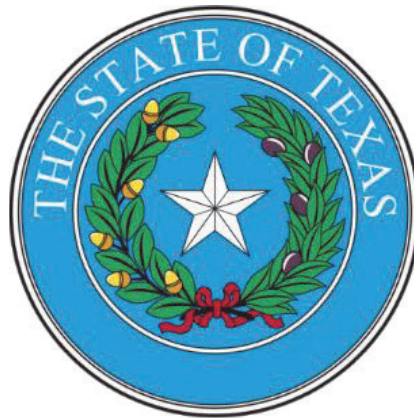


HHSC Contract Number: HHS000973000001

Project Number: 20-013-KSH



**TEXAS HEALTH AND HUMAN SERVICES
CONSTRUCTION MANAGER-AT-RISK CONTRACT**

STODDARD CONSTRUCTION MANAGEMENT, INC.

Project Name

Pre-Construction Services and Construction Services
at Kerrville State Hospital

Project Delivery Method

Construction Manager-at-Risk

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ARTICLE 1. PURPOSE

The State of Texas, acting by and through the Health and Human Services Commission (“**HHSC**” or “**Owner**”), an administrative agency within the executive branch of the state of Texas and having its principal office at 4900 North Lamar Boulevard, Austin, Texas 78751, and Stoddard Construction Management, Inc. (“**Construction Manager-at-Risk**” or “**Construction Manager**” or “**CMR**” or “**Contractor**”), a Texas corporation, having its principal office at 461 Rodeo Drive, Spring Branch, TX 78070, each a “**Party**” and collectively the “**Parties**,” enter into the following Contract for Pre-Construction Services and Construction Services (the “**Contract**”) for the Kerrville State Hospital-New Laundry Building and Site Water Upgrades (the “**Project**”).

ARTICLE 2. LEGAL AUTHORITY

This Contract is authorized by and in compliance with the provisions of *Texas Government Code* Chapters 531 and 2269.

ARTICLE 3. DURATION

The Contract is effective upon the signature date of the latter of the Parties to sign (the “**Effective Date**”), and will terminate upon completion of the Project as described in **Article 12** of the Texas Uniform General Conditions for Construction Contracts with HHSC Supplementary General Conditions, Version 2.2 (“**UGC**s”), which is attached hereto and incorporated herein as **Attachment B**, unless extended or terminated pursuant to the terms and conditions of this Contract. The term of this Contract cannot extend past **December 31, 2023**, unless extended in writing by both Parties. At the sole option of Owner, this Contract may also be extended beyond the original term as necessary to complete the mission of the solicitation or as otherwise determined by Owner to serve the best interests of the state of Texas, subject to the terms and conditions mutually agreeable to the Parties.

ARTICLE 4. DEFINITIONS

The terms, words, and phrases used in the Contract Documents (as that term is defined in the UGCs and herein) will have the meanings given in the UGCs, if defined therein, and as supplemented or originally defined below. In the event of any conflict between the definitions in the UGCs and the definitions in this Article 4, then the definitions in this Article 4 control and govern.:

- 4.1** “**Architect/Engineer**” or “**A/E**” means the professional architect or engineer employed by Owner as architect or engineer of record for the Project and its consultants.
- 4.2** “**Change Order**” means a written modification of the Contract between Owner and Contract Manager, signed by Owner, Contract Manager, and Architect/Engineer.
- 4.3** “**Construction Cost Limitation**” (“**CCL**”) means the maximum monetary amount payable to Construction Manager for all Construction Phase Services, materials, labor, and other work required for completion of the Work in accordance with the Contract Documents. The CCL includes, without limitation, the General Conditions Costs, the Cost of the Work, the Construction Phase Fee, and Construction Manager’s Contingency. The CCL may be adjusted by the Parties for changes in the scope of the Project before or after acceptance of the GMP

Proposal. The CCL does not include Construction Manager's Pre-Construction Phase Fee, or Owner's Construction Contingency.

- 4.4** **"Construction Documents"** means, collectively, the UGCs, Owner's Special Conditions and Specifications, the Drawings, Specifications, details, Change Orders, and other documents prepared by Architect/Engineer, its consultants and by Owner's other consultants that describe the scope and quality of the Project and the materials, supplies, equipment, systems, and other elements that are required for construction of the Project and which are accepted by Owner.
- 4.5** **"Construction Phase Services"** means the coordination, implementation, and execution of the Work required by the Contract Documents.
- 4.6** **"Contract Documents"** shall mean all of the documents listed below and their terms:
- A. This Contract and all exhibits and attachments listed, contained or referenced in this Contract, including, but not limited to, the UGCs;
 - B. Construction Documents as defined above;
 - C. All Addenda issued prior to the Effective Date of this Agreement;
 - D. The Guaranteed Maximum Price Proposal when accepted by the Owner and executed by the parties; and
 - E. All Change Orders or Amendments issued after the Effective Date of this Agreement.
- 4.7** **"Contract Sum"** means the total amount of all compensation payable to Construction Manager for the Project and will not exceed the sum total amount of the Pre-Construction Phase Fee plus the GMP Proposal accepted by the Parties, subject to adjustment for Additional Services or Change Orders. Any costs that exceed the Contract Sum will be borne solely by Construction Manager without reimbursement by Owner.
- 4.8** **"Cost of the Work"** means those costs as set forth in Section 14.2 of this Contract.
- 4.9** **"Direct Construction Cost"** means the sum of the amounts that Construction Manager actually and necessarily incurs for General Conditions Costs, Cost of the Work, and Construction Manager's Contingency during the Construction Phase as allowed by this Contract. Direct Construction Costs does not include Pre-Construction Phase Fees or Construction Phase Fees.
- 4.10** **"Estimated Construction Cost" ("ECC")** means the amount calculated by Construction Manager for the total cost of all elements of the Work based on the Contract Documents available at the time(s) that the ECC is prepared. The ECC will be based on current market rates with reasonable allowance for overhead, profit and price escalation and will include and consider, without limitation, all alternates, allowances, and contingencies, designed and specified by A/E and the cost of labor and materials necessary for installation of Owner furnished equipment. The ECC will not include Construction Manager's Pre-Construction Phase Fee, A/E Fees, cost of the land, rights-of-way, or any other costs that are the direct responsibility of Owner.
- 4.11** **"General Conditions"** means all those resources, equipment, tools and minor work that are not directly related to physical construction activities but are required to build a project. General conditions include items but are not limited to temporary utilities, office trailers,

vehicles, lay-down yard, Storm Water Pollution Prevention Plan, mobilization and demobilization, drinking water, clean up, tools, etc.

- 4.12 “General Conditions Cost”** means costs incurred and minor work performed by Construction Manager. The allowable General Conditions items are further described and limited by **Article 14**.
- 4.13 “Guaranteed Maximum Price” (“GMP”)** means the amount proposed by Construction Manager and accepted by Owner as the maximum cost to Owner for construction of the Work in accordance with the Contract Documents, subject to (i) any Change Orders (as defined in the UGCs), or amendments to the GMP. The GMP does not include the Pre-Construction Phase Fee. Any costs and expenses exceeding the GMP (as changed or amended upon by agreement of the parties) shall be the obligation solely of CMR.
- 4.14 “Monthly Salary Rate”** means the amount agreed to by Owner that can be used on Applications for Payment throughout the Construction Phase to account for the services of Construction Manager’s salaried personnel assigned to the Project. A Monthly Salary Rate must be established for each salaried person and must be approved in writing by Owner in advance of any Application for Payment for that person. The Monthly Salary Rate is for convenience only and any payments made for Construction Manager’s personnel are subject to audit to determine the actual cost of the wages and allowable employer contributions incurred by Construction Manager for services performed for the Project.
- 4.15 “Notice to Proceed”** means the written notice to be issued to Construction Manager by Owner, which will inform Construction Manager of, among other things, the date to begin a specific phase of Work, and the respective date anticipated for Substantial Completion of the specific phase of Work.
- 4.16 “Partnering Program”** means a required meeting with the Construction Manager, its major subcontractors, the owner, its management consultants, and the design team to set common goals, communications strategies, dispute resolution practices, identify potential risks, and problem-solving mechanisms.
- 4.17 “Pre-Construction Phase Services”** means the participation, documentation, and execution of Construction Manager’s Pre-Construction Phase deliverables as required by the Contract Documents.
- 4.18 “Preliminary Project Cost” (“PPC”)** means the total estimated cost of the entire Project, including design, construction, and other associated costs and services that is established by Owner prior to the commencement of design.
- 4.19 “Project Facility Program”** means the statement of the Project Facility’s space requirements. It defines the types of spaces, space criteria, relationship of spaces for their functions, net and gross square footage, site requirements, and all other technical requirements for the Project Facility.
- 4.20 “Project Specifications”** means the construction and contract administration requirements and standards detailed in Project Specifications to be developed and provided by the A/E.

- 4.21 “Project Team”** means Owner, Construction Manager, A/E and its consultants, any separate contractors employed by Owner, and other consultants employed for the purpose of programming, design, and construction of the Project. The members of the Project Team will be designated by Owner and may be modified from time to time by Owner.
- 4.22 “Total Project Cost” (“TPC”)** means the total budget established for the Project by the Health and Human Services Commission at the end of the Design Development Phase (subject to subsequent modification by Owner). The TPC includes, but is not limited to, Construction Manager’s Pre-Construction Fee, GMP Proposal(s), A/E and other professional service fees, and other miscellaneous Project costs.
- 4.23 “Unforeseen Conditions”** means unanticipated or unexpected circumstances or situations that affect the final price and/or completion time of a contract or project.
- 4.24 “Work”** means the administration, procurement, materials, equipment, construction, and all services necessary for Contract Manager, and/or its agents, to fulfill Contract Manager’s obligations under the Contract.

ARTICLE 5. CONSTRUCTION MANAGER’S GENERAL RESPONSIBILITIES

- 5.1 Construction Manager’s Performance.** Construction Manager will perform all services specifically allocated to it by the Contract Documents as well as those services reasonably inferable from the Construction Documents as necessary for completion of the Work and the Project. Construction Manager agrees to perform these services using its best efforts, skills, judgment, and abilities. Construction Manager will cooperate with A/E and endeavor to further the interests of Owner and the Project. Construction Manager will furnish Pre-Construction Phase Services and Construction Phase Services and complete the Project in an expeditious and economical manner consistent with the interests of Owner and in accordance with the Project Schedule.
- 5.2 Construction Manager’s Representative.** Construction Manager will designate a representative authorized to act on Construction Manager’s behalf with respect to the Project.
- 5.3 Communication and Coordination of Efforts.** Construction Manager will establish procedures for communication and coordination among the Project Team, Subcontractors, separate contractors, and others with respect to all aspects of the construction of the Project, and implement such procedures.
- 5.4 Numbering and Tracking System.** Construction Manager will establish and maintain a numbering and tracking system for all Project records, including changes, requests for information, submittals, and supplementary instructions, and will provide updated records at each Owner’s meeting and when requested.
- 5.5 Fast Track/Multiple Completion Times.** If Owner elects to “fast-track” or develop the Project in multiple stages, Construction Manager will organize and perform its services as appropriate to each stage. Each stage of the Project may have a unique schedule for completion and a specific CCL, at Owner’s discretion.

- 5.6 Partnering Program.** Construction Manager will attend and participate in Owner's "Partnering Program" for all prior to commencement of construction of the Project.
- 5.7 Construction Manager's Employees and Consultants.** Construction Manager will identify to Owner, the employees and other personnel that it will assign to the Project and provide the Monthly Salary Rate for each of them. Construction Manager will also identify any consultants that will be performing services for the Project. After execution of the Contract by Owner, Construction Manager will not add, remove, or replace the persons or entities assigned to the Project except with Owner's written consent, which consent will not be unreasonably withheld. Construction Manager will not assign to the Project or contract with any person or entity to which Owner has a reasonable objection. Construction Manager will promptly update and resubmit **Attachment I**, Construction Manager's Personnel and Monthly Salary Rates Form, indicating the list of persons by name and title and consultants if they change during the course of the Project.
- 5.8 Owner's Policy on the Utilization of Historically Underutilized Businesses** (the "**Policy**"). Construction Manager, as a provision of the Contract, must comply with the requirements of the Policy and adhere to the Historically Underutilized Businesses ("**HUB**") Subcontracting Plans submitted for Pre-Construction Phase and Construction Phase Services referenced in **Attachment F**. No changes to a HUB Subcontracting Plan can be made by Construction Manager without the written approval of Owner in accordance with the Policy.

ARTICLE 6. PRE-CONSTRUCTION PHASE SERVICES

- 6.1 Notice to Proceed.** The Pre-Construction Phase will be deemed to commence upon the date specified in a Notice to Proceed with Pre-Construction Phase Services identified by Owner and will continue through completion of the Construction Documents and procurement of all major Subcontractor agreements. Construction Manager is not entitled to reimbursement for any costs incurred for Pre-Construction Phase Services performed before issuance of the Notice to Proceed. Pre-Construction Phase Services may overlap Construction Phase Services. Construction Manager will perform the Pre-Construction Phase Services outlined below.
- 6.2 General Coordination**
- 6.2.1** Construction Manager's Pre-construction Phase Services team will attend Project Team meetings with Owner, Owner's representatives, and A/E at regularly scheduled intervals throughout the Pre-Construction Phase. Frequent Project Team meetings are anticipated prior to Owner's acceptance of the GMP and during completion of the Construction Documents. The frequency of meetings will be decided and agreed upon by the entire team during each phase of the project.
- 6.2.2** Construction Manager will provide a preliminary evaluation of Owner's Design Criteria and the CCL, each in terms of the other.
- 6.2.3** Construction Manager will review and understand the standards and requirements in the project Specifications and perform all services in accordance with those standards and requirements.

- 6.2.4 Construction Manager will visit the site and inspect the existing facilities, systems, and conditions to ensure an accurate understanding of the existing conditions as required.
- 6.2.5 Construction Manager will participate as a member of the Project Team in the development of the Project Facility Program if such program has not been developed prior to the Effective Date of this Contract.
- 6.2.6 Construction Manager will provide recommendations and information to the Project Team on: site usage and site improvements; building systems, equipment, and construction feasibility; selection and availability of materials and labor; time requirements for installation and construction; assignment of responsibilities for safety precautions and programs; temporary Project facilities; equipment, materials, and services for common use of Construction Manager and Owner's separate contractors, if any; cost factors, including costs of alternative materials or designs, preliminary budgets, and possible cost savings; recognizing and tracking the resolution of conflicts in the proposed Drawings and Specifications; methods of delivery of materials, systems, and equipment; and any other matters necessary to accomplish the Project in accordance with the Project Schedule and the CCL.
- 6.2.7 Construction Manager will assist Owner and/or A/E in selecting and directing the services of surveyors, soils engineers, existing facility surveys, testing, and balancing, environmental surveys or other special consultants hired by Owner and/or A/E to develop additional information for the design or construction of the Project.
- 6.2.8 Construction Manager will, at Owner's request, attend public meetings and hearings concerning the development and schedule of the Project.
- 6.2.9 Construction Manager will, at Owner's request, perform cost exercises and prepare proposals to mitigate and/or repair Unforeseen Conditions discovered during the pre-construction phase.

6.3 Constructability Program

- 6.3.1 Construction Manager will implement and conduct a constructability program to identify and document Project cost and schedule savings opportunities. The constructability program will follow accepted industry practices. Whenever the term "**value engineering**" is used in conjunction with this Contract or the Project, it has its commonly accepted meaning within the construction industry and does not imply the practice of professional engineering without a license. If any value engineering activities constitute the professional practice of engineering, then such activities will be performed by an engineer licensed in Texas.
- 6.3.2 Construction Manager will prepare a "**Constructability Report**" that identifies items that, in Construction Manager's opinion, may negatively impact construction of the Project. The Constructability Report will address the overall coordination of Project Drawings, Specifications, and details, and identify discrepancies that may generate Change Orders or claims once Project construction commences. The

Constructability Report will be updated at least monthly during the Pre-Construction Phase.

- 6.3.3 Construction Manager will provide and implement a system for tracking questions, resolutions, decisions, directions, and other information matters that arise during the development of the Drawings and Specifications for the Project. The decision tracking system will be in a format approved by Owner and updated at least monthly during the Pre-Construction Phase.

6.4 Budget and Cost Consultation

- 6.4.1 Construction Manager is responsible for preparing and updating all procurement and construction cost estimates and distributing them to the Project Team throughout the duration of the Project.
- 6.4.2 Construction Manager will provide Estimated Construction Cost (“ECC”) reports at the required stages of completion of the Schematic Design and Design Development phases. Construction Manager also will provide ECC reports during the Construction Documents phases of the Project at phases of design as required in Section 19.18.1 of this Contract. Estimated Construction Cost reports for the Design Development and Construction Documents phases will be detailed estimates derived from cost quantity surveys based on unit prices for labor, materials, overhead, and profit, organized in current Construction Specifications Institute Division format for each portion of the Work. Such estimates will be provided for A/E’s review and Owner’s approval.
- 6.4.3 Provide continuous cost consultation services throughout the duration of the Project, including identification and tracking of decisions that affect the scope or quality of the Project and providing ongoing updates of their cost and budget impact. Advise the Project Team immediately if Construction Manager has reason to believe that the most current ECC will exceed the CCL or not meet Schedule requirements and recommend reasonable strategies for bringing the Project in line with the CCL and the Schedule.
- 6.4.4 Construction Manager will promptly identify all variances between estimated costs and actual costs during the Construction Phase, and will promptly report such variances to the Project Team along with recommendations for action, but in any event no more than two business days after acquiring such information.
- 6.4.5 Should any ECC exceed or fall significantly below the approved CCL, Owner and Construction Manager will negotiate changes to the Project requirements or the CCL as required.

6.5 Coordination of Design and Construction Contract Documents

- 6.5.1 Construction Manager will review all Drawings, Specifications, and other Construction Documents as they are developed by A/E during the Schematic Design, Design Development, and Construction Documents design phases of the Project.

- 6.5.2 Construction Manager will consult with Owner and A/E on the selection of materials, equipment, component systems, and types of construction used on the Project. Advise Owner on site use, construction feasibility, availability of labor and materials, procurement time requirements, and construction coordination.
- 6.5.3 A Construction Manager will advise Owner of any error, inconsistency, or omission discovered in the Drawings, Specifications, and other Construction Documents.
- 6.5.4 Construction Manager will advise Owner on reasonable adjustments in the Project scope, quality, or other options for keeping the Project cost within the CCL.
- 6.5.5 Construction Manager will review the Construction Documents for compliance with all applicable laws, statutes, rules, and regulations, and lawful orders of public authorities applicable to its performance under this Contract.

6.6 Construction Planning and Bid Package Strategy

- 6.6.1 Construction Manager will identify equipment or material requiring extended delivery times and advise Owner on expedited procurement of those items. Advise Owner and A/E on the preparation of performance specifications and requests for technical proposals for the procurement and installation of systems and components and for the procurement of long lead items. If requested by Owner, and subject to Owner's prior approval, issue requests for technical proposals to qualified sources and receive proposals and assist in their evaluation.
- 6.6.2 Construction Manager will make recommendations to the Project Team regarding organization of the Construction Documents to facilitate the bidding and awarding of construction subcontracts in a manner that promotes the interests of the Project and Owner. These recommendations may include, but are not limited to, phased or staged construction or multiple separate contracts. The recommendations will take into consideration such factors as time of performance, type, and Scope of Work, availability of labor and materials, overlapping trade jurisdictions, provisions for temporary facilities, comparisons of factory and on-site production costs, shipping costs, code restrictions, Owner's goals for HUB contractor participation, and other constraints.
- 6.6.3 Construction Manager will review the Construction Documents with the Project Team to eliminate areas of conflict and overlap in the Work to be performed by the various Subcontractors or Owner's separate contractors.
- 6.6.4 Construction Manager will develop a bid/proposal package strategy in coordination with A/E that addresses the entire Scope of Work for each phase and stage of the Project. In developing the bid/proposal package strategy, Construction Manager will identify all bid/proposal packages on which Construction Manager intends to submit a self-performance bid/proposal. The bid/proposal package strategy will be reviewed with Owner on a regular basis and revised throughout the buyout of the Project in order to best promote the interests of the Project and Owner.

- 6.6.5 Construction Manager will assist Owner, A/E, Owner's other consultants, and Owner's separate contractors in obtaining all applicable risk management, code, and regulatory agency reviews and approvals for the Project including, without limitation, the Texas Department of Licensing and Regulation, the State Fire Marshal, the local fire department.
- 6.6.6 Construction Manager will refine, implement, and monitor required HUB Subcontracting Plans to promote equal employment opportunity in the provision of goods and services to Owner for the Project.
- 6.6.7 Construction Manager will advise Owner of any tests to be performed, and assist Owner in selecting testing laboratories and consultants, without assuming direct responsibility for the work of such laboratories and consultants.
- 6.6.8 Construction Manager will review the Construction Documents to ensure that they contain adequate provision for all temporary facilities necessary for performance of the Work, and provisions for all of the job site facilities necessary to manage, inspect, and supervise construction of the Work.
- 6.6.9 Construction Manager will comply with applicable laws, statutes, ordinances, codes, rules, and regulations, and lawful orders of public authorities applicable to its performance under this Contract, and with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities for inclusion in the Contract Documents.
- 6.6.10 Construction Manager will provide an analysis of the types and quantities of labor required for the Project and review the appropriate categories of labor required for critical phases or Stages. Construction Manager will also make recommendations that minimize adverse effects of labor shortages.
- 6.6.11 **Furniture, Fixtures, and Equipment.** Construction Manager will consult with and make recommendations, if applicable, to Owner on the acquisition schedule for fixtures, furniture, and equipment and coordinate with Owner as may be required to meet the Schedule.

6.7 Obtaining Bids/Proposals for the Work

- 6.7.1 Construction Manager will publicly advertise and solicit competitive lump sum bids/proposals from trade contractors or Subcontractors for the performance of all major elements of the Work other than the minor Work that may be included in General Conditions. Criteria for determining the bid/proposal that provides the best value to Owner will be established by the Project Team and included in the request for bids/proposals. Construction Manager will notify Owner in advance in writing of the date it will receive the bids/proposals.
- 6.7.2 Construction Manager will schedule and conduct pre-bid conferences with interested bidders/proposers, Subcontractors, material suppliers, and equipment suppliers, and record minutes of the conferences.

- 6.7.3 Construction Manager may be required to schedule and conduct a ‘Meet the Prime’ event or events, for each Guaranteed Maximum Price (GMP) exercise, in coordination with the Owner and the HHSC HUB Program.
- 6.7.4 Construction Manager and Owner will review all trade contractor or subcontractor bids/proposals in a manner that does not disclose the contents of any bid/proposal to persons outside of the Project Team during the selection process. Based on the selection criteria included in the request for proposals, Construction Manager will recommend to Owner the bid/proposal that provides the best value for the Project. Upon Owner’s concurrence in the recommendation, Construction Manager may negotiate the terms of the subcontract with the apparent best value bidder/proposer.
- 6.7.5 All subcontracts must be on a lump sum basis unless other payment terms are approved in writing and in advance by Owner. Upon Owner’s concurrence on the final terms of the subcontract, Construction Manager will enter into a written subcontract for the subcontract work and provide a copy to Owner. All bids/proposals will be publicly available after award of the subcontract or within seven days after the date of final selection, whichever is later.
- 6.7.6 If Construction Manager reviews, evaluates, and recommends to Owner a bid/proposal from a trade contractor or subcontractor, but Owner requires another bid/proposal to be accepted, Owner will compensate Construction Manager by a change in price, time, or GMP for any additional cost and risk that Construction Manager incurs because of Owner’s requirement that the other bid/proposal be accepted.
- 6.7.7 Construction Manager may seek to self-perform portions of the Work identified for self-performance in the bid/proposal strategy. Construction Manager must submit a bid/proposal for the self-performance work in the same manner as all other trade contractors or subcontractors. Owner will determine whether Construction Manager’s bid/proposal provides the best value for Owner, which determination is final. Construction Manager must perform approved self-performance work in accordance with the same terms and conditions as its other Subcontractors. For payment purposes, Construction Manager will account for self-performance work in the same manner as it does all other subcontract costs.
- 6.7.8 For Scope of Work bid packages typically performed by Subcontractors, Construction Manager may self-perform (“**Self-Perform**”) such work on a cost-plus fee (**7.5%**) basis subject to an agreed upon GMP for the self-performed work (“**Self-Performed Work**”). Construction Manager will bid their proposed GMP for the Work to be Self-Performed against at least three other interested trade contractors. Any subcontract for Self-Performed Work will provide for payment in an amount equal to the Cost of the Work (as defined in this Contract) and will not exceed the agreed upon subcontract guaranteed maximum price. All terms and provisions of any subcontract for Self-Performed Work will be consistent with the terms and conditions of this Contract with the exception of the agreed upon fee percentage. All savings under any such subcontract for Self-Performed Work will be applied to reduce the Cost of the Work under this Contract and the GMP of this

Contract. For purposes of defining Self-Performed Work subject to this contract provision, any division of Construction Manager, or any separate Construction Manager or Subcontractor that is partially owned or wholly owned by Construction Manager or any of their employees or employee's relatives will be considered a related party entity and will be subject to this provision regarding Self-Performed Work. No Self-Performed Work will be allowed to be performed on a lump sum basis.

- 6.7.9 Construction Manager will identify every Subcontractor it intends to use on the Project through the Owner-approved HSP, including Subcontractors used for Self-Performed Work, to Owner in writing at least ten business days before entering into any subcontract. Construction Manager will not use any Subcontractor to which Owner has a reasonable objection. Construction Manager will not be required to subcontract with any Subcontractor to which it has reasonable objection. Following Owner acceptance of a Subcontractor, that Subcontractor will not be changed without Owner's written consent, which will not be unreasonably withheld, subject to Construction Manager's submission of a revised HSP.
- 6.7.10 If a selected trade Contractor or Subcontractor fails to execute a subcontract after being selected in accordance with this Section or defaults in the performance of its work, Construction Manager may, in consultation with Owner and without further advertising, fulfill the subcontract requirements itself or select a replacement trade Contractor or Subcontractor to do so.

ARTICLE 7. PRE-CONSTRUCTION PHASE FEE

- 7.1 The Pre-Construction Phase Fee is the total compensation payable to Construction Manager for the performance of Pre-Construction Phase Services, except for Additional Pre-Construction Phase Services approved in advance and in writing by Owner. The Pre-Construction Phase Fee will be a lump sum amount based on the CCL established in this Contract.
 - 7.1.1 Except as specifically allowed in **Section 7.1.2**, Construction Manager will not be entitled to any increase in the Pre-Construction Phase Fee for any costs, expenses, liabilities, or other obligations arising from the performance of Pre-Construction Phase Services.
 - 7.1.2 Costs associated with the following items are specifically, but not exclusively, in the establishment of the Pre-Construction Phase Fee: profit and profit sharing; general overhead; salaries and labor; housing and relocation; estimating, scheduling, and information management systems and software; contract administration; office expenses; printing and copying; consulting fees; legal or accounting fees; cost of money; taxes; insurance premiums and deductibles; bond costs; purchase or rental of equipment; utilities; travel; per diem; fines or penalties; and damage awards.
 - 7.1.3 If the scope of the Pre-Construction Phase Services is changed materially, the Pre-Construction Phase Fee may be equitably adjusted. If the CCL is changed materially

before or after acceptance of the GMP Proposal, the Pre-Construction Phase Fee may be adjusted in proportion to the change in the CCL.

- 7.1.4 For Additional Pre-Construction Phase Services, for example, to mitigate Unforeseen Conditions, that are approved in advance and in writing by Owner, Construction Manager will be entitled to additional compensation computed as:

7.1.4.1 A pre-established lump sum amount; or

7.1.4.2 The hourly cost of Construction Manager's employees or consultants who actually perform the Additional Services based on the employee's Worker Wage Rate or prorated Monthly Salary Rate plus the actual cost of allowable expenses incurred in the performance of the Additional Services plus an overhead and profit markup of **10%**, of the total cost; or

7.1.4.3 As otherwise agreed to by the Parties in advance of performing the Additional Pre-Construction Phase Services.

ARTICLE 8. GUARANTEED MAXIMUM PRICE PROPOSAL

- 8.1 Preparation and Submittal of GMP Proposal.** When the Parties agree that the design of the Project is sufficiently developed and documented to allow detailed pricing of its construction, Construction Manager will prepare and submit a GMP Proposal to Owner. The GMP Proposal must be prepared in accordance with the guidelines and delivered in the format specified by Owner in the Attachments appended to this Contract. Owner, at its sole option and discretion, may specify different requirements for the GMP Proposal. Construction Manager will not withdraw its GMP Proposal for 90 days following submission to Owner.
- 8.2 Development of GMP Proposal.** In developing the GMP Proposal, Construction Manager will coordinate efforts with A/E to identify qualifications, clarifications, assumptions, exclusions, value engineering, and any other factors relevant to establishment of a GMP. Construction Manager will review development of the GMP Proposal with Owner on an ongoing basis to address clarifications of scope and pricing, distribution of contingencies, schedule, assumptions, exclusions, and other matters relevant to the establishment of a GMP.
- 8.3 GMP Proposal Contents.** The GMP Proposal must include a written description of how it was derived that specifically identifies the clarifications and assumptions made by Construction Manager in the GMP and the monetary amounts attributable to them. The GMP Proposal will include, without limitation, a breakdown of Construction Manager's estimated General Conditions Costs and estimated Costs of the Work organized by trade; contingency amounts; the Construction Phase Fee; and the proposed Contract Time, including dates for Notice to Proceed, Substantial Completion, and Final Completion.
- 8.4 GMP Proposal Adjustments.** The GMP Proposal will allow for reasonably expected changes and refinements in the Drawings and Specifications through completion of the Construction Documents, except for material changes in scope.

- 8.5 Construction Manager's Contingency.** The GMP Proposal may include a Construction Manager's Contingency amount as allowed under Cost of the Work.
- 8.6 Supporting Documents.** Included with its GMP Proposal, Construction Manager will provide two complete, bound sets of the drawings, specifications, plans, sketches, instructions, requirements, materials, equipment specifications and other information or documents that fully describe the Project as developed at the time of the GMP Proposal and that are relevant to the establishment of the GMP. The bound supporting documents will be referenced in and incorporated into the GMP Proposal. The GMP Proposal and all supporting documents will identify and describe all items, assumptions, costs, contingencies, schedules and other matters necessary and relevant for proper execution and completion of the Work and for establishment of the GMP. The GMP Proposal and the supporting documents are complementary and, in the event of an irreconcilable conflict between or among them, the interpretation that provides for the higher quality of material and/or workmanship will prevail over all other interpretations.
- 8.7 No Increase in GMP.** In submitting the GMP Proposal, Construction Manager represents that it will provide every item, system, or element of Work that is identified, shown, or specified in the GMP Proposal or the supporting documents, along with all necessary or ancillary materials and equipment for their complete operating installation, unless specifically excluded by Owner. Upon Owner's acceptance of the GMP Proposal, Construction Manager will not be entitled to any increase in the GMP due to the continued refinement of the Construction Documents or the absence or addition of any detail or specification that may be required in order to complete the construction of the Project as described in and reasonably inferable from the GMP Proposal or the supporting documents used to establish the GMP. This does not include additions and changes requested and approved by the Owner.
- 8.8 Conflicts.** The GMP Proposal will adopt and incorporate all of the terms and conditions of this Contract and all attachments to this Contract. Any proposed deviation from the terms and conditions of this Contract must be clearly and conspicuously identified to Owner in writing and specifically accepted by Owner. In the event of a conflict between any term of the GMP Proposal that was not clearly and conspicuously identified and approved by Owner and the terms of this Contract and its attachments, the terms of the Contract and its attachments will control and govern.
- 8.9 Acceptance/Rejection of GMP Proposal.** Owner may accept or reject the GMP Proposal or attempt to negotiate its terms with Construction Manager. Upon acceptance by Owner of the written GMP Proposal, both Parties will execute the GMP Proposal. Upon execution of the GMP Proposal, the terms of the GMP Proposal, including the GMP and the supporting documents, will become part of the Contract between Owner and Construction Manager. If Owner rejects the GMP Proposal or the Parties are unable or unwilling to agree on a GMP, Owner may terminate this Contract.
- 8.10 Monthly Status Report.** Following Owner acceptance of the GMP Proposal, Construction Manager will continue to monitor the development of the Construction Documents so that, when complete, the Construction Documents adequately incorporate and resolve all qualifications, assumptions, clarifications, exclusions, and value engineering issues identified in the GMP Proposal. During this phase, Construction Manager and A/E will jointly deliver a monthly status report to Owner describing the progress on the incorporation of all

qualifications, assumptions, clarifications, exclusions, value engineering issues, and all other matters relevant to the establishment of the GMP into the Construction Documents.

- 8.11 Adjustment of the GMP.** Construction Manager will be entitled to an equitable adjustment of the GMP if it is required to pay or bear the burden of any new federal, state, or local tax, or any rate increase of an existing tax, except taxes on income, adopted through statute, court decision, written ruling, or regulation taking effect after acceptance of the GMP Proposal in accordance with **Section 2.6** of the UGC's. This equitable adjustment does not apply to tax increases borne solely by Subcontractors.
- 8.12 Conversion to Lump Sum.** The Parties may agree to convert the GMP to a lump sum contract amount at any time after Construction Manager has received bids or proposals from trade Contractors or Subcontractors for the performance of all major elements of the Work. In proposing a lump sum amount, Construction Manager will consider the buyout savings, any unused contingency amounts, and the trade package contracts that have not been finalized. In preparing a lump sum conversion proposal, Construction Manager must provide the following information:
- A. the stage of completion of the Project;
 - B. the trade packages that have been completely bought out;
 - C. the trade packages remaining that have not been bought out;
 - D. a complete line item breakdown of the calculations used to establish a lump sum amount based on the GMP Schedule of Values;
 - E. an accounting of all savings amounts that are to be returned to Owner as part of the lump sum calculation; and
 - F. any other Project information requested by Owner.
- 8.13 Cost of the Work at Buyout/GMP.** Construction Manager will document the actual Cost of the Work at buyout as compared to the GMP proposal and will report this information to Owner at least monthly and with Construction Manager's recommendation for selection of a bid/proposal for each subcontracting package.

ARTICLE 9. CONSTRUCTION PHASE SERVICES

- 9.1** The Construction Phase will be deemed to commence upon the date specified in a Notice to Proceed issued by Owner after approval of the GMP Proposal and will continue until Final Completion of all Work. Pre-Construction Phase Services may overlap Construction Phase Services. Construction Manager will not incur any Subcontractor costs for construction of the Work prior to issuance by Owner of written authorization to commence such Work. Construction Manager will perform the following Construction Phase Services.
- 9.1.1** Construction Manager will construct the Work in strict accordance with the Construction Documents and as required by the UGCs and project Specifications within the time required by the Project Schedule approved by Owner.
- 9.1.2** Construction Manager will organize and maintain a competent, full-time staff at the Project site with clearly defined lines of authority and communication as necessary to

coordinate construction activities, monitor and direct progress of the Work, and further the goals of the Project Team.

- 9.1.3** Construction Manager will designate in writing a representative who is responsible for the day-to-day management of the Construction Phase Services. The designated representative will be Owner's primary contact during the Construction Phase and will be available as required for the benefit of the Project and Owner. The designated representative will be authorized to act on behalf of and bind Construction Manager in all matters related to Construction Phase Services including, but not limited to, execution of Change Orders and Applications for Payment.
- 9.1.4** Construction Manager will attend Owner's regularly scheduled Project progress meetings and fully advise the Project Team of the Project status including schedule, costs, quality, and changes.
- 9.1.5** In addition to attending Owner's regularly scheduled Project progress meetings, Construction Manager will schedule, direct, and attend interim progress meetings with other members of the Project Team as required to maintain Project progress. Construction Manager will record and distribute the minutes of each meeting to each Project Team member. The minutes will identify critical activities that require action and the dates by which each activity must be completed. The meeting minutes will be distributed within seven days of meeting.
- 9.1.6** Construction Manager will coordinate delivery and installation of Owner-procured material and equipment.
- 9.1.7** Construction Manager will provide and pay for all labor, materials, equipment, tools, construction equipment, and machinery, transportation, and all other facilities and services necessary for the proper execution and completion of the Work in strict accordance with the requirements of the Construction Documents.
- 9.1.8** Construction Manager will obtain any building permits and special permits for permanent improvements that may be required by law or the Construction Documents. Construction Manager will assist Owner or A/E in obtaining all approvals required from authorities having jurisdiction over the Project.
- 9.1.9** Construction Manager will coordinate, monitor, and inspect the work of Subcontractors to ensure conformance with the Construction Documents.
- 9.1.10** Construction Manager will promptly correct any defective Work at Construction Manager's sole expense, unless Owner specifically agrees to accept the Work.
- 9.1.11** Construction Manager will warrant that the materials and equipment provided for the Project will be of good quality and new unless otherwise required or permitted by the Construction Documents; that the construction will be free from faults and defects; and that the construction will conform to the requirements of the Construction Documents. Construction Manager will be responsible for correcting Work that does

not comply with the Construction Documents at its sole expense without cost to Owner.

- 9.1.12** In accordance with the UGCs regarding Record Documents and Owner's project closeout specification, Construction Manager will maintain and deliver the required documents that describe changes or deviations from the Construction Documents that occurred during construction and that reflect the actual "As-Built" conditions of the completed Work.
- 9.1.13** Upon the execution of the GMP, Construction Manager will prepare and submit to Owner and A/E a construction schedule for the Work and submittal schedule in accordance with the UGCs.
- 9.1.14** Construction Manager will record the progress of the Project. On a monthly basis, or otherwise as agreed to by Owner, Construction Manager will submit written progress reports to Owner and A/E, showing percentages of completion and other information required by Owner. Construction Manager will also keep, and make available to Owner and A/E, a daily log containing a record for each day of weather, portion of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the Work, accidents, injuries, and other information required by Owner.
- 9.1.15** Construction Manager will develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. Construction Manager will identify variances between actual and estimated costs and report the variances to Owner and A/E and will provide this information in its monthly reports to Owner and A/E, in accordance with **Section 9.1.14** above.

ARTICLE 10. OWNER'S RESPONSIBILITIES

- 10.1 Designation of A/E.** Owner will designate an A/E for the Project to provide services, duties, and responsibilities as described in the A/E/Owner Contract, including any Additional Services requested by Construction Manager that are necessary for the Pre-Construction and Construction Phase services under this Contract.
- 10.2 Preliminary Project Cost and General Schedule.** Owner will provide the Preliminary Project Cost ("PPC") and general schedule for the Project. The PPC will include the CCL, contingencies for changes in the Work during construction, and other costs that are the responsibility of Owner. The general schedule will set forth Owner's plan for milestone dates and completion of the Project.
- 10.3 Owner's Designated Representative.** Owner will identify a person as its Owner's Designated Representative ("ODR") authorized to administer this Contract on behalf of Owner in accordance with the UGCs, including final determination of fees and costs earned by Construction Manager and equitable back charges against Construction Manager.

- 10.4 Authority Having Jurisdiction.** Owner will designate an employee to act as the primary Authority Having Jurisdiction (“**AHJ**”) for all applicable Codes and standards during this Project, including but not limited to:
- 10.4.1 higher Code authorities including the Joint Commission for accreditation standards relating to Code compliance and building design, and the State Fire Marshal's Office;
 - 10.4.2 the National Fire Protection Association (“**NFPA**”) 101 *Life Safety Code* and related codes and standards (mandated by the Centers for Medicare and Medicaid Services (“**CMS**”));
 - 10.4.3 the International Building Code (“**IBC**”) and related codes (mandated by *Texas Administrative Codes* (“**TAC**”));
 - 10.4.4 the Facility Guidelines Institute (“**FGI**”) Guidelines for Design and Construction of Hospitals and Outpatient Facilities (mandated by The Joint Commission (“**TJC**”));
 - 10.4.5 ANSI/ASHRAE 170 Ventilation of Healthcare Facilities (mandated by TJC); and
 - 10.4.6 ANSI/ASHRAE 90.1 Energy Standards for Buildings Except Low-Rise Residential Buildings (mandated by State Energy Conservation Office (“**SECO**”).
- 10.5 Consultants.** Owner, at Owner’s cost, will secure the services of surveyors, soils engineers, existing facility surveys, testing and balancing, environmental surveys or other special consultants to develop such additional information as may be necessary for the design or construction of the Project.
- 10.6 Laboratory Tests.** Owner will arrange and pay for materials, structural, mechanical, chemical, and other laboratory tests as required by the Construction Documents.
- 10.7 Owner Furnished Services.** Owner will furnish all legal, accounting, auditing, and insurance counseling services for itself as may be necessary for the Project.
- 10.8 Approvals and Decisions by Owner.** Owner will render approvals and decisions as expeditiously as is consistent with reasonable skill and care and the orderly progress of Construction Manager's services and of the Work.
- 10.9 Construction Inspectors.** Owner may designate one or more construction inspectors who will be given access to the Work as requested or needed. The provision of inspection services by Owner will not reduce or lessen Construction Manager’s responsibility for the Work. Construction Manager is fully and solely responsible for constructing the Project in strict accordance with the Construction Documents.
- 10.10 Defective Work.** Owner will have the right to reject any defective Work on the Project. Should Construction Manager refuse or neglect to correct any such Work within a reasonable time after notice, Owner may have the Work corrected and recover all expenses incurred from Construction Manager on demand.

- 10.11 Construction Document Sets.** Owner will furnish to Construction Manager the number of Construction Document sets as required by this Contract.

ARTICLE 11. OWNERSHIP AND USE OF DOCUMENTS

- 11.1 Use of Proprietary Documents.** Drawings, specifications, and other documents prepared by A/E, its consultants, or other consultants retained by Owner for the Project that describe the Work to be executed by Construction Manager (the “**Proprietary Documents**”) are instruments of service and will remain the property of their authors whether the Project for which they are made is executed or not. Construction Manager will be permitted to retain one record set of the Proprietary Documents. All other copies of the Proprietary Documents will be returned to their respective authors or suitably accounted for. Construction Manager and its Subcontractors are authorized to reproduce and use portions of the Proprietary Documents as necessary and appropriate for the execution of the Work. Construction Manager and its Subcontractors will not use the Proprietary Documents on any other projects.
- 11.2 Preservation of Proprietary Rights.** Submission or distribution of the Proprietary Documents to meet official regulatory requirements or for other purposes in connection with the Project will not diminish A/E’s or other author’s rights.

ARTICLE 12. TIME

- 12.1 Progress of the Work.** Unless otherwise approved, Owner and Construction Manager will perform their respective obligations under the Contract as expeditiously as is consistent with reasonable skill and care and the orderly progress of the Work.
- 12.2 Critical Path Method.** Prior to commencement of the Construction Phase Services and concomitantly with submission of the GMP Proposal, Construction Manager will submit an up-to-date Critical Path Method (“**CPM**”) Schedule for the performance of Construction Phase Services as specified. The CPM Schedule will include reasonable periods of time for Owner’s and A/E’s review and approval of shop drawings and submissions and for the approval of other authorities having jurisdiction over the Project.
- 12.3 TIME LIMITS STATED IN THE CONTRACT DOCUMENTS ARE OF THE ESSENCE OF THIS AGREEMENT.**

ARTICLE 13. PAYMENTS

- 13.1 General Requirements.** Each Schedule of Values submitted with an Application for Payment will include the originally established value for each Work classification line item or subcontract and will identify any revisions to the costs or cost estimates for each Work classification or subcontract. The format and tracking method of the original Schedule of Values and of all updates will be subject to approval by Owner. At all times, the estimated cost of performing the uncompleted and unpaid portion of the Work, including Construction Manager’s overhead and profit, will not exceed the unpaid balance of the GMP, less retainage on Work previously completed.

- 13.2 Travel Expenses.** Transportation and overnight living expenses in connection with Owner approved out-of-state travel will be identified separately in each Application for Payment. All travel must be approved in writing and in advance by Owner to be eligible for payment.

Allowable expenses are limited as follows:

Travel within Texas:

- A. Maximum rates for lodging and meals will be in accordance with the “In State Meals and Lodging Rates”, Texas Comptroller of Public Accounts. (Website <https://fm.x.cpa.state.tx.us/fm/travel/travelrates.php>);
 - B. Lodging: maximum reimbursement for lodging in state will be limited to current State of Texas per diem rates plus city and state taxes. The meal per diem will only be paid on trips involving overnight travel;
 - C. Meals: reimbursement limited to current State of Texas per diem rate.
- 13.3** Expenses specifically excluded from reimbursement include telephone charges, FAX services, alcoholic beverages, laundry service, valet service, parking, entertainment expenses, and any non-Project related items. Tips are included in the per diem rates.
- 13.4** Retainage as specified in the UGCs will be withheld from the entire amount approved in an Application for Payment, except for payments for Pre-Construction Phase Services.
- 13.5** Owner is an agency of the State of Texas and materials and services utilized in the construction of the Project may be exempted from state and local taxes. Construction Manager is responsible for taking full advantage of all tax exemptions applicable to the Project. Owner will deduct from the Applications for Payment and from the Request for Final Payment any taxes paid for materials or services that were entitled to tax exemption.
- 13.6** This Agreement is subject to the assessment of liquidated damages against Construction Manager. Amounts assessed as liquidated damages, and other amounts to which Owner is entitled by way of setoff or recovery, may be deducted from any moneys due Construction Manager.
- Owner shall have the right to withhold from payments due Construction Manager such sums as are necessary to protect Owner against any loss or damage which may result from negligence by Construction Manager or any Subcontractor or failure of Construction Manager or any Subcontractor to perform their obligations under this Agreement.
- 13.7** Notwithstanding any other contractual provision to the contrary, Owner shall not be obligated to make any payment to Construction Manager under any of the following circumstances:
- 13.7.1** Construction Manager persistently fails to perform the Work in accordance with the Contract Documents or is otherwise in material breach or default under this Agreement;

- 13.7.2** If Owner, in its good faith judgment, determines that the unpaid balance of the GMP is not sufficient to complete the Work in accordance with the Construction Documents;
- 13.7.3** Construction Manager has persistently failed to complete the Work in accordance with the CPM Schedule requirements or if Owner, in its good faith judgment, determines that the remaining Work will not be completed within the contract time;
- 13.7.4** Construction Manager is insolvent, makes a general assignment for the benefit of its creditors or otherwise seeks protection under the laws and regulations of the bankruptcy courts; or
- 13.7.5** Construction Manager fails to obtain, maintain or renew insurance coverage as required by the Agreement.
- 13.8** No partial payment made by the Owner shall constitute, or be construed to constitute, final acceptance or approval of the work to which the partial payment relates or of the documentation provided in support of the partial payment. No partial payment made by the Owner shall constitute, or be construed to constitute, a release of Construction Manager from any of its obligations or liabilities with respect to the Work.
- 13.9** Owner shall have the right to verify and audit the details of Construction Manager's billings, certificates, accountings, cost data, and statements, either before or after payment, by (1) inspecting the books and records of Construction Manager during normal business hours; (2) examining any reports with respect to this Project; (3) interviewing Construction Manager's employees; (4) visiting the Project site; and (5) any other reasonable action. Construction Manager's records shall be kept on the basis of generally accepted accounting principles in accordance with cost accounting standards issued by the Federal Office of Management and Budget Cost Accounting Standards Board and organized by each Application for Payment period.
- 13.10 Pre-Construction Phase Payments.** Payments for Pre-Construction Phase Services will be made monthly based on the percentage completion of Construction Manager's required services for each stage of development of the Construction Documents and the procurement of Subcontractor bids/proposals in accordance with the following schedule:
- | | | |
|-----------|--|-------------------|
| A. | <i>Schematic Design Stage</i> | <i>10%</i> |
| B. | <i>Design Development Stage</i> | <i>20%</i> |
| C. | <i>60% Construction Documents/GMP Development Stage</i> | <i>20%</i> |
| D. | <i>90% Construction Documents/GMP Development Stage</i> | <i>10%</i> |
| E. | <i>95% Construction Documents/GMP</i> | <i>20%</i> |
| F. | <i>100% Construction Documents Stage</i> | <i>10%</i> |
| G. | <i>Subcontractor Bid/Proposal Stage</i> | <i>10%</i> |

All payment requests for Pre-Construction Phase Services will be submitted on an Application for Payment and Schedule of Values approved by Owner and includes all required attachments identifying payments to HUBs and to all Subcontractors.

13.11 Construction Phase Payments

- 13.11.1** Payments for Construction Phase Services shall be made as provided for in the UGCs and the Owner's Specifications
- 13.11.2** Owner shall have no obligation to make Final Payment until a complete and final accounting of the Direct Construction Cost has been submitted by Construction Manager and has been audited and verified by Owner or Owner's representatives.
- 13.11.3** Nothing contained herein shall require the Owner to pay the Construction Manager an aggregate amount for Construction Phase Services that exceeds the Guaranteed Maximum Price or to make any payment if, in the Owner's belief, the cost to complete the Work would exceed the Guaranteed Maximum Price less previous payments to Construction Manager. The total amount of all Construction Phase payments to the Construction Manager shall not exceed the actual verified Direct Construction Cost for the Project plus the Construction Manager's Construction Phase Fee.
- 13.11.4** The acceptance by Construction Manager or Construction Manager's successors of Final Payment under this Agreement shall constitute a full and complete release of Owner from any and all claims, demands, and causes of action whatsoever that Construction Manager, its Subcontractors, suppliers and consultants or any of their successors or assigns have or may have against Owner arising from the Project or any provision(s) of this Agreement, except for those previously made in writing and identified by Construction Manager as unsettled at the time of the Request for Final Payment.

ARTICLE 14. DIRECT CONSTRUCTION COST

Direct Construction Cost means the sum of the amounts that Construction Manager actually and necessarily incurs constructing the Work in strict compliance with the Construction Documents. Direct Construction Cost includes only the cost categories set forth in this Article and does not include the Pre-Construction Phase Fees or the Construction Phase Fees unless specifically noted.

14.1 General Conditions Costs

- 14.1.1** Construction Manager is entitled to receive payment for the actual cost of the allowable General Conditions items incurred after receipt of a Notice to Proceed with Construction from Owner through Substantial Completion of the Project plus 30 calendar days. Construction Manager is not entitled to reimbursement for General Conditions Costs incurred before receipt of the Notice to Proceed. General Conditions Costs incurred after Substantial Completion must be approved in advance by Owner.
- 14.1.2** Allowable General Conditions items are identified below and by **Attachment G**. These items will be included in the General Conditions cost amount shown as a line item in the GMP Proposal and as detailed on the Schedule of Values. Items not specifically included below or in the exhibit will not be allowed as a General Condition cost.
- A. The actual Worker Wage Rate for Construction Manager's hourly employees and the Monthly Salary Rate of Construction Manager's salaried personnel who are identified to Owner in advance and in writing, but only for the time actually

stationed at the Project site with Owner's prior consent. The Project Manager's Monthly Salary Rate may be included in the General Conditions Costs only when the Project Manager is directly managing the Project. All personnel costs are subject to audit to determine the actual cost of the wages, salaries, and allowable employer contributions incurred by Construction Manager for services performed for the Project.

- B. Costs of long-distance telephone calls, telegrams, postage, package delivery and courier service, hardwired telephone service, and reasonable expenses of Construction Manager's jobsite office if incurred at the Project site and directly and solely in support of the Work.
- C. Costs of materials, supplies, temporary facilities, equipment, and hand tools (except those customarily owned by construction workers), supplied to the Project site by Construction Manager, if such items are fully consumed in the construction of the Work and are included in the list of allowable General Condition Line Items. Cost for used items will be based on fair market value and may include transportation, installation, and minor maintenance costs, and removal costs. If an item is not fully consumed in the construction of the Work, its cost will be based on actual cost of the item less its fair market salvage value.
- D. Rental charges for temporary facilities, equipment, and hand tools (except those customarily owned by construction workers), supplied to the Project site by Construction Manager, provided they are included in the list of allowable General Condition Line Items and Owner has approved the rentals and the rental rates in advance and in writing. Rental rates may include transportation, installation, and minor maintenance costs, and removal costs. For tools, machinery or construction equipment rented directly from Construction Manager, the rental rate, including freight and delivery costs and all operating expenses except labor, will be approved in advance by Owner and shall be no higher than the prevailing competitive rates for rental of similar equipment in the Project vicinity.
- E. The aggregate rental cost of any item charged to Owner will not exceed **90%** of the purchase price and maintenance cost of the item. If the anticipated aggregate rental cost for an item of equipment exceeds **90%** of the purchase and maintenance price, Construction Manager will purchase the equipment and turn it over to Owner upon final completion of the Work or, at Owner's option, credit Owner with the fair market resale value of the item.
- F. Premiums for Construction Manager's insurance and bonds to the extent directly attributable to this Project. Premiums for bonds and/or Subcontractor default insurance purchased for Subcontractor Work are excluded from General Conditions costs.

14.2 Cost of the Work

- 14.2.1 Construction Manager is entitled to receive payment for the actual cost of the allowable Cost of the Work items incurred after receipt of Owner's written

authorization to commence the Construction Phase Work through Final Completion of the Project. Construction Manager is not entitled to reimbursement for Cost of the Work costs incurred before receipt of Owner's written authorization. Cost of the Work includes the following:

- A. costs of materials and equipment purchased directly by Construction Manager and incorporated into or consumed in the performance of the Work, including transportation charges, and a reasonable and customary allowance for waste and spoilage;
- B. costs of site debris removal and disposal in accordance with all applicable laws and regulations if not otherwise included in General Conditions;
- C. payments made to Subcontractors and their vendors or suppliers by Construction Manager for the subcontract work in accordance with the Construction Documents and the requirements of the subcontracts with the Subcontractors, vendors, or suppliers, however, the cost of Subcontractor payment and performance bonds, if any, are specifically excluded from the Cost of the Work;
- D. payments earned by Construction Manager for self-performed subcontract work, other than General Conditions work, in accordance with the Construction Documents and the terms of this Contract and approved by Owner;
- E. testing fees pursuant to **Article 8** of the UGCs;
- F. intellectual property royalties and licenses for items specifically required by the Construction Documents which are, or will be, incorporated into the Work;
- G. Costs associated with any Subcontractor default insurance program (one such common product is referred to as "**SUBGUARD**") provided or required by Construction Manager ARE EXPLICITLY EXCLUDED from the Cost of the Work.

14.3 Construction Manager's Contingency

- 14.3.1 The GMP Proposal may include a Construction Manager's Contingency amount to be used to fund increases in the Direct Construction Cost of the Project identified through the refinement, development, and completion of the Construction Documents or procurement of the Work, as set forth in **Section 8.5**.
- 14.3.2 Any re-allocation of funds from Construction Manager's Contingency to cover increases in the Direct Construction Cost must be approved by Owner in advance and in writing, such approval not to be unreasonably withheld. In written requests to use Construction Manager's Contingency, Construction Manager will provide detailed documentation of the Scope of Work affected and the bases for any increases in costs.

14.3.3 Construction Manager's Contingency is specifically not to be used for Contractor rework, unforeseen conditions, cost increases caused by lack of coordination or communication with A/E or trade Subcontractors, or to correct errors or omissions in the Construction Documents.

14.3.4 As the Construction Documents are finalized and the Buyout of the Work progresses Construction Manager's Contingency amount will be reduced by mutual agreement of Owner and Contractor. Any balance in Construction Manager's Contingency fund remaining at the end of the Project will be returned to Owner as savings.

ARTICLE 15. CONSTRUCTION PHASE FEE

15.1 Construction Manager's Construction Phase Fee is the maximum amount payable to Construction Manager for any cost or profit expectation incurred in the performance of the Work that is not specifically identified as being eligible for reimbursement by Owner elsewhere in the Contract. References in the UGCs to Construction Manager's "**overhead**" and "**profit**" mean Construction Manager's Construction Phase Fee. The Construction Phase Fee includes, but is not limited to, the following items:

15.1.1 All profit, profit expectations, and costs associated with profit sharing plans such as personnel bonuses, incentives, and rewards; company stock options; or any other like expenses of Construction Manager;

15.1.2 Salaries of Construction Manager's officers, project manager(s), estimators, schedulers, and all other employees not stationed at the Project site and performing services directly related to the Project;

15.1.3 Any and all overhead, labor, or general expenses of any kind unless specifically allowed under General Conditions. These costs include, but are not limited to: costs for the purchase, lease, rental, allowance, or maintenance of vehicles, radios/communication equipment, jobsite computers, copiers, and other business equipment, specialized telephone systems and cellular/digital phones; trade or professional association dues; costs for hiring and/or relocation of any of Construction Manager's personnel; and travel, per diem, and subsistence expense of Construction Manager, its officers, or employees except as specifically allowed under General Conditions.

15.1.4 In the event that Construction Manager elects to provide or require participation in a Subcontractor SUBGUARD or substantially equivalent insurance product or subcontractor default insurance program, the entire cost of the insurance program and all costs related to the administration of the program will be included in the Construction Phase Fee.

15.1.5 All costs associated with payment and performance bonds obtained from trade Contractors or Subcontractors, including bonds for change orders to subcontracts and the cost of any bonds for minor work that might be included in the general conditions.

- 15.1.6 Any financial costs incurred by Construction Manager including the cost of capital or interest on capital, regardless of whether it is related to the Project, and costs associated with construction warranty reserves.
- 15.1.7 Any legal, accounting, professional, or other similar costs incurred by Construction Manager, including costs incurred in connection with the prosecution or defense of any dispute, mediation, arbitration, litigation, or other such proceeding related to or arising from the Project.

With regard to subsections 15.1.8 to 15.1.12, the following applies: These fees, fines, penalties, and other costs and expenses referred to below, may be included in the Construction Phase Fee, but if not included, will not be eligible for reimbursement without Owner's prior written approval.

- 15.1.8 Any Federal and/or State income and franchise taxes paid by Construction Manager. Any fines, penalties, sanctions or other levies assessed by any governmental body against Construction Manager.
- 15.1.9 Any cost arising out of a breach of this Contract or the fault, failure or negligence of Construction Manager, its Subcontractors, or any person or entity for whom they may be liable. These costs include, without limitation: costs to remedy defective, rejected, or nonconforming work, materials or equipment; costs due to failure to coordinate the Work or meet CPM Schedule milestones; costs arising from Construction Manager's contractual indemnification obligations; liquidated or actual damages imposed by Owner for failure to complete the Work within the Contract Time; costs due to the bankruptcy or insolvency of any Subcontractor; and damage or losses to persons or property.
- 15.1.10 The cost of any and all insurance deductibles payable by the Construction Manager and costs due to the failure of Construction Manager or any Subcontractor to procure and maintain insurance as and to the extent required by the Contract Documents.
- 15.1.11 Any and all costs that would cause the Guaranteed Maximum Price to be exceeded, other than costs attributable to change orders which increase the contract amount. For change order work which increases the contract amount, other than Guarantee Maximum Price Change Orders, overhead and profit shall be determined in accordance with the "Changes" section of the UGCs.
- 15.1.12 Any and all costs not specifically identified as an element of the Direct Construction Cost.

ARTICLE 16. CONTRACT SAVINGS, ALLOWANCES, REBATES & REFUNDS

- 16.1** If the allowable amount of the Cost of Work, General Conditions, and Construction Manager's Contingency is less than the amount established for each of those line items in the originally approved GMP Proposal, the entire difference will be credited to Owner as

savings and the Contract amount will be adjusted accordingly, including associated Construction Phase Fees. When buyout of the Project is at least 85% complete, Owner may recognize any savings achieved to that point by issuing a deductive change order for the saved amount.

- 16.2** Items to be provided for through Owner's Special Cash Allowances will be clearly identified in the Construction Documents and the GMP proposal. The Cost of the Work included in the Allowances will be determined in accordance with the UGCs. Any claim by Construction Manager for an adjustment to an Allowance amount included in the GMP based on the cost of Allowance work will be made within a reasonable time after the issuance of the Construction Documents for the Allowance items. Construction Manager will not be entitled to any increase in its Construction Phase Fee for increases to Allowance amounts that were initially based on estimates provided by Construction Manager. Owner will be entitled to retain 100% of the balance of any unused Allowance amount.
- 16.3** Owner will be entitled to deduct amounts for the following items from any Application for Payment or from the Request for Final Payment submitted by Construction Manager:
- 16.3.1 The fair market value of all tools, surplus materials, construction equipment, and temporary structures that were charged to the Work (other than rental items) but were not consumed during construction or retained by Owner. Upon completion of the Work or when no longer required, Construction Manager will either credit Owner for the fair market value (as approved by Owner) for all surplus tools, construction equipment and materials retained by Construction Manager or, at Owner's option, use commercially reasonable efforts to sell the surplus tools, construction equipment, and materials for the highest available price and credit the proceeds to Owner's account.
 - 16.3.2 Discounts earned by Construction Manager through advance or prompt payments funded by Owner. Construction Manager will obtain all possible trade and time discounts on bills for material furnished, and will pay bills within the highest discount periods. Construction Manager will purchase materials for the Project in quantities that provide the most advantageous prices to Owner.
 - 16.3.3 Rebates, discounts, or commissions obtained by Construction Manager from material suppliers or Subcontractors, together with all other refunds, returns, or credits received for materials, bond premiums, insurance, and sales taxes.
 - 16.3.4 Deposits made by Owner and forfeited due to the fault of Construction Manager.
 - 16.3.5 Balances remaining on any Allowances, Construction Manager's Contingency, or any other identified contract savings.
- 16.4** Owner will be entitled to recover any savings realized between the GMP and the buyout price for subcontracting work, provided however, that Construction Manager may use such savings to offset other buyout packages that exceed the amounts identified in the initial GMP, so long as the total Cost of Work proposed in the GMP does not increase.

- 16.5** Owner will be entitled to recognize and recover 100% of any savings identified by cost review or audit at any time, before or after Final Payment.

ARTICLE 17. PRE-EXISTING CONDITIONS & DESIGN ERRORS AND OMISSIONS

- 17.1** Construction Manager acknowledges that it has been provided unrestricted access to the existing improvements and conditions on the Project site and that it has thoroughly investigated those conditions. Construction Manager's investigation was instrumental in preparing its GMP Proposal for the Work. Construction Manager will not make or be entitled to any claim for any adjustment to the Contract Time or the Contract Sum for Pre-Construction Phase Services or for Construction Phase Services arising from Project conditions that Construction Manager discovered or, in the exercise of reasonable care, should have discovered in Construction Manager's investigation.
- 17.2** Construction Manager acknowledges that as part of its Pre-Construction Phase Services, it will participate in the development and review of the Construction Documents. Construction Manager's participation in the design development process will be instrumental in preparing its GMP Proposal for the Work. Before submitting its GMP Proposal, Construction Manager will review the drawings, specifications, and other Construction Documents and notify Owner of any errors, omissions, or discrepancies in the Construction Documents of which it is aware. Construction Manager will not make or be entitled to any claim for any adjustment to the Contract Time or the Contract Sum for errors or omissions in the Construction Documents that Construction Manager discovered or, in the exercise of reasonable care, should have discovered in Construction Manager's Pre-Construction Phase design review process that Construction Manager did not bring to the attention of Owner and A/E in a timely manner.

ARTICLE 18. COMPENSATION

18.1 Guaranteed Maximum Price

18.1.1 The anticipated GMP for the Project at the time this Contract was executed is:

\$2,502,864.00;

18.2 Pre-Construction Phase Fee

18.2.1 For Pre-Construction Phase Services, Owner will pay Construction Manager a Pre-Construction Phase Fee in the total stipulated amount of:

\$4,800.00;

18.2.2 Refer to **Section 13.10** for the percentages of each stage of Work within the Pre-Construction Phase Fee for payment purposes.

18.3 Cost of the Work

18.3.1 The anticipated Cost of the Work for the Project at the time this Contract was executed is:

\$2,104,811.00;

18.4 Construction Phase Fee

18.4.1 For Construction Phase Services, Owner will pay Construction Manager a stipulated Construction Phase Fee equal to **3.5%** of the Cost of the Work for the Project.

18.4.2 Based on the anticipated Cost of the Work established at the time of this Contract, the Construction Phase Fee would be the total stipulated amount of:

\$73,669.00;

If Owner agrees to an increase in the Cost of the Work during the Construction Phase, the Construction Phase Fee will be equitably adjusted by applying the percentage established in **Section 18.4.1** to the amount of the increase in the Cost of the Work.

The percentage rate established in **Section 18.4.1** of this Contract for calculation of the Construction Phase Fee cannot be increased except with the express written approval of Owner.

18.5 Limitation on General Condition Costs

18.5.1 **Based on the anticipated GMP** and the Cost of the Work established at the time of this Contract, the maximum allowable amount of General Conditions Costs would be the total amount of:

\$324,384.00;

18.5.2 If Owner agrees to an increase in the Cost of the Work and/or the GMP during the Construction Phase, the maximum allowable amount of General Conditions Costs may be equitably adjusted, but only if the Parties agree to such an adjustment.

18.6 Anticipated Contract Sum

The Anticipated Contract Sum, as defined herein, is **\$2,507,664.00**. Subsequent to an agreement on the GMP, any increase in the Contract Sum without Owner's written consent will be borne solely by Construction Manager without reimbursement by Owner.

ARTICLE 19. MISCELLANEOUS PROVISIONS

19.1 Proprietary Interests. All information owned, possessed, or used by Owner which is communicated to, learned, developed, or otherwise acquired by Construction Manager in the performance of services for Owner, which is not generally known to the public, will be confidential. Construction Manager will not, beginning on the date of first association or communication between Owner and Construction Manager and continuing through the term of this Contract and any time thereafter, disclose, communicate or divulge, or permit disclosure, communication or divulgence, to another or use for Construction Manager's own benefit or the benefit of another, any such confidential information, unless required by law.

Except when defined as part of the Work, Construction Manager will not make any press releases, public statements, or advertisement referring to the Project or the engagement of Construction Manager as an independent Contractor of Owner in connection with the Project, or release any information relative to the Project for publications, advertisement, or any other purpose without the prior written approval of Owner. Construction Manager will obtain assurances similar to those contained in this Subsection from persons, vendors, and consultants retained by Construction Manager. Construction Manager acknowledges and agrees that a breach by Construction Manager of the provisions hereof will cause Owner irreparable injury and damage. Therefore, Construction Manager expressly agrees that Owner will be entitled to injunctive and/or other equitable relief in any court of competent jurisdiction to prevent or otherwise restrain a breach of this Contract.

- 19.2 Waivers.** No delay or omission by either of the Parties hereto in exercising any right or power accruing upon the non-compliance or failure of performance by the other Party hereto of any of the provisions of this Contract will impair any such right or power or be construed to be a waiver thereof. A waiver by either of the Parties hereto of any of the covenants, conditions, or agreements hereof to be performed by the other Party hereto will not be construed to be a waiver of any subsequent breach thereof or of any other covenant, condition, or agreement herein contained. A payment, act, or omission in any manner will not impair or prejudice any right, power, privilege, or remedy available to Owner to enforce its rights, powers, privileges, and remedies as they are specifically preserved. No employee or agent of Owner may waive the effect of this provision. No waiver by Owner is valid unless authorized by Owner's Executive Commissioner or his/her designee in writing.
- 19.3 Appointment.** Owner hereby expressly reserves the right from time to time to designate by notice to Construction Manager a representative(s) to act partially or wholly for Owner in connection with the performance of Owner's obligations. Construction Manager will act only upon instructions from the ODR unless otherwise specifically notified to the contrary.
- 19.4 Contract Representatives.** The following will act as the representative authorized to administer activities under this Contract on behalf of their respective Party, and to receive all written communications and electronic communications by the Parties, except for and excluding legal notice. Delivery of the written or electronic communications may be by e-mail, overnight delivery, hand delivery, or United States mail, return receipt requested. Delivery of the written or electronic communications shall be deemed completed upon actual receipt by the intended Party. The Construction Manager's designated representative may be referred to as its "**Project Manager**," and Owner's Designated Representative may be referred to as its "**ODR**." The designated Project Manager and ODR are as follows:

Project Manager

Wilson Harpe
461 Rodeo Drive
Spring Branch, TX 78070
830-438-5904
wh@stoddardcemi.com

ODR

Roger Brigance, Architect, CTCM
909 West 45th Street; Mail Code: 2064
Austin, Texas 78751
512-413-2820
roger.brigance@hhs.texas.gov

With copy to:

Renu Razdan, AIA, LEED AP, BD+C
Director, Maintenance and Construction
Dept.
909 West 45th Street; Mail Code: 2064
Austin, Texas 78751
(512) 206-4692
Renu.razdan@hhs.texas.gov

Either Party may change its designated representative by providing written notice to the other Party.

- 19.5 Legal Notices.** Any legal notice required under this Contract will be deemed delivered when actually received by the receiving Party. Acceptable means of transmission or delivery for the legal notice are as follows: (i) the United States mail, postage paid, certified, return receipt requested; (ii) a common carrier, overnight, signature required; or (iii) personal or hand delivery, signature required to the appropriate address below:

Construction Manager

Stoddard Construction Management
Inc
Attn: Mr. Keith Stoddard
461 Rodeo Drive
Spring Branch, TX 78070

Owner

Health and Human Services Commission
Attn: Office of Chief Counsel
4900 N. Lamar Boulevard; MC 1100
Austin, Texas 78751

With copy to:

Health and Human Services Commission
Attn: Director of Maintenance and Const.
909 West 45th Street; Mail Code: 2064
Austin, Texas 78751

Either Party may change its address for notice by written notice to the other Party.

- 19.6 Severability.** If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract will be construed as if such provision did not exist and the non-enforceability of such provision will not be held to render any other provision or provisions of this Contract unenforceable.
- 19.7 Survivability.** Termination or expiration of this Contract or a Contract for any reason will not release either Party from any liabilities or obligations in this Contract that the Parties have expressly agreed will survive any such termination or expiration, remain to be performed, or by their nature would be intended to be applicable following any such termination or expiration, including maintaining confidentiality of information and records retention.
- 19.8 Captions.** The captions of sections in this Contract are for convenience only and will not be considered or referred to in resolving questions of interpretation or construction.
- 19.9 Counterparts.** This Contract may be executed in multiple counterparts, each of which will be deemed, construed, and considered to be an original, but all of which will constitute one and the same instrument. Each Party agrees that this Contract, as well as any amendments

thereto, may be executed by written or electronic signature and may be delivered in multiple counterparts by facsimile or other electronic transfer of an originally signed document, each of which will be as binding on the Party or Parties as an original document. The Parties each agree that this transaction and Contract may be conducted under the Texas Uniform Electronic Transactions Act (“UETA”), and, in particular, the Parties each consent to an electronic signature (as defined in Texas UETA) as an enforceable signature for this Contract and any amendment thereto. The Parties further agree that that any objections that electronic signatures and electronically transmitted documents do not constitute the "best evidence" of the documents, or that they do not comply with the "Statute of Frauds," as well as any other similar objections to the validity or admissibility of the document, are hereby expressly waived by the Parties.

- 19.10 Extent of Contract.** This Contract supersedes all prior Contracts concerning this Project, written or oral, between Construction Manager and Owner, and will constitute the entire Contract and understanding between the Parties with respect to the subject matter hereof. This Contract and each of its provisions will be binding upon the Parties and may not be waived, modified, amended or altered except by a writing signed by Owner and Construction Manager.
- 19.11 Entire Contract.** This Contract is intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements which may have been made in connection with the subject matter hereof. Any additional or conflicting terms in any future document incorporated into the Contract will be harmonized with this Contract to the extent possible by Owner.
- 19.12 Independent Contractor.** Construction Manager acknowledges that it is engaged by this Contract as an independent contractor and that Owner has no responsibility to provide Construction Manager or its employees with transportation, insurance, or other fringe benefits normally associated with employee status. Construction Manager is not, and will not claim to be, an officer, partner, employee or agent of Owner and will not make any claim, demand or application to or for any right or privilege applicable to an officer, partner, employee or agent of Owner, including, but not limited to, unemployment insurance benefits, social security coverage or retirement benefits. Construction Manager hereby agrees to make Construction Manager’s own arrangements for any of such benefits as Construction Manager may desire and agrees that Construction Manager is responsible for all income taxes required by applicable law.
- 19.13 Captions.** The captions of paragraphs in this Agreement are for convenience only and shall not be considered or referred to in resolving questions of interpretation or construction.
- 19.14 Disclosure of Copies.** Construction Manager agrees that Owner has the right to use, produce, and distribute copies of, and to disclose to Owner employees, agents, and contractors and other governmental entities, all or part of this Contract or any related Solicitation Response as Owner deems necessary to complete the procurement process or comply with state or federal laws.
- 19.15 Assignment.** Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other Party to this Contract,

and to the partners, permitted successors, assigns, and legal representatives of such other Party with respect to all covenants of this Contract. Pursuant to this Contract, duties hereunder and/or fees due hereunder may not be assigned or delegated to a third Party without the written approval of Owner. The benefits and burdens of this Contract are, however, assignable by Owner.

19.16 Records Retention. All records relevant to this Contract will be retained by Construction Manager for a minimum of seven (7) years. This retention period runs from the date of payment for the relevant goods or services by Owner, or from the date of termination of the Contract, whichever is later. Retention time will be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative proceeding or litigation which may ensue.

19.17 Limitation on Authority and No Other Obligations. Construction Manager will have no authority to act for or on behalf of Owner or the State of Texas except as expressly provided for in this Contract; no other authority, power, or use is granted or implied. Owner hereby expressly reserves the right from time to time to designate by written notice to Construction Manager to act partially or wholly for Owner in connection with the performance of Owner's obligations hereunder. Construction Manager may not incur any debts, obligations, expenses, or liabilities of any kind on behalf of Owner or the State of Texas.

19.18 Estimated Construction Cost Reports

19.18.1 Construction Manager will prepare and update, as part of Pre-Construction Services, an Estimated Construction Cost report as follows:

- A. 100% completion of Schematic Design Phase;**
- B. 100% completion of Design Development Phase;**
- C. 60% completion of Construction Documents Phase;**
- D. 90% completion of Construction Documents Phase;**
- E. 95% completion of Construction Documents Phase; and**
- F. 100% completion of Construction Documents Phase (GMP).**

19.19 Construction Document Sets

A/E will coordinate the printing, binding, and distribution of the initial issuance of all Construction Documents to all Subcontractor proposers requesting documents in order to provide proposals to Construction Manager. A maximum of 25 sets will be furnished at the expense of Owner. Construction Manager will utilize all Construction Documents returned to A/E from the Subcontractor proposers.

(Signature Page Follows)

**Signature Page for
HHSC Contract No. HHS000973000001**

BY SIGNING BELOW, the Parties have executed and bound themselves to this Contract as of the Effective Date.

**Health and Human Services
Commission**

By: DocuSigned by:
Michelle Alletto
74D324454F774EB...

Name: Michelle Alletto

Title: Chief Program and Services Officer

Date of execution: July 28, 2021

Stoddard Construction Management Inc.

By: DocuSigned by:
Keith Stoddard
8E0CB9AB0CCB4B1...

Name: Keith Stoddard

Title: President

Date of execution: July 15, 2021

The following attachments to this Contract are hereby attached and incorporated by reference:

ATTACHMENT A	Contract Affirmations for State Architectural/Engineering and Construction Projects
ATTACHMENT B	Texas Uniform General Conditions for Construction Contracts with HHSC Supplementary General Conditions
ATTACHMENT C	Facility Specific Policies and Procedures
ATTACHMENT D	Prevailing Wage Rates
ATTACHMENT E	Respondent's Signed Pricing and Delivery Proposal
ATTACHMENT F	Respondent's Historically Underutilized Business Subcontracting Plan
ATTACHMENT G	Allowable General Conditions Line Items
ATTACHMENT H	Guaranteed Maximum Price Proposal
EXHIBIT 1	Guidelines for the Preparation of the Guaranteed Maximum Price Proposal
EXHIBIT 2	Performance and Payment Bond Forms
ATTACHMENT I	Construction Manager's Personnel and Monthly Salary Rates
ATTACHMENT J	Additional Services Proposal for Pre-Construction Phase Services
ATTACHMENT K	HHSC Project Special Conditions



ATTACHMENT A

**CONTRACT AFFIRMATIONS
FOR STATE ARCHITECTURAL/ENGINEERING AND
CONSTRUCTION PROJECTS**

Attachment A

Contract Affirmations for State Architectural/Engineering and Construction Projects

The term “**Owner**” used in these affirmations means Texas Health and Human Services (“**HHS**”) or any of the agencies of the State of Texas that are overseen by Health and Human Services Commission (“**HHSC**”) under authority granted under Texas law and the officers, employees, authorized representatives, and designees of those agencies. These agencies include HHSC and the Department of State Health Services.

By entering into this Contract, the Architect/Engineer, General Contractor, Construction Manager-Agent, Construction Manager-at-Risk, or Design-Build Firm (all of which are defined by the term the “**Contractor**”, unless their specific name or title is given), as applicable, affirms, without exception, understands, and agrees to comply with the following terms through the life of the Contract:

1. **Parties to the Affirmations.** Contractor represents and warrants that the affirmations, representations, warranties, understandings, agreements, acceptances, acknowledgements, or statements contained herein (“**Contract Affirmations**” or “**Affirmations**”) apply to Contractor and all of Contractor's principals, officers, directors, shareholders, managers, members, partners, owners, governing person(s) or governing authority, agents, employees, subcontractors, independent contractors, and any other representatives who may provide services under, have a financial interest in, or otherwise are interested in this Contract and any related solicitation.
2. **Headings.** Contractor further acknowledges and understands that the headings used below are for convenience and reference only; the headings shall not affect the interpretation or construction of these Affirmations.
3. **Standard of Care for Architect/Engineer.** Pursuant to Section 2254.0031 of the Texas Government Code, which incorporates by reference Section 271.904(d) of the Texas Local Government Code, Contractor shall perform services (1) with professional skill and care ordinarily provided by competent engineers or architects practicing under the same or similar circumstances and professional license, and (2) as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer or architect.
4. **Public Information Act.** Contractor understands that the **Owner** will comply with the Texas Public Information Act (Chapter 552 of the Texas Government Code) as interpreted by judicial rulings and opinions of the Attorney General of the State of Texas. Information, documentation, and other material prepared and submitted in connection with this Contract or any related Solicitation may be subject to public disclosure pursuant to the Texas Public Information Act. In accordance with Section 2252.907 of the Texas Government Code, Contractor is required to make any information created or exchanged with the State pursuant to the Contract, and not otherwise excepted from disclosure under the Texas Public Information Act, available in a format that is accessible by the public at no additional charge to the State.

5. **Contracting Information Requirements.** Contractor represents and warrants that it will comply with the requirements of Section 552.372(a) of the Texas Government Code, and preserve all contracting information as required by, and specifically set forth in, Section 552.372(a). Unless Section 552.374(c) of the Texas Government Code applies, the requirements of Subchapter J, Chapter 552 of the Texas Government Code may apply to this Contract, and the Contractor agrees that the Contract can be terminated if the Contractor knowingly or intentionally fails to comply with a requirement of that subchapter.
6. **Terms and Conditions.** Contractor accepts the Solicitation terms and conditions unless specifically noted by exceptions advanced in the form and manner directed in the Solicitation, if any, under which this Contract was awarded. Contractor agrees that all exceptions to the Solicitation as well as terms and conditions advanced by the Contractor that differ in any manner from Owner's terms and conditions, if any, are rejected unless expressly accepted by the Owner in writing.
7. **Owner Right to Use.** Contractor agrees that the Owner has the right to use, produce, and distribute copies of and to disclose to the Owner's employees, agents, and contractors and other governmental entities all or part of this Contract or any related Proposal as the Owner deems necessary to complete the procurement process or comply with state or federal laws.
8. **Disclosure of Interested Parties.** Contractor certifies that, if the value of this Contract is \$1 million or higher, Contractor has complied with Section 2252.908 of the Texas Government Code and 1 Texas Administrative Code, Part 2, Chapter 46, sections 46.1-46.5 as implemented by the Texas Ethics Commission ("TEC"), if applicable, and has provided the Owner with a fully executed TEC Form 1295, certified by the TEC and signed and notarized by the Contractor.
9. **Release from Liability.** *CONTRACTOR GENERALLY RELEASES FROM LIABILITY AND WAIVES ALL CLAIMS AGAINST ANY PARTY PROVIDING INFORMATION ABOUT THE CONTRACTOR AT THE REQUEST OF THE OWNER.*
10. **Dealings with Public Servants.** Contractor has not given, has not offered to give, and does not intend to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant in connection with this Contract or any related Solicitation, or related Solicitation Proposal.
11. **Financial Participation Prohibited.** Under Section 2155.004, Texas Government Code (relating to financial participation in preparing solicitations), Contractor certifies that the individual or business entity named in this Contract and any related Proposal is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
12. **Prior Disaster Relief Contract Violation.** Under Sections 2155.006 and 2261.053 of the Texas Government Code (relating to convictions and penalties regarding Hurricane Rita, Hurricane Katrina, and other disasters), the Contractor certifies that the individual or business entity named in this Contract and any related Proposal is not ineligible to receive this Contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.

13. **Child Support Obligation.** Under Section 231.006(d) of the Texas Family Code regarding child support, Contractor certifies that the individual or business entity named in this Contract and any related Proposal is not ineligible to receive the specified payment and acknowledges that the Contract may be terminated and payment may be withheld if this certification is inaccurate.
14. **Suspension and Debarment.** Contractor certifies that it and its principals are not suspended or debarred from doing business with the state or federal government as listed on the State of Texas Debarred Vendor List maintained by the Texas Comptroller of Public Accounts and the System for Award Management (“SAM”) maintained by the General Services Administration. This certification is made pursuant to the regulations implementing Executive Order 12549 and Executive Order 12689, Debarment and Suspension, 2 C.F.R. Part 376, and any relevant regulations promulgated by the Department or Agency funding this project. This provision shall be included in its entirety in Contractor’s subcontracts, if any, if payment in whole or in part is from federal funds.
15. **Excluded Parties.** Contractor certifies that it is not listed in any prohibited vendors list authorized by Executive Order 13224, “*Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism*,” published by the United States Department of Treasury, Office of Foreign Assets Control.
16. **Foreign Terrorist Organizations.** Contractor represents and warrants that it is not engaged in business with Iran, Sudan, or a foreign terrorist organization, as prohibited by Section 2252.152 of the Texas Government Code.
17. **Executive Head of a State Agency.** In accordance with Section 669.003 of the Texas Government Code, relating to contracting with the executive head of a state agency, Contractor certifies that it is not (1) the executive head of a Texas Health and Human Services agency, (2) a person who at any time during the four years before the date of this Contract was the executive head of a Texas Health and Human Services agency, or (3) a person who employs a current or former executive head of a Texas Health and Human Services agency.
18. **Certification Regarding Prohibition Related to Persons Involved in Human Trafficking.** Under Section 2155.0061 of the Texas Government Code, Contractor certifies that the individual or business entity named in this Contract is not ineligible to receive this contract and acknowledges that this Contract may be terminated and payment withheld if this certification is inaccurate.
19. **Franchise Tax Certification.** Contractor represents and warrants that it is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171 of the Texas Tax Code.
20. **Tax Exemption Certificates.** Purchases made for State of Texas use are exempt from the State Sales Tax and Federal Excise Tax. The Owner will furnish Tax Exemption Certificates upon request. Contractor represents and warrants that it shall pay all taxes or similar amounts resulting from the Contract, including, but not limited to, any federal, State, or local income, sales or excise taxes of Contractor or its employees. The Owner shall not be liable for any taxes resulting from the Contract.

21. **Debts and Delinquencies.** Contractor agrees that any payments due under this Contract shall be applied towards any debt or delinquency that is owed to the State of Texas.
22. **Excess Obligations Prohibited.** This Contract is subject to termination or cancellation, without penalty to the Owner, either in whole or in part, subject to the availability of state funds. Owner is a state agency whose authority and appropriations are subject to actions of the Texas Legislature. If the Owner becomes subject to a legislative change, revocation of statutory authority, or lack of appropriated funds that would render either the Owner's or Contractor's delivery or performance under the Contract impossible or unnecessary, this Contract will be terminated or cancelled and be deemed null and void. In the event of a termination or cancellation under this Section, the Owner will not be liable to Contractor for any damages that are caused or associated with such termination or cancellation, and the Owner will not be required to give prior notice.
23. **Lobbying Prohibition.** Contractor represents and warrants that payments to Contractor and Contractor's receipt of appropriated or other funds under this Contract or any related Solicitation are not prohibited by Sections 556.005, 556.0055, or 556.008 of the Texas Government Code (relating to use of appropriated money or state funds to employ or pay lobbyists, lobbying expenses, or influence legislation).
24. **Buy Texas.** In accordance with Section 2155.4441 of the Texas Government Code, Contractor agrees that during the performance of a contract for services it shall purchase products and materials produced in Texas when they are available at a price and time comparable to products and materials produced outside this state.
25. **Disaster Recovery Plan.** Contractor agrees that upon request of the Owner, Contractor shall provide copies of its most recent business continuity and disaster recovery plans.
26. **Former Agency Employees.** Contractor represents and warrants, during the twelve month period immediately prior to the date of the execution of this Contract, none of its employees including, but not limited to, those who will provide services under the Contract, was an employee of a HHS agency. Pursuant to Section 2252.901, Texas Government Code (relating to prohibitions regarding contracts with and involving former and retired state agency employees), Contractor will not allow any former employee of the Owner to perform services under this Contract during the twelve month period immediately following the employee's last date of employment by the Owner.
27. **Nepotism Prohibitions.** Contractor knows of no officer or employee of the Owner, nor any relative within the second degree of consanguinity or affinity of an officer or employee of the Owner, that has a financial interest in the Contractor's firm or corporation. Contractor further certifies that no partner, corporation, limited liability company, or unincorporated association that employs, retains or contracts with, or which may employ, retain, or contract with any of the above, has a financial interest in any entity with which Contractor will be dealing on behalf of the Owner pursuant to Chapter 573 of the Texas Government Code and Section 2254.032 of the Texas Government Code.

28. **Restricted Employment for Certain State Personnel.** Contractor acknowledges that, pursuant to Section 572.069 of the Texas Government Code, a former state officer or employee of a state agency who during the period of state service or employment participated on behalf of a state agency in a procurement or contract negotiation involving Contractor may not accept employment from Contractor before the second anniversary of the date the Contract is signed or the procurement is terminated or withdrawn.
29. **Disclosure of Prior State Employment.** If this Contract is for consulting services under Chapter 2254 of the Texas Government Code, in accordance with Section 2254.033 of the Texas Government Code, Contractor certifies that it does not employ an individual who was employed by Owner or another agency at any time during the two years preceding the submission of any Solicitation response related to this Contract or, in the alternative, Contractor has disclosed in any related Solicitation response the following: (i) the nature of the previous employment with Owner or the other agency; (ii) the date the employment was terminated; and (iii) the annual rate of compensation at the time the employment was terminated.
30. **No Felony Criminal Convictions.** Contractor represents that neither Contractor nor any of its employees, agents, or representatives, including any subcontractors and employees, agents, or representatives of such subcontractors, have been convicted of a felony criminal offense, or, that if such a conviction has occurred, Contractor has fully advised the Owner in writing of the facts and circumstances surrounding the convictions.
31. **No Conflicts of Interest.** Contractor represents and warrants that it has no actual or potential conflicts of interest in providing the requested goods or services to the Owner under this Contract or any related Solicitation and that Contractor's provision of the requested goods and/or services under this Contract and any related Solicitation will not constitute an actual or potential conflict of interest or reasonably create an appearance of impropriety. Contractor agrees that, if after execution of the Contract, Contractor discovers or is made aware of a conflict of interest, Contractor will immediately and fully disclose such interest in writing to Owner. In addition, Contractor will promptly and fully disclose any relationship that might be perceived or represented as a conflict after its discovery by Contractor or by Owner as a potential conflict. Owner reserves the right to make a final determination regarding the existence of conflicts of interest, and Contractor agrees to abide by Owner's decision.
32. **Fraud, Waste and Abuse.** Contractor understands that the Owner does not tolerate any type of fraud. The Owner's policy is to promote consistent, legal, and ethical organizational behavior by assigning responsibilities and providing guidelines to enforce controls. Violations of law, agency policies, or standards of ethical conduct will be investigated, and appropriate actions will be taken. All employees or contractors who suspect fraud, waste or abuse (including employee misconduct that would constitute fraud, waste, or abuse) are required to immediately report the questionable activity to both the Health and Human Services Commission's Office of the Inspector General at 1-800-436-6184 and the State Auditor's Office. Contractor agrees to comply with all applicable laws, rules, regulations, and Owner policies regarding fraud.
33. **Antitrust.** The Contractor affirms under penalty of perjury of the laws of the State of Texas that (a) in connection with this Contract and any related Solicitation Proposal, neither it nor

any representative of the Contractor has violated any provision of the Texas Free Enterprise and Antitrust Act, Tex. Bus. & Comm. Code Chapter 15; (b) in connection with this Contract and any related Solicitation Proposal, neither it nor any representative of the Contractor has violated any federal antitrust law; and (c) neither it nor any representative of the Contractor has directly or indirectly communicated any of the contents of this Contract and any related Solicitation Proposal to a competitor of the Contractor or any other company, corporation, firm, partnership or individual engaged in the same line of business as the Contractor.

34. **Legal and Regulatory Actions.** Contractor represents and warrants that it is not aware of and has received no notice of any court or governmental agency proceeding, investigation, or other action pending or threatened against Contractor or any of the individuals or entities included in numbered **paragraph 1** of these Contract Affirmations within the five calendar years immediately preceding execution of this Contract or the submission of any related Proposal that would or could impair Contractor's performance under this Contract, relate to the contracted or similar goods or services, or otherwise be relevant to the Owner's consideration of entering into this Contract. If Contractor is unable to make the preceding representation and warranty, then Contractor instead represents and warrants that it has provided to the Owner a complete, detailed disclosure of any such court or governmental agency proceeding, investigation, or other action that would or could impair Contractor's performance under this Contract, relate to the contracted or similar goods or services, or otherwise be relevant to the Owner's consideration of entering into this Contract. In addition, Contractor acknowledges this is a continuing disclosure requirement. Contractor represents and warrants that Contractor shall notify the Owner in writing within five business days of any changes to the representations or warranties in this clause and understands that failure to so timely update the Owner shall constitute breach of contract and may result in immediate termination of the Contract.
35. **Unfair Business Practices.** Contractor represents and warrants that it has not been the subject of allegations of Deceptive Trade Practices violations under Chapter 17 of the Texas Business and Commerce Code, or allegations of any unfair business practice in any administrative hearing or court suit and that Contractor has not been found to be liable for such practices in such proceedings. Contractor certifies that it has no officers who have served as officers of other entities who have been the subject of allegations of Deceptive Trade Practices violations or allegations of any unfair business practices in an administrative hearing or court suit and that such officers have not been found to be liable for such practices in such proceedings.
36. **Certification Regarding Boycotting Israel.** If the Contractor has ten or more full-time employees and the Contract has a value of \$100,000.00 or more, then Contractor certifies that, pursuant to Section 2271.002 of the Texas Government Code, Contractor does not boycott Israel and will not boycott Israel during the term of this Contract. If this certification is required and Contractor refuses to make the certification, then Contractor shall state here any facts that make it exempt from the boycott certification:

37. **Equal Employment Opportunity.** Contractor represents and warrants its compliance with all applicable duly enacted state and federal laws governing equal employment opportunities.
38. **E-Verify.** Contractor certifies that for contracts for services, Contractor shall utilize the U.S. Department of Homeland Security's E-Verify system during the term of this Contract to determine the eligibility of:
- (a) all persons employed by Contractor to perform duties within Texas; and
 - (b) all persons, including subcontractors, assigned by Contractor to perform work pursuant to this Contract within the United States of America.
39. **Drug-Free Workplace.** Contractor represents and warrants that it shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (41 U.S.C. § 701 *et seq.*) and maintain a drug-free work environment.
40. **Cybersecurity Training.**
- A. Contractor represents and warrants that it shall comply with the requirements of Section 2054.5192 of the Texas Government Code relating to cybersecurity training and required verification of completion of the training program.
 - B. Contractor represents and warrants that if Contractor or Subcontractors, officers, or employees of Contractor have access to any state computer system or database, the Contractor, Subcontractors, officers, and employees of Contractor shall complete cybersecurity training pursuant to and in accordance with Government Code, Section 2054.5192.
41. **False Representations.** Contractor understands, acknowledges, and agrees that any false representation or any failure to comply with a representation, warranty, or certification made by Contractor may subject Contractor to all civil and criminal consequences provided at law or in equity including, but not limited to, immediate termination of this Contract. Contractor understands, acknowledges, and agrees that Owner is relying upon all representations, warranties, certifications, and affirmations made by Contractor.
42. **All Applicable Laws.** Contractor represents and warrants that it will comply with all applicable laws and maintain all permits and licenses required by applicable city, county, state, and federal rules, regulations, statutes, codes, and other laws that pertain to this Contract. Any alterations, additions, or deletions to the terms of the Contract that are required by changes in federal or state law or regulations are automatically incorporated into the Contract without written amendment hereto, and shall become effective on the date designated by such law or regulation.
43. **False Statements.** Contractor represents and warrants that all statements and information prepared and submitted by Contractor in this Contract and any related Solicitation Proposal are current, complete, true, and accurate. Contractor acknowledges any false statement or material misrepresentation made by Contractor during the performance of this Contract or any related Solicitation is a material breach of contract and may void this Contract. Further, Contractor understands, acknowledges, and agrees that any false representation or any failure

to comply with a representation, warranty, or certification made by Contractor may subject Contractor to all civil and criminal consequences provided at law or in equity including, but not limited to, immediate termination of this Contract. Contractor understands, acknowledges, and agrees that Owner is relying upon all statements and information prepared and submitted by Contractor in this Contract and any related Solicitation Proposal.

44. **Abortion Funding Limitation.** Contractor understands, acknowledges, and agrees that, pursuant to Article IX, Section 6.25 of the General Appropriations Act (the Act), to the extent allowed by federal and state law, money appropriated by the Texas Legislature may not be distributed to any individual or entity that, during the period for which funds are appropriated under the Act:
- (i) performs an abortion procedure that is not reimbursable under the state's Medicaid program;
 - (ii) is commonly owned, managed, or controlled by an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program; or
 - (iii) is a franchise or affiliate of an entity that performs an abortion procedure that is not reimbursable under the state's Medicaid program. The provision does not apply to a hospital licensed under Chapter 241, Health and Safety Code, or an office exempt under Section 245.004(2), Health and Safety Code. Contractor represents and warrants that it is not ineligible, nor will it be ineligible during the term of this Contract, to receive appropriated funding pursuant to Article IX, Section 6.25.
45. **Funding Eligibility.** Contractor understands, acknowledges, and agrees that, pursuant to Chapter 2272 of the Texas Government Code, except as exempted under that Chapter, HHSC cannot contract with an abortion provider or an affiliate of an abortion provider. Contractor certifies that it is not ineligible to contract with HHSC under the terms of Chapter 2272 of the Texas Government Code. If Contractor refuses to make that certification, Contractor shall state here any facts that make it exempt from the certification:
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46. **Drug-Free Workplace** Contractor represents and warrants that it shall comply with the applicable provisions of the Drug-Free Work Place Act of 1988 (41 U.S.C. §701 et seq.) and maintain a drug-free work environment.
47. **Federal Occupational Safety and Health Law.** Contractor represents and warrants that all articles and services shall meet or exceed the safety standards established and promulgated under the Federal Occupational Safety and Health Act of 1970, as amended (29 U.S.C. Chapter 15).
48. **Signature Authority.** Contractor represents and warrants that the individual signing this Contract is authorized to sign on behalf of Contractor and to bind the Contractor. The person signing the Contract also certifies that he or she is duly authorized to execute the Contract on behalf of Contractor.

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ATTACHMENT B

TEXAS UNIFORM GENERAL CONDITIONS FOR CONSTRUCTION CONTRACTS WITH HHSC SUPPLEMENTARY GENERAL CONDITIONS

Health and Human Services Commission
Published and Effective: November 15, 2018
Responsible Office: Chief Counsel



Texas Uniform General Conditions for Construction Contracts

with

HHSC Supplementary General Conditions

Version 2.2

*(2015 Texas Facilities Commission Uniform General Conditions with 2015 and 2018 Supplements)
(HHSC Supplementary General Conditions are denoted by bold blue italics)*

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Article 1. Definitions

Unless the context clearly requires another meaning, the following terms have the meaning assigned herein.

- 1.1 *Addendum/Addenda* means formally issued written or graphic modifications and/or interpretations of the Construction Documents that may add to, delete from, clarify or correct the description and/or scope of the Work. Addenda are issued during the bidding phase of the project.
- 1.2 *Application for Payment* means Contractor's monthly partial invoice for payment that includes any portion of the Work that has been completed for which an invoice has not been submitted and performed in accordance with the requirements of the Contract Documents. The Application for Payment accurately reflects the progress of the Work, is itemized based on the Schedule of Values, bears the notarized signature of Contractor, and shall not include subcontracted items for which Contractor does not intend to pay.
- 1.3 *Amendment means any change to the Contract agreed to by the Parties other than those made by a Change Order.*
- 1.4 *Application for Final Payment* means Contractor's final invoice for payment that includes any portion of the Work that has been completed for which an invoice has not been submitted, amounts owing to adjustments to the final Contract Sum resulting from approved change orders, and release of remaining Contractor's retainage.
- 1.5 *Architect/Engineer (A/E)* means a person registered as an architect pursuant to Tex. Occ. Code Ann., Ch. 1051, as a landscape architect pursuant to Tex. Occ. Code Ann., Ch. 1052, a person licensed as a professional engineer pursuant Tex. Occ. Code Ann., Ch. 1001, and/or a firm employed by Owner or Design-Build Contractor to provide professional architectural or engineering services and to exercise overall responsibility for the design of a Project or a significant portion thereof, and to perform the contract administration responsibilities set forth in the Contract.
- 1.6 *Architect/Engineer's Supplemental Instructions (ASI) means the written response by the A/E to the Contractor's RFI, or other written or telephonic communication from the Contractor to the A/E, clarifying an issue (or issues) with regard to the Work deemed unclear by the Contractor.*
- 1.7 *Authority Having Jurisdiction* means a federal, state, local, or other regional department, or an individual such as a fire marshal, building official, electrical inspector, utility provider or other individual having statutory authority.
- 1.8 *Baseline Schedule* means the initial time schedule prepared by Contractor for Owner's information and acceptance that conveys Contractor's and Subcontractors' activities (including coordination and review activities required in the Contract Documents to be performed by A/E and ODR), durations, and sequence of work related to the entire Project to the extent required by the Contract Documents. The schedule clearly demonstrates the critical path of activities, durations and necessary predecessor

conditions that drive the end date of the schedule. The Baseline Schedule shall not exceed the time limit current under the Contract Documents.

- 1.9 *Certificate of Final Completion* means the certificate issued by A/E that documents, to the best of A/E's knowledge and understanding, Contractor's completion of all Contractor's Punchlist items and pre-final Punchlist items, final cleanup and Contractor's provision of Record Documents, operations and maintenance manuals, and all other closeout documents required by the Contract Documents.
- 1.10 *Certificate of Substantial Completion* means the certificate executed by the A/E, ODR and Contractor that documents to the best of A/E's and ODR's knowledge and understanding, Contractor's sufficient completion of the work in accordance with the Contract, so as to be operational and fit for the use intended.
- 1.11 *Change Order* means a written modification of the Contract between Owner and Contractor, signed by Owner, Contractor, and A/E.
 - 1.11.1 *An Owner-initiated Change Order (CO) consists of four parts, which are identified in Subsection 11.7.2.*
 - 1.11.2 *The Contractor's receipt of the fully executed Change Order constitutes the authorization to proceed with the changed Work described in the CO.*
- 1.12 *Change Order Proposal Evaluation (CPE) includes the adjustment necessary to the Contract Sum and Time, if any.*
- 1.13 *Change Order Justification (COJ) identifies the reason and justification for the change in the Work, and indicates the review and approval by the Architect/Engineer of the adjustments necessary to the Contract Sum and Time described in the CPE.*
- 1.14 *Change Authorization (CA) indicates Owner's agreement to the adjusted cost and time for the change in the work.*
- 1.15 *Close-out Documents* mean the product brochures, submittals, product/equipment maintenance and operations instructions, manuals, and other documents/warranties, record documents, affidavit of payment, release of lien and claim, and as may be further defined, identified, and required by the Contract Documents.
- 1.16 *Contract* means the entire agreement between Owner and Contractor, including all of the Contract Documents.
- 1.17 *Contract Date* is the date when the agreement between Owner and Contractor becomes effective.
- 1.18 *Contract Documents* mean those documents identified as a component of the agreement (Contract) between Owner and Contractor. These may include, but are not limited to, Drawings; Specifications; General, Supplementary General, and Special Conditions; and all pre-bid and/or pre-proposal addenda.

- 1.19 *Contract Sum* means the total compensation payable to Contractor for completion of the Work in accordance with the terms of the Contract.
- 1.20 *Contract Time* means the period between the start date identified in the Notice to Proceed with construction and the Substantial Completion date identified in the Notice to Proceed or as subsequently amended by a Change Order.
- 1.21 *Contractor* means the individual, corporation, limited liability company, partnership, firm, or other entity contracted to perform the Work, regardless of the type of construction contract used, so that the term as used herein includes a Construction Manager-at-Risk or a Design-Build firm as well as a general or prime Contractor. The Contract Documents refer to Contractor as if singular in number.
- 1.22 *Construction Documents* mean the Drawings, Specifications, and other documents issued to build the Project. Construction Documents become part of the Contract Documents when listed in the Contract or any Change Order.
- 1.23 *Construction Manager-at-Risk*, in accordance with Tex. Gov't Code, Ch. 2166, means a sole proprietorship, partnership, corporation, or other legal entity that assumes the risk for construction, rehabilitation, alteration, or repair of a facility at the contracted price as a general contractor and provides consultation to Owner regarding construction during and after the design of the facility.¹
- 1.24 *Date of Commencement* means the date designated in the Notice to Proceed for Contractor to commence the Work.
- 1.25 *Day* means a calendar day unless otherwise specifically stipulated.
- 1.26 *Design-Build* means a project delivery method in which the detailed design and subsequent construction is provided through a single contract with a Design-Build firm; a team, partnership, or legal entity that includes design professionals and a builder. The Design-Build Project delivery shall be implemented in accordance with Tex. Gov't Code § 2166.2531.²
- 1.27 *Drawings* mean that product of A/E which graphically depicts the Work.
- 1.28 *Final Completion* means the date determination certified by A/E and Owner that the Work is fully and satisfactorily complete in accordance with the Contract.
- 1.29 *Final Payment* means the last and final monetary compensation made to Contractor

¹ *Tex. Gov't Code § 2166.2532 has been repealed (Repealed by Acts 2011, 82nd Leg., ch. 1129 (H.B. 628) § 5.01(2), eff. Sept. 1, 2011) and replaced by Tex. Gov't Code Chapter 2269, Subchapter F (Added by Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. 628), Sec. 2.08, eff. September 1, 2011. Redesignated from Government Code, Chapter 2267 by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 22.001(23), eff. September 1, 2013.).*

² *Tex. Gov't Code § 2166.2531 has been repealed (Repealed by Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. 628), Sec. 5.01(2), eff. September 1, 2011) and replaced by Tex. Gov't Code Chapter 2269, Subchapter G (Added by Acts 2011, 82nd Leg., R.S., Ch. 1129 (H.B. 628), Sec. 2.08, eff. September 1, 2011. Redesignated from Government Code, Chapter 2267 by Acts 2013, 83rd Leg., R.S., Ch. 161 (S.B. 1093), Sec. 22.001(23), eff. September 1, 2013.).*

for any portion of the Work that has been completed and accepted for which payment has not been made, amounts owing to adjustments to the final Contract Sum resulting from approved change orders, and release of Contractor's retainage.

- 1.30 *Historically Underutilized Business (HUB)* pursuant to Tex. Gov't Code, Ch. 2161, means a business that is at least 51% owned by an Asian Pacific American, a Black American, a Hispanic American, a Native American and/or an American Woman; is an entity with its principal place of business in Texas; and has an owner residing in Texas with proportionate interest that actively participates in the control, operations, and management of the entity's affairs.
- 1.31 *Interim Change Authorization (ICA) means an Owner-generated document which authorizes the Contractor to proceed with changed work before submitting a CPE, when work must proceed in order to prevent damage to Work in place, to prevent significant delay in the Project Schedule or to maintain safety.*
- 1.32 *Notice to Proceed* means a written document informing Contractor of the dates begin Work and the dates anticipated for Substantial Completion.
- 1.33 *Open Item List* means a list of work activities, Punchlist items, changes or other issues that are not expected by Owner and Contractor to be complete prior to Substantial Completion.
- 1.34 *Owner* means the State of Texas, and any agency of the State of Texas, acting through the responsible entity of the State of Texas identified in the Contract as Owner.
- 1.35 *Owner's Designated Representative (ODR)* means the individual assigned by Owner to act on its behalf and to undertake certain activities as specifically outlined in the Contract. ODR is the only party authorized to direct changes to the scope, cost, or time of the Contract.
- 1.36 *Project* means all activities necessary for realization of the Work. This includes design, contract award(s), execution of the Work itself, and fulfillment of all Contract and warranty obligations.
- 1.37 *Progress Assessment Report (PAR)* means the monthly compliance report to Owner verifying compliance with the HUB subcontracting plan (HSP).
- 1.38 *Proposed Change Order (PCO)* means a document that informs Contractor of a proposed change in the Work and appropriately describes or otherwise documents such change including Contractor's response of pricing for the proposed change.
- 1.39 *Punchlist* means a list of items of Work to be completed or corrected by Contractor after Substantial Completion. Punchlists indicate items to be finished, remaining Work to be performed, or Work that does not meet quality or quantity requirements as required in the Contract Documents.
- 1.40 *Record Documents* mean the drawing set, Specifications, and other materials

maintained by Contractor that documents all addenda, Architect's Supplemental Instructions, Change Orders and postings and markings that record the as-constructed conditions of the Work and all changes made during construction.

- 1.41 *Request for Information (RFI)* means a written request by Contractor directed to A/E or ODR for a clarification of the information provided in the Contract Documents or for direction concerning information necessary to perform the Work that may be omitted from the Contract Documents.
- 1.42 *Samples* mean representative physical examples of materials, equipment, or workmanship used to confirm compliance with requirements and/or to establish standards for use in execution of the Work.
- 1.43 *Schedule of Values* means the detailed breakdown of the cost of the materials, labor, and equipment necessary to accomplish the Work as described in the Contract Documents, submitted by Contractor for approval by Owner and A/E.
- 1.44 *Shop Drawings* mean the drawings, diagrams, illustrations, schedules, performance charts, brochures, and other data prepared by Contractor or its agents which detail a portion of the Work.
- 1.45 *Site* means the geographical area of the location of the Work.
- 1.46 *Special Conditions* mean the documents containing terms and conditions which may be unique to the Project. Special Conditions are a part of the Contract Documents and have precedence over the Uniform General Conditions and Supplementary General Conditions.
- 1.47 *Specifications* mean the written product of A/E that establishes the quality and/or performance of products utilized in the Work and processes to be used, including testing and verification for producing the Work.
- 1.48 *Subcontractor* means a business entity that enters into an agreement with Contractor to perform part of the Work or to provide services, materials, or equipment for use in the Work.
- 1.49 *Submittal Register* means a list provided by Contractor of all items to be furnished for review and approval by A/E and Owner and as identified in the Contract Documents including anticipated sequence and submittal dates.
- 1.50 *Substantial Completion* means the date determined and certified by Contractor, A/E, and Owner when the Work, or a designated portion thereof, is sufficiently complete, in accordance with the Contract, so as to be operational and fit for the use intended.
- 1.51 *Supplementary General Conditions* mean procedures and requirements that modify the Uniform General Conditions. Supplementary General Conditions, when used, have precedence over the Uniform General Conditions.
- 1.52 *Survey means a land survey document produced by a licensed surveyor. The survey*

contains information about a particular parcel of property including but not limited to boundaries, natural land features, constructed improvements and legal descriptions.

- 1.53 *Unit Price Work* means the Work, or a portion of the Work, paid for based on incremental units of measurement.
- 1.54 *Unilateral Change Order (ULCO)* means a Change Order issued by Owner without the complete agreement of Contractor, as to cost and/or time.
- 1.55 *Work* means the administration, procurement, materials, equipment, construction and all services necessary for Contractor, and/or its agents, to fulfill Contractor's obligations under the Contract.
- 1.56 *Work Progress Schedule* means the continually updated time schedule prepared and monitored by Contractor that accurately indicates all necessary appropriate revisions as required by the conditions of the Work and the Project while maintaining a concise comparison to the Baseline Schedule.

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Article 2. Wage Rates and Other Laws Governing Construction

- 2.1 Environmental Regulations. Contractor shall conduct activities in compliance with applicable laws and regulations and other requirements of the Contract relating to the environment and its protection at all times. Unless otherwise specifically determined, Owner is responsible for obtaining and maintaining permits related to stormwater run-off. Contractor shall conduct operations consistent with stormwater run-off permit conditions. Contractor is responsible for all items it brings to the Site, including hazardous materials, and all such items brought to the Site by its Subcontractors and suppliers, or by other entities subject to direction of Contractor. Contractor shall not incorporate hazardous materials into the Work without prior approval of Owner and shall provide an affidavit attesting to such in association with request for Substantial Completion inspection.
- 2.2 Wage Rates. Contractor shall not pay less than the wage scale of the various classes of labor as shown on the prevailing wage schedule provided by Owner in the bid or proposal specifications. The specified wage rates are minimum rates only. Owner is not bound to pay any claims for additional compensation made by any Contractor because the Contractor pays wages in excess of the applicable minimum rate contained in the Contract. The prevailing wage schedule is not a representation that qualified labor adequate to perform the Work is available locally at the prevailing wage rates.
- 2.2.1 Notification to Workers. Contractor shall post the prevailing wage schedule in a place conspicuous to all workers on the Project Site. When requested by Owner, Contractor shall furnish evidence of compliance with the Texas Prevailing Wage Law and the addresses of all workers.
- 2.2.1.1 Pursuant to Tex. Gov't Code § 2258.024, Contractor shall keep, on site, true and accurate records showing the name and occupation of each worker employed by the Contractor or subcontractors and the actual per diem wages paid to each worker. The record shall be open to inspection by the ODR and their agents at all reasonable hours for the duration of the contract.
- 2.2.1.2 With each application for progress payment, Contractor shall make available upon request certified payroll records, including from subcontractors of any tier level, on Form WH-347 as promulgated by the U.S. Department of Labor, as may be revised from time to time and in unlocked and unprotected Excel format, along with copies of any and all Contract Documents between Contractor and any Subcontractors. Pursuant to Tex. Penal Code §§ 37.02 and 37.10, Employees of Contractor and subcontractors, including all tier levels, shall be subject to prosecution for submitting certified payroll records that contain materially false information.
- 2.2.1.3 The prevailing wage schedule is determined by Owner in compliance with Tex. Gov't Code, Ch. 2258. Should Contractor at any time become aware that a particular skill or trade not reflected on

Owner's prevailing wage schedule will be or is being employed in the Work, whether by Contractor or by Subcontractor, Contractor shall promptly inform ODR of the proposed wage to be paid for the skill along with a justification for same and ODR shall promptly concur with or reject the proposed wage and classification.

- 2.2.1.4 Contractor is responsible for determining the most appropriate wage for a particular skill in relation to similar skills or trades identified on the prevailing wage schedule. In no case, shall any worker be paid less than the wage indicated for laborers.
- 2.2.1.5 Pursuant to Tex. Labor Code § 214.008, Misclassification of Workers; Penalty. The Owner requires Contractor and all subcontractors properly classify individuals as Employees or Independent Contractors.
- 2.2.2 Penalty for Violation. Contractor, and any Subcontractor, will pay to the State a penalty of sixty dollars (\$60) for each worker employed for each day, or portion thereof, that the worker is paid less than the wage rates stipulated in the prevailing wage schedule
- 2.2.3 Complaints of Violations.
 - 2.2.3.1 Owner's Determination of Good Cause. Upon receipt of information concerning a violation, Owner will conduct an investigation in accordance with Tex. Gov't Code, Ch. 2258 and make an initial determination as to whether good cause exists that a violation occurred. Upon making a good cause finding, Owner will retain the full amounts claimed by the claimant or claimants as the difference between wages paid and wages due under the prevailing wage schedule and any supplements thereto, together with the applicable penalties in accordance with Tex. Gov't Code § 2258.023, such amounts being subtracted from successive progress payments pending a final decision on the violation.
 - 2.2.3.2 No Extension of Time. If Owner's determination proves valid that good cause existed to believe a violation had occurred, Contractor is not entitled to an extension of time for any delay arising directly or indirectly from the arbitration procedures.
 - 2.2.3.3 Cooperation with Owner's Investigation. Contractor shall cooperate with Owner during any investigations hereunder. Such cooperation shall include, but not necessarily be limited to, timely providing the information and/or documentation requested by Owner, which may include certified payroll records on Form WH-347 as promulgated by the U.S. Department of Labor, as may be revised from time to time and in unlocked and unprotected Excel format; and copies of any and all Contract Documents between Contractor and any Subcontractors.

2.2.3.4 Notification to Owner. In the event Contractor or Subcontractor elect to appeal an initial determination made pursuant to Paragraph 2.2.3.1, the Contractor and/or Subcontractor, as applicable, shall deliver notice thereof to Owner.

2.2.3.4.1 *If the Contractor and the claimant worker reach an agreement concerning the claim, the Contractor shall promptly provide the Owner with a copy of the written agreement, countersigned by the claimant.*

2.2.3.4.2 Arbitration Required. *If the violation is not resolved within fourteen (14) days following initial determination by the Owner, the Contractor and the claimant worker must participate in binding arbitration in accordance with the "Texas General Arbitration Act," Texas Civil Practice & Remedies Code Chapter 171. If the Contractor and the claimant worker are unable to reach an agreement for selection of an arbitrator within ten (10) business days, either party may petition the district court to appoint an arbitrator whose decision will be binding on all parties.*

2.2.3.4.3 Arbitration Award. *If an arbitrator assesses an award against the Contractor, the Contractor shall promptly furnish a copy of said award to the Owner. The Owner may use any amounts retained under Section 2.2.3.1 to pay the worker. If the retained funds are insufficient to pay the arbitration award, the worker has a right of action against the Contractor and/or the surety to receive the amount owed, plus attorneys' fees and court costs. The Owner has no duty to release any funds to either the claimant or the Contractor until the Owner has received the notices of agreement or the arbitration award.*

2.3 Venue for Suits. The venue for any suit arising from the Contract will be in a court of competent jurisdiction in Travis County, Texas, or as may otherwise be designated in the Supplementary General Conditions.

2.3.1 *Notwithstanding Section 2.3 above, venue for any suit asserting a payment or performance bond claim will be in a court of competent jurisdiction in the county in which all or part of the Project is located.*

2.4 Licensing of Trades. Contractor shall comply with all applicable provisions of State law related to license requirements for skilled tradesmen, contractors, suppliers and or laborers, as necessary to accomplish the Work. In the event Contractor, or one of its Subcontractors, loses its license during the term of performance of the Contract, Contractor shall promptly hire or contract with a licensed provider of the service at no additional cost to Owner.

- 2.5 Royalties, Patents, and Copyrights. Contractor shall pay all royalties and license fees, defend suits or claims for infringement of copyrights and patent rights, and shall hold Owner harmless from loss on account thereof, but shall not be responsible for such defense or loss when a particular design, process or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications or other documents prepared by Owner or A/E. However, if Contractor has reason to believe that the required design, process, or product is an infringement of a copyright or a patent, Contractor shall be responsible for such loss unless such information is promptly furnished to A/E.
- 2.6 State Sales and Use Taxes. Owner qualifies for exemption from certain State and local sales and use taxes pursuant to the provisions of Tex. Tax Code, Ch. 151. Upon request from Contractor, Owner shall furnish evidence of tax exempt status. Contractor may claim exemption from payment of certain applicable State taxes by complying with such procedures as prescribed by the State Comptroller of Public Accounts. Owner acknowledges not all items qualify for exemption. Owner is not obligated to reimburse Contractor for taxes paid on items that qualify for tax exemption.
- 2.7 **Buy America Requirements for Iron and Steel Used in Construction.** In accordance with Texas Government Code 2252, Section 2252.202, all iron or steel products (i.e., rolled structural shapes including wide flange beams and columns, angles, bars, plates, sheets, hollow structural sections, pipe, etc.) shall be produced, manufactured and fabricated in the United States.³
- 2.7.1 *Notwithstanding anything to the contrary herein, Contractor must satisfy the requirements of Section 2.7 above, unless one of the exemptions in Texas Government Code Section 2252.203 is applicable.*

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³ Added by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

Article 3. General Responsibilities of Owner and Contractor

- 3.1 Owner's General Responsibilities. Owner is the entity identified as such in the Contract and referred to throughout the Contract Documents as if singular in number.
- 3.1.1 Preconstruction Conference. Prior to, or concurrent with, the issuance of Notice to Proceed with construction, a conference will be convened for attendance by Owner, Contractor, A/E and appropriate Subcontractors. The purpose of the conference is to establish a working understanding among the parties as to the Work, the operational conditions at the Project Site, and general administration of the Project. Topics include communications, schedules, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, maintaining required records and all other matters of importance to the administration of the Project and effective communications between the Project team members.
- 3.1.2 Owner's Designated Representative. Prior to the start of construction, Owner will identify Owner's Designated Representative (ODR), who has the express authority to act and bind Owner to the extent and for the purposes described in the various Articles of the Contract, including responsibilities for general administration of the Contract.
- 3.1.2.1 Unless otherwise specifically defined elsewhere in the Contract Documents, ODR is the single point of contact between Owner and Contractor. Notice to ODR, unless otherwise noted, constitutes notice to Owner under the Contract.
- 3.1.2.2 All directives on behalf of Owner will be conveyed to Contractor and A/E by ODR in writing.
- 3.1.2.3 Owner will furnish or cause to be furnished, free of charge, the number of complete sets of the Drawings, Specifications, and addenda as provided in the Supplementary General Conditions or Special Conditions.
- 3.1.2.4 The ODR will establish the protocol for planning, scheduling and documenting progress meetings with provisions for absence of various project team members that have a key role in these duties.
- 3.1.3 Owner Supplied Materials and Information.
- 3.1.3.1 Owner will furnish to Contractor those surveys describing the physical characteristics, legal description, limitations of the Site, Site utility locations, and other information used in the preparation of the Contract Documents.
- 3.1.3.2 Owner will provide information, equipment, or services under Owner's control to Contractor with reasonable promptness.

3.1.4 Availability of Lands. Owner will furnish, as indicated in the Contract, all required rights to use the lands upon which the Work occurs. This includes rights-of-way and easements for access and such other lands that are designated for use by Contractor. Contractor shall comply with all Owner identified encumbrances or restrictions specifically related to use of lands so furnished. Owner will obtain and pay for easements for permanent structures or permanent changes in existing facilities,

3.1.5 Limitation on Owner's Duties.

3.1.5.1 Owner will not supervise, direct, control or have authority over or be responsible for Contractor's means, methods, technologies, sequences or procedures of construction or the safety precautions and programs incident thereto. Owner is not responsible for any failure of Contractor to comply with laws and regulations applicable to the Work. Owner is not responsible for the failure of Contractor to perform or furnish the Work in accordance with the Contract Documents. Except as provided in Section 2.5, Owner is not responsible for the acts or omissions of Contractor, or any of its Subcontractors, suppliers or of any other person or organization performing or furnishing any of the Work on behalf of Contractor.

3.1.5.2 Owner will not take any action in contravention of a design decision made by A/E in preparation of the Contract Documents, when such actions are in conflict with statutes under which A/E is licensed for the protection of the public health and safety.

3.2 Role of Architect/Engineer. Unless specified otherwise in the Contract between Owner and Contractor, A/E shall provide general administration services for Owner during the construction phase of the project. Written correspondence, requests for information, and Shop Drawings/submittals shall be directed to A/E for action. A/E has the authority to act on behalf of Owner to the extent provided in the Contract Documents, unless otherwise modified by written instrument, which will be furnished to Contractor by ODR, upon request.

3.2.1 Site Visits.

3.2.1.1 A/E will make visits to the Site at intervals as provided in the A/E's Contract with Owner, to observe the progress and the quality of the various aspects of Contractor's executed Work and report findings to Owner.

3.2.1.2 A/E has the authority to interpret Contract Documents and inspect the Work for compliance and conformance with the Contract. Except as referenced in Paragraph 3.1.5.2, Owner retains the sole authority to accept or reject Work and issue direction for correction, removal, or replacement of Work.

- 3.2.2 Clarifications and Interpretations. It may be determined that clarifications or interpretations of the Contract Documents are necessary. Upon direction by ODR, such clarifications or interpretations will be provided by A/E consistent with the intent of the Contract Documents. A/E will issue these clarifications with reasonable promptness to Contractor as A/E's supplemental instruction ("ASI") or similar instrument. If Contractor believes that such clarification or interpretation justifies an adjustment in the Contract Sum or the Contract Time, Contractor shall so notify Owner in accordance with the provisions of Article 11.
- 3.2.3 Limitations on Architect/Engineer Authority. A/E is not responsible for:
- 3.2.3.1 Contractor's means, methods, techniques, sequences, procedures, safety, or programs incident to the Project, nor will A/E supervise, direct, control or have authority over the same;
 - 3.2.3.2 The failure of Contractor to comply with laws and regulations applicable to the furnishing or performing the Work;
 - 3.2.3.3 Contractor's failure to perform or furnish the Work in accordance with the Contract Documents; or
 - 3.2.3.4 Acts or omissions of Contractor, or of any other person or organization performing or furnishing any of the Work.
- 3.3 Contractor's General Responsibilities. Contractor is solely responsible for implementing the Work in full compliance with all applicable laws and the Contract Documents and shall supervise and direct the Work using the best skill and attention to assure that each element of the Work conforms to the Contract requirements. Contractor is solely responsible for all construction means, methods, techniques, safety, sequences, coordination, procedures and protection of the installed work as part of the contract until substantial completion of the project. Contractor remains responsible for the care and protection of materials and Work in the areas where punch list items are completed until Final Completion.
- 3.3.1 Project Administration. Contractor shall provide Project administration for all Subcontractors, vendors, suppliers, and others involved in implementing the Work and shall coordinate administration efforts with those of A/E and ODR in accordance with these general conditions and other provisions of the Contract, and as outlined in the preconstruction conference. Contractor's Project Administration includes periodic daily reporting on weather, work progress, labor, materials, equipment, obstructions to prosecution of the work, accidents and injuries in accordance with the Contract and transmitted no less frequently than on a weekly basis.
- 3.3.2 Contractor's Management Personnel. Contractor shall employ a competent person or persons who will be present at the Project Site during the progress of the Work to supervise or oversee the work. The competent persons are subject to the approval of ODR. Contractor shall not change approved staff

during the course of the project without the written approval of ODR unless the staff member leaves the employment of Contractor. Contractor shall provide additional quality control, safety and other staff as stated in the Supplementary General Conditions.

- 3.3.3 Labor. Contractor shall provide competent, suitably qualified personnel to survey, lay-out, and construct the Work as required by the Contract Documents and maintain good discipline and order at the Site at all times.
- 3.3.4 Services, Materials, and Equipment. Unless otherwise specified, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities, incidentals, and services necessary for the construction, performance, testing, start-up, inspection and completion of the Work.
- 3.3.5 Contractor General Responsibility. For Owner furnished equipment or material that will be in the care, custody, and control of Contractor, Contractor is responsible for damage or loss. Owner shall deliver to Contractor a complete list and respective values of such materials or equipment and make an equitable adjustment to the contract amount for any increase in cost of Builder's Risk insurance.
- 3.3.6 Non-Compliant Work. Should A/E and/or ODR identify Work as non-compliant with the Contract Documents, A/E and/or ODR shall communicate the finding to Contractor, and Contractor shall correct such Work at no additional cost to the Owner. The approval of Work by either A/E or ODR does not relieve Contractor from the obligation to comply with all requirements of the Contract Documents.
- 3.3.7 Subcontractors. Contractor shall not employ any Subcontractor, supplier or other person or organization, whether initially or as a substitute, against whom Owner shall have reasonable objection. Owner will communicate such objections in writing within ten (10) days of receipt of Contractor's intent to use such Subcontractor, supplier, or other person or organization. Contractor is not required to employ any Subcontractor, supplier or other person or organization to furnish any of the work to whom Contractor has reasonable objection. Contractor shall not substitute Subcontractors without the acceptance of Owner. Pursuant to Tex. Gov't Code § 2269.256(b), if the Contractor reviews, evaluates and recommends that the Owner accept a bid or proposal from a Subcontractor but the Owner requires another bid or proposal to be accepted, Owner shall compensate the Contractor by a change in price, time or guaranteed maximum cost for any additional cost or risk the Contractor will incur because of Owner's requirement to select another bid or proposal rather than the one recommended.
 - 3.3.7.1 All Subcontracts and supply contracts shall be consistent with and bind the Subcontractors and suppliers to the terms and conditions of

the Contract Documents including provisions of the Contract between Contractor and Owner.

- 3.3.7.2 Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, suppliers and other persons and organizations performing or furnishing any of the Work under a direct or indirect contract with Contractor. Require all Subcontractors, suppliers and such other persons and organizations performing or furnishing any of the Work to communicate with Owner only through Contractor. Contractor shall furnish to Owner a copy, at Owner's request, of each first-tier subcontract promptly after its execution. Contractor agrees that Owner has no obligation to review or approve the content of such contracts and that providing Owner such copies in no way relieves Contractor of any of the terms and conditions of the Contract, including, without limitation, any provisions of the Contract which require the Subcontractor to be bound to Contractor in the same manner in which Contractor is bound to Owner.
- 3.3.8 Continuing the Work. Contractor shall carry on the Work and adhere to the progress schedule during all disputes, disagreements, or alternative resolution processes with Owner. Contractor shall not delay or postpone any Work because of pending unresolved disputes, disagreements or alternative resolution processes, except as Owner and Contractor may agree in writing.
- 3.3.9 Cleaning. Contractor shall at all times, keep the Site and the Work clean and free from accumulation of waste materials or rubbish caused by the construction activities under the Contract. Contractor shall ensure that the entire Project is thoroughly cleaned prior to requesting Substantial Completion inspection and, again, upon completion of the Project prior to the final inspection.
- 3.3.9.1 *The Contractor shall ensure that it and all of its Subcontractors and assigns prevent illegal dumping of litter in accordance with Texas Health and Safety Code Section 365.012.*
- 3.3.10 Acts and Omissions of Contractor, its Subcontractors, and Employees. Contractor shall be responsible for acts and omissions of his employees and all its Subcontractors, their agents and employees. Owner may, in writing, require Contractor to remove from the Project any of Contractor's or its Subcontractor's employees whom ODR finds to be careless, incompetent, unsafe, uncooperative, disruptive, or otherwise objectionable.
- 3.3.11 Acts or Omissions. Contractor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR OFFICERS, AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEY FEES, AND EXPENSES arising out of, or resulting from any

acts or omissions of Contractor or its agents, employees, subcontractors, Order Fulfillers, or suppliers of subcontractors in the execution or performance of the Contract and any Purchase Orders issued under the Contract. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND OWNER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

3.3.12 *Violation of Law. To the extent allowed by law, Contractor shall defend, indemnify, and hold harmless the State of Texas, the Owner, and their officers and employees, from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, including attorneys' fees and court costs arising out of, or connected with, or resulting from any breach or violation of a statute, ordinance, governmental regulation, standard, rule, or breach of contract by Contractor, any agent, employee, subcontractor, or supplier of Contractor, or any third party under the control or supervision of Contractor, in the execution or performance of this Contract. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND OWNER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.*

3.3.13 Infringements.

3.3.13.1 Contractor shall indemnify and hold harmless the State of Texas and Customers, AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, ASSIGNEES, AND/OR DESIGNEES from any and all third party claims involving infringement of United States patents, copyrights, trade and service marks, and any other intellectual or intangible property rights in connection with the PERFORMANCES OR ACTIONS OF CONTRACTOR PURSUANT TO THIS CONTRACT. CONTRACTOR AND THE CUSTOMER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND CONTRACTOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE

CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL.

3.3.13.1.1 *As used in this subsection, “the State of Texas” is understood to include the Owner and its employees, agents, representatives, contractors, assignees and designees.*

3.3.13.2 Contractor shall have no liability under this section if the alleged infringement is caused in whole or in part by: (i) use of the product or service for a purpose or in a manner for which the product or service was not designed, (ii) any modification made to the product without Contractor’s written approval, (iii) any modifications made to the product by Contractor pursuant to Customer’s specific instructions, (iv) any intellectual property right owned by or licensed to Customer, or (v) any use of the product or service by Customer that is not in conformity with the terms of any applicable license agreement.

3.3.13.3 If Contractor becomes aware of an actual or potential claim, or Customer provides Contractor with notice of an actual or potential claim, Contractor may (or in the case of an injunction against Customer, shall), at Contractor’s sole option and expense; (i) procure for the Customer the right to continue to use the affected portion of the product or service, or (ii) modify or replace the affected portion of the product or service with functionally equivalent or superior product or service so that Customer’s use is non-infringing.

3.3.13.4 Taxes/Workers’ Compensation/Unemployment Insurance–Including Indemnity.

3.3.13.4.1 CONTRACTOR AGREES AND ACKNOWLEDGES THAT DURING THE EXISTENCE OF THIS CONTRACT, CONTRACTOR SHALL BE ENTIRELY RESPONSIBLE FOR THE LIABILITY AND PAYMENT OF CONTRACTOR’S AND CONTRACTOR’S EMPLOYEES’ TAXES OF WHATEVER KIND, ARISING OUT OF THE PERFORMANCES IN THIS CONTRACT. CONTRACTOR AGREES TO COMPLY WITH ALL STATE AND FEDERAL LAWS APPLICABLE TO ANY SUCH PERSONS, INCLUDING LAWS REGARDING WAGES, TAXES, INSURANCE, AND WORKERS’ COMPENSATION. THE CUSTOMER AND/OR THE STATE SHALL NOT BE LIABLE TO CONTRACTOR, ITS EMPLOYEES, AGENTS, OR OTHERS FOR THE PAYMENT OF TAXES OR THE PROVISION OF UNEMPLOYMENT INSURANCE AND/OR WORKERS’ COMPENSATION OR ANY

BENEFIT AVAILABLE TO A STATE EMPLOYEE OR EMPLOYEE OF ANOTHER GOVERNMENTAL ENTITY CUSTOMER.

3.3.13.4.2 CONTRACTOR AGREES TO INDEMNIFY AND HOLD HARMLESS OWNER, THE STATE OF TEXAS AND/OR THEIR EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, AND/OR ASSIGNEES FROM ANY AND ALL LIABILITY, ACTIONS, CLAIMS, DEMANDS, OR SUITS, AND ALL RELATED COSTS, ATTORNEYS' FEES, AND EXPENSES, RELATING TO TAX LIABILITY, UNEMPLOYMENT INSURANCE AND/OR WORKERS' COMPENSATION IN ITS PERFORMANCE UNDER THIS CONTRACT. CONTRACTOR SHALL BE LIABLE TO PAY ALL COSTS OF DEFENSE INCLUDING ATTORNEYS' FEES. THE DEFENSE SHALL BE COORDINATED BY CONTRACTOR WITH THE OFFICE OF THE ATTORNEY GENERAL WHEN TEXAS STATE AGENCIES ARE NAMED DEFENDANTS IN ANY LAWSUIT AND VENDOR MAY NOT AGREE TO ANY SETTLEMENT WITHOUT FIRST OBTAINING THE CONCURRENCE FROM THE OFFICE OF THE ATTORNEY GENERAL. CONTRACTOR AND OWNER AGREE TO FURNISH TIMELY WRITTEN NOTICE TO EACH OTHER OF ANY SUCH CLAIM.

3.3.13.5 The provisions of this indemnification are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity.

3.3.13.6 Contractor shall promptly advise Owner in writing of any claim or demand against Owner or against Contractor which involves Owner and known to Contractor and related to or arising out of Contractor's activities under this Contract.

3.3.14 Ancillary Areas. Operate and maintain operations and associated storage areas at the site of the Work in accordance with the following:

3.3.14.1 Confine all Contractor operations, including storage of materials and employee parking upon the Site of Work, to areas designated by Owner.

3.3.14.2 Contractor may erect, at its own expense, temporary buildings that will remain its property. Remove such buildings and associated utility service lines upon completion of the Work, unless Contractor requests and Owner provides written consent that it may abandon such buildings and utilities in place.

- 3.3.14.3 Use only established roadways or construct and use such temporary roadways as may be authorized by Owner. Do not allow load limits of vehicles to exceed the limits prescribed by appropriate regulations or law. Provide protection to road surfaces, curbs, sidewalks, trees, shrubbery, sprinkler systems, drainage structures and other like existing improvements to prevent damage and repair any damage thereto at the expense of Contractor.
- 3.3.14.4 Owner may restrict Contractor's entry to the Site to specifically assigned entrances and routes.
- 3.3.14.5 *Damages to Owner's or Third Parties' Property Caused by Contractor and/or Subcontractors. The Contractor shall, at Contractor's sole cost and at no expense to the Owner or any third parties, repair and/or replace Owner's property and adjacent property, buildings and equipment owned by third parties, damaged by the Contractor and/or the Subcontractors. Contractor shall return the damaged property, buildings and equipment to the same or better quality type or condition that existed prior to the damage. This contractual duty to repair damages shall survive any termination of Contractor under this Contract or any subsequent contract and, thereafter, become the obligation of the Surety.*
- 3.3.15 Separate Contracts. Owner reserves the right to award other contracts in connection with other portions of the Project under these same or substantially similar contract conditions, including those portions related to insurance and waiver of subrogation. Owner reserves the right to perform operations related to the Project with Owner's own forces.
- 3.3.16 Under a system of separate contracts, the conditions described herein continue to apply except as may be amended by change order.
- 3.3.17 Contractor shall cooperate with other contractors or forces employed on the Project by Owner, including providing access to Site and Project information as requested.
- 3.3.18 Owner shall be reimbursed by Contractor for costs incurred by Owner which are payable to a separate contractor because of delays, improperly timed activities, or defective construction by Contractor. Owner will equitably adjust the Contract by Change Order for costs incurred by Contractor because of delays, improperly timed activities, damage to the Work or defective construction by a separate contractor.
- 3.3.18.1 *If separate contracts are awarded for different portions of the Project, all Parties (the Contractors and Owner) shall cooperate and work together to complete the Project. Each Contractor shall inspect and promptly report in writing to the ODR any visually apparent discrepancies or defects found that may interfere with proper*

execution or proper results of the contracted work. Failure to inspect and report visually apparent discrepancies or defects shall constitute an acknowledgment by Contractor there are no impediments to proper execution or proper results of the contracted work, except as to defects which may develop after the execution of the Contract.

- 3.3.18.2 *Should any Contractor damage the Work or property of any other Contractor on the Project, the Contractor responsible for the damage shall, upon written notice from the Owner, endeavor to settle with the other contractor. If the contractors are unable to settle their dispute, the Owner may initiate a Dispute Resolution process and each Contractor shall be financially accountable for any damages or loss based on its proportionate fault determined by the Dispute Resolution process.*
- 3.3.18.3 *Each Contractor shall afford the Owner, the Architect/Engineer, and the other contractors, as necessary, with the reasonable opportunity for the introduction and storage of their materials and equipment and the execution of their work.*
- 3.3.18.4 *The Owner and the Contractors shall coordinate their activities, including, but not limited to, reviewing and revising construction schedules, when directed to do so.*
- 3.3.18.5 *The Contractor shall be responsible for its conduct, including Subcontractors conduct, resulting in delays, improperly timed activities or defective construction and shall reimburse the Owner for costs incurred by Owner as a result of Contractor caused delays or defective construction, including costs payable to another contractor. The Owner shall be responsible to the Contractor for Owner caused delays, improperly timed activities, or damage to the Work. Contractor may make claim to Owner for such amounts as outlined in the Contract or any other supplemental agreements.*

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Article 4. Historically Underutilized Business (HUB) Subcontracting Plan

- 4.1 General Description. The purpose of the Historically Underutilized Business (HUB) program is to promote equal business opportunities for economically disadvantaged persons (as defined by Tex. Gov't Code, Ch. 2161) to contract with the State of Texas in accordance with the goals specified in the State of Texas Disparity Study. The HUB program annual procurement utilization goals are defined in 34 T.A.C. § 20.13(b).⁴
- 4.1.1 State agencies are required by statute to make a good faith effort to assist HUBs in participating in contract awards issued by the State. 34 T.A.C. § 20.13(b) outlines the State's policy to encourage the utilization of HUBs in State contracting opportunities through race, ethnic and gender neutral means.⁵
- 4.1.2 A Contractor who contracts with the State in an amount of \$100,000 or greater is required to make a good faith effort to award subcontracts to HUBs in accordance with 34 T.A.C. § 20.14(a)(2)(A) by submitting a HUB subcontracting plan within twenty-four (24) hours after the bid or response is due and complying with the HUB subcontracting plan after it is accepted by Owner and during the term of the Contract.⁶
- 4.2 Compliance with Approved HUB Subcontracting Plan. Contractor, having been awarded this Contract in part by complying with the HUB program statute and rules, hereby covenants to continue to comply with the HUB program as follows:
- 4.2.1 Prior to adding or substituting a Subcontractor, promptly notify Owner in the event a change is required for any reason to the accepted HUB subcontracting plan.
- 4.2.2 Conduct the good-faith effort activities required and provide Owner with necessary documentation to justify approval of a change to the approved HUB subcontracting plan.
- 4.2.3 Cooperate in the execution of a Change Order or such other approval of the change in the HUB subcontracting plans as Contractor and Owner may agree to.
- 4.2.4 Maintain and make available to Owner upon request business records documenting compliance with the accepted HUB subcontracting plan.
- 4.2.5 Upon receipt of payment for performance of Work, submit to Owner a compliance report, in the format required by Owner that demonstrates

⁴ 34 T.A.C. § 20.13(b) has been repealed (§§ 20.10 to 20.24. Repealed eff. January 24, 2017) and replaced by 34 T.A.C. § 20.284.

⁵ 34 T.A.C. § 20.13(b) has been repealed (§§ 20.10 to 20.24. Repealed eff. January 24, 2017) and replaced by 34 T.A.C. § 20.281.

⁶ 34 T.A.C. § 20.14(a)(2)(A) has been repealed (§§ 20.10 to 20.24. Repealed eff. January 24, 2017) and replaced by 34 T.A.C. § 20.285.

Contractor's performance of the HUB subcontracting plan.

4.2.5.1 Progress Assessment Report (PAR): monthly compliance reports to Owner (contracting agency), verifying their compliance with the HUB subcontracting plan, including the use/expenditures they have made to Subcontractors. (The PAR is available in the Index Forms Library on the Facilities Design & Construction page of the Texas Facilities Commission website.

4.2.6 Promptly and accurately explain and provide supplemental information to Owner to assist in Owner's investigation of Contractor's good-faith effort to fulfill the HUB subcontracting plan and the requirements under 34 T.A.C. § 20.14(a)(1).⁷

4.3 Failure to Demonstrate Good-Faith Effort. Upon a determination by Owner that Contractor has failed to demonstrate a good-faith effort to fulfill the HUB subcontracting plan or any Contract covenant detailed above, Owner may, in addition to all other remedies available to it, report the failure to perform to the Comptroller of Public Accounts, Texas Procurement and Support Services Division, Historically Underutilized Business Program and may bar Contractor from future contracting opportunities with Owner.

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⁷ 34 T.A.C. 20.14(a)(1) has been repealed (§§ 20.10 to 20.24. Repealed eff. January 24, 2017) and replaced by 34 T.A.C. § 20.285.

Article 5. Bonds and Insurance

5.1 Construction Bonds. Contractor is required to tender to Owner, prior to commencing the Work, performance and payment bonds, as required by Tex. Gov't Code, Ch. 2253. On Construction Manager-at-Risk and Design-Build Projects the Owner shall require a security bond, as described in Subsection 5.1.2 below.

5.1.1 Bond Requirements. Each bond shall be executed by a corporate surety or sureties authorized to do business in the State of Texas and acceptable to Owner, on Owner's form, and in compliance with the relevant provisions of the Texas Insurance Code. If any bond is for more than ten (10) percent of the surety's capital and surplus, Owner may require certification that the company has reinsured the excess portion with one or more reinsurers authorized to do business in the State. A reinsurer may not reinsure for more than ten (10) percent of its capital and surplus. If a surety upon a bond loses its authority to do business in the State, Contractor shall, within thirty (30) days after such loss, furnish a replacement bond at no added cost to Owner.

5.1.1.1 **A Performance bond is required if the Contract Sum is in excess of \$100,000. The performance bond is solely for the protection of Owner. The performance bond is to be for the Contract Sum to guarantee the faithful performance of the Work in accordance with the Contract Documents. The form of the bond shall be approved by the Office of the Attorney General of Texas. The performance bond shall be effective through Contractor's warranty period.⁸**

5.1.1.2 **A Payment bond is required if the Contract price is in excess of \$25,000. The payment bond is to be for the Contract Sum and is payable to Owner solely for the protection and use of payment bond beneficiaries. The form of the bond shall be approved by the Office of the Attorney General of Texas.⁹**

5.1.2 Security Bond. The security bond provides protection to Owner if Contractor presents an acceptable guaranteed maximum price ("GMP") to Owner and 1) fails to execute the GMP; or 2) fails to deliver the required payment and performance bonds within the time period stated below.

5.1.3 When Bonds Are Due.

5.1.3.1 Security bonds are due within ten (10) days of signing a Construction Manager-at-Risk or Design-Build Contract.

5.1.3.2 Payment and performance bonds are due within ten (10) days of

⁸ Revised by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

⁹ Revised by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

Contractor's receipt of a fully executed GMP on a Construction Manager-at-Risk project or the Contract Sum for a Design-Build project, or within ten (10) days of Contractor's receipt of a fully executed Contract on competitively bid or competitive sealed proposal projects.

- 5.1.4 Power of Attorney. Each bond shall be accompanied by a valid power of attorney (issued by the surety company and attached, signed and sealed with the corporate embossed seal, to the bond) authorizing the attorney-in-fact who signs the bond to commit the company to the terms of the bond, and stating any limit in the amount for which the attorney can issue a single bond.
- 5.1.5 Bond Indemnification. The process of requiring and accepting bonds and making claims there under shall be conducted in compliance with Tex. Gov't Code, Ch. 2253. IF FOR ANY REASON A STATUTORY PAYMENT OR PERFORMANCE BOND IS NOT HONORED BY THE SURETY, CONTRACTOR SHALL FULLY INDEMNIFY AND HOLD OWNER HARMLESS OF AND FROM ANY COSTS, LOSSES, OBLIGATIONS OR LIABILITIES IT INCURS AS A RESULT.
- 5.1.6 Furnishing Bond Information. Owner shall furnish certified copies of the payment bond and the related Contract to any qualified person seeking copies who complies with Tex. Gov't Code § 2253.026.
- 5.1.7 Claims on Payment Bonds. Claims on payment bonds must be sent directly to Contractor and his surety in accordance with Tex. Gov't Code § 2253.041. All payment bond claimants are cautioned that no lien exists on the funds unpaid to Contractor on such Contract, and that reliance on notices sent to Owner may result in loss of their rights against Contractor and/or his surety. Owner is not responsible in any manner to a claimant for collection of unpaid bills, and accepts no such responsibility because of any representation by any agent or employee.
- 5.1.8 Payment Claims when Payment Bond not Required. The rights of Subcontractors regarding payment are governed by Tex. Prop. Code §§ 53.231 – 53.239 when the value of the Contract between Owner and Contractor is less than \$25,000.00. These provisions set out the requirements for filing a valid lien on funds unpaid to Contractor as of the time of filing the claim, actions necessary to release the lien and satisfaction of such claim.
- 5.1.9 Sureties. A surety shall be listed on the US Department of the Treasury's Listing of Approved Sureties maintained by the Bureau of Financial Management Service (FMS), www.fms.tres.gov/c570, stating companies holding Certificates of Authority as acceptable sureties on Federal bonds and acceptable reinsuring companies (FMS Circular 570).
 - 5.1.9.1 *The surety list can currently be accessed at: <https://www.fiscal.treasury.gov/fsreports/ref/suretyBnd/c570.htm>.*

- 5.2 Insurance Requirements. Contractor shall carry insurance in the types and amounts indicated in this Article for the duration of the Contract. The insurance shall be evidenced by delivery to Owner of certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Upon request, Owner, and/or its agents, shall be entitled to receive without expense, copies of the policies and all endorsements. Contractor shall update all expired policies prior to submission for monthly payment. Failure to update policies shall be reason for withholding of payment until renewal is provided to Owner.
- 5.2.1 Contractor shall provide and maintain all insurance coverage with the minimum amounts described below until the end of the warranty period unless otherwise stated in Supplementary General Conditions or Special Conditions. Failure to maintain insurance coverage, as required, is grounds for suspension of Work for cause pursuant to Article 14.
- 5.2.2 Contractor shall deliver to Owner true and complete copies of certificates and corresponding policy endorsements prior to the issuance of any Notice to Proceed.
- 5.2.3 Failure of Owner to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of Owner to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- 5.2.4 The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Owner in the Contract Documents.
- 5.2.4.1 **Contractor shall deliver to Owner true and complete copies of the General Contractor's certificates prior to the issuance of any Notice to Proceed.¹⁰**
- 5.2.4.2 **Failure of Owner to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of Owner to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.¹¹**
- 5.2.4.3 **The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the**

¹⁰ Revised by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

¹¹ Revised by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

indemnities granted to Owner in the Contract Documents.¹²

5.2.4.4 The insurance coverage and limits established in the Uniform General Conditions, Supplementary General Conditions, or Special Conditions shall not be interpreted as any representation or warranty that the insurance coverage and limits necessarily will be adequate to protect Contractor.¹³

5.2.5 The insurance coverage and limits established herein shall not be interpreted as any representation or warranty that the insurance coverage and limits necessarily will be adequate to protect Contractor.

5.2.6 Coverage shall be written on an occurrence basis by companies authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company or similar rating company or otherwise acceptable to Owner.

5.2.6.1 Insurance Coverage Required.

5.2.6.1.1 Workers' Compensation. Insurance with limits as required by the Texas Workers' Compensation Act, with the policy endorsed to provide a waiver of subrogation in favor of Owner, employer's liability insurance of not less than:

\$1,000,000 each accident;
\$1,000,000 disease each employee; and
\$1,000,000 disease policy limit.

5.2.6.1.2 Commercial General Liability Insurance. Including premises, operations, independent contractor's liability, products and completed operations and contractual liability, covering, but not limited to, the liability assumed under the indemnification provisions of this Contract, fully insuring Contractor's liability for bodily injury (including death) and property damage with a minimum limit of:

\$1,000,000 per occurrence;
\$2,000,000 general aggregate;
\$5,000 Medical Expense each person;
\$1,000,000 Personal Injury and Advertising Liability;
\$2,000,000 products and completed operations aggregate;
\$50,000 Damage to Premises Rented to You; and
Coverage shall be on an "occurrence" basis.

¹² Revised by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

¹³ Revised by TFC 2018 Supplementary General Conditions to the state of Texas 2015 edition of the Uniform General Conditions for Contracts.

The policy shall include coverage extended to apply to completed operations and explosion, collapse, and underground hazards. The policy shall include endorsement CG2503 Amendment of Aggregate Limits of Insurance (per Project) or its equivalent.

If the Work involves any activities within fifty (50) feet of any railroad, railroad protective insurance as may be required by the affected railroad, written for not less than the limits required by such railroad.

5.2.6.1.2.1 *The term “You” as reference in Subsection 5.2.6.1.2 above, means the Contractor.*

5.2.6.1.3 Asbestos Abatement Liability Insurance, including coverage for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos containing materials. *This requirement applies if the Work or the Project includes asbestos containing materials.

The combined single limit for bodily injury and property damage will be a minimum of \$1,000,000 per occurrence.

*Specific requirement for claims-made form: Required period of coverage will be determined by the following formula: continuous coverage for life of the Contract, plus one (1) year (to provide coverage for the warranty period), and an extended discovery period for a minimum of five (5) years which shall begin at the end of the warranty period.

Employer’s liability limits for asbestos abatement will be:

\$500,000 each accident;
\$500,000 disease each employee; and
\$500,000 disease policy limit.

If this Contract is for asbestos abatement only, the Special Form builder’s risk or Special Form installation floater (e) is not required.

5.2.6.1.4 Comprehensive Automobile Liability Insurance, covering owned, hired, and non-owned vehicles, with a minimum combined single limit for bodily injury (including death) and property damage of \$1,000,000 per accident. No aggregate shall be permitted for this type of coverage.

Such insurance is to include coverage for loading and unloading hazards.

5.2.6.1.5 Special Form Builder's Risk Insurance, if applicable (or Special Form installation floater for instances in which the project involves solely the installation of material and/or equipment). Coverage shall be Special Form, including, but not limited to, fire, extended coverage, vandalism and malicious mischief, theft and, if applicable, flood, earth movement and named storm. Builder's risk and installation floater limits shall be equal to 100 percent of the Contract Sum plus, if any, existing property and Owner-furnished equipment specified by Owner. The policy shall be written jointly in the names of Owner and Contractor. Subcontractors shall be named as additional insureds. The policy shall have endorsements as follows:

5.2.6.1.5.1 This insurance shall be specific as to coverage and not contributing insurance with any permanent insurance maintained on the property.

5.2.6.1.5.2 This insurance shall not contain an occupancy clause suspending or reducing coverage should Owner partially occupy the Site and before the parties have determined Substantial Completion.

5.2.6.1.5.3 Loss, if any, shall be adjusted with and made payable to Owner as trustee for the insureds as their interests may appear. Owner shall be named as loss payee.

5.2.6.1.5.4 For renovation projects or projects that involve portions of Work contained within an existing structure, refer to Supplementary General and Special Conditions for possible additional builder's risk insurance requirements.

5.2.6.1.5.5 For Owner furnished equipment or materials that will be in care, custody or control of Contractor, Contractor will be responsible for damage and loss.

5.2.6.1.5.6 For those properties located within a Tier 1 or 2 windstorm area, named storm coverage must be provided with limits specified by Owner.

5.2.6.1.5.7 For those properties located in flood prone areas, flood insurance coverage must be provided with limits specified by Owner.

5.2.6.1.5.8 Builder's risk insurance policy shall remain in effect until Substantial Completion.

5.2.6.1.6 "Umbrella" Liability Insurance. Contractor shall obtain, pay for and maintain umbrella liability insurance during the Contract term, insuring Contractor for an amount of not less than amount specified in the Supplementary General Conditions or Special Conditions that provides coverage at least as broad as and applies in excess and follows form of the primary liability coverages required hereinabove. The policy shall provide "drop down" coverage where underlying primary insurance coverage limits are insufficient or exhausted.

5.2.7 Policies must include the following clauses, as applicable:

5.2.7.1 This insurance shall not be canceled, materially changed, or non-renewed except after thirty (30) days written notice has been given to Owner.

5.2.7.2 It is agreed that Contractor's insurance shall be deemed primary with respect to any insurance or self-insurance carried by Owner for liability arising out of operations under the Contract with Owner.

5.2.7.3 Owner, its officials, directors, employees, representatives, and volunteers are added as additional insureds as respects operations and activities of, or on behalf of the named insured performed under Contract with Owner. The additional insured status must cover completed operations as well. This is not applicable to workers' compensation policies.

5.2.7.4 A waiver of subrogation in favor of Owner shall be provided in all policies.

5.2.8 Without limiting any of the other obligations or liabilities of Contractor, Contractor shall require each Subcontractor performing work under the Contract, at Subcontractor's own expense, to maintain during the term of the Contract, the same stipulated minimum insurance including the required provisions and additional policy conditions as shown above. As an alternative, Contractor may include its Subcontractors as additional insureds on its own coverage as prescribed under these requirements. Contractor's certificate of insurance shall note in such event that Subcontractors are included as additional insureds and that Contractor agrees to provide workers' compensation for Subcontractors and their employees. Contractor shall obtain and monitor the certificates of insurance from each Subcontractor in order to assure compliance with the insurance requirements. Contractor must retain the certificates of insurance for the duration of the Contract plus five (5) years and shall have the responsibility of enforcing these insurance requirements among

its Subcontractors. Owner shall be entitled, upon request and without expense, to receive copies of these certificates.

- 5.2.9 Workers' compensation insurance coverage must be provided for all workers at all tier levels and meet the statutory requirements of Tex. Lab. Code § 401.011(44) and specific to construction projects for public entities as required by Tex. Lab. Code § 406.096.
- 5.2.10 *Owner shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements as they apply to the limits set out herein.*

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Article 6. Construction Documents, Coordination Documents, and Record Documents

6.1 Drawings and Specifications.

- 6.1.1 Copies Furnished. Contractor will be furnished, free of charge, the number of complete sets of the Drawings, Specifications, and Addenda as provided in the Supplementary General Conditions or Special Conditions. Additional complete sets of Drawings and Specifications, if requested, will be furnished at reproduction cost to the entity requesting such additional sets. Electronic copies of such documents will be provided to Contractor without charge.
- 6.1.2 Ownership of Drawings and Specifications. All Drawings, Specifications and copies thereof furnished by A/E are to remain A/E's property. These documents are not to be used on any other project, and with the exception of the Contract record set and electronic versions needed for warranty operations, are to be returned to the A/E, upon request, following completion of the Work.
- 6.1.3 Interrelation of Documents. The Contract Documents as referenced in the Contract between Owner and Contractor are complimentary, and what is required by one shall be as binding as if required by all.
- 6.1.4 Resolution of Conflicts in Documents. Where conflicts may exist within the Contract Documents, the documents shall govern in the following order: (a) Change Orders, addenda, and written amendments to the Contract; (b) the Contract; (c) Drawings; (d) Specifications (but Specifications shall control over Drawings as to quality of materials and workmanship); and (e) other Contract Documents. Among categories of documents having the same order of precedence, the term or provision that includes the latest date shall control and more specific requirements shall govern over general requirements. Contractor shall notify A/E and ODR for resolution of the issue prior to executing the Work in question.
- 6.1.5 Contractor's Duty to Review Contract Documents. In order to facilitate its responsibilities for completion of the Work in accordance with and as reasonably inferable from the Contract Documents, prior to commencing the Work, Contractor shall examine and compare the Contract Documents, information furnished by Owner, relevant field measurements made by Contractor and any visible or reasonably anticipated conditions at the Site affecting the Work. This duty extends throughout the construction phase prior to commencing each particular work activity and/or system installation.
- 6.1.6 Discrepancies and Omissions in Drawings and Specifications.
 - 6.1.6.1 Promptly report to ODR and to A/E the discovery of any apparent error, omission or inconsistency in the Contract Documents prior to execution of the Work.

- 6.1.6.2 It is recognized that Contractor is not acting in the capacity of a licensed design professional, unless it is performing as a Design-Build firm.
- 6.1.6.3 *In the event of conflict among the drawings, Contractor is required to submit a Request for Information (RFI) to the A/E for clarification.*
 - 6.1.6.3.1 *The Contractor shall submit the RFI to the Architect/Engineer, with copy to the ODR, in sufficient time to allow a reasonable response time by the A/E to avoid delays in the Work. The RFI shall contain sufficient information to clearly identify the issue and requested information.*
 - 6.1.6.3.2 *The A/E's Supplemental Instructions (ASI) shall be issued by the A/E to the Contractor, with copy to the ODR, in a prompt manner, and in accordance with the Contract Documents without change in Contract Sum or Contract Time. Proceeding with the work in accordance with these instructions indicates the Contractor's Acknowledgement that there will be no change in the Contract Sum or Contract Time. If the clarification results in a change in the scope of the Work and causes a change in the Contract Sum and/or Contract Time, then Contractor shall submit a Change Order Proposal Evaluation (CPE) to the A/E with a copy to the ODR.*
- 6.1.6.4 It is further recognized that Contractor's examination of Contract Documents is to facilitate construction and does not create an affirmative responsibility to detect errors, omissions or inconsistencies or to ascertain compliance with applicable laws, building codes or regulations, unless it is performing as a Design-Build firm or a Construction Manager-at-Risk.
- 6.1.6.5 When performing as a Design-Build firm, Contractor has sole responsibility for discrepancies, errors, and omissions in the Drawings and Specifications.
- 6.1.6.6 When performing as a Construction Manager-at-Risk, Contractor has a shared responsibility with A/E for discovery and resolution of discrepancies, errors, and omissions in the Contract Documents. In such case, Contractor's responsibility pertains to review, coordination, and recommendation of resolution strategies within budget constraints.
- 6.1.6.7 Contractor has no liability for errors, omissions, or inconsistencies unless Contractor knowingly failed to report a recognized problem to Owner or the Work is executed under a Design-Build or Construction

Manager-at-Risk Contract as outlined above. Should Contractor fail to perform the examination and reporting obligations of these provisions, Contractor is responsible for avoidable costs and direct and/or consequential damages.

6.2 Requirements for Record Documents. Contractor shall:

- 6.2.1 Maintain at the Site one copy of all Drawings, Specifications, addenda, approved submittals, Contract modifications, and all Project correspondence. Keep current and maintain Drawings and Specifications in good order with postings and markings to record actual conditions of Work and show and reference all changes made during construction. Provide Owner and A/E access to these documents.
- 6.2.2 Maintain the Record Documents including Drawings, Specifications and other materials which reflect the actual field conditions and representations of the Work performed, whether it be directed by addendum, Change Order or otherwise. Make available all records prescribed herein for reference and examination by Owner and its representatives and agents.
- 6.2.3 Update the Record Documents at least monthly prior to submission of periodic partial pay estimates. Failure to maintain current Record Documents constitutes cause for denial of a progress payment otherwise due.
- 6.2.4 Prior to requesting Substantial Completion inspection Contractor shall furnish a copy of its marked-up Record Documents and a preliminary copy of each instructional manual, maintenance and operating manual, parts catalog, wiring diagrams, spare parts, specified written warranties and like publications, or parts for all installed equipment, systems, and like items and as described in the Contract Documents. (Unexecuted samples of the aforementioned documentation may be reviewed by ODR when the absence of substantial completion transactions preclude execution; however, Contractor remains obligated to provide fully executed copies of such materials prior to final payment.)
- 6.2.5 Once determined acceptable by ODR with input from A/E, provide one (1) reproducible copy and one (1) electronic media copy of all Record Documents, unless otherwise required by the Supplementary General Conditions or Special Conditions.
- 6.2.6 Contractor shall be responsible for updating the Record Documents for all Contractor initiated documents and changes to the Contract Documents due to coordination and actual field conditions, including RFIs.
- 6.2.7 A/E shall be responsible for updating the Record Documents for any addenda, Change Orders, A/E supplemental instructions and any other alterations to the Contract Documents generated by A/E or Owner.

Article 7. Construction Safety

- 7.1 General. It is the duty and responsibility of Contractor and all of its Subcontractors to be familiar with, enforce and comply with all requirements of Public Law No. 91-596, 29 U.S.C. § 651 et. seq., the Occupational Safety and Health Act of 1970, (OSHA) and all amendments thereto. Contractor shall prepare a safety plan specific to the Project and submit it to ODR and A/E prior to commencing Work. In addition, Contractor and all of its Subcontractors shall comply with all applicable laws and regulations of any public body having jurisdiction for safety of persons or property to protect them from damage, injury or loss and erect and maintain all necessary safeguards for such safety and protection.
- 7.2 Notices. Contractor shall provide notices as follows:
- 7.2.1 Notify owners of adjacent property including those that own or operate utility services and/or underground facilities, and utility owners, when prosecution of the Work may affect them or their facilities, and cooperate with them in the protection, removal, relocation and replacement, and access to their facilities and/or utilities.
- 7.2.2 Coordinate the exchange of material safety data sheets (MSDSs) or other hazard communication information required to be made available to or exchanged between or among employers at the site in connection with laws and regulations. Maintain a complete file of MSDSs for all materials in use on site throughout the construction phase and make such file available to Owner and its agents as requested.
- 7.3 Emergencies. In any emergency affecting the safety of persons or property, Contractor shall act to minimize, mitigate, and prevent threatened damage, injury or loss.
- 7.3.1 Have authorized agents of Contractor respond immediately upon call at any time of day or night when circumstances warrant the presence of Contractor to protect the Work or adjacent property from damage or to take such action pertaining to the Work as may be necessary to provide for the safety of the public.
- 7.3.2 Give ODR and A/E prompt notice of all such events.
- 7.3.3 If Contractor believes that any changes in the Work or variations from Contract Documents have been caused by its emergency response, promptly notify Owner within seventy-two (72) hours of the emergency response event.
- 7.3.4 Should Contractor fail to respond, Owner is authorized to direct other forces to take action as necessary and Owner may deduct any cost of remedial action from funds otherwise due Contractor.
- 7.4 Injuries. In the event of an incident or accident involving outside medical care for an

individual on or near the Work, Contractor shall notify ODR and other parties as may be directed promptly, but no later than twenty-four (24) hours after Contractor learns that an event required medical care.

- 7.4.1 Record the location of the event and the circumstances surrounding it, by using photography or other means, and gather witness statements and other documentation which describes the event.
- 7.4.2 Supply ODR and A/E with an incident report no later than thirty-six (36) hours after the occurrence of the event. In the event of a catastrophic incident (one (1) fatality or three (3) workers hospitalized), barricade and leave intact the scene of the incident until all investigations are complete. A full set of incident investigation documents, including facts, finding of cause, and remedial plans shall be provided within one (1) week after occurrence, unless otherwise directed by legal counsel. Contractor shall provide ODR with written notification within one week of such catastrophic event if legal counsel delays submission of full report.
- 7.5 Environmental Safety. Upon encountering any previously unknown potentially hazardous material, or other materials potentially contaminated by hazardous material, Contractor shall immediately stop work activities impacted by the discovery, secure the affected area, and notify ODR immediately.
 - 7.5.1 Bind all Subcontractors to the same duty.
 - 7.5.2 Upon receiving such notice, ODR will promptly engage qualified experts to make such investigations and conduct such tests as may be reasonably necessary to determine the existence or extent of any environmental hazard. Upon completion of this investigation, ODR will issue a written report to Contractor identifying the material(s) found and indicate any necessary steps to be taken to treat, handle, transport or dispose of the material.
 - 7.5.3 Owner may hire third-party Contractors to perform any or all such steps.
 - 7.5.4 Should compliance with ODR's instructions result in an increase in Contractor's cost of performance, or delay the Work, Owner will make an equitable adjustment to the Contract Sum and/or the time of completion, and modify the Contract in writing accordingly.
- 7.6 Trenching Plan. When the project requires excavation which either exceeds a depth of four (4) feet, or results in any worker's upper body being positioned below grade level, Contractor is required to submit a trenching plan to ODR prior to commencing trenching operations unless an engineered plan is part of the Contract Documents. The plan is required to be prepared and sealed by a professional engineer registered in the State of Texas and hired or employed by Contractor or Subcontractor to perform the work. Said engineer cannot be anyone who is otherwise either directly or indirectly engaged on this project.
 - 7.6.1 *In addition, the Contractor and all of its subcontractors shall comply with all requirements of 29 C.F.R. 1926.652, OSHA Safety and Health Standards,*

and shall require a pay item classification for the particular safety system to be utilized by the Contractor.

7.7 *Construction Site Security*

7.7.1 *Construction Site Fencing:*

7.7.1.1 *Contractor shall provide a fence to completely enclose the immediate work area, including, but not limited to, all areas undergoing demolition or construction as well as all staging areas or as shown on the plans. The Contractor will maintain this fence throughout project construction until released by the Owner following Substantial Completion. In no event will barbed wire be used in connection with a fence.*

7.7.1.2 *Contractor will construct a fence of weather-resistant steel posts and chain link fabric with No. 9 gauge 2" mesh. Posts will be securely anchored in the ground such that they remain upright at all times and spaced no more than 8'-0" on center. Contractor will stretch and secure Chain link fabric to the steel posts at the top and bottom and on 2'-0" centers between. Minimum height of fence will be 6'-0".*

7.7.1.3 *Contractor will construct a fence with gates capable of being padlocked. Gates and gateposts will be constructed with materials as described previously with a minimum height of 6'-0". Gates will be secured with a padlock at all times when not in use or directly supervised by designated personnel. Gateposts will be set solidly in concrete.*

7.8 *Infection Control.* *The Contractor is required to apply Infection Control principles as designated and outlined within the Infection Control Plan documents for construction at state hospitals and other Owner facilities when otherwise required by Owner, and set forth within the specifications attachment to the Contract. The ODR may incorporate mandatory adherence agreements for infection control into Construction Documents with penalties for noncompliance and mechanisms to ensure timely correction of problems.*

7.81. *Infection Control Construction Permit.* *The Contractor is required to submit an Infection Control Construction Permit to the ODR.*

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Article 8. Quality Control

- 8.1 Materials & Workmanship. Contractor shall execute Work in a good and workmanlike manner in accordance with the Contract Documents. Contractor shall develop and provide a quality control plan specific to this Project and acceptable to Owner. Where Contract Documents do not specify quality standards, complete and construct all Work in compliance with generally accepted construction industry standards. Unless otherwise specified, incorporate all new materials and equipment into the Work under the Contract.
- 8.1.1 *Intent of Contract Documents. Unless otherwise stated, the Specifications and Contract Documents are not limited to materials, equipment, or fixtures produced by any particular manufacturer. Where materials, equipment and/or fixtures have been specified by name, manufacturer or catalog number, it has been done to set a definite standard and a reference for comparison as to quality, application, physical conformity, and other characteristics. Any dealer, jobber or manufacturer may furnish materials, equipment, or fixtures which meet or exceed the characteristics of the specified items. Substitution of materials will not be made without prior written approval from the Architect/Engineer and Owner, in conformance with Subsections 8.3.6 and 8.3.7.*
- 8.2 Testing.
- 8.2.1 Owner is responsible for coordinating and paying for routine and special tests required to confirm compliance with quality and performance requirements, except as stated below or otherwise required by the Contract Documents. Contractor shall provide the following testing:
- 8.2.1.1 Any test of basic material or fabricated equipment included as part of a submittal for a required item in order to establish compliance with the Contract Documents.
- 8.2.1.2 Any test of basic material or fabricated equipment offered as a substitute for a specified item on which a test may be required in order to establish compliance with the Contract Documents.
- 8.2.1.3 Preliminary, start-up, pre-functional and operational testing of building equipment and systems as necessary to confirm operational compliance with requirements of the Contract Documents.
- 8.2.1.4 All subsequent tests on original or replaced materials conducted as a result of prior testing failure.
- 8.2.2 All testing shall be performed in accordance with standard test procedures by an accredited laboratory, or special consultant as appropriate, acceptable to Owner. Results of all tests shall be provided promptly to ODR, A/E, and Contractor.

8.2.3 Non-Compliance (Test Results). Should any of the tests indicate that a material and/or system does not comply with the Contract requirements, the burden of proof remains with Contractor, subject to:

8.2.3.1 Contractor selection and submission of the laboratory for Owner acceptance.

8.2.3.2 Acceptance by Owner of the quality and nature of tests.

8.2.3.3 All tests taken in the presence of A/E and/or ODR, or their representatives.

8.2.3.4 If tests confirm that the material/systems comply with Contract Documents, Owner will pay the cost of the test.

8.2.3.5 If tests reveal noncompliance, Contractor will pay those laboratory fees and costs of that particular test and all future tests, of that failing Work, necessary to eventually confirm compliance with Contract Documents.

8.2.3.6 Proof of noncompliance with the Contract Documents will make Contractor liable for any corrective action which ODR determines appropriate, including complete removal and replacement of non-compliant work or material.

8.2.4 Notice of Testing. Contractor shall give ODR and A/E timely notice of its readiness and the date arranged so ODR and A/E may observe such inspection, testing, or approval.

8.2.5 Test Samples. Contractor is responsible for providing Samples of sufficient size for test purposes and for coordinating such tests with their Work Progress Schedule to avoid delay.

8.2.6 Covering Up Work. If Contractor covers up any Work without providing Owner an opportunity to inspect, Contractor shall, if requested by ODR, uncover and recover the work at Contractor's expense.

8.3 Submittals.

8.3.1 Contractor's Submittals. Contractor shall submit with reasonable promptness consistent with the Project schedule and in orderly sequence all Shop Drawings, Samples, or other information required by the Contract Documents, or subsequently required by Change Order. Prior to submitting, Contractor shall review each submittal for general compliance with Contract Documents and approve submittals for review by A/E and Owner by an approval stamp affixed to each copy. Submittal data presented without Contractor's stamp will be returned without review or comment, and any delay resulting from failure is Contractor's responsibility.

- 8.3.1.1 Contractor shall within twenty-one (21) days of the effective date of the Notice To Proceed with construction, submit to ODR and A/E, a submittal schedule/register, organized by specification section, listing all items to be furnished for review and approval by A/E and Owner. The list shall include Shop Drawings, manufacturer's literature, certificates of compliance, materials Samples, materials colors, guarantees, and all other items identified throughout the Specifications.
- 8.3.1.2 Contractor shall indicate the type of item, Contract requirements reference, and Contractor's scheduled dates for submitting the item along with the requested dates for approval answers from A/E and Owner. The submittal register shall indicate the projected dates for procurement of all included items and shall be updated at least monthly with actual approval and procurement dates. Contractor's Submittal Register must be reasonable in terms of the review time for complex submittals. Contractor's submittal schedule must be consistent with the Work Progress Schedule and identify critical submittals. Show and allow a minimum of fifteen (15) calendar days duration after receipt by A/E and ODR for review and approval. If resubmittal required, allow a minimum of an additional fifteen (15) calendar days for review. Submit the updated Submittal Register with each request for progress payment. Owner may establish routine review procedures and schedules for submittals at the preconstruction conference and/or elsewhere in the Contract Documents. If Contractor fails to update and provide the Submittal Register as required, Owner may, after seven (7) days notice to Contractor withhold a reasonable sum of money that would otherwise be due Contractor.
- 8.3.1.3 Contractor shall coordinate the Submittal Register with the Work Progress Schedule. Do not schedule Work requiring a submittal to begin prior to scheduling review and approval of the related submittal. Revise and/or update both schedules monthly to ensure consistency and current project data. Provide to ODR the updated Submittal Register and schedule with each application for progress payment. Refer to requirements for the Work Progress Schedule for inclusion of procurement activities therein. Regardless, the Submittal Register shall identify dates submitted and returned and shall be used to confirm status and disposition of particular items submitted, including approval or other action taken and other information not conveniently tracked through the Work Progress Schedule.
- 8.3.1.4 By submitting Shop Drawings, Samples or other required information, Contractor represents that it has determined and verified all applicable field measurements, field construction criteria, materials, catalog numbers and similar data to the extent possible from existing conditions and design information provided by A/E prior to fabrication; and has checked and coordinated each Shop

Drawing and Sample with the requirements of the Work and the Contract Documents.

- 8.3.2 Review of Submittals. A/E and ODR review is only for conformance with the design concept and the information provided in the Contract Documents. Responses to submittals will be in writing. The approval of a separate item does not indicate approval of an assembly in which the item functions. The approval of a submittal does not relieve Contractor of responsibility for any deviation from the requirements of the Contract unless Contractor informs A/E and ODR of such deviation in a clear, conspicuous, and written manner on the submittal transmittal and at the time of submission, and obtains Owner's written specific approval of the particular deviation.
- 8.3.3 Correction and Resubmission. Contractor shall make any corrections required to a submittal and resubmit the required number of corrected copies promptly so as to avoid delay, until submittal approval. Direct attention in writing to A/E and ODR, when applicable, to any new revisions other than the corrections requested on previous submissions.
- 8.3.4 Limits on Shop Drawing Review. Contractor shall not commence any Work requiring a submittal until review of the submittal under Subsection 8.3.2. Construct all such work in accordance with reviewed submittals. Comments incorporated as part of the review in Subsection 8.3.2 of Shop Drawings and Samples is not authorization to Contractor to perform extra work or changed work unless authorized through a Change Order. A/E's and ODR's review, if any, does not relieve Contractor from responsibility for defects in the Work resulting from errors or omissions of any kind on the submittal, regardless of any approval action. A/E or ODR shall not make formal changes to the Contract Documents via the submittal process. Changes to the Construction Documents shall be accomplished via Section 3.2.2 and Article 11 Changes.
- 8.3.5 *Contractor will not provide any construction materials that contain potentially hazardous substances (asbestos, asbestos products, PCB, lead-based paint, etc.). Contractor will provide documentation (material safety data sheets (MSDS), laboratory test results, manufacturer's statements, etc.) from the manufacturer confirming the construction materials do not contain hazardous substances. Shop Drawings, Samples, or other required information prepared by Contractor for construction materials that do not contain the supporting documentation described above may be rejected by the Owner, and any delay resulting therefrom will be the Contractor's sole responsibility.*
- 8.3.6 No Substitutions Without Approval. ODR and A/E may receive and consider Contractor's request for substitution when Contractor agrees to reimburse Owner for review costs and satisfies the requirements of this section. If Contractor does not satisfy these conditions, ODR and A/E will return the request without action except to record noncompliance with these requirements. Owner will not consider the request if Contractor cannot

provide the product or method because of failure to pursue the Work promptly or coordinate activities properly. Contractor's request for a substitution may be considered by ODR and A/E when:

- 8.3.6.1 The Contract Documents do not require extensive revisions; and
- 8.3.6.2 Proposed changes are in keeping with the general intent of the Contract Documents and the design intent of A/E and do not result in an increase in cost to Owner; and
- 8.3.6.3 The request is timely, fully documented, properly submitted and one or more of the following apply:
 - 8.3.6.3.1 Contractor cannot provide the specified product, assembly or method of construction within the Contract Time;
 - 8.3.6.3.2 The request directly relates to an "or-equal" clause or similar language in the Contract Documents;
 - 8.3.6.3.3 The request directly relates to a "product design standard" or "performance standard" clause in the Contract Documents;
 - 8.3.6.3.4 The requested substitution offers Owner a substantial advantage in cost, time, energy conservation or other considerations, after deducting additional responsibilities Owner must assume;
 - 8.3.6.3.5 The specified product or method of construction cannot receive necessary approval by an authority having jurisdiction, and ODR can approve the requested substitution;
 - 8.3.6.3.6 Contractor cannot provide the specified product, assembly or method of construction in a manner that is compatible with other materials and where Contractor certifies that the substitution will overcome the incompatibility
 - 8.3.6.3.7 Contractor cannot coordinate the specified product, assembly or method of construction with other materials and where Contractor certifies they can coordinate the proposed substitution; or
 - 8.3.6.3.8 The specified product, assembly or method of construction cannot provide a warranty required by the Contract Documents and where Contractor certifies that the proposed substitution provides the required warranty.

8.3.6.3.9 The manufacture of the specified product has been removed from production due to cancellation or obsolescence.

8.3.7 Unauthorized Substitutions at Contractor's Risk. Contractor is financially responsible for any additional costs or delays resulting from unauthorized substitution of materials, equipment or fixtures other than those specified. Contractor shall reimburse Owner for any increased design or contract administration costs resulting from such unauthorized substitutions.

8.4 Field Mock-up.

8.4.6 Mock-ups shall be constructed prior to commencement of a specified scope of work to confirm acceptable workmanship.

8.4.6.1 As a minimum, field mock-ups shall be constructed for roofing systems, exterior veneer / finish systems, glazing systems, and any other Work requiring a mock-up as identified throughout the Contract Documents. Mock-ups for systems not part of the Project scope shall not be required.

8.4.6.2 Mock-ups may be incorporated into the Work if allowed by the Contract Documents and if acceptable to ODR. If mock-ups are freestanding, they shall remain in place until otherwise directed by Owner.

8.4.6.3 Contractor shall include field mock-ups in their Work Progress Schedule and shall notify ODR and A/E of readiness for review sufficiently in advance to coordinate review without delay.

8.5 Inspection During Construction.

8.5.1 Contractor shall provide sufficient, safe, and proper facilities, including equipment as necessary for safe access, at all reasonable times for observation and/or inspection of the Work by Owner and its agents. "Reasonable times" of inspection allow for sufficient monitoring of the quality of materials and installation without substantially impeding the progress of the Work.

8.5.2 Contractor shall not cover up any Work with finishing materials or other building components prior to providing Owner and its agents an opportunity to perform an inspection of the Work.

8.5.2.1 Should corrections of the Work be required for approval, Contractor shall not cover-up corrected Work until Owner indicates approval.

8.5.2.2 Contractor shall provide notification of at least five (5) working days or otherwise as mutually agreed, to ODR of the anticipated need for a cover-up inspection. Should ODR fail to make the necessary

inspection within the agreed period, Contractor may proceed with cover-up Work, but is not relieved of responsibility for Work to comply with requirements of the Contract Documents.

8.6 *Condemnation and removal of defective work.*

- 8.6.1 *The ODR may reject and condemn Work which does not meet the requirements of the Contract. The Contractor will remove and replace defective work in accordance with written directions provided by ODR. The approval of a work item by the ODR does not relieve the Contractor from compliance with the Contract Documents.*
- 8.6.2 *If any materials or Work furnished under the Contract is condemned by the Owner, the Contractor will, after notice from the Owner, promptly remove the materials, whether worked or unworked, and take down all portions of the Work condemned. Contractor will make good all work damaged or destroyed during the removal and replacement process.*
- 8.6.3 *Upon notice of condemnation, the Contractor may request to prove to the Owner, at Contractor's sole cost, that the Work should be accepted because it meets performance and other relevant standards. Owner will respond to Contractor showing of proof in writing.*

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Article 9. Construction Schedules

- 9.1 Contract Time. **TIME IS AN ESSENTIAL ELEMENT OF THE CONTRACT.** The Contract Time is the time between the dates indicated in the Notice to Proceed for commencement of the Work and for achieving Substantial Completion. The Contract Time can be modified only by Change Order. Failure to achieve Substantial Completion within the Contract Time as otherwise agreed to in writing will cause damage to Owner and may subject Contractor to liquidated damages as provided in the Contract Documents. If Contractor fails to achieve Final Completion within thirty (30) calendar days after Substantial Completion or a mutually agreed upon longer period of time between Contractor and Owner, Contractor shall be responsible for Owner's additional inspection, project management, and maintenance cost to the extent caused by Contractor's failure to achieve Final Completion.
- 9.2 Notice to Proceed. Owner will issue a Notice to Proceed which shall state the dates for beginning Work and for achieving Substantial Completion of the Work.
- 9.3 Work Progress Schedule. Refer to Supplementary General Conditions or Special Conditions for additional schedule requirements. Unless indicated otherwise in those documents, Contractor shall submit their initial Work Progress Schedule for the Work in relation to the entire Project not later than twenty-one (21) days after the effective date of the Notice to Proceed to ODR and A/E. Unless otherwise indicated in the Contract Documents, the Work Progress Schedule shall be computerized Critical Path Method (CPM) with fully editable logic. This initial schedule shall indicate the dates for starting and completing the various aspects required to complete the Work, including mobilization, procurement, installation, testing, inspection, delivery of Close-out Documents and acceptance of all the Work of the Contract. When acceptable to Owner, the initially accepted schedule shall be the Baseline Schedule for comparison to actual conditions throughout the Contract duration.
- 9.3.1 Schedule Requirements. Contractor shall submit electronic and paper copy of the initial Work Progress Schedule reflecting accurate and reliable representations of the planned progress of the Work, the Work to date if any, and of Contractor's actual plans for its completion. Contractor shall organize and provide adequate detail so the schedule is capable of measuring and forecasting the effect of delaying events on completed and uncompleted activities.
- 9.3.1.1 Contractor shall resubmit initial schedule as required to address review comments from A/E and ODR until such schedule is accepted as the Baseline Schedule.
- 9.3.1.2 Submittal of a schedule, schedule revision or schedule update constitutes Contractor's representation to Owner of the accurate depiction of all progress to date and that Contractor will follow the schedule as submitted in performing the Work.
- 9.3.2 Schedule Updates. Contractor shall update the Work Progress Schedule and the Submittal Register monthly, as a minimum, to reflect progress to date and

current plans for completing the Work, while maintaining original schedule as Baseline Schedule and submit paper and electronic copies of the update to A/E and ODR as directed, but as a minimum with each request for payment. Owner has no duty to make progress payments unless accompanied by the updated Work Progress Schedule. Show the anticipated date of completion reflecting all extensions of time granted through Change Order as of the date of the update. Contractor may revise the Work Progress Schedule when in Contractor's judgment it becomes necessary for the management of the Work. Contractor shall identify all proposed changes to schedule logic to Owner and to A/E via an executive summary accompanying the updated schedule for review prior to final implementation of revisions into a revised Baseline Schedule. Schedule changes that materially impact Owner's operations shall be communicated promptly to ODR and shall not be incorporated into the revised Baseline Schedule without ODR's consent.

9.3.3 The Work Progress Schedule is for Contractor's use in managing the Work and submittal of the schedule, and successive updates or revisions, is for the information of Owner and to demonstrate that Contractor has complied with requirements for planning the Work. Owner's acceptance of a schedule, schedule update or revision constitutes Owner's agreement to coordinate its own activities with Contractor's activities as shown on the schedule.

9.3.3.1 Acceptance of the Work Progress Schedule, or update and/or revision thereto does not indicate any approval of Contractor's proposed sequences and duration.

9.3.3.2 Acceptance of a Work Progress Schedule update or revision indicating early or late completion does not constitute Owner's consent, alter the terms of the Contract, or waive either Contractor's responsibility for timely completion or Owner's right to damages for Contractor's failure to do so.

9.3.3.3 Contractor's scheduled dates for completion of any activity or the entire Work do not constitute a change in terms of the Contract. Change Orders are the only method of modifying the Substantial Completion Date(s) and Contract Time.

9.4 Ownership of Float. Unless indicated otherwise in the Contract Documents, Contractor shall develop its schedule, pricing, and execution plan to provide a minimum of ten (10) percent total float at acceptance of the Baseline Schedule. Float time contained in the Work Progress Schedule is not for the exclusive benefit of Contractor or Owner but belongs to the Project and may be consumed by either party as needed on a first-used basis.

9.5 Completion of Work. Contractor is accountable for completing the Work within the Contract Time stated in the Contract, or as otherwise amended by Change Order.

9.5.1 If, in the judgment of Owner, the work is behind schedule and the rate of placement of work is inadequate to regain scheduled progress to insure timely

completion of the entire work or a separable portion thereof, Contractor, when so informed by Owner, shall immediately take action to increase the rate of work placement by:

9.5.1.1 An increase in working forces.

9.5.1.2 An increase in equipment or tools.

9.5.1.3 An increase in hours of work or number of shifts.

9.5.1.4 Expedite delivery of materials.

9.5.1.5 Other action proposed if acceptable to Owner.

9.5.2 Within ten (10) days after such notice from ODR, Contractor shall notify ODR in writing of the specific measures taken and/or planned to increase the rate of progress. Contractor shall include an estimate as to the date of scheduled progress recovery and an updated Work Progress Schedule illustrating Contractor's plan for achieving timely completion of the Project. Should ODR deem the plan of action inadequate, Contractor shall take additional steps or make adjustments as necessary to its plan of action until it meets with ODR's approval.

9.6 Modification of the Contract Time.

9.6.1 Delays and extension of time as hereinafter described are valid only if executed in accordance with provisions set forth in Article 11.

9.6.2 When a delay defined herein as excusable prevents Contractor from completing the Work within the Contract Time, Contractor is entitled to an extension of time. Owner will make an equitable adjustment and extend the number of days lost because of excusable delay or Weather Days, as measured by Contractor's progress schedule. All extensions of time will be granted in calendar days. In no event, however, will an extension of time be granted for delays that merely extend the duration of non-critical activities, or which only consume float without delaying the project Substantial Completion date(s).

9.6.2.1 A "Weather Day" is a day on which Contractor's current schedule indicates Work is to be done, and on which inclement weather and/or related site conditions prevent Contractor from performing seven (7) continuous hours of Work on the critical path between the hours of 7:00 a.m. and 6:00 p.m. Weather days are excusable delays. When weather conditions at the site prevent work from proceeding, Contractor shall immediately notify ODR for confirmation of the conditions. At the end of each calendar month, submit to ODR and A/E a list of Weather Days occurring in that month along with documentation of the impact on critical activities. Based on confirmation by ODR, any time extension granted will be issued by Change Order. If Contractor and Owner

cannot agree on the time extension, Owner may issue a ULCO for fair and reasonable time extension.

9.6.2.2 Excusable Delay. Contractor is entitled to an equitable adjustment of the Contract Time, issued via change order, for delays caused by the following:

9.6.2.2.1 Errors, omissions and imperfections in design, which A/E corrects by means of changes in the Drawings and Specifications.

9.6.2.2.2 Unanticipated physical conditions at the Site, which A/E corrects by means of changes to the Drawings and Specifications or for which ODR directs changes in the Work identified in the Contract Documents.

9.6.2.2.3 Failure of Owner to have secured property, right-of-way or easements necessary for Work to begin or progress.

9.6.2.2.4 Changes in the Work that effect activities identified in Contractor's schedule as "critical" to completion of the entire Work, if such changes are ordered by ODR or recommended by A/E and ordered by ODR.

9.6.2.2.5 Suspension of Work for unexpected natural events, Force Majeure (sometimes called "acts of God"), civil unrest, strikes or other events which are not within the reasonable control of Contractor.

9.6.2.2.6 Suspension of Work for convenience of ODR, which prevents Contractor from completing the Work within the Contract Time.

9.6.2.2.7 Administrative delays caused by activities or approval requirements related to an Authority Having Jurisdiction.

9.6.3 Contractor's relief in the event of such delays is the time impact to the critical path as determined by analysis of Contractor's schedule. In the event that Contractor incurs additional direct costs because of the excusable delays other than described in Subparagraph 9.6.2.2.4 and within the reasonable control of Owner, the Contract price and Contract Time are to be equitably adjusted by Owner pursuant to the provisions of Article 11.

9.7 No Damages for Delay. Contractor has no claim for monetary damages for delay or hindrances to the work from any cause, including without limitation any act or omission of Owner.

9.8 Concurrent Delay. When the completion of the Work is simultaneously delayed by an excusable delay and a delay arising from a cause not designated as excusable,

Contractor may not be entitled to a time extension for the period of concurrent delay.

- 9.9 Other Time Extension Requests. Time extensions requested in association with changes to the Work directed or requested by Owner shall be included with Contractor's proposed costs for such change. Time extensions requested for inclement weather are covered by Paragraph 9.6.2.1 above. If Contractor believes that the completion of the Work is delayed by a circumstance other than for changes directed to the Work or weather, they shall give ODR written notice, stating the nature of the delay and the activities potentially affected, within five (5) days after the onset of the event or circumstance giving rise to the excusable delay. Contractor shall provide sufficient written evidence to document the delay. In the case of a continuing cause of delay, only one claim is necessary. State claims for extensions of time in numbers of whole or half days.

9.9.1 Within ten (10) days after the cessation of the delay, Contractor shall formalize its request for extension of time in writing to include a full analysis of the schedule impact of the delay and substantiation of the excusable nature of the delay. All changes to the Contract Time or made as a result of such claims is by Change Order, as set forth in Article 11.

9.9.2 No extension of time releases Contractor or the Surety furnishing a performance or payment bond from any obligations under the Contract or such a bond. Those obligations remain in full force until the discharge of the Contract.

9.9.3 Contents of Time Extension Requests. Contractor shall provide with each Time Extension Request a quantitative demonstration of the impact of the delay on project completion time, based on the Work Progress Schedule. Contractor shall include with Time Extension Requests a reasonably detailed narrative setting forth:

9.9.3.1 The nature of the delay and its cause; the basis of Contractor's claim of entitlement to a time extension.

9.9.3.2 Documentation of the actual impacts of the claimed delay on the critical path indicated in Contractor's Work Progress Schedule, and any concurrent delays.

9.9.3.3 Description and documentation of steps taken by Contractor to mitigate the effect of the claimed delay, including, when appropriate, the modification of the Work Progress Schedule.

9.9.4 Owner's Response. Owner will respond to the Time Extension Request by providing to Contractor written notice of the number of days granted, if any, and giving its reason if this number differs from the number of days requested by Contractor.

9.9.4.1 Owner will not grant time extensions for delays that do not affect the Contract Substantial Completion date.

9.9.4.2 Owner will respond to each properly submitted Time Extension Request within fifteen (15) days following receipt. If Owner cannot reasonably make a determination about Contractor's entitlement to a time extension within that time, Owner will notify Contractor in writing. Unless otherwise agreed by Contractor, Owner has no more than fifteen (15) additional days to prepare a final response. If Owner fails to respond within forty-five (45) days from the date the Time Extension Request is received, Contractor is entitled to a time extension in the amount requested.

- 9.10 Failure to Complete Work Within the Contract Time. **TIME IS AN ESSENTIAL ELEMENT OF THE CONTRACT.** Contractor's failure to substantially complete the Work within the Contract Time or to achieve Substantial Completion as required will cause damage to Owner. These damages shall be liquidated by agreement of Contractor and Owner, in the amount per day as set forth in the Contract Documents.
- 9.11 Liquidated Damages. Owner may collect liquidated damages due from Contractor directly or indirectly by reducing the Contract Sum in the amount of liquidated damages stated in the Supplementary General Conditions or Special Conditions.

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Article 10. Payments

- 10.1 Schedule of Values. Contractor shall submit to ODR and A/E for acceptance a Schedule of Values accurately itemizing material and labor for the various classifications of the Work based on the organization of the specification sections and of sufficient detail acceptable to ODR. The accepted Schedule of Values will be the basis for the progress payments under the Contract.
 - 10.1.1 No progress payments will be made prior to receipt and acceptance of the Schedule of Values, provided in such detail as required by ODR, and submitted not less than twenty-one (21) days prior to the first request for payment. The Schedule of Values shall follow the order of trade divisions of the Specifications and include itemized costs for general conditions, costs for preparing close out documents, fees, contingencies, and Owner cash allowances, if applicable, so that the sum of the items will equal the Contract price. As appropriate, assign each item labor and/or material values, the subtotal thereof equaling the value of the work in place when complete.
 - 10.1.1.1 Owner requires that the Work items be inclusive of the cost of the Work items only. Any contract markups for overhead and profit, general conditions, etc., shall be contained within separate line items for those specific purposes which shall be divided into at least two (2) lines, one (1) for labor and one (1) for materials.
 - 10.1.2 Contractor shall retain a copy of all worksheets used in preparation of its bid or proposal, supported by a notarized statement that the worksheets are true and complete copies of the documents used to prepare the bid or proposal. Make the worksheets available to ODR at the time of Contract execution. Thereafter Contractor shall grant Owner during normal business hours access to said copy of worksheets at any time during the period commencing upon execution of the Contract and ending one year after final payment.
- 10.2. Progress Payments. Contractor will receive periodic progress payments for Work performed, materials in place, suitably stored on Site, or as otherwise agreed to by Owner and Contractor. Payment is not due until receipt by ODR or his designee of a correct and complete Pay Application in electronic and/or hard copy format as set forth in Supplementary General Conditions, Special Conditions, and certified by A/E. Progress payments are made provisionally and do not constitute acceptance of work not in accordance with the Contract Documents. Owner will not process progress payment applications for Change Order Work until all parties execute the Change Order.
 - 10.2.1 Preliminary Pay Worksheet. Once each month that a progress payment is to be requested, the Contractor shall submit to A/E and ODR a complete, clean copy of a preliminary pay worksheet or preliminary pay application, to include the following:
 - 10.2.1.1 Contractor's estimate of the amount of Work performed, labor furnished and materials incorporated into the Work, using the

established Schedule of Values;

10.2.1.2 An updated Work Progress Schedule including the executive summary and all required schedule reports;

10.2.1.3 HUB subcontracting plan Progress Assessment Report as required in Paragraph 4.2.5.1;

10.2.1.4 Such additional documentation as Owner may require as set forth in the Supplementary General Conditions or elsewhere in the Contract Documents; and

10.2.1.5 Construction payment affidavit.

10.2.2 *The Contractor shall submit the Preliminary Pay Worksheet at least ten (10) days before the Application for Payment meeting.*

10.2.3 Contractor's Application for Payment. As soon as practicable, but in no event later than seven (7) days after receipt of the preliminary pay worksheet, A/E and ODR will meet with Contractor to review the preliminary pay worksheet and to observe the condition of the Work. Based on this review, ODR and A/E may require modifications to the preliminary pay worksheet prior to the submittal of an Application for Payment, and will promptly notify Contractor of revisions necessary for approval. As soon as practicable, Contractor shall submit its Application for Payment on the appropriate and completed form, reflecting the required modifications to the Schedule of Values required by A/E and/or ODR. Attach all additional documentation required by ODR and/or A/E, as well as an affidavit affirming that all payrolls, bills for labor, materials, equipment, subcontracted work and other indebtedness connected with Contractor's Application for Payment are paid or will be paid within the time specified in Tex. Gov't Code, Ch. 2251. No Application for Payment is complete unless it fully reflects all required modifications, and attaches all required documentation including Contractor's affidavit.

10.2.4 *Periodic Application for Payment Meeting. At the Preconstruction Conference, periodic Application for Payment Meetings (monthly, unless agreed to in writing by the Contractor, A/E, and ODR) will be scheduled by the ODR for the duration of the project.*

10.2.5 Certification by Architect/Engineer. Within five (5) days or earlier following A/E's receipt of Contractor's formal Application for Payment, A/E will review the Application for Payment for completeness, and forward it to ODR. A/E will certify that the application is complete and payable, or that it is incomplete, stating in particular what is missing. If the Application for Payment is incomplete, Contractor shall make the required corrections and resubmit the Application for Payment for processing.

10.3 Owner's Duty to Pay. Owner has no duty to pay the Contractor except on receipt by ODR of: 1) a complete Application for Payment certified by A/E; 2) Contractor's

updated Work Progress Schedule; and 3) confirmation that Contractor's record documentation at the Site is kept current.

10.3.1 Payment for stored materials and/or equipment confirmed by Owner and A/E to be on-site or otherwise properly stored is limited to eighty-five (85) percent of the invoice price or eighty-five (85) percent of the scheduled value for the materials or equipment, whichever is less.

10.3.2 Retainage. Owner will withhold from each progress payment, as retainage, five (5) percent of the total earned amount, the amount authorized by law, or as otherwise set forth in the Supplementary General Conditions or Special Conditions. Retainage is managed in conformance with Tex. Gov't Code, Ch. 2252, Subch. B.

10.3.2.1 *Notwithstanding Section 10.3.2 above, Owner will withhold from each progress payment, as retainage, ten (10) percent if the Contract Sum is at or below \$400,000.00 or four and ninety-nine one hundredth (4.99) percent if the Contract Sum is above \$400,000.00 of the total earned amount, or the amount set forth in Special Conditions or authorized by law.*

10.3.2.2 Contractor shall provide written consent of its surety for any request for reduction or release of retainage.

10.3.2.3 At least sixty-five (65) percent of the Contract, or such other discrete Work phase as set forth in Subsection 12.1.6 or Work package delineated in the Contract Documents, must be completed before Owner can consider a retainage reduction or release.

10.3.2.4 Contractor shall not withhold retainage from their Subcontractors and suppliers in amounts that are any percentage greater than that withheld in its Contract with Owner under this subsection, unless otherwise acceptable to Owner.

10.3.3 Price Reduction to Cover Loss. Owner may reduce any Application for Payment, prior to payment to the extent necessary to protect Owner from loss on account of actions of Contractor including, but not limited to, the following:

10.3.3.1 Defective or incomplete Work not remedied;

10.3.3.2 Damage to Work of a separate Contractor;

10.3.3.3 Failure to maintain scheduled progress or reasonable evidence that the Work will not be completed within the Contract Time;

10.3.3.4 Persistent failure to carry out the Work in accordance with the Contract Documents;

- 10.3.3.5 Reasonable evidence that the Work cannot be completed for the unpaid portion of the Contract Sum;
- 10.3.3.6 Assessment of fines for violations of prevailing wage rate law; or
- 10.3.3.7 Failure to include the appropriate amount of retainage for that periodic progress payment.
- 10.3.4 Title to all material and Work covered by progress payments transfers to Owner upon payment.
 - 10.3.4.1 Transfer of title to Owner does not relieve Contractor and its Subcontractors of the sole responsibility for the care and protection of materials and Work upon which payments have been made until substantial completion, responsibility for the care and protection of materials and Work in areas where punch list items are completed until final completion or the restoration of any damaged Work, or waive the right of Owner to require the fulfillment of all the terms of the Contract.
- 10.4 Progress Payments. Progress payments to Contractor do not release Contractor or its surety from any obligations under the Contract.
 - 10.4.1 Upon Owner's request, Contractor shall furnish manifest proof of the status of Subcontractor's accounts in a form acceptable to Owner.
 - 10.4.2 Pay estimate certificates must be signed by a corporate officer or a representative duly authorized by Contractor.
 - 10.4.3 Provide copies of bills of lading, invoices, delivery receipts or other evidence of the location and value of such materials in requesting payment for materials.
 - 10.4.4 For purposes of Tex. Gov't Code § 2251.021(a)(2), the date the performance of service is complete is the date when ODR approves the Application for Payment.
- 10.5 Off-Site Storage. With prior approval by Owner and in the event Contractor elects to store materials at an off-site location, abide by the following conditions, unless otherwise agreed to in writing by Owner.
 - 10.5.1 Store materials in a commercial warehouse meeting the criteria stated below.
 - 10.5.2 Provide insurance coverage adequate not only to cover materials while in storage, but also in transit from the off-site storage areas to the Project Site. Copies of duly authenticated certificates of insurance, made out to insure the State agency which is signatory to the Contract, must be filed with Owner's representative.

- 10.5.3 Inspection by Owner's representative is allowed at any time. Owner's inspectors must be satisfied with the security, control, maintenance, and preservation measures.
- 10.5.4 Materials for this Project are physically separated and marked for the Project in a sectioned-off area. Only materials which have been approved through the submittal process are to be considered for payment.
- 10.5.5 Owner reserves the right to reject materials at any time prior to final acceptance of the complete Contract if they do not meet Contract requirements regardless of any previous progress payment made.
- 10.5.6 With each monthly payment estimate, submit a report to ODR and A/E listing the quantities of materials already paid for and still stored in the off-site location.
- 10.5.7 Make warehouse records, receipts and invoices available to Owner's representatives, upon request, to verify the quantities and their disposition.
- 10.5.8 In the event of Contract termination or default by Contractor, the items in storage off-site, upon which payment has been made, will be promptly turned over to Owner or Owner's agents at a location near the jobsite as directed by ODR. The full provisions of performance and payment bonds on this Project cover the materials off-site in every respect as though they were stored on the Project Site.
- 10.6 Time for Payment by Contractor Pursuant to Tex. Gov't Code § 2255.022.¹⁴
 - 10.6.1 Contractor who receives a payment from a governmental entity shall pay Subcontractor the appropriate share of the payment not later than the tenth (10th) day after the date Contractor receives the payment.
 - 10.6.2 The appropriate share is overdue on the eleventh (11th) day after the date Contractor receives the payment.

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¹⁴ Tex. Gov't Code § 2255.022 is an inaccurate reference with the correct reference being Tex. Gov't Code § 2251.022 (Added by Acts 1993, 73rd Leg., ch. 268, Sec. 1, eff. Sept. 1, 1993).

Article 11. Changes

11.1 Change Orders. A Change Order issued after execution of the Contract is a written order to Contractor, signed by ODR, Contractor, and A/E, authorizing a change in the Work or an adjustment in the Contract Sum or the Contract Time. The Contract Sum and the Contract Time can only be changed by Change Order. A Change Order signed by Contractor indicates his agreement therewith, including the adjustment in the Contract Sum and/or the Contract Time. ODR may issue a written authorization for Contractor to proceed with Work of a Change Order in advance of final execution by all parties in accordance with Section 11.9.

11.1.1 *Notwithstanding anything to the contrary provided herein, any Change Orders to be valid must be executed by the Owner's Executive Commissioner or an authorized designee of the Executive Commissioner.*

11.1.2 Owner, without invalidating the Contract, may order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions, and the Contract Sum and the Contract Time will be adjusted accordingly. All such changes in the Work shall be authorized by Change Order or ULCO, and shall be performed under the applicable conditions of the Contract Documents. If such changes cause an increase or decrease in Contractor's cost of, or time required for, performance of the Contract, an equitable adjustment shall be made and confirmed in writing in a Change Order or a ULCO.

11.1.3 It is recognized by the parties hereto and agreed by them that the Specifications and Drawings may not be complete or free from errors, omissions and imperfections or that they may require changes or additions in order for the Work to be completed to the satisfaction of Owner and that, accordingly, it is the express intention of the parties, notwithstanding any other provisions in this Contract, that any errors, omissions or imperfections in such Specifications and Drawings, or any changes in or additions to same or to the Work ordered by Owner and any resulting delays in the Work or increases in Contractor's costs and expenses arising out of such errors, shall not constitute or give rise to any claim, demand or cause of action of any nature whatsoever in favor of Contractor, whether for breach of Contract, or otherwise; provided, however, that Owner shall be liable to Contractor for the sum stated to be due Contractor in any Change Order approved and signed by both parties, it being agreed hereby that such sum, together with any extension of time contained in said Change Order, shall constitute full compensation to Contractor for all costs, expenses and damages to Contractor, as permitted under Tex. Gov't Code, Ch. 2260.

11.1.4 Procedures for administration of Change Orders shall be established by Owner and stated in Supplementary General Conditions, Special Conditions, or elsewhere in the Contract Documents.

11.1.5 No verbal order, verbal statement, or verbal direction of Owner or his duly

appointed representative shall be treated as a change under this article or entitle Contractor to an adjustment.

11.1.6 Contractor agrees that Owner or any of its duly authorized representatives shall have access and the right to examine any directly pertinent books, documents, papers, and records of Contractor. Further, Contractor agrees to include in all its subcontracts a provision to the effect that Subcontractor agrees that Owner or any of its duly authorized representatives shall have access to and the right to examine any directly pertinent books, documents, papers and records of such Subcontractor relating to any claim arising from the Contract, whether or not the Subcontractor is a party to the claim. The period of access and examination described herein which relates to appeals under the Disputes article of the Contract, litigation, or the settlement of claims arising out of the performance of the Contract shall continue until final disposition of such claims, appeals or litigation.

11.2 Unit Prices. If unit prices are stated in the Contract Documents or subsequently agreed upon, and if the quantities originally contemplated are so changed in a Proposed Change Order that application of the agreed unit prices to the quantities of work proposed will cause substantial inequity to Owner or Contractor, the applicable unit prices shall be equitably adjusted as provided in the Supplementary General Conditions or Special Conditions or as agreed to by the parties and incorporated into a Change Order.

11.2.1 *If unit prices are stated in the Contract Documents or subsequently agreed upon, each unit price will include all costs applicable to the Work, including but not limited to mobilization, labor, materials, equipment, supervision, overhead at any level and profit.*

11.3 Claims for Additional Costs.

11.3.1 If Contractor wishes to make a claim for an increase in the Contract Sum not related to a requested change, they shall give Owner and A/E written notice thereof within twenty-one (21) days after the occurrence of the event giving rise to such claim, but, in any case before proceeding to execute the Work considered to be additional cost or time, except in an emergency endangering life or property in which case Contractor shall act in accordance with Subsection 7.3. No such claim shall be valid unless so made. If Owner and Contractor cannot agree on the amount of the adjustment in the Contract Sum, it shall be determined as set forth under Article 15. Any change in the Contract Sum resulting from such claim shall be authorized by a Change Order or a ULCO.

11.3.2 If Contractor claims that additional cost is involved because of, but not limited to, 1) any written interpretation of the Contract Documents, 2) any order by Owner to stop the Work pursuant to Article 14 where Contractor was not at fault, or 3) any written order for a minor change in the Work issued pursuant to Section 11.4, Contractor shall make such claim as provided in Subsection 11.3.1.

- 11.3.3 Should Contractor or his Subcontractors fail to call attention of A/E to discrepancies or omissions in the Contract Documents, but claim additional costs for corrective Work after Contract award, Owner may assume intent to circumvent competitive bidding for necessary corrective Work. In such case, Owner may choose to let a separate Contract for the corrective Work, or issue a ULCO to require performance by Contractor. Claims for time extensions or for extra cost resulting from delayed notice of patent Contract Document discrepancies or omissions will not be considered by Owner.
- 11.4 Minor Changes. A/E, with concurrence of ODR, will have authority to order minor changes in the Work not involving an adjustment in the Contract Sum or an extension of the Contract Time. Such changes shall be effected by written order which Contractor shall carry out promptly and record on as-built record documents.
- 11.5 Concealed Site Conditions. Contractor is responsible for visiting the Site and being familiar with local conditions such as the location, accessibility, and general character of the Site and/or building. If, in the performance of the Contract, subsurface, latent, or concealed conditions at the Site are found to be materially different from the information included in the Contract Documents, or if unknown conditions of an unusual nature are disclosed differing materially from the conditions usually inherent in Work of the character shown and specified, ODR and A/E shall be notified in writing of such conditions before they are further disturbed or subsequent related work proceeds. Upon such notice, or upon its own observation of such conditions, A/E, with the approval of ODR, will promptly make such changes in the Drawings and Specifications as they deem necessary to conform to the different conditions, and any increase or decrease in the cost of the Work, or in the time within which the Work is to be completed, resulting from such changes will be adjusted by Change Order, subject to the prior approval of ODR.
- 11.5.1 *The Contractor is responsible for having visited the Site and having ascertained pertinent local conditions such as location, accessibility, and general character of the Site or building, the character and extent of existing Work within and adjacent to the Site, and any other Work being performed thereon at the time of the submission of its proposal. No failure to do so will relieve Contractor from responsibility for successfully performing the Work without additional expense to the Owner.*
- 11.6 Extension of Time. All changes to the Contract Time shall be made as a consequence of requests as required under Section 9.6, and as documented by Change Order as provided under Section 11.1.
- 11.7 Administration of Change Order Requests. All changes in the Contract shall be administered in accordance with procedures approved by Owner, and when required, make use of such electronic information management system(s) as Owner may employ.
- 11.7.1 Routine changes in the construction Contract shall be formally initiated by A/E by means of a PCO form detailing requirements of the proposed change for pricing by Contractor. This action may be preceded by communications between Contractor, A/E and ODR concerning the need and nature of the

change, but such communications shall not constitute a basis for beginning the proposed Work by Contractor. Except for emergency conditions described below, approval of Contractor's cost proposal by A/E and ODR will be required for authorization to proceed with the Work being changed. Owner will not be responsible for the cost of Work changed without prior approval and Contractor may be required to remove Work so installed.

- 11.7.2 *Owner-initiated Changes. When the Owner wishes to order changes in the Work, the A/E, on behalf of the Owner, will submit to the Contractor a PCO (Part A of the Change Order Form), consisting of a description of the request, including such Drawings and Specifications as are reasonably necessary to inform the Contractor of the nature of the change. Within 20 days of receipt of the Owner's PCO, the Contractor will submit a CPE (Part B) to the A/E, with a copy to the ODR, stating either: 1) that the proposed change will be at no-cost, or proposing an adjustment in the Contract Sum and/or Time. The A/E will then prepare, sign, and submit a COJ (Part C) to the ODR, either confirming: 1) that the proposed change will be at no cost; or 2) that the change will result in a change in the Contract Sum. If the Owner agrees with the A/E findings, as presented in the COJ, then the Owner will sign a CA (Part D) authorizing the CO.*
- 11.7.3 All proposed costs for change order Work must be supported by itemized accounting of material, equipment and associated itemized installation costs in sufficient detail, following the outline and organization of the establish Schedule of Values, to permit analysis by A/E and ODR using current estimating guides and/or practices. Photocopies of Subcontractor and vendor proposals shall be furnished unless specifically waived by ODR. Contractor shall provide written response to a change request within twenty-one (21) days of receipt.
- 11.7.4 Any unexpected circumstance which necessitates an immediate change in order to avoid a delay in progress of the Work may be expedited by verbal communication and authorization between Contractor and Owner, with written confirmation following within twenty-four (24) hours. A limited scope not-to-exceed estimate of cost and time will be requested prior to authorizing Work to proceed. Should the estimate be impractical for any reason, ODR may authorize the use of detailed cost records of such work to establish and confirm the actual costs and time for documentation in a formal Change Order.
- 11.7.5 *Interim Change Authorizations. The ODR may issue an Interim Change Authorization (ICA) directing the Contractor to proceed with changed work before submitting a CPE. The ICA will authorize the Contractor to bill work as completed on the basis of either (1) time and materials, (2) cost not to exceed a specified amount, or (3) a combination thereof. The Work will be included in and become part of the change order, and billing will not be made until the change order is approved and the work is satisfactorily completed. Upon receipt of an ICA, the Contractor will proceed immediately to document all increased costs actually incurred as a result of the Work required under*

the ICA. At any time prior to the completion of the changed Work, the Contractor may submit a CPE containing a lump sum proposal for the cost of the changed Work; provided, however, that if the Work is completed prior to acceptance by the ODR of the Contractor's CPE, the Contractor's adjustment of the cost will be limited to the actual cost of the Work, or the not-to-exceed amount, whichever is less. If the ODR determines that a Contractor initiated change is without merit, the ODR will notify the Contractor to proceed according to the subject written interpretation or instruction. Such a notice to proceed will have the same effect as a Unilateral Change Order.

- 11.7.6 *Contractor-Initiated Changes.* *When the Contractor considers that any written instruction or interpretation of the Contract Documents issued by the Architect/Engineer constitutes a change in the Work affecting the Contract Sum and/or Time, the Contractor will so notify the A/E and ODR as soon as possible, but not later than fifteen (15) days after receipt of the instruction or interpretation, and will submit a CPE to the A/E and a copy to the ODR as soon as possible thereafter, but not later than thirty (30) days after issuance of the Contractor's notice. This CPE will contain a proposal for an adjustment in the Contract Sum, and/or Time, as provided under Article 11. The Contractor will include with the CPE a copy of the written instruction or interpretation from the A/E or ODR, evidence of the date Contractor received the writing, and an explanation of why the Contractor believes the instruction or interpretation changes the Work and requires an adjustment to the Contract Sum.*
- 11.7.7 *Response to CPE.* *As soon as possible, but not more than twenty-one (21) days after receipt of any CPE submitted by the Contractor, the A/E will consult with the ODR and respond in writing to the Contractor by either (1) accepting the CPE, (2) rejecting the CPE, (3) initiating negotiations with the Contractor concerning the proposed cost adjustment, or (4) requesting additional information. If approved, the A/E will submit the CPE and COJ to the ODR. If the A/E fails to respond to the Contractor within the required 21 days, the Contractor will notify the ODR in writing; and the ODR will have thirty (30) days to respond in writing. If, however, the A/E ultimately rejects the CPE, the Contractor may submit supporting information to both the A/E and ODR, and request a review by the ODR. The ODR will again have thirty (30) days to respond in writing.*
- 11.7.8 *Change Authorization.* *If the A/E or ODR have approved the CPE for adjustments to the Contract Sum and/or Time, the Owner will accept the Contractor's CPE, or any subsequently revised CPE issued pursuant to negotiation by executing the Change Authorization (CA - Part D), and returning the completed Change Order (CO) to the Contractor. A CO is effective upon receipt by the Contractor and authorizes the Contractor to proceed with the changed work and submit the adjusted cost, if any, on succeeding Pay Applications as Work is completed.*
- 11.7.9 *Execution of Change Order.* *Not more than fourteen (14) days following the*

date of acceptance noted on the CA, the ODR will issue the executed Change Order to the Contractor and the A/E. The Contractor will proceed with the changed work within ten (10) days of receipt of the executed Change Order.

- 11.7.11 Emergency changes to save life or property may be initiated by Contractor alone (see Section 7.3) with the claimed cost and/or time of such work to be fully documented as to necessity and detail of the reported costs and/or time.
- 11.7.12 The method of incorporating approved Change Orders into the parameters of the accepted Schedule of Values must be coordinated and administered in a manner acceptable to ODR.
- 11.8 Pricing Change Order Work. The amounts that Contractor and/or its Subcontractor adds to a Change Order for profit and overhead will also be considered by Owner before approval is given. The amounts established hereinafter are the maximums that are acceptable to Owner.
 - 11.8.1 For Work performed by its forces, Contractor will be allowed their actual costs for materials, the total amount of wages (including benefits) paid for labor, plus the total cost of State and Federal payroll taxes and of worker's compensation and comprehensive general liability insurance, plus additional bond and builders risk insurance cost if the change results in an increase in the premium paid by Contractor. To the total of the above costs, Contractor will be allowed to add a percentage as noted below to cover overhead and profit combined. Allowable percentages for overhead and profit on any specific change shall not exceed fifteen (15) percent for the first \$10,000 of value for self-performed work or portion thereof, ten (10) percent for the second \$10,000 of value for self-performed work or portion thereof and seven and a half (7.5) percent for any value of the self-performed work that exceeds \$20,000.
 - 11.8.1.1 *The comprehensive general liability insurance referenced in the preceding section is intended to refer to the Commercial General Liability insurance required under Article 5.*
 - 11.8.1.2 *For purposes of this Contract, the percentage totals references in Subsection 11.8.1 above, are to be calculated by applying the appropriate total to the aggregate amount of the Change Order.*
 - 11.8.2 *In addition to the costs for materials and labor, the Contractor and/or its Subcontractor will be allowed their costs for the rental equipment used in performing the changed Work, based on hours of use, and multiplied by the actual cost per hour when reasonably available. Otherwise, the equipment rental cost per hour will not be more than the rate included in the most recent version of the Rental Rate Blue Book for Construction Equipment (published by PRIMEDIA Information, Inc.) to yield total cost. Mobilization costs will not be allowed except when the Contractor demonstrates that the need to mobilize a piece of equipment arose solely because of the changed Work.*

11.8.3 For subcontracted Work each affected Subcontractor shall figure its costs, overhead and profit as described above for Contractor's Work, all Subcontractor costs shall be combined, and to that total Subcontractor cost Contractor will be allowed to add a maximum mark-up of ten (10) percent for the first \$10,000 of subcontracted Work value or portion thereof, seven and half (7.5) percent for the second \$10,000 of subcontracted Work value or portion thereof, and five (5) percent for any value of the subcontracted Work exceeding \$20,000.

11.8.3.1 *For purposes of this Contract, the percentage totals references in Subsection 11.8.3 above, are to be calculated by applying the appropriate total to the aggregate amount of the Change Order.*

11.8.4 *On changes involving deleted items, the Owner will receive credit for overhead and profit on each deleted item.*

11.8.5 On changes involving both additions and deletions, percentages for overhead and profit will be allowed only on the net addition. Owner does not accept and will not pay for additional Contract cost identified as indirect or consequential damages.

11.8.6 For Contracts based on a Guaranteed Maximum Price (GMP), the Construction Manager-at-Risk or Design Builder shall NOT be entitled to a percentage mark-up on any Change Order Work unless the Change Order increases the Guaranteed Maximum Price.

11.9 Unilateral Change Order (ULCO). Owner may issue a written ULCO directing a change in the Work prior to reaching agreement with Contractor on the adjustment, if any, in the Contract price and/or the Contract Time.

11.9.1 Owner and Contractor shall negotiate for appropriate adjustments, as applicable, to the Contract Sum or the Contract Time arising out of a ULCO. As the changed Work is performed, Contractor shall submit its costs for such Work with its Application for Payment beginning with the next Application for Payment within thirty (30) days of the issuance of the ULCO. The Parties reserve their rights as to the disputed amount, subject to Article 15.

11.10 Final Resolution of Changes. Upon execution of a Change Order and /or a ULCO by Owner, Contractor and A/E, all costs and time issues regarding that change are final and not subject to additive adjustments.

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Article 12. Project Completion and Acceptance

12.1 Closing Inspections.

12.1.1 Substantial Completion Inspection. When Contractor considers the entire Work or part thereof Substantially Complete, it shall notify ODR in writing that the Work will be ready for Substantial Completion inspection on a specific date. Contractor shall include with this notice Contractor's Punchlist to indicate that it has previously inspected all the Work associated with the request for inspection, noting items it has corrected and included all remaining work items with date scheduled for completion or correction prior to final inspection. The failure to include any items on this list does not alter the responsibility of Contractor to complete all Work in accordance with the Contract Documents. If any of the items on this list prevents the Project from being used as intended, Contractor shall not request a Substantial Completion Inspection. Owner and its representatives will review the list of items and schedule the requested inspection, or inform Contractor in writing that such an inspection is premature because the Work is not sufficiently advanced or conditions are not as represented on Contractor's list.

12.1.1.1 Prior to the Substantial Completion inspection, Contractor shall furnish a copy of its marked-up Record Documents and a preliminary copy of each instructional manual, maintenance and operating manual, parts catalog, wiring diagrams, spare parts, specified written warranties, and like publications or parts for all installed equipment, systems, and like items as described in the Contract Documents. Delivery of these items is a prerequisite for requesting the Substantial Completion inspection.

12.1.1.2 On the date requested by Contractor, or as mutually agreed upon pending the status of the Open Items List, A/E, ODR, Contractor, and other Owner representatives as determined by Owner will jointly attend the Substantial Completion inspection, which shall be conducted by ODR or their delegate. If ODR determines that the Work is Substantially Complete, ODR will issue a Certificate of Substantial Completion to be signed by A/E, Owner, and Contractor establishing the date of Substantial Completion and identifying responsibilities for security, maintenance, insurance and utilities. A/E will provide with this certificate a consolidated list of Punchlist items (the pre-final Punchlist including all items noted by the various inspecting parties) for completion prior to final inspection. This list may include items in addition to those on Contractor's Punchlist, which the inspection team deems necessary to correct or complete prior to final inspection. The failure to include any items on this list does not alter the responsibility of Contractor to complete all Work in accordance with the Contract Documents. If Owner occupies the Project upon determination of Substantial Completion, Contractor shall complete all corrective Work at the convenience of Owner, without disruption to Owner's use of the Project for its

intended purposes.

12.1.2 Final Inspection. Contractor shall complete the list of items identified on the pre-final Punchlist prior to requesting a final inspection. Unless otherwise specified, or otherwise agreed in writing by the parties as documented on the Certificate of Substantial Completion, Contractor shall complete and/or correct all Work within thirty (30) days of the Substantial Completion date. Upon completion of the pre-final Punchlist work, Contractor shall give written notice to ODR and A/E that the Work will be ready for final inspection on a specific date. Contractor shall accompany this notice with a copy of the updated pre-final Punchlist indicating resolution of all items. On the date specified or as soon thereafter as is practicable, ODR, A/E and Contractor will inspect the Work. A/E will submit to Contractor a final Punchlist of open items that the inspection team requires corrected or completed before final acceptance of the Work.

12.1.2.1 Correct or complete all items on the final Punchlist before requesting Final Payment. Unless otherwise agreed to in writing by the parties, complete this work within seven (7) days of receiving the final Punchlist. Upon completion of the final Punchlist, notify A/E and ODR in writing stating the disposition of each final Punchlist item. A/E, Owner, and Contractor shall promptly inspect the completed items. When the final Punchlist is complete, and the Contract is fully satisfied according to the Contract Documents ODR will issue a certificate establishing the date of Final Completion. Completion of all Work is a condition precedent to Contractor's right to receive Final Payment.

12.1.3 Annotation. Any Certificate issued under this Article may be annotated to indicate that it is not applicable to specified portions of the Work, or that it is subject to any limitation as determined by Owner.

12.1.4 Purpose of Inspection. Inspection is for determining the completion of the Work, and does not relieve Contractor of its overall responsibility for completing the Work in a good and competent fashion, in compliance with the Contract. Work accepted with incomplete Punchlist items or failure of Owner or other parties to identify Work that does not comply with the Contract Documents or is defective in operation or workmanship does not constitute a waiver of Owner's rights under the Contract or relieve Contractor of its responsibility for performance or warranties.

12.1.5 Additional Inspections.

12.1.5.1 If Owner's inspection team determines that the Work is not substantially complete at the Substantial Completion inspection, ODR or A/E will give Contractor written notice listing cause(s) of the rejection. Contractor will set a time for completion of incomplete or defective work acceptable to ODR. Contractor shall complete or correct all work so designated prior to requesting a second

Substantial Completion inspection.

- 12.1.5.2 If Owner's inspection team determines that the Work is not complete at the final inspection, ODR or A/E will give Contractor written notice listing the cause(s) of the rejection. Contractor will set a time for completion of incomplete or defective work acceptable to ODR. Contractor shall complete or correct all Work so designated prior to again requesting a final inspection.
- 12.1.5.3 The Contract contemplates three (3) comprehensive inspections: the Substantial Completion inspection, the Final Completion inspection, and the inspection of completed final Punchlist items. The cost to Owner of additional inspections resulting from the Work not being ready for one or more of these inspections is the responsibility of Contractor. Owner may issue a ULCO deducting these costs from Final Payment. Upon Contractor's written request, Owner will furnish documentation of any costs so deducted. Work added to the Contract by Change Order after Substantial Completion inspection is not corrective Work for purposes of determining timely completion, or assessing the cost of additional inspections.
- 12.1.6 Phased Completion. The Contract may provide, or Project conditions may warrant, as determined by ODR, that designated elements or parts of the Work be completed in phases. Where phased completion is required or specifically agreed to by the parties, the provisions of the Contract related to closing inspections, occupancy, and acceptance apply independently to each designated element or part of the Work. For all other purposes, unless otherwise agreed by the parties in writing, Substantial Completion of the Work as a whole is the date on which the last element or part of the Work completed receives a Substantial Completion certificate.

Final Completion of the Work as a whole is the date on which the last element or part of the Work completed receives a Final Completion certificate.

- 12.2 Owner's Right of Occupancy. Owner may occupy or use all or any portion of the Work following Substantial Completion, or at any earlier stage of completion. Should Owner wish to use or occupy the Work, or part thereof, prior to Substantial Completion, ODR will notify Contractor in writing and identify responsibilities for security, maintenance, insurance and utilities. Work performed on the premises by third parties on Owner's behalf does not constitute occupation or use of the Work by Owner for purposes of this Article. All Work performed by Contractor after occupancy, whether in part or in whole, shall be at the convenience of Owner so as to not disrupt Owner's use of, or access to occupied areas of the Project.

- 12.2.1 *Notice and Early Occupancy Proposal. If the Owner determines that hardship will result if it is unable to occupy some portion of the Work prior to substantial completion, Owner will inform the Architect/Engineer and the Contractor no less than 30 days before the date the Owner wishes to occupy*

the Work, and designate those portions of the Work to be occupied and the uses to be made of the occupied premises. Contractor will make the designated portions of the Work available to the Architect/Engineer and the ODR for observation. The Architect/Engineer and the ODR will observe the Work jointly with the Contractor. As soon as practicable, but not later than the third day after the inspection, the Architect/Engineer, in conjunction with the ODR, will prepare and submit to the Contractor an Early Occupancy Proposal, specifying any work that must be completed or corrected as well as any operation or maintenance manuals or other documentation necessary for the Work to be occupied by the Owner and used for the purposes designated by the Owner in its notice, and setting out the division of responsibility between the Owner and the Contractor for utilities, security, maintenance, insurance and liability for damage to the Work or damage arising from the condition of the Work. The Early Occupancy Proposal will also specify whether the area to be occupied must be Substantially Complete before occupation, and will specify the date for Substantial Completion if other than the date previously specified by the Contract Documents.

12.3 Acceptance and Payment

12.3.1 Request for Final Payment. Following the certified completion of all work, including all final Punchlist items, cleanup, and the delivery of record documents, Contractor shall submit a certified Application for Final Payment and include all sums held as retainage and forward to A/E and ODR for review and approval.

12.3.2 Final Payment Documentation. Contractor shall submit, prior to or with the Application for Final Payment, final copies of all close out documents, maintenance and operating instructions, guarantees and warranties, certificates, Record Documents and all other items required by the Contract. Contractor shall submit evidence of return of access keys and cards, evidence of delivery to Owner of attic stock, spare parts, and other specified materials. Contractor shall submit consent of surety to Final Payment form and an affidavit that all payrolls, bills for materials and equipment, subcontracted work and other indebtedness connected with the Work, except as specifically noted, are paid, will be paid, after payment from Owner or otherwise satisfied within the period of time required by Tex. Gov't Code, Ch. 2251. Contractor shall furnish documentation establishing payment or satisfaction of all such obligations, such as receipts, releases and waivers of claims and liens arising out of the Contract. Contractor may not subsequently submit a claim on behalf of Subcontractor or vendor unless Contractor's affidavit notes that claim as an exception.

12.3.3 Architect/Engineer Approval. A/E will review a submitted Application for Final Payment promptly but in no event later than ten (10) days after its receipt. Prior to the expiration of this deadline, A/E will either: 1) return the Application for Final Payment to Contractor with corrections for action and resubmission; or 2) accept it, note their approval, and send to Owner.

12.3.4 Offsets and Deductions. Owner may deduct from the Final Payment all

sums due from Contractor. If the Certificate of Final Completion notes any Work remaining, incomplete, or defects not remedied, Owner may deduct the cost of remedying such deficiencies from the Final Payment. On such deductions, Owner will identify each deduction, the amount, and the explanation of the deduction on or by the twenty-first (21st) day after Owner's receipt of an approved Application for Final Payment. Such offsets and deductions shall be incorporated via a final Change Order, including a ULCO as may be applicable.

12.3.5 Final Payment Due. Final Payment is due and payable by Owner, subject to all allowable offsets and deductions, on the thirtieth (30th) day following Owner's approval of the Application for Payment. If Contractor disputes any amount deducted by Owner, Contractor shall give notice of the dispute on or before the thirtieth (30th) day following receipt of Final Payment. Failure to do so will bar any subsequent claim for payment of amounts deducted.

12.3.6 Effect of Final Payment. Final Payment constitutes a waiver of all claims by Owner, relating to the condition of the Work except those arising from:

12.3.6.1 Faulty or defective Work appearing after Substantial Completion (latent defects);

12.3.6.2 Failure of the Work to comply with the requirements of the Contract Documents;

12.3.6.3 Terms of any warranties required by the Contract, or implied by law; or

12.3.6.4 Claims arising from personal injury or property damage to third parties.

12.3.7 Waiver of Claims. Final payment constitutes a waiver of all claims and liens by Contractor except those specifically identified in writing and submitted to ODR prior to the application for Final Payment.

12.3.8 Effect on Warranty. Regardless of approval and issuance of Final Payment, the Contract is not deemed fully performed by Contractor and closed until the expiration of all warranty periods. Issuance of Final Payment does not alter Contractor's contractual obligations during the warranty period.

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Article 13. Warranty and Guarantee

- 13.1 Contractor's General Warranty and Guarantee. Contractor warrants to Owner that all Work is executed in accordance with the Contract, complete in all parts and in accordance with approved practices and customs, and of the required finish and workmanship. Contractor further warrants that unless otherwise specified, all materials and equipment incorporated in the Work under the Contract are new. Owner may, at its option, agree in writing to waive any failure of the Work to conform to the Contract, and to accept a reduction in the Contract price for the cost of repair or diminution in value of the Work by reason of such defect. Absent such a written agreement, Contractor's obligation to perform and complete the Work in accordance with the Contract Documents is absolute and is not waived by any inspection or observation by Owner, A/E or others, by making any progress payment or final payment, by the use or occupancy of the Work or any portion thereof by Owner, at any time, or by any repair or correction of such defect made by Owner.
- 13.2 Warranty Period. Except as may be otherwise specified or agreed, Contractor shall repair all defects in materials, equipment, or workmanship appearing within one year from the date of Substantial Completion of the Work. If Substantial Completion occurs by phase, then the warranty period for that particular Work begins on the date of such occurrence, or as otherwise stipulated on the Certificate of Substantial Completion for the particular Work.
- 13.3 Limits on Warranty. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
- 13.3.1 Modification or improper maintenance or operation by persons other than Contractor, Subcontractors, or any other individual or entity for whom Contractor is not responsible, unless Owner is compelled to undertake maintenance or operation due to the neglect of Contractor.
 - 13.3.2 Normal wear and tear under normal usage after acceptance of the Work by Owner.
- 13.4 Events Not Affecting Warranty. Contractor's obligation to perform and complete the Work in a good and workmanlike manner in accordance with the Contract Documents is absolute. None of the following will constitute an acceptance of defective Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
- 13.4.1 Observations by Owner and/or A/E;
 - 13.4.2 Recommendation to pay any progress or final payment by A/E;
 - 13.4.3 The issuance of a certificate of Substantial Completion or any payment by Owner to Contractor under the Contract Documents;
 - 13.4.4 Use or occupancy of the Work or any part thereof by Owner;

13.4.5 Any acceptance by Owner or any failure to do so;

13.4.6 Any review of a Shop Drawing or sample submittal; or

13.4.7 Any inspection, test or approval by others.

13.5 Separate Warranties. If a particular piece of equipment or component of the Work for which the Contract requires a separate warranty is placed in continuous service before Substantial Completion, the warranty period for that equipment or component will not begin until Substantial Completion, regardless of any warranty agreements in place between suppliers and/or Subcontractors and Contractor. ODR will certify the date of service commencement in the Substantial Completion certificate.

13.5.1 In addition to Contractor's warranty and duty to repair, Contractor expressly assumes all warranty obligations required under the Contract for specific building components, systems and equipment.

13.5.2 Contractor may satisfy any such obligation by obtaining and assigning to Owner a complying warranty from a manufacturer, supplier, or Subcontractor. Where an assigned warranty is tendered and accepted by Owner which does not fully comply with the requirements of the Contract, Contractor remains liable to Owner on all elements of the required warranty not provided by the assigned warranty.

13.6 Correction of Defects. Upon receipt of written notice from Owner, or any agent of Owner designated as responsible for management of the warranty period, of the discovery of a defect, Contractor shall promptly remedy the defect(s), and provide written notice to Owner and designated agent indicating action taken. In case of emergency where delay would cause serious risk of loss or damage to Owner, or if Contractor fails to remedy within thirty (30) days, or within another period agreed to in writing, Owner may correct the defect and be reimbursed the cost of remedying the defect from Contractor or its surety.

13.7 Certification of No Asbestos Containing Materials or Work. Contractor shall ensure compliance with the Asbestos Hazard Emergency Response Act (AHERA– 40 C.F.R § 763-99(7)) from all Subcontractors and materials suppliers, and shall provide a notarized certification to Owner that all equipment and materials used in fulfillment of their Contract responsibilities are non-Asbestos Containing Building Materials (ACBM). This certification must be provided no later than Contractor's application for Final Payment.

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Article 14. Suspension and Termination

- 14.1 Suspension of Work for Cause. Owner may, at any time without prior notice, suspend all or any part of the Work, if after reasonable observation and/or investigation, Owner determines it is necessary to do so to prevent or correct any condition of the Work, which constitutes an immediate safety hazard, or which may reasonably be expected to impair the integrity, usefulness or longevity of the Work when completed.
- 14.1.1 Owner will give Contractor a written notice of suspension for cause, setting forth the reason for the suspension and identifying the Work suspended. Upon receipt of such notice, Contractor shall immediately stop the Work so identified. As soon as practicable following the issuance of such a notice, Owner will initiate and complete a further investigation of the circumstances giving rise to the suspension, and issue a written determination of the findings.
- 14.1.2 If it is confirmed that the cause was within the control of Contractor, Contractor will not be entitled to an extension of time or any compensation for delay resulting from the suspension. If the cause is determined not to have been within the control of Contractor, and the suspension has prevented Contractor from completing the Work within the Contract Time, the suspension is an excusable delay and a time extension will be granted through a Change Order.
- 14.1.3 Suspension of Work under this provision will be no longer than is reasonably necessary to remedy the conditions giving rise to the suspension.
- 14.2 Suspension of Work for Owner's Convenience. Upon seven (7) days written notice to Contractor, Owner may at any time without breach of the Contract suspend all or any portion of the Work for a period of up to thirty (30) days for its own convenience. Owner will give Contractor a written notice of suspension for convenience, which sets forth the number of suspension days for which the Work, or any portion of it, and the date on which the suspension of Work will cease. When such a suspension prevents Contractor from completing the Work within the Contract Time, it is an excusable delay. A notice of suspension for convenience may be modified by Owner at any time on seven (7) days written notice to Contractor. If Owner suspends the Work for its convenience for more than sixty (60) consecutive days, Contractor may elect to terminate the Contract pursuant to the provisions of the Contract.
- 14.3 Termination by Owner for Cause.
- 14.3.1 Upon written notice to Contractor and its surety, Owner may, without prejudice to any right or remedy, terminate the Contract and take possession of the Site and of all materials, equipment, tools, construction equipment, and machinery thereon owned by Contractor under any of the following circumstances:
- 14.3.1.1 Persistent or repeated failure or refusal, except during complete or partial suspensions of work authorized under the Contract, to supply

enough properly skilled workmen or proper materials;

- 14.3.1.2 Persistent disregard of laws, ordinances, rules, regulations or orders of any public authority having jurisdiction, including ODR;
- 14.3.1.3 Persistent failure to prosecute the Work in accordance with the Contract, and to ensure its completion within the time, or any approved extension thereof, specified in the Contract;
- 14.3.1.4 Failure to remedy defective work condemned by ODR;
- 14.3.1.5 Failure to pay Subcontractors, laborers, and material suppliers pursuant to Tex. Gov't Code, Ch. 2251;
- 14.3.1.6 Persistent endangerment to the safety of labor or of the Work;
- 14.3.1.7 Failure to supply or maintain statutory bonds or to maintain required insurance, pursuant to the Contract;
- 14.3.1.8 Any material breach of the Contract; or
- 14.3.1.9 Contractor's insolvency, bankruptcy, or demonstrated financial inability to perform the Work.
- 14.3.2 Failure by Owner to exercise the right to terminate in any instance is not a waiver of the right to do so in any other instance.
- 14.3.3 Should Owner decide to terminate the Contract under the provisions of Section 14.3, it will provide to Contractor and its surety thirty (30) days prior written notice.
- 14.3.4 Should Contractor or its surety, after having received notice of termination, demonstrate to the satisfaction of Owner that Contractor or its surety are proceeding to correct such default with diligence and promptness, upon which the notice of termination was based, the notice of termination may be rescinded in writing by Owner. If so rescinded, the Work may continue without an extension of time.
- 14.3.5 If Contractor or its surety fails, after written notice from Owner to commence and continue correction of such default with diligence and promptness to the satisfaction of Owner within thirty (30) days following receipt of notice, Owner may arrange for completion of the Work and deduct the cost of completion from the unpaid Contract Sum.
 - 14.3.5.1 This amount includes the cost of additional Owner costs such as A/E services, other consultants, and contract administration.
 - 14.3.5.2 Owner will make no further payment to Contractor or its surety unless the costs to complete the Work are less than the Contract

balance, then the difference shall be paid to Contractor or its surety. If such costs exceed the unpaid balance, Contractor or its surety will pay the difference to Owner.

14.3.5.3 This obligation for payment survives the termination of the Contract.

14.3.5.4 Owner reserves the right in termination for cause to take assignment of all the Contracts between Contractor and its Subcontractors, vendors, and suppliers. ODR will promptly notify Contractor of the contracts Owner elects to assume. Upon receipt of such notice, Contractor shall promptly take all steps necessary to effect such assignment.

14.4 Conversion to Termination for Convenience. In the event that any termination of Contractor for cause under Section 14.3 is later determined to have been improper, the termination shall automatically convert to a termination for convenience under Section 14.5 and Contractor's recovery for termination shall be strictly limited to the payments allowable under Section 14.5.

14.5 Termination for Convenience of Owner. Owner reserves the right, without breach, to terminate the Contract prior to, or during the performance of the Work, for any reason. Upon such an occurrence, the following shall apply:

14.5.1 Owner will immediately notify Contractor and A/E in writing, specifying the reason for and the effective date of the Contract termination. Such notice may also contain instructions necessary for the protection, storage or decommissioning of incomplete work or systems, and for safety.

14.5.2 Upon receipt of the notice of termination, Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due at that point in the Contract:

14.5.2.1 Stop all work.

14.5.2.2 Place no further subcontracts or orders for materials or services.

14.5.2.3 Terminate all subcontracts for convenience.

14.5.2.4 Cancel all materials and equipment orders as applicable.

14.5.2.5 Take action that is necessary to protect and preserve all property related to the Contract which is in the possession of Contractor.

14.5.3 When the Contract is terminated for Owner's convenience, Contractor may recover from Owner payment for all Work executed. Contractor may not claim lost profits on other work or lost business opportunities.

14.6 Termination By Contractor. If the Work is stopped for a period of ninety (90) days under an order of any court or other public authority having jurisdiction, or as a result of an act of government, such as a declaration of a national emergency making

materials unavailable, through no act or fault of Contractor or Subcontractor or their agents or employees or any other persons performing any of the Work under a contract with Contractor, then Contractor may, upon thirty (30) additional days written notice to ODR, terminate the Contract and recover from Owner payment for all Work executed, but not lost profits on other work or lost business opportunities. If the cause of the Work stoppage is removed prior to the end of the thirty (30) day notice period, Contractor may not terminate the Contract.

- 14.7 Settlement on Termination. When the Contract is terminated for any reason, at any time prior to one hundred eighty (180) days after the effective date of termination, Contractor shall submit a final termination settlement proposal to Owner based upon recoverable costs as provided under the Contract. If Contractor fails to submit the proposal within the time allowed, Owner may determine the amount due to Contractor because of the termination and pay the determined amount to Contractor.

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Article 15. Dispute Resolution

- 15.1 Unresolved Contractor Disputes. The dispute resolution process provided for in Tex. Gov't Code, Ch. 2260 or Tex. Civ. Prac. & Rem. Code, Ch. 114, shall be used by Contractor to attempt to resolve any claim for breach of Contract made by Contractor that is not resolved under procedures described throughout the Uniform General Conditions, Supplementary Conditions, or Special Conditions of the Contract.
- 15.2 Alternative Dispute Resolution Process. Owner will establish a dispute resolution process to be utilized in advance of that outlined in Tex. Gov't Code, Ch. 2260 or Tex. Civ. Prac. & Rem. Code, Ch. 114.
- 15.3 Nothing herein shall hinder, prevent, or be construed as a waiver of Owner's right to seek redress on any disputed matter in a court of competent jurisdiction.
- 15.4 Nothing herein shall waive or be construed as a waiver of the State's sovereign immunity.
- 15.4.1 *Notwithstanding anything to the contrary provided herein, nothing herein will not constitute nor is it intended to constitute the Owner's or the State of Texas' right to claim exemptions, privileges, and immunities as may be provided under the doctrines of sovereign and official immunity.*

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Article 16. Miscellaneous

- 16.1 Supplementary General and Special Conditions. When the Work contemplated by Owner is of such a character that the foregoing Uniform General Conditions of the Contract cannot adequately cover necessary and additional contractual relationships, the Contract may include Supplementary General and Special Conditions as described below:
 - 16.1.1 Supplementary General Conditions may describe the standard procedures and requirements of contract administration followed by a contracting agency of the State. Supplementary General Conditions may expand upon matters covered by the Uniform General Conditions, where necessary, provided the expansion does not weaken the character or intent of the Uniform General Conditions. Supplementary General Conditions are of such a character that it is to be anticipated that a contracting agency of the State will normally use the same, or similar, conditions to supplement each of its several projects.
 - 16.1.2 Special Conditions shall relate to a particular Project and be unique to that Project but shall not weaken the character or intent of the Uniform General Conditions.
- 16.2 Federally Funded Projects. On Federally funded projects, Owner may waive, suspend or modify any Article in these Uniform General Conditions which conflicts with any Federal statute, rule, regulation or procedure, where such waiver, suspension or modification is essential to receipt by Owner of such Federal funds for the Project. In the case of any Project wholly financed by Federal funds, any standards required by the enabling Federal statute, or any Federal rules, regulations or procedures adopted pursuant thereto, shall be controlling.
- 16.3 Internet-based Project Management Systems. At its option, Owner may administer its design and construction management through an Internet-based management system. In such cases, Contractor shall conduct communication through this media and perform all Project related functions utilizing this database system. This includes correspondence, submittals, Requests for Information, applications for payment and processing, amendment, Change Orders and other administrative activities.
 - 16.3.1 Accessibility and Administration.
 - 16.3.1.1 When used, Owner will make the software accessible via the Internet to all Project team members.
 - 16.3.1.2 Owner shall administer the software.
 - 16.3.2 Training. When used, Owner shall provide training to the Project team members.
- 16.4 Administrative Inspections and Audits. Contractor agrees that all relevant records related to this Contract or any work product under this Contract, including practices of its Subcontractors, shall be subject, at any reasonable time, to inspection, examination,

review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by the Texas State Auditor's Office ("SAO"), the contracting agency or its contracted examiners, or the Office of the Texas Attorney General, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All Subcontracts shall reflect the requirements of this section. In addition, pursuant to Tex. Gov't Code § 2262.003 the SAO may conduct an audit or investigation of any entity receiving funds under this Contract, including direct payments to Contractor and indirect payments under a Subcontract to this Contract; acceptance of such monies acts as acceptance of SAO authority, under legislative audit committee direction, to audit and investigate related to those funds and the entity subject to the audit or investigation must provide SAO with access to any information SAO considers relevant to the scope of the audit or investigation.¹⁵

End of Uniform General Conditions

¹⁵ *Tex. Gov't Code § 2262.003 was transferred and redesignated as Tex. Gov't Code § 2262.154 (Added by Acts 2003, 78th Leg., ch. 785, Sec. 44, eff. Sept. 1, 2003. Amended by: Acts 2005, 79th Leg., Ch. 1012 (H.B. 905), Sec. 2, eff. June 18, 2005. Transferred, redesignated and amended from Government Code, Section 2262.003 by Acts 2013, 83rd Leg., R.S., Ch. 1227 (S.B. 1681), Sec. 8, eff. November 1, 2013.).*



Attachment C

Facility Specific Policies and Procedures

KERRVILLE STATE HOSPITAL

Rules and Regulations

- Speed Limit is 15 miles per hour, maximum, on the entire campus
- Pedestrians have the right-of-way ALWAYS! Drive with extreme caution, and be prepared to cope with unexpected circumstances
- ALL stop signs and other traffic controls must be obeyed
- Parking must be in areas designated by the Plant Engineer. Do not drive or park on lawns without express permission
- Vehicles must be locked and the keys removed at all times when unattended
- Tools and equipment must be properly secured at all times
- Firearms, including ones in the possession of persons with a concealed handgun license, are strictly forbidden on the Campus
- Alcoholic beverages are forbidden on the Campus
- Contact with the facility's patients is forbidden. Do not give them anything, including cigarettes, matches, food or money. Should a patient become annoying or obnoxious, notify the Plant Engineer and/or direct-care staff at once.
- Photos shall not be taken with patients in the image.

THIS PAGE MUST BE POSTED AT JOB SITE

**Interim Life Safety
Annex C**

Kerrville State Hospital

CONTRACTOR

GUIDELINES

FY20

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INTRODUCTION

This manual has been prepared as a guide for contractors performing work at Kerrville State Hospital (KSH), Kerrville TX. This manual outlines the process, starting the work, normal procedures, restrictions and safety regulations. Receipt of this handbook does not imply any contractual relationship between KSH and any independent contractor.

PROCEDURES

Communication – Telephone Service

Telephones in the hospital are for hospital use only. Contractors are to use their own cell phones.

Contacts & Codes

The Project Management department and Maintenance will be involved during day-to-day activities, especially service and utility shutdowns.

The Following is a list of telephone numbers of hospital departments that contractors sometimes need to contact. .

<u>DEPARTMENT</u>	<u>TELEPHONE NUMBER</u>	<u>IN-HOUSE EXTENSION</u>
Maintenance	830-896-2211	6210
Director of Auxiliary Services	830-258-5284	5284
Plant Manger	830-285-5213	5213
Maint. Supervisor	830-258-5216	5216
Infection Control	830-258-5274	5274
Security	830-258-5299	5299
Safety	830-258-5284	5284

TO REPORT AN EMERGENCY FROM ANY INHOUSE TELEPHONE CALL 6751 or 6619

KSH uses a system of “Codes” announced house wide to notify employees, vendors, and contractors of emergency situations. These codes will be given verbally over the public address system. These codes are:

<u>Code Call</u>	<u>Definition</u>	<u>Contractor’s Responsibility</u>
Code Red	Fire	Ensure corridor doors are closed in your area and the corridors are clear.
Code Blue	Medical Emergency	No response is required. Remain clear of affected area.
Code Green	Combative Patient	No response is required. Remain clear of affected area
Code Black	Bomb Threat	Listen for further instructions
Code Gray	Internal/External Disaster	Listen for further instructions
Code Orange	Hazardous Material Release	Contact Owner’s Rep or Maintenance
Code White	Armed Intruder/Lockdown	Locate shelter, lock doors and remain in place
Code Yellow	Major Utility Failure	No response is required. Remain clear of effected area

For example, if there is a fire, there will be a page over the public address system stating: “Code Red-Fire and the location” three times.

Page Codes may be appended with the word “Drill” or “Test” to denote that a drill or test is being initiated. For example, “Test – Code Red-Fire” would indicate a fire drill.

In the event emergency procedures are announced, check immediately with your supervisor, Owner’s Representative, or the nearest hospital employee to ask what is expected in this situation. You may be asked to leave the area.

Deliveries

Contractors and subcontractors are responsible for receiving their deliveries. KSH staff will not sign for your deliveries. Make arrangements to meet your delivery at the loading dock, have it delivered somewhere else to bring with you, or as specified in contract documents.

Hospital personnel will not unload, move or deliver contractor items. It is suggested that the contractor identify all goods to be received by job number, contractor name and where possible, specific superintendent or foreman name. Materials shipped to the hospital through the shipping/receiving docks must be removed from the dock area in a timely manner to avoid congestion.

Identification

When a contractor employee reports for work at KSH, they are required to sign in at the Security Gate at the main entry. They will be provided with a KSH Identification Badge that must be worn in a visible location while working on hospital premises. Upon completion of their contractual obligations, contractors are required to sign out in the Security Gate and return the identification badge that was assigned to them.

If a project is long term, arrangement can be made thru the Security office to provide badges for specific people.

It is the contractor’s responsibility to inform any new workers being called in to report to the Security Gate to sign in. Contractors and their employees must include the following when signing in while working at KSH

1. Date signed in.
2. Their employer (if a private company) or the Contractor to whom they are to report.
3. Their name
4. Influenza Vaccine Proof (explained in Infection Control Section)
5. Temporary hospital badge number.
6. Date badge returned

Inappropriate Behavior

Reports of inappropriate behavior will be investigated and possible disciplinary action may result.

Whistling, inappropriate language, and gestures that are perceived to be offensive to employees, patients, or guests will not be tolerated and will be cause for dismissal.

Interacting with Patients and Hospital Staff

At KSH we are proud of their facilities and are always careful to ensure the comfort and welfare of the patients, visitors, and coworkers. Even if only temporarily, contractor employees will become part of the hospital work force and may be viewed as hospital employees by patients and visitors.

All contacts with patients, visitors, and staff should demonstrate respect for the individual. Any action or words that suggest bias or prejudice are not appropriate. All employees are responsible for adhering to these guidelines and must report inappropriate actions to a supervisor or project manager.

Sleeveless shirts, tank tops, shorts, or clothing displaying vulgar or disruptive pictures or slogans are not allowed.

Loading Dock Access

Dropping off materials or equipment that will last less than 15 minutes can be done by waiting for an opening.

Loading or unloading that will require greater than 15 minutes must be coordinated through the Project Manager and/or Maintenance offices.

Parking

A Campus Map has been color coded for your use and has been included toward the end of the packet. Contractors and construction workers are to park in the areas designated by the hospital. Any vehicles found in an unauthorized parking area will be towed at the owner's expense

Scheduling

Prior to starting any project, the contractor should provide within a reasonable time a written schedule in bar graph or outline form to the Maintenance Office. The contractor will provide updates to the outlines and/or bar graphs as required. The project manager will schedule a pre-construction meeting to review the scope of the project as deemed necessary. This schedule will allow proper coordination of space needed to complete the project and prevent conflict. The schedule should address specific hours, nights and weekends, which work will be performed. This schedule will be used to communicate to the various departments within the hospital.

OPERATIONS

Access to Special Areas

There are several areas in the hospital that are restricted. Necessary access may be obtained by contacting the Maintenance Office. Access **WILL NOT** be provided to any contractor employee who is not wearing a hospital identification badge. The Plant Manager will assist in obtaining access to certain areas when necessary. During long-term projects, the contractor may be given a key for the work area.
).

Connection into Hospital Systems

Connection into any system of the hospital, such as electrical, piping, fire alarm, controls, or medical gas, shall be scheduled through the Plant Manager. **Refer to the section titled Shutdowns for additional information.**

Disposal of Debris and Construction Waste

Contractors are responsible for removing any debris, demolition waste, or construction waste from the building immediately. On large projects, it is the contractor's responsibility to provide a dumpster or container in an approved location and keep the dumpster area neat, clean and have the unit emptied as needed. Location for the dumpster must be coordinated thru the Plant Manager. During small construction projects the contractor, with approval from the Plant Manager, may use the hospital dumpster system. All equipment, fixtures, materials and demolition items not specifically designated on the drawings to remain the owners', shall become the property of the contractor and shall be removed from the hospital premises daily.

All door hardware and signage is to be returned to the hospital Maintenance Department. Notify the Plant Manager at least one day in advance for details.

Housekeeping

The work area shall be maintained and be clean and free of debris during and on completion of work. Special care must be given to tools, storage, cleanliness, and exit area access at all times. Additional information is provided in the Infection Controls section.

Life Safety and Interim Life Safety Measures (ILSM)

All contractors are required to adhere to the NFPA 101, Life Safety Code, 2012 Edition and Interim Life Safety Measures applicable. Measures are pre-determined as part of the Pre-Construction Risk Form. A copy of this form is available in the back of this document.

Interim Life Safety Measures will be instituted if any one of the following occurs:

- Exits and/or exit routes are compromised.
- Compartmentalization (smoke or fire containment) is compromised.
- Fire alarm system, detection system, and/or an extinguisher/suppression system are impaired or disabled.
- Hot work, including but not limited to, cutting, burning, and welding.
- A collection of an abnormal amount of combustible products or debris.

Contractors and subcontractors will:

- Provide additional life safety equipment for the areas under construction.
- Provide proper smoke and/or fire tight barricades for interior and exterior.

- Maintain unobstructed access around all areas under construction for the purpose of ingress, egress, traffic control, and emergency access.
- Provide the correct signage to designate construction areas, directions to any relocated exits, hard hat areas, high noise areas and other hazardous areas.
- Provide OSHA approved storage containers for all flammables, and combustible items.
- Obtain a Hot Work Permit from the Engineering Dept before any welding or cutting or any other hot work activity(s) commences.
- Notify the Plant Manager or the Director of Auxiliary Services at least 7 days before any required interruption in utility services to include all medical gasses, electrical systems, and water, fire alarm, or detection systems.
- Be responsible for restoring the integrity of any fire or smoke wall affected during construction activities.

The Owner's Project Manager will:

- Conduct daily inspections of the construction or hazardous areas for safety violations
- Post a notice that the area is under ILSM
- Facilitate additional fire drills in ILSM affected area(s), as necessary
- Conduct training sessions for employees affected by the contractor's work.

Responsibility of Contractor

Contractor will provide to the Plant Manager, SDS (Safety Data Sheets formerly known as MSDS) for all adhesives, chemicals, etc. used during the scope of their work for approval by the Infection Controls Office. Under no circumstances shall hazardous wastes be disposed of into a hospital dumpster or waste container. The Facilities Plant Manager shall be contacted for specific disposal information and instructions. See Hospital Hazardous Materials Management Program

Storage

The hospital has limited space for storage. It is suggested that contractors store as much material as possible in their own facilities. Contractors will be approved to have a storage container, "conex", staged in an approved location on campus. No storage shall be allowed in any mechanical rooms or substation areas without prior written approval from the Director Auxiliary Services or Facilities Plant Manager. It will be the responsibility of all contractors to maintain approved storage areas in a neat, and orderly fashion at all times.

Critical equipment for large projects can be stored off site. Arrangements can be made through the Facilities Project Manager. The contractor will be responsible for having the materials delivered to the pre-arranged storage area. Transportation to the hospital is also the contractor's responsibility.

SPECIAL INSTRUCTIONS

Access Panels

Access panels to pipe chases and other confined areas are locked to prevent unauthorized entrance. When work is performed in one of these areas, caution shall be used to prevent accidental entry by patients, visitors, or staff members and other unauthorized individuals. All access openings will be closed and locked when unattended. Maintenance personnel can provide access to these areas.

Construction Signage

All construction signage must be approved by the Project Manager prior to be posted. Signage must include Contractor Name, supervisor's name, office number, and cell phone number. All signage must be computer generated. No hand written signage.

Electrical Safety

All contractor and subcontractors will to adhere to basic electrical safety including but not limited to:

- All electrical work will be performed by a licensed electrician
- All electrical equipment, tools, etc. must be fully grounded
- Do not use red plugs for construction work
- Only use extension cords approved for use in a healthcare environment. In accordance with NFPA 99 (2012) minimum 14 gauge
- Do not use metal ladders.

Emergencies

The Project Manager is aware of contractors working within the hospital. Emergency calls can be made through the office during day shift working hours. During evenings, nights, weekends, and holidays, the maintenance or security supervisor will relay emergency messages. Either supervisor may be contacted through the hospital operator.

It is necessary for the foreman to check with the Project Manager on a regular basis with information related to where they are working and where their workers are expected to be. Job telephone numbers, job offices, and tool locations should be given to the above department for contact in such emergencies. Certain projects shall require job signage to explain changes to egress. Verbiage for these posting must be sent to the Project Manager for approval by the Communications Department.

Fire Extinguishers

All fire extinguishers provided by the contractors and/or construction workers must have a current annual inspection tag, be of the appropriate rating (ABC), no less than 10 pounds, must be fully charged, and in operating condition. Personnel assigned to use these extinguishers shall be trained regarding the use of different types of fire extinguishers. It is the Contractor's responsibility to perform monthly inspections per NFPA 10.

If any hospital owned fire extinguisher is discharged, damaged, or relocated, the Facilities Management Department must be notified immediately. Hospital-owned extinguishers are to be used only in an emergency.

Fire Procedures

If a fire is observed in a construction area within or outside the hospital:

- **Rescue** anyone in immediate danger.
- **Activate** the closest fire alarm pull station (if the building has one) and dial 911 to report the fire. Alert other occupants of the building. Notify the Facilities Management Department to inform them of the situation.
- **Contain** the fire and smoke by closing doors to the fire area.
- **Extinguish** the fire if it's safe to do so and you have been properly trained in how to use a fire extinguisher.

It shall be the responsibility of all workers to keep access to all fire equipment and emergency exits clear and accessible at all times.

Fire Safety

Construction operations, materials, or equipment shall not obstruct access to fire alarm pull boxes, fire extinguishers, fire hose cabinets, standpipe valves, stairwells, or fire exits.

Smoke and fire doors must not be blocked open or shut by any method, nor be obstructed to interfere with their closure.

Pulling the closest manual pull station can activate the fire alarm system. This alarm activation is transmitted automatically to the Central Dispatch Office who notifies the Fire Department. Upon alarm activation, the hospital bells ring and all fire and smoke doors in the fire zone automatically close.

The hospital operator announces over the public address system:

“CODE RED - Fire (followed by the location of the alarm)” 3 times

Designated personnel will immediately report to the fire.

Note: Someone should remain in the vicinity in a safe location to inform personnel and the fire department of the likely cause, location of the fire, and any exposure hazards present.

Contractors will be responsible for maintaining clear and unobstructed access to all emergency exits from the construction area.

Fire Stop Management Program

The integrity of fire and smoke walls and doors must be maintained and assured. These are the first line of defense the hospital has to protect visitors, patients, and employees from fire and smoke conditions. KSH has a program in place to help assure the integrity of all fire or smoke rated assemblies. This program requires the contractor or contractor employee to obtain a numbered “Ceiling Permit” from the Facilities Management Office after they have completed a Fire-stop Management Worksheet but before starting the work. The person completing the worksheet will be reminded that all work on smoke partitions, fire partitions, smoke and fire doors must maintain the integrity of the unit. All breeches must be patched using the appropriately rated material that is approved by the Facilities Management Department. Conduit, raceways, air handling ducts or other items that may pass through the partition must be installed to maintain

the rated protective feature of the wall. A copy of this worksheet has been provided in the back of this packet.

Before concealing any construction along a smoke or fire barrier, contact the Project Manager or Plant Manager to inspect and verify that breeches have been appropriately secured and repaired.

Temporary construction partitions are to be smoke tight and of non combustible materials.

Drawings indicating the locations and ratings of fire and smoke doors and other rated assemblies are available for review in the Facilities Project office or in the Facilities Management Department.

Fire Watch

Welding/Cutting Operations. Hot Work Permits for all welding, cutting, soldering, or any other operation where an open flame is utilized must be obtained from the Maintenance office prior to beginning work.

All precautions must be taken when performing welding/cutting operations around the fire alarm system to prevent false alarms.

Coordinate with the Project manager and Maintenance to have fire alarm systems put into test and/or remove smoke heads during hot work. ILSM will apply.

The contractor must implement a fire watch during any operation involving welding, cutting, soldering, or any other operation involving an open flame. The fire watch must include an observer who is provided with a fire extinguisher(s) and has been properly trained in its use. Extinguishers are to be supplied by the contractor. Fire watch will remain on site (in visual contact of work) for no less than 30 minutes after work has completed. Follow up inspections are required hourly for 4 hours.

When arc welding is conducted in corridors or other areas in close vicinity to hospital employees, appropriate non-reflective, non-combustible curtains or shields shall be provided to protect passers-by from the rays of the arc.

For all types of welding/cutting, non-combustible shields must also be provided in areas where there is a significant amount of ordinary combustible materials. A Survey of the area(s) must first be made to assure there are no flammables or highly combustible materials where sparks, flames, the welding arc, or hot materials could contact them. Any such materials must be removed to a safe distance before welding or cutting commences.

Every effort shall be made to contain and/or exhaust welding fumes and smoke so as not to create a build-up in corridors, rooms, tunnels, pipe chases, or enter into hospital air handling systems. This includes smoke eaters, self-contained HEPA filter systems, and ducting outside where possible.

HazMat/HazCom

Contractor must provide copies of all Safety Data Sheets (formerly MSDS) to the KSH Project Manager prior to bringing any new substances into the hospital. These documents will be reviewed by the Infection Control Practitioner and the Plant Manager. Handling, disposal, or application of hazardous materials will be done in accordance with OSHA and state regulations. KSH Project Manager is to be copied on all project specific registration, permits, and disposal tickets related to asbestos abatement and mold remediation.

Health and Safety Precautions

Construction areas shall be adequately marked with signs and/or properly constructed barriers to prevent public entrance into construction areas. Establishing and maintaining a controlled access zone where needed is the responsibility of the Contractor.

Hazard surveillance by the KSH Manager, Infection Control Practitioner, and/or Maintenance staff, covering all construction and related areas will be done daily. Identified hazards needing immediate attention will be reported to the Contractor for immediate corrective action.

Preventive measures must be taken to eliminate or minimize the likelihood of exposure of hospital patients, employees, and visitors to toxic substances, nuisance or other dusts, asbestos fibers, or harmful radiation during all phases of construction or demolition.

This may, in some circumstances, include requirements to take samples to test for air contaminant levels. Sampling methods must be performed by a recognized testing laboratory with three copies of the certified results to be submitted to the KSH Project Manager. The Hospital Infection Control Practitioner may require additional testing.

Particular attention should be paid to dust and welding fumes as mentioned in “Welding/Cutting Operations.” Proper ventilation, sealing-off of work areas, and appropriate posted warnings, among other precautions, are required if recognized dangerous substances are involved or high air contaminant concentrations may be created.

Debris containing potentially hazardous materials must be properly bagged & sealed, labeled and removed from the premises by properly licensed haulers and disposed of at properly licensed disposal facilities. Documentation of disposal will then be provided to the KSH Project Manager.

Lock Out Tag Out (LOTO)

ALL LOCK OUT TAG OUT ACTIVITIES MUST BE PERFORMED IN CONJUNCTION WITH KSH MAINTENANCE PERSONNEL.

Contractors must follow the OSHA guidelines before working on any electrical circuits, machinery, or equipment requiring LOTO. Notify POM (2518 or 3938) prior to opening panel or turning off breakers.

The following information must be available:

- What circuits, machinery, or equipment is being locked out and who is doing the work
- Time and duration of work during LOTO
- Each individual will use their own LOTO device, labeled with their name and contact information

Violation of this policy will result in immediate removal from site and termination from the project.

Safety Hazards

Hazardous conditions are often created during a construction project. The hospital, as an important regional health care institution, must strive to remain open and accessible to all patients, their families, physicians, employees, and related services. Contractors must review all construction plans and ongoing projects to evaluate the possible hazards that may affect the above and to make changes as necessary to eliminate or minimize the hazards.

Contractors may not work directly above a patient, visitor or employee.

Warning signs and barricades shall be posted in conspicuous locations along normal paths of travel to notify passers-by of hazards such as open energized electrical wiring, radiation hazards, falling objects, and alternative exit access, if exit(s) must be blocked. If the area can be completely isolated from patient, visitor, and employee use, signs must be posted stating that the area is not to be entered.

The contractor at times may be asked to shut down or stop work due to excessive noise, vibration, etc. The Project Manager or the Maintenance staff will direct work stoppage and authorize continuation.

Contractors are to comply with all federal, state and local safety requirements and that compliance therewith shall be the sole responsibility of the contractor.

Security

Any after hours work, access, or deliveries must be coordinated with Security thru the Project Manager. If you need to have a door opened, secured after normal operating hours, please notify the Project Manager at least 48 hours in advance. If Security asks for information pertaining to your operation, where you are working, who you work for, or directs you to leave site, **COOPERATE FIRST. Then notify the Project Manager.**

Shutdown

Frequently, connections into systems such as piping, medical gas, water, fire alarm or electrical necessitate restricted use or shut down of the system. Such work must be scheduled with the Facilities Management Department, **in writing**. The request must be applied for seven (7) days in advance of the requested shutdown. No shutdown shall occur without this **written approval**. Shutdown or interruption of any system can only be performed by KSH Maintenance personnel.

Smoking

Hospital Smoking Policy prohibits smoking in all facilities and on property.

Tools and Ladder Safety

Power tools and ladders are to be inspected daily to ensure safety of components. Tools and ladders found to be unsafe are to be taken out of service and removed from site. Tools are not to be left in the open, public spaces, or outside plugged in. When not in use, temporarily, or unsupervised, ladders are to be taken down and laid flat. Ladders must be OSHA approved. Metal ladders are not authorized for use in a healthcare environment.

Working Above Ceiling

All work above ceiling requires an approved Fire Stop Management Program Worksheet. **Even if you are not breaching a fire rated assembly you still need a Permit.** This document is to let others know you are approved to work above ceiling. A copy of this worksheet is available at the back of this document.

INFECTION CONTROL

The hospital strives to prevent the transmission of infection between individuals as well as from inadvertent exposures to environmental pathogens. The use of environmental infection control strategies and engineering controls can effectively prevent these infections. It is necessary for contractors and their representatives to conform to the hospital infection control requirements. A copy of these procedures is available for review in the Infection Control Office.

Infection Control Risk Assessment (ICRA)

An ICRA (sample form attached) will be completed by the Project Management Office and reviewed by the Infection Control Practitioner prior to the start of any project expected to generate dust, waste water, aerosols, or before any system interruption.

All personnel will adhere to the following:

1. Activities of construction, renovation, demolition or installation projects within the hospital must be done in such a manner as to ensure the safety of all patients, employees, visitors, affiliates, contractors and the general public through the utilization of the processes and procedures found in the *Guidelines for Environmental Infection Control in Health-Care Facilities*, published June 6, 2003.
2. All persons with a known or suspected communicable disease will be excluded from work per hospital guidelines.
3. All department specific entrance and exit procedures will be observed at all times. Supervisors on specific units can assist with meeting the necessary requirements.

Influenza Vaccine

All contractors are required to provide proof of the influenza vaccine for all personnel working during “flu season”, starting with the first reported case in Kerr County. This time frame is approximately October 1st thru March 31st of the following year. We do not provide these vaccines to contractors. Submit your receipts, physician notes, etc. to the KSH Project Manager.. If they have not had the vaccine, refuse the vaccine, or do not have their proof, they will be required to wear a surgical mask. Masks are the Contractor’s responsibility.

FINALIZATION

Testing

Medical gas or electrical systems requiring additions or revisions must be tested prior to being made available for general use. The KSH Project Manager should be notified when the systems are complete. When certain project completion dates are indicated, the contractor shall advise the KSH Project Manager of the exact date tests can be made (within 10 working days) so the testing can be made and verified within the framework of the written completion date. Contractor is responsible for all preparations of the systems for testing including the preliminary test.