

**CITY OF VALDEZ
ALASKA**

CM/GC CONTRACT DOCUMENTS

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction

Project Number: 19-310-9197

Cost Code: 315-0310-58000.9197 (Hospital Copper Pipe)

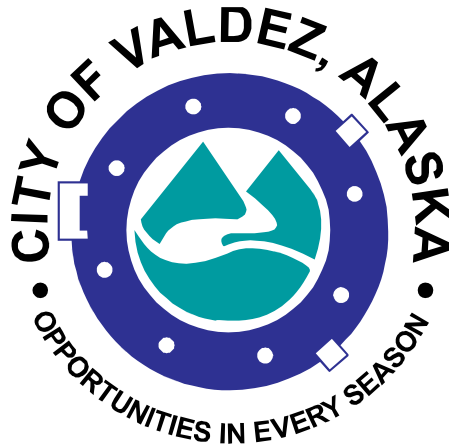
310-4530-58000 (Clinic Copper Pipe)

315-0310-55000.1704 (Hospital Airborne Infection Isolation)

315-0310-55000.1620 (Hospital Firewall Upgrades)

Issued for Construction

Date: Update



City of Valdez
Capital Facilities and Engineering
300 Airport Road, Suite 201
P.O. Box 307
Valdez, Alaska 99686

Project Manager:
Tom Sanborn

Construction Plan Set Completed By:
Architects Alaska, Inc.
900 W 5th Ave, Suite 403
Anchorage, Alaska 99501

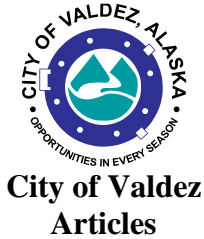


**City of Valdez
CM/GC Contract Documents**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

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ARTICLE 1 GENERAL

1.1 RELATIONSHIP OF PARTIES

Contractor accepts the Construction Manager relationship of trust and confidence established with the Owner by the Contract, and covenants with the Owner to furnish the Contractor's reasonable skill and judgment and to cooperate with the Architect and the Project Manager (defined in Section 3.2) in furthering the interests of the Owner. The Contractor shall furnish Construction Phase services, cost tracking and scheduling and other similar services and use the Contractor's best efforts to perform the Work in an expeditious and economical manner consistent with the interests of the Owner. The Owner shall endeavor to promote cooperation among the Architect, the Project Manager, the Contractor and other persons or entities employed by the Owner for the Project.

1.2 GENERAL

For the Construction Phase, the General Provisions of this Contract shall be the standard City of Valdez General Provisions, Division 10 ("General Provisions"), which are attached and incorporated herein by reference as (Exhibit B). These may be modified by the Special Provisions (Exhibit C).

ARTICLE 2 CONTRACTOR'S RESPONSIBILITIES

The Contractor shall perform the services and construct the Work as designed in the Contract Documents. The Work specified in Section 2.3 is to be provided in the Construction Phase.

2.1 PRECONSTRUCTION PHASE – Not Applicable

2.2 GUARANTEED MAXIMUM PRICE PROPOSAL AND CONTRACT TIME – Not Applicable

2.3 CONSTRUCTION PHASE

2.3.1 GENERAL

The Construction Phase shall commence within 10 days of the issuance of a Notice to Proceed, or on another specific date as directed by the Owner's Project Manager.

2.3.2 ADMINISTRATION

Those portions of the Work that the Contractor does not customarily perform with the Contractor's own personnel shall be performed by Subcontractors under subcontracts ("Subcontracts") or by Suppliers under supply contracts ("Supply Contracts") with the Contractor.



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Subcontracts with Subcontractors and Supply Contracts with Suppliers furnishing materials or equipment fabricated to a special design shall conform to the payment provisions of Sections 6.

The Contractor shall schedule and conduct periodic meetings at which the Owner, Project Manager, Contractor and appropriate Subcontractors and Suppliers to discuss the status of the Work. The Project Manager shall prepare and promptly distribute accurate meeting minutes.

The Contractor shall provide monthly reports to the Owner and Project Manager on the progress of the Work. The Contractor shall maintain an accurate and complete daily log containing a record of weather, Subcontractors working on the site, number of workers working on the Work site, Work accomplished, problems encountered and other similar relevant data as the Owner may reasonably require. The log shall be available to the Owner for its inspection and copying.

The Contractor shall develop a system of control for the Cost of Work acceptable to the Owner, including regular monitoring of actual Costs of Work for activities in progress and estimates for uncompleted tasks and proposed changes. The Contractor shall identify variances between actual and estimated Costs of Work and report the variances to the Owner on at least a monthly basis. At the request of the Owner, the Contractor shall provide copies of job records or reports on a scheduled or as-requested basis. The cost of preparing these copies will be an eligible Cost of the Work.

2.4 PROFESSIONAL SERVICES

The Contractor shall not be required to provide professional services which constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. The Contractor shall not be required to provide professional services in violation of applicable law. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of the Contractor by the Contract Documents, the Architect will specify all performance and design criteria that such services must satisfy. The Contractor shall cause such services or certifications to be provided by a properly licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Owner. The Owner shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided the Architect specified to the Contractor all performance and design criteria that such services must satisfy. The Architect will review, approve or take other appropriate action on submittals only for the limited purpose of checking



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for conformance with information given and the design concept expressed in the Contract Documents. The Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

2.5 HAZARDOUS MATERIALS

2.5.1 PRECAUTIONS

If reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a hazardous or toxic material or substance, including, but not limited to, asbestos or polychlorinated biphenyl (PCB), encountered at the Work site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and report the condition to the Project Manager in writing.

2.5.2 TESTING

The Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the hazardous or toxic material or substance reported by the Contractor and, in the event any such hazardous or toxic material or substance is found to be present in dangerous amounts, to verify that it has been rendered harmless. Unless otherwise required by the Contract Documents, the Project Manager shall furnish in writing to the Contractor the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of such hazardous or toxic material or substance or who are to perform the task of removal or safe containment of such hazardous or toxic material or substance. The Contractor will promptly reply to the Project Manager in writing stating whether or not either has reasonable objection to the persons proposed by the Project Manager. If the Contractor has an objection to a person proposed by the Project Manager, the Project Manager shall propose another to whom the Contractor has no reasonable objection. When the hazardous or toxic material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. The Contract Time shall be extended appropriately and the Contract Sum shall be increased in the amount of the Contractor's reasonable additional costs of shut-down, delay and start-up.

2.6 REQUIRED PERSONNEL

For the Construction Phase services the Contractor shall provide a list of names to the Owner of all of the Contractor's personnel, their titles and the roles they will hold during the Construction Phase. Contractor shall not reassign or substitute such personnel without the Owner's consent, which shall not be unreasonably withheld.

2.7 FINANCIAL ARRANGEMENTS

In addition to the Performance and Payment Bond requirements in Article 3.5 of the General Provisions, the Contractor shall, at the written request of the Owner, prior to commencement of



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the Construction Phase and thereafter whenever required by the Owner, furnish to the Owner reasonable evidence that adequate financial arrangements have been made to fulfill the Contractor's obligations under the Contract. Furnishing of adequate evidence shall be a condition precedent to the Contractor's right to commence and continue the Work. After such evidence has been furnished, the Contractor shall not materially vary such financial arrangements without prior notice to Owner.

ARTICLE 3 OWNER'S RESPONSIBILITIES

3.1 INFORMATION OF SERVICES

The Owner shall establish and update an overall budget for the Work, based on consultation with the Contractor, which shall include contingencies for changes in the Work and other costs which are the responsibility of the Owner.

3.1.2 STRUCTURAL AND ENVIRONMENTAL TESTS, SURVEYS & REPORTS

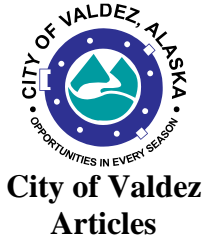
To the extent reasonably required and when requested by the Contractor, the services of a professional geotechnical engineer for test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, including necessary operations for anticipating subsoil conditions, with reports and appropriate professional recommendations.

Structural, mechanical, chemical, air and water pollution tests, tests for hazardous materials, and other laboratory and environmental tests, inspections and reports which are required by law.

The services of other consultants when such services are reasonably required for the Work are requested by the Contractor and are customarily provided by other owners in similar circumstances.

3.2 OWNER'S PROJECT MANAGER

The Owner shall designate in writing a representative ("Project Manager") who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Such Project Manager shall have the authority to make day to day decisions on behalf of the Owner related to the administration of the Work and will coordinate Owner approvals concerning estimates and schedules, construction budgets, and changes in the Work as required. The Project Manager shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the Work of the Contractor. The Project Manager for all such matters is Tom Sanborn.



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3.3 ARCHITECT

The Owner shall retain an architect and/or other qualified professionals to provide Construction Administration Services, including construction administrative assistance for both the hospital and the clinic, mechanical commissioning, and record drawings for the Work. The Owner has retained Architects Alaska, Inc. to provide these services for the Work. Such services shall be provided in accordance with time schedules agreed to by the Owner and Contractor.

3.4 LEGAL REQUIREMENTS

The Owner shall determine and advise the Contractor of any special legal requirements relating specifically to the Work which are known to the Owner and differ from those generally applicable to construction of the Work in Alaska.

ARTICLE 4 COMPENSATION

For the Contractor's performance of the Work as described in Section 2.3, the Owner shall pay the Contractor in current funds the Contract Sum consisting of the Cost of the Work as defined in Article 5 and the Contractor's Fee determined as follows:

4.1 COMPENSATION

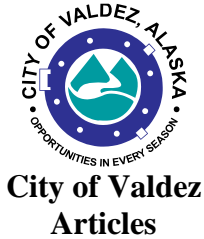
For the Contractor's performance of the Work as described in Section 2.3, the Owner shall pay the Contractor in current funds the Contract Sum consisting of the Cost of the Work as defined in Article 5 and the Contractor's Fee determined as follows:

4.1.1. CM/GC Contractor "GMP" Fee: \$ 2,714,975

- Cost of Construction - \$2,497,833
- Contractor Fee (fixed) -\$75,000
- Contractor Contingency @1% - \$32,365
- Mold Remediation Allowance - \$109,777

4.2 GUARANTEED MAXIMUM PRICE

The sum of the maximum Cost of the Work agreed to in writing by the Contractor and the Owner and the Contractor's Fixed Fees based thereon are guaranteed by the Contractor not to exceed the amount provided, subject to additions and deductions by changes in the Work by Change Order or Construction Change Directive as provided in the Contract Documents. Such maximum sum as adjusted by approved changes in the Work is referred to in this Contract and the other Contract Documents as the Guaranteed Maximum Price. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Contractor without reimbursement by the Owner.



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4.3 CHANGES IN THE WORK

4.3.1 ADJUSTMENTS TO “GMP”

Adjustments to the Guaranteed Maximum Price on account of changes in the Work subsequent to the execution of the amendment to this Contract may be determined by any of the methods listed in Article 5.20 of the General Provisions.

In no event shall the aggregate profit and general, administrative and overhead charges of (a) Contractor exceed 3% of any Change Order or Construction Change Directive allowable direct costs, (b) any Subcontractor exceed 12% of any Change Order or Construction Change Directive allowable direct costs, or (c) any Supplier exceed 8% of any Change Order or Construction Change Directive allowable direct costs. In no event shall the total of all such profit, general, administrative and overhead percentages exceed 23%, regardless of whether there are multiple tiers of Subcontractors and/or Suppliers.

4.3.2 UNUSED FUNDS OF “GMP”

Any unused funds from the final associated “GMP” costs for each package shall be returned to the Owner.

ARTICLE 5 COST OF WORK PHASE TO BE REIMBURSED

The term “Cost of the Work” shall mean costs reasonably, necessarily and ordinarily incurred by the Contractor in the proper performance of the Work. Such costs shall be at rates not higher than those customarily paid at the place of the Project, except with prior consent of the Owner (which may in its discretion be withheld). The Cost of the Work shall include only the items set forth in this Article 5.

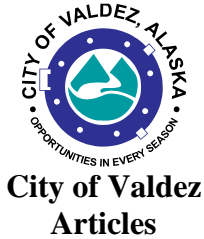
5.1 LABOR COSTS

Wages of construction workers directly employed by the Contractor to perform the construction of the Work at the site or, with the Owner’s agreement, at off-site workshops.

Wages or salaries (but not performance bonuses or the equivalent) of the Contractor’s supervisory and administrative personnel when, and to the extent, stationed at the site.

Wages and salaries (but not performance bonuses or the equivalent) of the Contractor’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.

Costs paid or incurred by the Contractor for sales, use and similar taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements, and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided that such costs are based on wages and



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salaries included in the, Cost of the Work, current Davis-Bacon wage rates shall be applied for the Work under this contract. Reference Alaska Department of Labor and Workforce Development Wage Rates information.

5.2 SUBCONTRACT AND SUPPLIER COSTS

Payments made by the Contractor to Subcontractors and Suppliers in accordance with the requirements of the applicable Subcontracts and Supply Contracts and the Contract Documents.

5.3 COSTS OF MATERIALS AND EQUIPMENT INCORPORATED IN THE COMPLETED CONSTRUCTION

Costs, including transportation, of materials and equipment incorporated or to be incorporated in the completed construction.

Costs of materials in excess of those actually installed but required to provide reasonable allowance for waste and for spoilage. Unused, excess materials, if any, shall be turned over to the Owner at the completion of the Work.

5.4 COSTS OF OTHER MATERIALS AND EQUIPMENT, TEMPORARY FACILITIES AND RELATED ITEMS

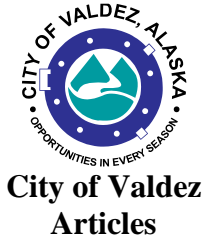
Costs, including transportation, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by the construction workers, which are provided by the Contractor at the site and fully consumed in the performance of the Work; and cost less salvage value on such items if not fully consumed, whether sold to others or retained by the Contractor. Cost for items previously used by the Contractor shall mean fair market value.

Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by the construction workers, which are provided by the Contractor at the site, whether rented from the Contractor or others, and costs of transportation, installation, minor repairs and replacements, dismantling and removal thereof. Rates and quantities of equipment rented shall be subject to the Owner's prior approval.

Costs of removal of debris from the site.

Reproduction costs, facsimile transmissions and long-distance telephone calls, postage and express delivery charges, telephone at the site and reasonable petty cash expenses of the site office.

That portion of the reasonable travel and subsistence expenses of the Contractor's personnel incurred while traveling in discharge of duties connected with the Work.



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5.5 MISCELLANEOUS COSTS

That portion directly attributable to this Contract of premiums for insurance and bonds specifically required by the General Provisions. (If charges for self- insurance are to be included, specify the basis of reimbursement.)

Sales, use or similar taxes imposed by a governmental authority which are related to the Work and for which the Contractor is liable.

Fees and assessments for the building permit and for other permits, licenses and inspections for which the Contractor is required by the Contract Documents to pay.

Fees of testing laboratories for tests required by the Contract Documents, except those related to nonconforming Work.

Royalties and license fees paid for the use of a particular design, process or product required by the Contract Documents; the cost of defending suits or claims for infringement of patent or other intellectual property rights arising from such requirement by the Contract Documents; payments made in accordance with legal judgments against the Contractor resulting from such suits or claims and payments of settlements made with the Owner's express prior written consent; provided, however, that such costs of legal defenses, judgment and settlements shall not be included in the calculation of the Contractor's Fee or the Guaranteed Maximum Price and provided that such royalties, fees and costs are not excluded by other provisions of the Contract Documents.

Data processing costs related to the Work.

Deposits lost for causes other than the fault of Contractor or its Subcontractors or their failure to fulfill a specific responsibility to the Owner set forth in this Contract.

Legal, mediation and arbitration costs, other than those arising from disputes between the Owner and Contractor, to the extent they are not caused by the Contractor's fault and are reasonably incurred by the Contractor in the performance of the Work, provided the Owner gives its prior written permission, which permission shall not be unreasonably withheld.

Expenses incurred in accordance with Contractor's standard personnel policy for relocation and temporary living allowances of personnel required for the Work, in case it is necessary to relocate such personnel from distant locations.

5.6 OTHER COSTS

Other costs incurred in the performance of the Work if and to the extent approved in advance in writing by the Owner.

Completion Cost —The Contractor will establish a Contract Completion line item in the Schedule of Values with an amount equal to 0.5% of the Cost of the Work. Once the Owner



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issues a notice of Substantial Completion as outlined in the General Provisions, the Contractor may request payment of the completion cost line item, less 1.5 times the Cost of the Work remaining to be completed, but not before then.

5.7 EMERGENCIES AND REPAIRS TO DAMAGED OR NONCONFORMING WORK

The Cost of the Work shall also include costs described in Section 5.1 which are incurred by the Contractor:

To the extent not caused by the fault of the Contractor, its Subcontractors, Suppliers, or any person for which any of them is legally responsible, in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property.

In repairing or correcting damaged or nonconforming Work executed by the Contractor or any of its Subcontractors or replacing non-conforming materials provided by any of its Suppliers, provided that such damaged or nonconforming Work or materials was not caused by the failure of the Contractor or any of its Subcontractors or Suppliers to fulfill a specific responsibility set forth in this Contract, any Subcontract or any Supply Contract or the fault of the Contractor or any of its Subcontractors or Suppliers, and only to the extent that the cost of repair, correction or replacement is not recoverable by the Contractor from insurance.

The costs described in Sections 5.1 through 5.7 shall be included in the Cost of the Work notwithstanding any provision of the General Provisions which may require the Contractor to pay such costs, unless such costs are excluded.

5.8 ACCOUNTING RECORDS

The Contractor shall keep accurate, full and detailed accounts and utilize such accounting and control systems as may be necessary for proper financial management under this Contract and are acceptable to the Owner and its funding sources. The Owner and the Owner's accountants and attorneys shall be afforded full access during normal business hours for inspection and copying all of the Contractor's records, books, correspondence, instructions, drawings, receipts, Subcontracts, Supply Contracts, purchase orders, vouchers, memoranda and other data relating to the Work, and the Contractor shall preserve these for a period of five years after final payment, or for such longer period as may be required by funding sources or State law.

ARTICLE 6 CONSTRUCTION PHASE

6.1 PROGRESS PAYMENTS

Based upon Applications for Payment submitted to the Architect, itemized based upon the CSI Specification Divisions listed in the Schedule of Values, and Certificates for Payment issued by the Architect and the Project Manager the Owner shall make progress payments to the Contractor as provided below and elsewhere in the Contract Documents.



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6.1.2 PAYMENT PERIOD

The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

6.1.3 PAYMENT SUBMISSION TERMS

Provided an Application for Payment for the preceding month is received by the Project Manager by the 10th day of the next succeeding month, the Architect shall issue a Certificate of Payment based upon the percentage of completion of the Work through the period covered by such Application for Payment that is computed in accordance with the requirements of Section 6.1.6 and agreed upon by the Contractor and the Project Manager or, failing such agreement, the percentage of completion determined by the Project Manager. The Owner shall make payment to the Contractor of the amount specified in such Certificate of Payment not later than 30 days after the Project Manager's receipt of such Application for Payment. If and to the extent that an Application for Payment is received by the Project Manager after the 10th day of the next succeeding month, such Certificate of Payment and payment deadlines shall be correspondingly extended.

6.1.4 PAYMENT FORMAT

Upon Owner's request, the Contractor shall make available an accounting in an electronic format, together with all supporting payrolls, petty cash accounts, invoices, and any other backup for the Application of Payment required by Owner.

6.1.5 PAYMENT SUPPORTING DOCUMENTATION

Each Application for Payment shall (a) be based upon and allocate the Cost of the Work for which payment is sought therein among the various Work items (on both a per Application and cumulative basis) shown on the Schedule of Values; and (b) be prepared in such form and supported by such data to substantiate its accuracy and completeness as the Project Manager may require. The Schedule of Values shall be used as a basis for the Project Manager's review of the Contractor's Applications for Payment.

6.1.6 PAYMENT PERCENTAGE COMPLETION

Each Application for Payment shall show the percentage completion for each portion of the Work shown in the Schedule of Values, as well as all of the Work, as of the end of the period covered by the Application. The percentage completion for each such purpose shall be the lesser of

- (a) the percentage of the subject Work which has actually been completed, or
- (b) the percentage obtained by dividing



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- (c) the allowable Cost of Work which has actually been incurred by the Contractor on account of the subject Work for which the Contractor has made payment, by the share of the Guaranteed Maximum Price allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work shown in the Schedule of Values by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the Schedule of Values.

6.1.7 PAYMENT COMPUTATION

1. Take that portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work shown in the Schedule of Values by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the Schedule of Values. In determining the share of the Guaranteed Maximum Price properly allocable to completed Work, the Contractor shall have the right to allocate Contractor's Contingency among the other Work items shown in the Schedule of Values in its discretion. Pending final determination of cost to the Owner of changes in the Work, amounts not in dispute may be included, even though the Guaranteed Maximum Price has not yet been adjusted by Change Order.
2. Add that portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation into the Work or, if approved in advance by the Owner, suitably Stored off the site at a location agreed upon in writing, provided that good, marketable and unencumbered title to such materials and equipment passes to the Owner before or upon payment of such portion of the Guaranteed Maximum Price.
3. Add the Contractor's Fee attributable to the Cost of the Work for which payment is sought in such Application for Payment. The Contractor's Fee shall be computed on a pro rata amount based upon the Cost of the Work for the period covered by the Application of Payment of the CM/GC Contractor fixed fee stated in Section 4.1.1.a.

Subtract the aggregate of previous payments made by the Owner. Subtract amounts, if any, for which the Architect has withheld or nullified a payment.

6.1.8 PAYMENT RECONCILIATION

Upon receipt of the backup materials referred to in Section 6.1.4, the Owner shall compare (a) the aggregate Cost of Work through the end of the period covered by the Application for Payment to which they apply with (b) the Guaranteed Maximum Price multiplied by the percentage of completion of all of the Work which is the lesser of the percentages of compensation for all of the Work computed pursuant



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to Sections 6.1.6(a) and (b). If the amount in Section 6.1.8(a) varies from the amount in Section 6.1.8(b) by plus or minus 5% or more, at the discretion of the Owner it may require the Contractor to provide a written reconciliation of such aggregate Cost of Work within 10 days. Such written reconciliation shall explain in detail why such variation exists. In the event of an aggregate Cost of Work under run, such reconciliation shall estimate the portion of the Guaranteed Maximum Price that the Contractor then believes will remain unspent by the Owner after the Final Payment to the Contractor to allow the Owner to plan for use in other Project priorities. In the case of an aggregate Cost of Work overrun, such reconciliation shall provide a detailed written plan for the Contractor to complete the Work for a total Cost of Work not to exceed the Guaranteed Maximum Price.

6.1.9 ADVANCED PAYMENTS

Except with the Owner's express prior written approval, which may be withheld at the Owner's discretion, the Contractor shall not make advance payments to Subcontractors or Suppliers for Work, materials or equipment which have not been delivered and stored at the site.

6.1.10 AUDITS OF PAYMENTS

In taking action on the Contractor's Applications for Payment, the Owner and the Architect shall be entitled to rely on the accuracy and completeness of the accounting, backup and other information furnished by the Contractor and shall not be deemed to represent that they have made a detailed examination, audit or arithmetic verification of such accounting, backup or other information, that they have made exhaustive or continuous on-site inspections, or that they have made examinations to ascertain how or for what purposes the Contractor has used amounts previously paid on account of the Contract. Such examinations, audits and verifications, if required by the Owner, will be performed by the Architect or Owner's accountants or attorneys acting in the sole interest of the Owner.

6.1.11 WITHHOLDING PAYMENTS

The Owner may withhold a payment in whole or in part to the extent reasonably necessary to protect the Owner due to the Owner's determination that the Work has not progressed to the point indicated in the Application for Payment or that the quality of Work is not in accordance with the Construction Documents. The Owner may also withhold a payment or, because of subsequently discovered evidence, may nullify the whole or a part of an Application Payment previously issued to such extent as may be necessary to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts or omissions. The Owner may withhold up to 5% of each progress payment until the progress Work is substantially complete.



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6.2 FINAL PAYMENT

Based upon Applications for Payment submitted to the Architect, itemized based upon the CSI Specification Divisions listed in the Schedule of Values, and Certificates for Payment issued by the Architect, the Owner shall make progress payments to the Contractor as provided below and elsewhere in the Contract Documents.

6.2.1 FINAL PAYMENT TERMS

Final Payment shall be made by the Owner to the Contractor when (1) the Contract has been fully performed by the Contractor except for the Contractor's responsibility to correct nonconforming Work, as provided in the Standard General Provisions, or to satisfy other requirements, if any, which necessarily survive final payment; (2) a notarized Certificate of Compliance has been filed per Standard General Provisions Article 7.7, (3) a final Application for Payment and a final accounting for the Cost of the Work, together with such backup and other information as the Architect and Owner may require, have been submitted by the Contractor and reviewed by the Architect and Owner; and (4) a final Certificate for Payment has then been issued by the Architect and the Owner. Such final payment shall be made by the Owner not more than 30 days after the issuance of the final Certificate for Payment.

6.2.2 FINAL PAYMENT CALCULATIONS

The amount of the Final Payment shall be calculated as follows:

1. Take the sum of the Cost of the Work substantiated by the Contractor's final accounting and the Contractor's Fee, but not more than the Guaranteed Maximum Price after all required Change Orders, Construction Change Directives and other proper adjustments (if any) are taken into account.
2. Subtract amounts, if any, for which the Architect withholds, in whole or in part, in a final Certificate for Payment as provided in the General Provisions or other provisions of the Contract Documents.
3. Subtract the aggregate of previous payments made by the Owner.

If the aggregate of previous payments made by the Owner exceeds the amount due the Contractor, the Contractor shall reimburse the difference to the Owner, with interest at the Contract Rate.

6.2.3 FINAL ACCOUNTING

The Owner will review and report in writing on the Contractor's final accounting within 30 days after delivery of the final accounting to the Architect by the Contractor. Based upon such Cost of the Work as the Owner reports to be



City of Valdez Articles

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction **Project Number: 19-310-9197 / Contract Number: 1520**

substantiated by the Contractor's final accounting, together with such backup and other information as the Owner may require, and provided the other conditions of Section 6.2.1 have been met, the Architect will, within seven days after completion of its written report, either issue to the Owner a final Certificate for Payment with a copy to the Contractor or notify the Contractor and the Owner in writing of its reasons for withholding such Certificate as provided in the General Provisions. The time periods stated in this Section 6.2 supersede those stated in other contract documents.

6.2.4 FINAL PAYMENT DISPUTES

If the Architect reports the Cost of the Work as substantiated by the Contractor's final accounting to be less than claimed by the Contractor, the Contractor shall be entitled to proceed in accordance with Article 8 without a further decision of the Architect. Unless agreed to otherwise, a demand for mediation of the disputed amount shall be made by the Contractor within 60 days after the Contractor's receipt of a copy of the final Certificate for Payment. Failure to make such demand within this 60-day period shall result in the substantiated amount reported by the Architect becoming binding on the Contractor. Pending a final resolution of the disputed amount, the Owner shall pay the Contractor the amount certified in the final Certificate for Payment by the Architect.

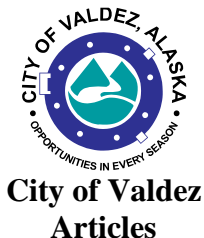
ARTICLE 7 INSURANCE AND BONDS

7.1 INSURANCE REQUIRED OF THE CONTRACTOR

The CM/GC Contractor shall provide at a minimum with the following types and amounts of insurance as in accordance with the requirements set forth in Article 6.9 of the General Provisions. The City of Valdez, and their respective related persons or entities (to be determined by City of Valdez) shall be named as an additional insured on all insurance policies except professional liability contracts.

Each policy of insurance required by this section shall provide for no less than thirty (30) days advance notice to the City of Valdez prior to cancellation or material modification. Failure to provide evidence of adequate coverage is a material breach and grounds for termination of the contract.

The premium cost of the insurance required is a Cost of the Work if and to the extent that it is expressly endorsed to apply only to the Work. Absent any such endorsement, only such premium cost multiplied by the ratio that the Guaranteed Maximum Cost bears to the aggregate contract prices for Contractor's work for all clients during each premium period may be included within the Cost of the Work.



Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

7.2 PERFORMANCE BONDS

The CM/GC Contractor shall provide Performance and Payments Bonds in accordance with the requirements set forth in Article 3.5 of the General Provisions. City of Valdez forms for Performance Bond and Labor and Material Payment Bond are attached to this contract.

ARTICLE 8 MISCELLANEOUS PROVISIONS

8.1 RESOLUTIONS FOR DISPUTES

8.1.1 RESOLUTIONS

During both the Preconstruction and Construction Phases, Claims, disputes or other matters in question between the parties to this Contract shall be resolved as provided in the General Provisions.

8.2 OTHER PROVISIONS

8.2.1 TERMS

Unless otherwise noted, the terms used in this Contract shall have the same meaning as those in the General Provisions. “Architect” is the same as “Engineer”.

8.2.2 EXTENT OF CONTRACT

The Contract Documents, which include this Contract and the other documents incorporated herein by reference, represent the entire and integrated agreement between the Owner and the Contractor and supersede all prior negotiations, representations, warranties, covenants, promises and agreements, either written or oral, with respect to the subject matter thereof. The Contract Documents may be amended only by written instrument signed by both the Owner and Contractor. If anything in any document incorporated into this Contract is inconsistent with this Contract, this Contract shall govern. No oral communications or course of dealing or performance between Contractor, Architect, Project Manager and/or Owner shall be taken into account to determine whether any amendment to the Contract Documents has occurred.

8.2.3 ASSIGNMENT

The provisions for Assignment of the Contract are included in Article 1 of the General Provisions.

8.2.4 OWNERSHIP OF DOCUMENTS

All project documents developed during delivery of this Contract shall become property of the Owner.



**City of Valdez
Articles**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

ARTICLE 10 SUSPENSION OR TERMINATION

10.1 SUSPENSION

The Owner may suspend this Contract at any time pursuant to Article 5.24 of the General Provisions.

10.2 TERMINATION

The Owner may suspend this Contract at any time pursuant to Article 5.24 of the General Provisions.



**City of Valdez
Scope of Work**

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

SCOPE OF WORK

Contractor to provide services per the Contract Documents which includes, but are not necessarily limited to, the following:

1. Replacement of 2-inch diameter and smaller copper piping in Hospital per the design documents.
2. Replacement of 2-inch diameter and smaller copper piping in Clinic per the design documents.
3. Airborne Infection Isolation (AII) room enhancements per the design documents.
4. Upgrade of fire wall per the design documents



City of Valdez
Agreement Page 1 of 2

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

This agreement is made on the ____ day of _____, 2019, by and between the City of Valdez, Alaska, hereinafter called the Owner, acting through its Mayor, and Cornerstone General Contracting, Inc. doing business as an individual, partnership, a corporation (strike out inapplicable words) located in Anchorage, Alaska, hereinafter called the Contractor.

The Contractor agrees to this Contract known as:

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

Furthermore the Contractor agrees to accept as full and complete payment for all work to be done in this Contract for the Guaranteed Maximum Price inclusive of Contractor and Owner Contingencies and per unit prices as set forth in the Contract Documents for this project. The total amount of this Contract shall not exceed:

Two Million Seven Hundred Nine Thousand Four Hundred Thirty-Six dollars and Zero cents (\$2,709,436).

The Contractor hereby agrees to commence work on this project within ten (10) working days after the date of the written Notice to Proceed and to complete all work in accordance with the contract documents within **three hundred (300)** calendar days of the Notice to Proceed. Said contract documents are listed in the Table of Contents herein. All documents listed therein are by this reference made a part hereof.

The Owner agrees to pay the Contractor for the performance of the Contract, subject to additions and deductions, as provided in the City of Valdez Standard Specifications Section 10 Standard General Provisions of this of this Contract, and to make payments on account thereof as provided in the City of Valdez Standard Specifications Section 10 Standard General Provisions and City of Valdez City Code.



**City of Valdez
Agreement Page 2 of 2**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

IN WITNESS WHEREOF, the parties to this presence have executed this Contract in two (2) counterparts, each of which shall be deemed as original, in the year and day first mentioned above.

Cornerstone General Contractors

Signature

Name

Title

Date

Mailing Address

City, State, Zip Code

Federal I.D. or S.S.N.

Corporate Secretary

Attest: _____
Corporate Secretary

City of Valdez, Alaska, Authorized

Jeremy O'Neil, Mayor

Date

Attested:

Sheri L. Pierce, MMC, City Clerk

Date

Recommended:

Roxanne Murphy, Interim City Manager

Date

Nathan Duval, Capital Facilities Director

Date

Approved as to Form:

Brena, Bell & Walker, P.C.

Jon S. Wakeland

Date



**City of Valdez
Corporate Acknowledgement**

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

(To be filled in when Contract is executed in behalf of Corporation)

UNITED STATES OF AMERICA)
)SS.
STATE OF ALASKA)

The foregoing instrument was acknowledged before me this ____ day of _____, 20_____.

(Name of Officer)

(Title of Officer)

(Name of Corporation)

_____ Corporation, on behalf of said Corporation.
(State of Incorporation)

Notary Public

My Commission Expires: _____

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

UNITED STATES OF AMERICA)
)SS.
STATE OF ALASKA)

I, or the firm, association of corporation of which I am a member, a bidder on the Contract to be awarded, by the City of Valdez, Alaska, for the construction of that certain construction project designated as:

Located at Valdez, in the State of Alaska, have not, either directly or indirectly, entered into any agreement, participated in any collusion, or otherwise taken any action in restraint of free competitive bidding in connection with such Contract.

Subscribed and sworn to this _____ day of _____, 20_____.

My Commission Expires: _____



**City of Valdez
Labor and Material Payment Bond**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

Know all men by these presents that:

Cornerstone General Contractors
4040 B Street, 200
Anchorage, AK 99503

as Principal, hereinafter called Principal, and,

(Here insert full name and address or legal title of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto

**City of Valdez
P.O. Box 307
Valdez, Alaska 99686**

as Oblige, hereinafter called Owner, for the use and benefit of claimants as herein below defined, in the amount of

Dollars (\$_____),
(Here insert a sum equal to the contract amount)

for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

Principal has by written agreement dated _____, 20____, entered into a contract with Owner for

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

in accordance with Drawings and Specifications prepared by

**Architects Alaska, Inc.
900 W 5th Avenue, Suite 403
Anchorage, Alaska 99502**

which contract is be reference made a part hereof, and is hereinafter referred to as the Contract.



City of Valdez
Labor and Material Payment Bond

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the Principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every claimant as herein defined, who has not been paid in full before the expirations of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Owner shall not be liable for the payment of any costs or expenses of any such suit.

3. No suit or action shall be commenced hereunder by any claimant:

a) Unless claimant, other than one having a direct contract with the Principal, shall have given written notice to any two of the following: the Principal, the Owner, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials are

furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal, Owner or Surety, at any place where an office is regularly maintained for the transaction of business. Or served in any manner in which legal process may be served in the state in which aforesaid project is located, save that such service need not be made by a public officer.

b) After the expiration of one (1) year following the date on which Principal ceased Work on said Contract, it being understood, however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

c) Other than in a state court of competent jurisdiction in and for the county of other political subdivision of the state in which the Project, or any part thereof is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.

4. The amount of this bond shall be reduced by and to the extent of any payment of payments made in good faith hereunder, inclusive of the payment by Surety or mechanic's liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against the bond

Signed and Sealed this _____, day of _____, 201____

(Witness)

(Principal)

(Seal)

(Title)

(Witness)

(Surety)

(Seal)

(Title)



**City of Valdez
Performance Bond**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

KNOW ALL MEN BY THESE PRESENTS: that

Cornerstone General Contractors
4040 B Street, 200
Anchorage, AK 99503

as Principal, hereinafter called Contractor, and ,

(Here insert full name and address or legal title Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto

**City of Valdez
P.O. Box 307
Valdez, AK 99686**

as Obligee, hereinafter called Owner, in the amount of

Dollars (\$))

for the payment whereof Contractor and Surety bind themselves, their heirs, executor, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS,

Contractor has by written agreement dated _____, 20____, entered into a contract with Owner for

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

in accordance with Drawings and Specifications prepared by

**Architects Alaska, Inc.
900 W 5th Avenue, Suite 403
Anchorage, Alaska 99502**

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.



**City of Valdez
Performance Bond**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

Now, therefore the condition of this obligation is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect.

The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly comply with one of the following:

1. Complete the Contract in accordance with its terms and conditions, or
2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the Owner elects, upon determination by the bidder, arrange for contract between such bidder and Owner, and make available as Work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the contract price," as used in this paragraph, shall mean the total amount payable by Owner to contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of two (2) years from the date on which final payment under the Contract falls due.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of the Owner.

Signed and Sealed this ____ day of _____, 20____

(Witness)

(Principal)

(Seal)

(Title)

(Witness)

(Surety)

(Seal)

(Title)



City of Valdez
Contractor Certificate of Substantial Completion

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

CONTRACTOR: _____

This is to certify that I, _____, am a duly authorized official of the said CONTRACTOR working in the capacity of _____, and in my official capacity representing said CONTRACTOR do hereby certify as follows:

1. The work of the subject Contract above has been performed, and materials used and installed in accordance with and in conformity to, the Contract Drawings, Contract Specifications, City of Valdez Standard Specifications and Details.
2. The Contract work is now substantially complete in all parts and requirements.
3. I understand that neither the determination by the Engineer--Architect that the work is substantially complete nor the acceptance thereof by the Owner shall operate as a bar to claim against the Contractor under the terms of the guarantee provisions of the Contract Documents.
4. The work to which this Certificate applies has been properly inspected and that work is hereby declared to be substantially complete in accordance with the Contract Documents.
5. The date of Substantial Completion is the date upon which all guarantees and warranties begin.
6. The Owner accepts the Project or specified area as described under "REMARKS," of the Project as substantially complete and will assume full possession of the Project or specified area of the Project at _____(time) on _____day, _____, 201__.

CORNERSTONE GENERAL CONTRACTORS
 CONTRACTOR

CITY OF VALDEZ
 OWNER

 (Signature)

 Capital Facilities Director

 (Title)

 Date

 Date

REMARKS: _____



City of Valdez
Contract Release Page 1 of 2

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

The undersigned, _____
for itself, its successors in interest, assigns trustees, administrators, subcontractors, suppliers, and laborers do hereby release and forever discharge the CITY OF VALDEZ, ALASKA a municipal corporation, from all actions, causes of actions, suits, controversies, claims, damages and demands of every kind and nature, mature or to mature in the future, for and by reason of any matter, thing or claim arising out of the following Contract:

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

The undersigned also intends hereby to discharge the City of Valdez from all liability for any and all damages or injuries presently undiscovered or unanticipated. The undersigned's intention hereby is to waive any right it may subsequently have to set aside this release under the doctrine of Witt v. Watkins, 579 P.2d 1065 (Alaska 1978).

The undersigned further agrees to defend, indemnify and hold harmless the City of Valdez against any claims, liens, or causes of action arising under or by virtue of this Contract, including, but not limited to, any claim that the undersigned, any successor in interest, assignee, trustee, administrator, subcontractor, supplier or laborer of the undersigned or any other person might make or claim that he could possibly make against the City of Valdez.

The undersigned certifies that he has not assigned any amounts payable under this Contract to anyone.

The undersigned hereby acknowledges receipt of the amount of \$ _____
as full of final payment in consideration for all services, materials and labors rendered in connection with this Contract.

The undersigned hereby declares that the terms of this RELEASE have been completely read and are fully understood, and said terms are voluntarily accepted for the purpose of making a full and final release of any and all claims, disputed or otherwise, arising under or by virtue of this Contract.

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

My Commission expires: _____



**City of Valdez
Special Provisions**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

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City of Valdez Special Provisions

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

SP 01 General Statement

The Special Provisions set forth conditions and requirements unique to this Project and are supplemental to, and supersede, the City of Valdez “Standard Specifications/ Standard General Provisions and Standard Details.”

SP 02 Special Site Conditions

The Contractor will be responsible for the disposal of all refuse and debris generated by the project. The City has, on a limited ‘first come first served’ basis, dumpsters for use free of charge on City projects if available. Dump fees will be waived. The Contractor will be responsible for hauling demolished materials and construction waste out to the City Baler facility on South Sawmill Drive. The Baler is located approximately 5 miles out of town. Please contact the Baler ahead of time to make arrangements for the disposal of such materials. The Baler’s number is 907-835-2356. The project name and contract number will be required on all Baler disposal forms and when calling to reserve or empty dumpsters.

Local building permit fees are waived. The contractor will be responsible for obtaining local building permits before the NTP is issued. The contractor will need to call the City Building Department at 907-834-3401.

Staging area will be an area as designated by the PVMC Facilities Engineering Staff within the loading dock storage area. The contractor will also be permitted to store a shipping container in the parking lot towards the south of the Maintenance Building that does not impede regularly used parking areas, other active projects, or the City’s snow removal efforts.

The Contractor will be responsible for moving equipment and other items necessary to complete the work.

The Contractor is responsible for setting up detours or barricades if their work is in a public area and will interfere with normal traffic flow.

The medical campus is a tobacco free area. Please see attached map for designated tobacco use area shaded in red. All areas that are shaded in green are a tobacco free area and persons violating this policy may be removed from the premises.

SP 03 Hazardous Waste Generation

Every effort to minimize or eliminate the generations of hazardous waste shall be used by the Contractor in the performance of the work of this Contract. Unless there is no substitute, no hazardous material shall be used in the performance of the work of this Contract.



City of Valdez Special Provisions

Project: Providence Valdez Medical Center Copper Pipe Replacement – Construction
Project Number: 19-310-9197 / Contract Number: 1520

SP 04 Coordination and Schedule

The Contractor shall, within ten (10) working days of the date of the Notice to Proceed, submit to the Project Manager and Architect a schedule as required in Section 10.5, Control of Work, Article 5.3. The schedule shall be updated every week. An updated schedule shall be submitted with each of the Contractor's Periodic Payment Requests. Failure to provide an updated schedule will be cause to withhold partial payment.

SP 05 Site Preservation, Restoration, Cleanup and Environmental Reporting

The Contractor shall be solely responsible for damage to public or private property caused by construction operations. The Contractor shall take all precautions necessary to control dust. The Contractor shall notify the City of any claims of damage, and shall clean and restore any property so damaged at the sole expense of the Contractor. All spills or releases of any hazardous substance shall be reported to the appropriate governmental agency as well as notice to the City. Contractor shall be responsible for all associated cleanup costs and fines.

At all times during the work, keep the premises clean and orderly. Upon completion of the work, repair all damage caused by equipment and leave the Project free of rubbish and excess materials of any kind.

SP 06 Permits

The Contractor shall obtain all licenses and permits that are required to do the work. The City will waive any local building permit fees.

SP 07 Payment

Payments shall be in accordance with Section 10.07, Measurement and Payment of the CVSS. All invoices for payment must be submitted on a City of Valdez *Periodic Payment Request Form*. An electronic copy of this form (Excel Spreadsheet) will be made available for the Contractor's use.

Disbursement of money to a person, firm or corporation will be made only after all the various receivable accounts of the general government and any municipal utility or enterprise have been reviewed for outstanding balances owed, and the disbursement will be reduced by setting off the amount of any delinquent indebtedness due the city from such person, firm or corporation.

All contracts to which the city is a party which will or may involve the disbursement of city funds shall contain the following clause, or its substantial equivalent: "Disbursement of money by the City of Valdez hereunder shall subject to set-off pursuant to the provisions of the Valdez City Code." Such contracts include, but are not limited to, oral contracts, employment contracts,



City of Valdez Special Provisions

Project: Providence Valdez Medical Center Copper Pipe Replacement – Construction Project Number: 19-310-9197 / Contract Number: 1520

construction contracts, purchasing contracts and contracts of any municipal utility or enterprise, including customer's deposits.

SP 08 References to City of Valdez Standard Specifications (CVSS)

The City of Valdez Standard Specifications & Standard Details, Streets-Drainage-Utilities-Parks, dated April 2003, hereafter referred to as CVSS, are incorporated in and become a part of the Contract Documents for the work, The Standard Specifications are available for purchase from the Engineer's Office of the City of Valdez, P.O. Box 307, Valdez, Alaska 99686. All work under this Contract shall comply with the latest edition and addenda to all applicable codes, ordinances, and standards.

It shall be the responsibility of the Contractor to prepare his "GMP" Cost Proposal so all materials and/or different arrangements of connections or fittings shall harmoniously conform with the intent of the Contract Drawings, CVSS, and the Special Provisions.

SP 09 Construction Specifications

The Specifications for construction of the work of this Project are incorporated into the design and on the future drawings. These drawings are by reference to Architects Alaska, Inc.

SP 10 Resident Project Representative

The Owner shall designate a person authorized to act as Resident Project Representative, having the same authority and limitations described for the Engineer in Section 10.05, Article 5.1 of the CVSS. The Resident Project Representative will be responsible for daily coordination with the Contractor and for furnishing instruction to the Contractor's field Superintendent during the performance of field Work. The Resident Project Representative may be assisted by inspectors, surveyors, or technical support staff.

SP 11 Contractor Daily Reports

By the end of each day's work, the Contractor's Superintendent shall complete a daily report describing the general conditions and activities at the site, including but not limited to: Weather; number of workers and description of activities for general contractor, subcontractor and specialty/sub-subcontractors; testing and inspections; instructions, extra work, or additional testing from Architect, Owner representatives; remarks about site visitors, preconstruction conferences, new work activities, special site meetings, exceptions to anticipated progress; site surveys, as-built entries. This report in digital format shall be furnished to the Resident Representative before noon



City of Valdez Special Provisions

Project: Providence Valdez Medical Center Copper Pipe Replacement – Construction Project Number: 19-310-9197 / Contract Number: 1520

on the following day accompanied by subcontractor's daily reports and sufficient color photographs to document the relevant activities and progress that day

SP 12 Definitions

ALLOWANCES shall mean the establishment of cash allowances in the GMP for portions of the work that cannot be specified with sufficient particularity to estimate at the time of contracting. This includes primarily items that have not yet been designed, chosen, or other specific characteristics have not been determined. When the actual costs of allowance items are known, the differences from the specified allowances should be adjusted by means of a change order. If the net cost (including shipping and taxes) exceeds the allowance, the excess is to be charged to the owner by an additive change order or, when it is less, by a deductive change order.

CONTRACTOR CONTINGENCY shall mean an amount included in the construction budget to cover the cost of unforeseen factors related to construction. The contractor shall have full control of the contingency and shall be able to use it as needed. Contractor shall keep the owner informed of how much of the contingency has been used and for what purpose. Any remaining contingency will revert to the owner and will be adjusted by means of a deductive change order prior to final payment.

FIELD LABOR shall mean, in addition to items as defined in the general conditions, standard rates cover costs related to safety, quality control, small tools, and overhead applicable to the self-performance by the General Contractors crews.

SP 13 Owner

Owner will provide information so that the Contractor can confirm the funding for the project has been secured.

Owner will provide all permits and provide a refund to the Contractor all Fire Marshal Plan check fees. Owner will provide all Special Inspections and pay for all inspection and testing costs.

When unforeseen conditions or work outside the scope upon which the GMP has been established are discovered, the Contractor will notify the Owner and present a cost proposal to the Owner for review and approval.

SP 15 Time of Completion

All work shall be completed in accordance with the Contract Documents within three hundred (300) calendar days of the Notice to Proceed (NTP).

Liquidated damages will be assessed in the sum of five hundred dollars (\$500.00) for each calendar day after the completion date during which the Project remains incomplete.



City of Valdez Special Provisions

Project: Providence Valdez Medical Center Copper Pipe Replacement – Construction Project Number: 19-310-9197 / Contract Number: 1520

Substantial Completion: Substantial Completion shall be defined as the stage in the progress of the work when the work is sufficiently complete in accordance with the Contract Documents so the Owner (City) can occupy or use the structure or that which is the subject of the contract, for its' intended use.

SP 16 Insurance

At the date and approval by the Owner (City) that substantial completion has been met the Owner's General Liability Policy will replace the Contractor's Builder's Risk Insurance.

SP 17 Warranty

The Contractor will provide a minimum one year warranty from the date of substantial completion on all Contractor and Subcontractor supplied materials, labor and services provided.

SP 18 Closeout

The Contractor will provide a minimum one year warranty from the date of substantial completion on all Contractor and Subcontractor supplied materials, labor and services provided.

Tax Clearances

Upon completion of the project, the Contractor shall grant permission to the Alaska Department of Labor and Workforce Development to provide the Owner with clearance that all Payroll Taxes have been paid by the Contractor and all Subcontractors that have worked on the project.

In addition, the Contractor shall grant permission to the Alaska Department of Revenue to provide the Owner with clearance that all Corporate Taxes have been paid by the Contractor.

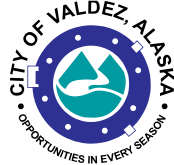
Certified Payroll

The Contractor shall provide the Owner with an approved Notice of Completion from the Alaska Department of Labor and Workforce Development upon completion of the project.

Per ADOLWD directive, a portion of the final payment shall be retained by the Owner until such time as an approved Notice of Completion is received. This standard shall also be applied to include the Payroll and Corporate tax clearances.

Release of Liens

Following final payment of the contract, the Contractor shall provide the Owner with a Release of Liens removing all claims the Owner.



**City of Valdez
Special Provisions**

**Project: Providence Valdez Medical Center Copper Pipe Replacement – Construction
Project Number: 19-310-9197 / Contract Number: 1520**

Consent of Surety

Following final payment of the contract where Payment and Performance bonds have been issued, the Contractor shall in addition provide the Owner with a Consent of Surety.

Maintenance, Operation, Ownership of the Completed Project

The Contractor shall provide project documentation required to establish an effective facility management and preventative maintenance program that satisfies the requirements of AS 14.11.011(b)(4).



City of Valdez
Modifications and Additions to the Standard Specifications

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

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City of Valdez
Modifications and Additions to the Standard Specifications

Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520

Division 10 Standard General Provisions

Article 7.5 Progress Payments

Add the following:

Any request for payments for work accomplished within the calendar fiscal year (January 1st to December 31st) must be received by the city no later than January 31st of the following year. Failure to provide a request for payment by Jan. 31st for work accomplished the previous year will delay payment. Failure to provide a request for payment by January 31st for work accomplished the previous year will be subject to a penalty. Penalty may be assessed at a minimum of \$1,000 and up to 5% of the invoice not to exceed \$10,000.

Article 7.7 Final Payments

Add the following:

Any request for final payment for work accomplished within the calendar fiscal year (January 1st to December 31st) must be received by the city no later than January 31st of the following year. Failure to provide a request for final payment by January 31st for work accomplished the previous year will delay payment. Failure to provide a request for payment by January 31st for work accomplished the previous year will be subject to a penalty. Penalty may be assessed at a minimum of \$1,000 and up to 5% of the invoice not to exceed \$10,000.



**City of Valdez
Minimum Prevailing Wage Rates**

**Project: Providence Valdez Medical Center Copper Pipe Replacement - Construction
Project Number: 19-310-9197 / Contract Number: 1520**

Minimum Prevailing Wage Rates and Title 36 Public Contracts Follows
See attached Links:

<http://labor.state.ak.us/lss/pamp600.htm>
<http://labor.alaska.gov/lss/forms/Pam-400.pdf>

In accordance with the requirements of AS 36.05.070 and AS 36.05.080, the following provisions are included where applicable:

- (1) The Contractor or subcontractors of the Contractor shall pay all employees unconditionally and not less than once a week;
- (2) wages may not be less than those stated in the advertised specifications, regardless of the contractual relationship between the Contractor or subcontractors and laborers, mechanics, or field surveyors;
- (3) the scale of wages to be paid shall be posted by the Contractor in a prominent and easily accessible place at the site of the work;
- (4) Owner shall withhold so much of the accrued payments as is necessary to pay to laborers, mechanics, or field surveyors employed by the Contractor or subcontractors the difference between
 - (A) the rates of wages required by the contract to be paid laborers, mechanics, or field surveyors on the work; and
 - (B) the rates of wages in fact received by laborers, mechanics, or field surveyors.
- (5) If it is found that a laborer, mechanic, or field surveyor employed by the Contractor or subcontractor has been or is being paid a rate of wages less than the rate of wages required by the contract to be paid, the Owner may, by written notice to the Contractor, terminate the Contractor's right to proceed with the work or the part of the work for which there is a failure to pay the required wages and to prosecute the work to completion by contract or otherwise, and the Contractor and the Contractor's sureties are liable to Owner for excess costs for completing the work.