfermedad no le permite regresar a la misma clase de trabajo, y su empleador no le ofrece trabajo modificado o alternativo, es posible que usted reúna los requisitos para rehabilitación vocacional. Si Ud. reúne los requisitos, su administrador(a) de reclamos pagará los costos, hasta un máximo establecido por las leyes estatales. Este es un beneficio para lesiones que ocurrieron antes de 2004.

**Beneficio Suplementario por Desplazamiento de Trabajo:** Si Ud. No vuelve al trabajo en un plazo de 60 días después que los pagos por incapacidad temporal terminan, y su empleador no ofrece un trabajo modificado o alternativo, es posible que usted reúna los requisitos para recibir un vale no-transferible pagadero a una escuela para recibir un Nuevo entrenamiento y/o mejorar su habilidad. Si Ud. reúne los requisitos, el administrador(a) de reclamos pagará los costos hasta un máximo establecido por las leyes estatales basado en su porcentaje del incapacidad permanente. Este es un beneficio para lesiones que ocurren en o después de 1/1/04.

**Beneficios por Muerte:** Si la lesión o enfermedad causa la muerte, es posible que los pagos se hagan a los parientes o a las personas que vivan en el hogar, que dependían económicamente del/de la trabajador(a) difunto(a).

**Es ilegal que su empleador** le castigue o despidan, por sufrir una lesión o enfermedad en el trabajo, por presentar un reclamo o por atestiguar en el caso de compensación para trabajadores de otra persona. (El Código Laboral sección 132a). Si es probado, puede ser que usted reciba pagos por pérdida de sueldos, reposición del trabajo, aumento de beneficios, y gastos hasta un límite establecido por el estado. Ud. tiene derecho a estar en desacuerdo con las decisiones que afecten su reclamo. Si Ud. tiene un desacuerdo, primero comuníquese con su administrador(a) de reclamos, para ver si usted puede resolverlo. Si usted no está recibiendo beneficios, es posible que Ud. pueda obtener beneficios de Seguro Estatal de Incapacidad (SDI). Llame al Departamento Estatal del Desarrollo del Empleo (EDD) al (800) 480-3287.

Ud. puede obtener información gratis, de un oficial de información y asistencia, de la División estatal de Compensación al Trabajador (*Division of Workers' Compensation - DWC*), o puede escuchar información grabada, así como una lista de oficinas locales, llamando al **(800) 736-7401**. Ud. también puede ir al sitio electrónico en el Internet de la DWC en **[www.dir.ca.gov](http://www.dir.ca.gov)**. Enlázese a la sección de Compensación para Trabajadores.

**Ud. puede consultar con un(a) abogado(a).** La mayoría de los abogados ofrecen una consulta gratis. Si Ud. decide contratar a un(a) abogado(a), sus honorarios se tomarán de sus beneficios. Para obtener nombres de abogados de compensación para trabajadores, llame a la Asociación Estatal de Abogados de California (*State Bar*) al (415) 538-2120, ó vaya a su sitio electrónico en el Internet en **[www.californiaspecialist.org](http://www.californiaspecialist.org)**.



State of California

Department of Industrial Relations

DIVISION OF WORKERS' COMPENSATION

**WORKERS COMPENSATION CLAIM FORM (DWC 1)**

**Employee:** Complete the "Employee" section and give the form to your employer. Keep a copy and mark it "Employee's Temporary Receipt" until you receive the signed and dated copy from your employer. You may call the Division of Workers' Compensation and hear recorded information at (800) 736-7401. An explanation of workers' compensation benefits is included as the cover sheet of this form.

You should also have received a pamphlet from your employer describing workers' compensation benefits and the procedures to obtain them.

Any person who makes or causes to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining or denying workers' compensation benefits or payments is guilty of a felony.

Estado de California

Departamento de Relaciones Industriales

DIVISION DE COMPENSACIÓN AL TRABAJADOR

**PETITION DEL EMPLEADO PARA DE  
COMPENSACIÓN DEL TRABAJADOR (DWC 1)**

**Empleado:** Complete la sección "Empleado" y entregue la forma a su empleador. Quédese con la copia designada "Recibo Temporal del Empleado" hasta que Ud. reciba la copia firmada y fechada de su empleador. Ud. puede llamar a la Division de Compensación al Trabajador al (800) 736-7401 para oír información grabada. En la hoja cubierta de esta forma esta la explicación de los beneficios de compensación al trabajador.

Ud. también debería haber recibido de su empleador un folleto describiendo los beneficios de compensación al trabajador lesionado y los procedimientos para obtenerlos.

Toda aquella persona que a propósito haga o cause que se produzca cualquier declaración o representación material falsa o fraudulenta con el fin de obtener o negar beneficios o pagos de compensación a trabajadores lesionados es culpable de un crimen mayor "felonia".

**Employee—complete this section and see note above. Empleado—complete esta sección y note la notación arriba.**

1. Name. *Nombre.* \_\_\_\_\_ Today's Date. *Fecha de Hoy.* \_\_\_\_\_
2. Home Address. *Dirección Residencial.* \_\_\_\_\_
3. City. *Ciudad.* \_\_\_\_\_ State. *Estado.* \_\_\_\_\_ Zip. *Código Postal.* \_\_\_\_\_
4. Date of Injury. *Fecha de la lesión (accidente).* \_\_\_\_\_ Time of Injury. *Hora en que ocurrió.* \_\_\_\_\_ a.m. \_\_\_\_\_ p.m.
5. Address and description of where injury happened. *Dirección/lugar dónde ocurrió el accidente.* \_\_\_\_\_
6. Describe injury and part of body affected. *Describe la lesión y parte del cuerpo afectada.* \_\_\_\_\_
7. Social Security Number. *Número de Seguro Social del Empleado.* \_\_\_\_\_
8. Signature of employee. *Firma del empleado.* \_\_\_\_\_

**Employer—complete this section and see note below. Empleador—complete esta sección y note la notación abajo.**

9. Name of employer. *Nombre del empleador.* \_\_\_\_\_
10. Address. *Dirección.* \_\_\_\_\_
11. Date employer first knew of injury. *Fecha en que el empleador supo por primera vez de la lesión o accidente.* \_\_\_\_\_
12. Date claim form was provided to employee. *Fecha en que se le entregó al empleado la petición.* \_\_\_\_\_
13. Date employer received claim form. *Fecha en que el empleado devolvió la petición al empleador.* \_\_\_\_\_
14. Name and address of insurance carrier or adjusting agency. *Nombre y dirección de la compañía de seguros o agencia administradora de seguros.* \_\_\_\_\_
15. Insurance Policy Number. *El número de la póliza de Seguro.* \_\_\_\_\_
16. Signature of employer representative. *Firma del representante del empleador.* \_\_\_\_\_
17. Title. *Título.* \_\_\_\_\_ 18. Telephone. *Teléfono.* \_\_\_\_\_

**Employer:** You are required to date this form and provide copies to your insurer or claims administrator and to the employee, dependent or representative who filed the claim within **one working day** of receipt of the form from the employee.

SIGNING THIS FORM IS NOT AN ADMISSION OF LIABILITY

☐ Employer copy  
*Copia del Empleador*

☐ Employee copy  
*Copia del Empleado*

**Empleador:** Se requiere que Ud. feche esta forma y que provée copias a su compañía de seguros, administrador de reclamos, o dependiente/representante de reclamos y al empleado que hayan presentado esta petición dentro del plazo de **un día hábil** desde el momento de haber sido recibida la forma del empleado.

EL FIRMAR ESTA FORMA NO SIGNIFICA ADMISION DE RESPONSABILIDAD

☐ Claims Administrator  
*Administrador de Reclamos*

☐ Temporary Receipt/  
*Recibo del Empleado*

## 9.3 Notice of Occurrence - Accident/Incident Report (General Liability, Pollution, Builder's Risk)



### Notice of Occurrence ACCIDENT / INCIDENT REPORT - GENERAL LIABILITY/POLLUTION/BUILDERS RISK

Keenan & Associates: 2355  
Crenshaw Blvd. Torrance, CA 90501  
www.SEWUP.ORG  
Licence No. 0451271

Contact:		Project Location Code:	Date of Loss & Time:	<input type="checkbox"/> AM
Phone:				<input type="checkbox"/> PM
Cell:		Carrier:	NAIC Code:	
Fax:		Policy No.:	Client ID No.:	
Email:				

#### School District

Name of Insured:		Insured's Mailing Address:	
Contact Name:	Title:		
Primary Phone: <input type="checkbox"/> Bus <input type="checkbox"/> Cell	Secondary Phone: <input type="checkbox"/> Bus <input type="checkbox"/> Cell	Primary Email:	Secondary Email:

#### Contractor

Name of Insured:		Insured's Mailing Address:	
Contact Name:	Title:		
Primary Phone: <input type="checkbox"/> Bus <input type="checkbox"/> Cell	Secondary Phone: <input type="checkbox"/> Bus <input type="checkbox"/> Cell	Primary E-mail:	Secondary E-mail:

#### Occurrence

Location of Occurrence / Address: (Describe Location if No Specific Address):	Police or Fire Dept. Contacted?
	Report No.:
Description of Occurrence:	

#### Property

Premises: Claimant (1) is: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Insured Party	Premises: Claimant (2) is: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input type="checkbox"/> Insured Party
Type of Damage:	Type of Damage:
Damaged Party (1) Name & Address (If not insured):	Damaged Party (2) Name & Address (If not insured):
Primary Phone: <input type="checkbox"/> Home <input type="checkbox"/> Bus <input type="checkbox"/> Cell	Primary Phone: <input type="checkbox"/> Home <input type="checkbox"/> Bus <input type="checkbox"/> Cell
Secondary Phone: <input type="checkbox"/> Home <input type="checkbox"/> Bus <input type="checkbox"/> Cell	Secondary Phone: <input type="checkbox"/> Home <input type="checkbox"/> Bus <input type="checkbox"/> Cell
Primary Email:	Primary Email:
Secondary Email:	Secondary Email:
Location of Property for Inspection:	Location of Property for Inspection:

**Injured Party**

Damaged Party (1) Name & Address (If not insured):			Damaged Party (2) Name & Address (If not insured):								
Primary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell	Primary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell
Secondary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell	Secondary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell
Primary E-mail:						Primary E-mail:					
Secondary E-mail:						Secondary E-mail:					
Age:		Sex:		Occupation:		Age:		Sex:		Occupation:	
Where Taken:						Where Taken:					
Describe Injury:						Describe Injury:					
What Was Injured Doing:						What Was Injured Doing:					

**Witnesses**

Damaged Party (1) Name & Address (If not insured):			Damaged Party (2) Name & Address (If not insured):								
Primary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell	Primary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell
Secondary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell	Secondary Phone:			<input type="checkbox"/> Home	<input type="checkbox"/> Bus	<input type="checkbox"/> Cell
Primary E-mail:						Primary E-mail:					
Secondary E-mail:						Secondary E-mail:					

**Remarks**

Reported By:		Reported To:	

## 10.0 Frequency Asked Questions (FAQs)

### 1. Who is insured under an Owner Controlled Insurance Program?

The District (Owner) and enrolled Entity and their enrolled Subcontractors of any tier who perform operations at the Project Site described in the Contract Documents are insured under the OCIP.

### 2. Who is managing the Owner Controlled Insurance Program?

Keenan & Associates is the Program Administrator for this Owner Controlled Insurance Program, otherwise known as Statewide Educational Wrap Up Program (SEWUP).

### 3. Is Project Site Defined?

Yes. Project Site is on file with the insurance company, as described in the applicable Contract Documents.

### 4. What insurance is provided to Entity/Subcontractors under the Owner Controlled Insurance Program (OCIP)?

The District (Owner) has agreed to procure the following insurance:

- a. Workers' Compensation and Employer's Liability
- b. General Liability Insurance for Personal Injury, Bodily Injury and Property Damage Liability
- c. Builder's Risk
- d. Contractor's Pollution Liability (course of construction only)

### 5. Does the OCIP cover any contractor's equipment?

No. Contractors and Subcontractors must maintain this coverage.



**6. Are there other types of insurance normally purchased by Contractors, which are not included?**

Yes. Examples are:

- a. Bonds, if required by contract
- b. Contractor's Automobile Liability and Physical Damage Insurance
- c. Contractor's Equipment Floater

**7. Does the Contractor/Subcontractor insured under the OCIP have to provide evidence of insurance?**

Yes. The contract requires that, prior to commencement of on-site activities; each Entity/Subcontractor shall furnish a Certificate of Insurance evidencing coverage for:

- a. Workers' Compensation
- b. General Liability

Certificates of Insurance and Additional Named Insured Endorsements, specifically naming the Owner, are also required for:

- a. Automobile Liability
- b. Any other required coverages outlined in the Contract and the Project Insurance Manual.

**8. How is the Contractor/Subcontractor's bid to be submitted?**

The Entity/Subcontractor needs to submit their bid excluding certain insurance costs, as outlined in the Contract. Change Orders also need to be submitted without insurance costs.

**9. When will the Contractor/Subcontractor receive a Certificate of Insurance insuring them under the OCIP?**

Eligible Entity/Subcontractors awarded a contract will be furnished a Certificate of Insurance upon Program Administrator's review and acceptance of the Contract Enrollment via WrapPortal.

**10. Will Entity/Subcontractors receive information concerning their loss experience?**

This information is available, upon request, from the Program Administrator.

**11. How long are the policies kept in-force for the Entity/Subcontractor?**

The policy periods commence on the date of "Award" and terminate as defined in the Contract Documents. The only extension is for General Liability "Completed Operations" which is for ten (10) years after Notice of Completion filed by the District.

**12. Does the OCIP provide coverage for truckers, vendors and suppliers?**

No. Subcontractors, whose sole duties are as truckers, vendors, or suppliers are not included in the program. If contracted with an on-site installer, vendors and/or suppliers should be enrolled in the OCIP for General Liability only, as it pertains to the contractual relationship of the installer's on-site work.

**13. Are all Entities/Subcontractors, of any tier, required to complete their own OCIP enrollment, before they will be allowed to begin job site activity?**

All Entities/Subcontractors, regardless of tier, must complete a Contract Enrollment via WrapPortal, prior to commencement of on-site activities. Upon acceptance by the OCIP Administrator, each Contractor/Subcontractor will receive an enrollment confirmation packet, which includes a Certificate of Insurance evidencing the OCIP coverages.

**14. What document do I use to show my Agent/Broker and Insurer that I'm covered under the OCIP?**

All Entities/Subcontractors enrolled under the OCIP program receive individual workers' compensation policies and Certificates of Insurance evidencing coverage under the OCIP program.

## **Workers' Compensation and Employers' Liability Insurance Questions**

- 1. What insurance company writes the Workers' Compensation and Employer's Liability coverage?**

Liberty Mutual Insurance Company.

- 2. What is the coverage term?**

The coverage term for each Entity/Subcontractor will coincide with the Start Date provided at OCIP enrollment. OCIP Workers' Compensation policies are renewed each year until receipt of OCIP Contractor's Completion Notice.

- 3. How will the Entity/Subcontractor's payroll be classified?**

Insurance Company will classify payrolls in accordance with California law under the Workers' Compensation Insurance Rating Bureau regulations, classifications, rates and rating plans. The Monthly Project Site Payroll Form will be used for Contractors/Subcontractors' monthly payroll submissions.

- 4. Will Program Administrator inspect the job and make recommendations regarding loss control and safety?**

Yes. The Program Administrator will conduct periodic loss control surveys on behalf of the District (Owner). These surveys will focus on evaluating the contractors' efforts to control Workers' Compensation, General Liability, and Builders Risk exposures. These surveys are intended to assist contractors in identifying these exposures and take the appropriate actions to minimize the likelihood of loss.

- 5. Will there be other people who will make job site inspections?**

Yes. The insurance company's Risk Engineer may conduct periodic site inspections to verify compliance with State requirements. State, City and Federal inspectors may also make inspections.

## General Liability Insurance for Personal Injury, Bodily Injury and Property Damage Liability Questions

1. What insurance company writes the Personal Injury, Bodily Injury, and Property Damage Liability coverage?

Lloyds of London

2. Is Completed Operations coverage provided beyond acceptance of the work performed under the Contract?

Yes. The extension for General Liability "completed operations" is for ten (10) years after Notice of Completion is filed by the Owner, or date Occupancy is taken.

## 11.0 Known Policy Exclusions

### **Workers Compensation**

Bodily Injury Outside US or Canada  
Bodily Injury To Any Member of Flying Crew  
Bodily Injury To Person Subject To Federal Workers' Compensation  
Contractual Liability  
Employees Knowingly Employed Illegally  
Employment Related Practices  
Intentional or Aggravated Bodily Injury  
Obligations Imposed By Disability Benefits or Any Similar Law  
Obligations Imposed By Unemployment Compensation Laws  
State or Federal Law Violation Fines, Penalties

### **General Liability**

Aircraft, Auto or Watercraft  
Asbestos  
Certain Exclusions To Medical Payments Coverage  
Certain Exclusions To Personal and Advertising Injury Liability  
Certified Acts of Terrorism  
Contractual Liability (Limited Coverage Provided)  
Employers Liability  
Employment Related Practices  
Expected or Intended Injury  
Exterior Insulation and Finish Systems (EIFS) "Subject to Installation Requirements"  
Fungi Or Bacteria  
Lead  
Mobile Equipment  
Nuclear  
Personal and Advertising Bodily Injury  
Pollution  
Prior Continuous, or Progressively Deteriorating Injury or Damage  
Professional Liability  
Recall of Products, Work Or Impaired Property  
Silica or Silica Mixed Dust

Subsidence- Conditional Warranty- So long as Contractor follows specifications of geotechnical/environmental reports then the exclusion will be waived; if not, exclusion will be fully implemented

Violation of Statutes Governing Collecting, Transmitting Information

Violation of Statutes Governing Email, Fax, Phone Calls

War

Workers Compensation and Similar Laws

**Builders Risk**

Asbestos

Certain Offsite Property

Certain Release, Discharge, Escape, or Dispersal Of Contaminants

Certified Acts of Terrorism (Can be added)

Cessation of Work

Communicable Disease

Contractor's Tools, Machinery, Plans, Equipment

Cost of Making Good

Damage To Existing Property (Can be added)

Damage While Testing Prototype or Used Machinery/Equipment

Damages, Fines, Penalties At Government Agency or Court Order

Disappearance or When Revealed By Inventory Shortage Alone

Earth Movement (Optional; can be added)

Electrical, Magnetic, or Errors Related To Electronic Records

Financial Accounts, Instruments, Stamps, Deeds, Precious Material

Flood (Optional; can be added)

Foreign Terrorism

Infidelity, Dishonesty, Fraudulent Activity Of Insured

Land, Values of Land, Cut, & Fill etc. Prior to Project Commencement

Loss Under Any Manufacturer or Supplier Guarantee/Warranty

Normal Subsidence

Nuclear

Offshore Or Barrier Island Property

Property That Stores, Processes, or Handles Radioactive Materials

Rolling Stock, Aircraft, Watercraft

Software Loss, unless results from an Open Peril

Standing Timber, Growing Crops, Animals

Vehicles or Equipment Licensed For Highway Use

War and Military Action

**Contractors Pollution Liability**

Auto, Aircraft, Vessel Or Rolling Stock

Claims Between Certain Insured's

Contractual Liability

Damage To Property

Disposal Sites

Employment Related Practices

Fines, Penalties, and Treble Damages

Hazardous Materials Facility

Intentional Acts

Nuclear

Other Entities

Pre-Existing Conditions

Products

Related Entities and Individuals

Transportation Of Pollutants

War

Workers Compensation and Similar Laws

**EXHIBIT E**

**MEMORANDUM OF COMMENCEMENT DATE**

This MEMORANDUM OF COMMENCEMENT DATE is dated \_\_\_\_\_, 20\_\_, and is made by and between \_\_\_\_\_ ("Developer"), as Lessor, and the Modesto City Schools ("District"), as Lessee.

1. Developer and District have previously entered into a Facilities Lease dated as of June 23, 2025, (the "Lease") for the leasing by Developer to District of the completed Project in Modesto, California, referenced in the Lease.

2. District hereby confirms the following:

A. That all construction of the Project required to be performed pursuant to the Facilities Lease has been completed by Developer in all respects;

B. That District has accepted and entered into possession of the Project and now occupies same; and

C. That the term for the Lease Payments under the Facilities Lease will commence/commenced on \_\_\_\_\_, 20\_\_ and will expire at 11:59 P.M. on \_\_\_\_\_, 20\_\_.

**THIS MEMORANDUM OF COMMENCEMENT DATE IS ACCEPTED AND AGREED** on the date indicated below:

Dated: \_\_\_\_\_, 20\_\_

Dated: \_\_\_\_\_, 20\_\_

Modesto City Schools

[Developer]

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

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

Name: Tim Zearley  
Title: Associate Superintendent,  
Business Services

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



**EXHIBIT F**

**CONSTRUCTION SCHEDULE**

Attached is a detailed Project Construction Schedule with a duration no longer than the Contract Time, and with specific milestones that Developer shall meet.

[To Be Attached.]

**EXHIBIT G**

**SCHEDULE OF VALUES**

Attached is a detailed Schedule of Values that complies with the requirements of the Construction Provisions (Exhibit "D") and that has been approved by the District.

[To Be Attached.]