

# SIERRA COUNTY OFFICE OF EDUCATION

## REQUEST FOR PROPOSAL

### 2018 ASPHALT & CONCRETE REPAIR

COUNTY/DISTRICT OFFICE

LOYALTON ELEMENTARY SCHOOL

ACCESS ROAD

LOYALTON HIGH SCHOOL

Detailed Proposal Information is Available on County Office Website:

[www.sierracountyofficeofeducation.org](http://www.sierracountyofficeofeducation.org)

Mandatory pre-bid meeting and walk around: April 11, 2018 at 10:00 am

Bid Closing Date: April 30, 2018

Bid Closing Time: 3:00pm

Sierra County Office of Education reserves the right to reject any or all proposals and to waive informalities or irregularities in any proposal.

**SIERRA COUNTY OFFICE OF EDUCATION  
SIERRA - PLUMAS JOINT UNIFIED SCHOOL DISTRICT**

P.O. Box 955  
109 Beckwith Road  
Loyalton, California 96118

Merrill M. Grant, Ed.D.  
Superintendent

Phone: (530) 993-1660 Email:  
FAX: (530) 993-0828  
mgrant@spjUSD.org

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March 20, 2018

Dear Contractor,

The Sierra County Office of Education is seeking proposals from qualified contractors (Contractor) for asphalt and concrete repairs for parking lots, curbs, entry way and access road at various locations within the Loyalton school site locations.

A mandatory pre-bid meeting and walk through of schools will start at the Sierra County Office of Education located at 109 Beckwith Road, Loyalton, CA 96118 on April 11, 2018 at 10 am. The school sites will be visited for clarification and measurements.

Sealed proposals will be received by the Business Manager at the County Administrative Office located at 109 Beckwith Road, Room 1, Loyalton, CA 96118 on April 30, 2018 at 3:00 pm. Faxed or e-mailed bids are not acceptable and will not be considered.

Public Meeting to be held at the Sierra County Office of Education, Room 4 at 10:00 a.m. for opening of sealed bids.

Proposals must be returned on the form(s) provided, with "Bid Proposal – Asphalt/Concrete" clearly on the label. A proposal must consist of all pages of the proposal request including the signature page signed by an authorized representative of the firm. Non-conformance with these instructions may be grounds for rejection of proposal.

The County reserves the right to reject any and all proposals and to waive informalities.

Sincerely,



Nona Griesert  
Business Manager

## INSTRUCTIONS TO BIDDERS:

### PROPOSALS:

1. Proposals to receive consideration should be made in accordance with the following instructions:
  - A. Proposals shall be made on a form provided by the Owner. All items on the form shall be filled out; numbers shall be stated both in writing and in figures and the signatures of all individuals must be in longhand. The completed form should be without interlineations, alterations or erasures.
  - B. Proposals shall not contain any recapitulation of the work to be done, and alternative proposals will not be considered unless called for.
  - C. Should a bidder find discrepancies in, or omissions in, the contract documents or should he be in doubt as to their meaning, he shall at once notify the Owner, who will send a written instruction to all bidders. The Owner will not be responsible for any oral instructions.
  - D. All Addenda or Bulletins issued during the time of bidding are to be covered in the proposal and in closing a contract they will become a part thereof.
  - E. Pursuant to the provisions of Section 4100 to 4108, inclusive, of the Government Code of the State of California, every bidder shall, in his bids, set forth:
    1. The name and location of the place of business of each subcontractor who will perform work or labor or render service to the bidder in or about the work in an amount in excess of one-half (1/2) of one percent (1%) of the bidder's total bid.
    2. The portion of the work, which will be done by each such subcontractor. If the bidder fails to specify a subcontractor for any portion of the work to be performed under the contract in excess of one-half (1/2) of one percent (1%) of the bidder's total bid, he agrees to perform that portion himself. The successful bidder shall not, without the consent of the Owner either:
      - a. Substitute any person as subcontractor in place of the subcontractor designated in the original bid.
      - b. Permit any subcontract to be assigned or transferred or allow it to be performed by anyone other than the original subcontractor listed in the bid.
      - c. Sublet or subcontract any portion of the work in excess of one-half (1/2) of one percent (1%) of the total bid as to which his original bid did not designate a sub-contractor.
  - F. Proposals shall be addressed to the Owner, and shall be delivered to the Owner enclosed in an opaque sealed envelope addressed to him marked "Proposal" and bearing the Title of the work and the Name of the bidder.

### WITHDRAWAL OF PROPOSALS:

2. Proposals may be withdrawn by the Bidder prior to, but not after, the time fixed for receipt of proposals.

### OPENING OF PROPOSALS:

3. Proposals will be opened and read at or about the time set in the Advertisement for Bids. Bidders, or their representatives, and other interested persons, may be present at the opening of proposals.

### EXAMINATION OF CONTRACT DOCUMENTS AND SCHOOL SITE:

4. Before submitting a proposal, Bidders should examine the Form of Agreement and other Contract Documents. They should visit the Site of the proposed work, examine the site, ground conditions, and any work that may have been done thereon. They should fully inform themselves of all conditions on, in, at, and about the site, the building, buildings, if any; and any work that may have been done thereon.

### BASIS OF CONTRACT:

5. The Contract shall be awarded to the lowest responsible bidder, based upon the amount of the Base Proposal, and any accepted Alternate Bids. Alternate Bids will be accepted in the numerical order that they are presented.

### FORM OF CONTRACT:

6. The Form of Contract, which the successful bidder will be required to execute, if awarded the work, is attached hereto, entitled Agreement and Bond Forms, and is made a part thereof. Contractor shall submit Contract ready for execution within 14 days of Notice of Award.

### WAGES:

7. The attention of the bidder is directed to the fact that the Schedule of Prevailing Rates of Pay for each craft or type of workmen needed to execute the work as set forth in the attached Contract Documents, contains the minimum rates of pay as established by the Owner in pursuance of the provisions of the Labor Code of the State of California, which Code required the establishing of such rates for the locality in which the work is to be performed. Section 1770 of the Labor Code reads "Nothing...shall prohibit the payment of more than the general prevailing rate of wages to any workman employed on public work".

All bidders shall check the available source of labor supply and obtain information with reference to the length of the business day of various crafts and the actual rates of wages being paid in the immediate vicinity of the place where the work, contemplated by these contract documents, is to be performed, particularly with reference to the rates of pay which may be in excess of those general prevailing rates established by the Owners as set forth in the above Instructions to Bidders.

### WORKER'S COMPENSATION INSURANCE

8. A Certificate of Workmen's Compensation Insurance to the Owner, shall be attached to the contract, which certificate will reflect that the insurance may not be canceled except upon 30 days written notice to the Owner.

### EXECUTION OF CONTRACT

9. The Contractor shall be required to begin work on or after June 18, 2018, and complete the work on or before August 17, 2018 in accordance with the contract documents hereto attached to the entire satisfaction of the Owner, not later than the time set forth in the Proposal Form.

#### CERTIFICATION REGARDING ASBESTOS

10. At completion of the project per Section 1.70, the contractor shall submit Certification of Compliance for Building Materials stating that there was not any asbestos used on the project.

#### LABOR & MATERIAL BONDS

11. The successful bidder will be required to furnish a Labor and Material Bond in the amount equal to fifty percent (50%).

#### CRIMINAL BACKGROUND CHECKS FOR CONTRACTING AGENCIES

12. Agencies that contract with the District must certify that a criminal background check of their employees and/or subcontractors whom will have contact with students has been conducted. Further, the agency must certify that these employees do not have a pending criminal proceeding for a felony or have been convicted of a felony as defined in Education Code 45122.1. The Certification Pursuant to Education Code Section 45125.1 must be filed with the County Office prior to the contracting agency beginning work. Please refer to attached "EXHIBIT "A", Department of Justice: Contractors for Public and Private Schools; Construction Contractors; "EXHIBIT "B", Request for Authorization to Receive State Summary Criminal History Information – Contract Employee For Public/Private Schools; "EXHIBIT "C", Background Check Requirement Verification, and "EXHIBIT "D", Certification Pursuant to Education Code Section 45125.1.

## GENERAL NOTES

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- Contractor will be responsible for measuring designated area.
- All disturbed areas must be backfilled to original elevations
- Sealed bids will be opened at a public meeting to be held on May 1, 2018 at Sierra County Office of Education, Room 4, at 10:00 a.m.
- Bids will be awarded by each "Package".
- Some line items in each package may be deducted based on budget availability.
- Work may begin on June 18, 2018 and must be completed by August 17, 2018.
- All work not completed by August 17, 2018 shall result in a \$1,000.00 per diem penalty to be deducted by the County from final payment.
- The project is tax exempt.
- Prevailing Wages will apply.
- Contractors who have not performed services for the County in the previous three years must submit a reference list including contact names and phone numbers.
- Recommendation(s) for award will go to the Sierra County Office of Education Governing Board at the May 8, 2018 meeting. Recommended Contractor(s) will be notified as quickly as possible after the Board meeting in order to reserve a lot in contractor(s) schedule.
- The County reserves the right to accept or reject any or all bids.
- Contractor is responsible for any and all required permits.

# Asphalt & Concrete Repair Specifications

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## NEW ASPHALT:

- All new areas will follow same specifications as below with a 4-inch rock base, 4-inch of base asphalt and 2 inch top coat.
- Recycled content may be used.

## ASPHALT PATCHING:

- The areas to be removed and replaced shall be removed by first using a concrete saw or air hammer to cut neat edges.
- All materials will be removed from district property and disposed of by contractor.
- The edges of all cuts shall be primed with asphalt primer prior to the placement of any asphalt. This will include the edges of the excavation as well as curbs, walks, etc.
- Material shall be Type 3 asphaltic concrete and shall comply with APWA standards for type and construction conditions during placement. The asphalt shall be the required bid depth.
- Asphaltic concrete shall have a temperature of at least 275 degrees Fahrenheit and be rolled with a power steel roller as required for a dense mass.
- All edges of areas repaired shall be level with surrounding pavement.
- Rock Clause: If, after excavation, the sub-base is not suitable for asphalt installation, additional sub-base will be excavated and replaced with suitable base material. The additional cost incurred will be agreed upon and added to the final billing.
- Recycled content may be used.

## ASPHALT OVERLAY:

- Prior to resurfacing, area will be thoroughly cleaned of loose debris, free of surface moisture and primed with SS1H Emulsion, or equivalent to ensure bond between existing surface and new asphalt overlay.
- Apply 2-inches of Type 3 asphaltic concrete and shall comply with APWA Standards for type and construction conditions during placement, working to a uniform surface, and rolled to a smooth and even finish with a power steel wheel roller.
- Any overlay next to concrete curbing or other asphalt will be edge milled.
- Recycled content may be used.

**MARKING:**

- Lay out lines, as existing, prior to paving. Paint shall be applied with Kelly-Creswell Model C, airless striping machine, or equivalent. Lines shall be straight and four (4) inches in width. Paint shall meet Federal Specification TTP-1952B.
- Traffic markings and crosswalks will be Hot Applied Thermoplastic Pavement Markings and will be same color, unless specified differently on bid form.
- Handicap stalls will be marked per code.

**CURB BLOCKS:**

- Remove and replace existing blocks, as necessary.
- Replace broken blocks with new standard pre-cast concrete.
- Anchor with minimum 5/8" x 12" rebar.

**CONCRETE REPLACEMENT:**

- Demo, remove debris and replace with a 4-inch gravel base with 4-inches or 6-inches brushed finish concrete (depending on application, see bid forms).
- Concrete is to be 4,000-pound mix air entrained.
- Reinforce with #4 rebar tied every 4-feet on center or six ten welded wire mesh tied to reinforcement bars.



**EXHIBIT "A"**

*Edmund G. Brown Jr.*

*ATTORNEY GENERAL*

*State of California*

*DEPARTMENT OF JUSTICE*



4949 BROADWAY, D232  
SACRAMENTO, CA 95820  
Public: (916) 227-3460  
Facsimile: (916) 227-4815

RE: CONTRACTORS FOR PUBLIC AND PRIVATE SCHOOLS

Dear Interested Party:

In accordance with California Penal Code Section 11077, "The Attorney General is responsible for the security of criminal offender record information."

In accordance with California Education Code Sections 33192 and 45125.1, a school district or private school may require an entity that has an existing contract with a district or private school to obtain a criminal history clearance. In keeping with the restrictions and requirements set forth in California law, the following are guidelines and restrictions;

- 1) access is granted only to the primary contractor (there is no authority for subcontractors to gain direct access to DOJ records),
- 2) services provided under contract must be performed on school grounds,
- 3) the entity must have a contract (entities in the bid process are not authorized),
- 4) completed applications for authorization must have original signatures only (no photocopied signatures or faxed forms will be accepted or processed).

CONSTRUCTION CONTRACTORS  
33193 AND 45125.2 EDUCATION CODE

In accordance with statutory, regulatory, and constitutional restrictions governing the use and dissemination of criminal offender record information, the above mentioned Education Code Sections allow for exemptions from backgrounding all employees under the following conditions:

- 1 The installation of a physical barrier at the worksite to limit contact with pupils.
- 2 Continual supervision and monitoring of all employees of the entity by an employee of the entity whom the DOJ has ascertained has not been convicted of a violent or serious felony.
- 3 Surveillance of employees of the entity by school personnel.

Construction contractors are not required to comply with the backgrounding requirements set forth in the Michelle Montoya School Safety Act if one or more of the above-mentioned conditions exist.

If you have any questions, please call (916) 227-3460.

Sincerely,

Communications Administration Program  
Bureau of Criminal Information & Analysis  
For EDMUND G. BROWN JR.

Attorney General  
Enclosures



**EXHIBIT "B"**

P.O. Box 903417  
Sacramento, CA 94203-4170

DEPARTMENT OF JUSTICE

REQUEST FOR AUTHORIZATION TO RECEIVE STATE SUMMARY CRIMINAL HISTORY  
INFORMATION – CONTRACT EMPLOYEE FOR PUBLIC/PRIVATE SCHOOLS

Name of Contractor \_\_\_\_\_

Street Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Telephone \_\_\_\_\_ Fax Number \_\_\_\_\_

In accordance with California Education Code Section 45 125.1, a school district may require an entity that has an **existing contract** with a school district to obtain a criminal history clearance. In keeping with the restrictions and requirements set forth in California law, the following are guidelines and restrictions:

On behalf of the **company** named above, I hereby acknowledge and agree to the following:

1. The information provided by the Department of Justice (DOJ) to this agency is confidential and shall not be disseminated by any other person or agency not authorized by law (11105 PC). A violation of this section is a misdemeanor (11142 PC).
2. Your agency shall notify the DOJ with regard to any change in agency name, address, telephone number or contact person.
3. Fingerprints received will be retained by the DOJ per 11105.2 PC until notified that the affected individual is no longer employed.
4. Access is granted **ONLY** to the primary contractor (there is NO authority for **subcontractors** to gain direct access to DOJ records).
5. Services provided under contract must be performed on school grounds.
6. The entity must have a contract (entities in the bid process are not authorized).
7. Original signatures only (no photocopied signatures or faxed forms will be accepted or processed).

Signature \_\_\_\_\_ Date \_\_\_\_\_

Printed Name \_\_\_\_\_ Title \_\_\_\_\_

EXHIBIT "C"

PLEASE PROVIDE A SIGNATURE FROM EACH DISTRICT VERIFYING THAT A BACKGROUND CHECK HAS BEEN REQUIRED WITH YOUR COMPANY. (You may attach additional letters or signatures as necessary).

School District/County Office of Education  
Background Check Requirement Verification:

1. \_\_\_\_\_  
Name of Contracting School District
2. \_\_\_\_\_  
Signature of School Official
3. \_\_\_\_\_  
Phone and Fax Number

In accordance with statutory, regulator, and constitutional restrictions governing the use and dissemination of criminal offender record information, the above mentioned Education Code Sections allow for exemptions from backgrounding all employees under the following conditions.

1. The installation of a physical barrier at the worksite to limit contact with pupils.
2. Continual supervision and monitoring of all employees of the entity by an employee of the entity whom the DOJ has ascertained has not been convicted of a violent or serious felony.
3. Surveillance of employees of the entity by school personnel.

Construction contractors are not required to comply with the backgrounding requirements set forth in the Michelle Montoya School Safety Act if one or more of the above-mentioned conditions exist.

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For Department of Justice use only

Your request to receive state summary criminal history information pursuant to the Michelle Montoya School Safety Act is approved. Information regarding procedural requirements is enclosed or will be forwarded under separate cover.

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**George Renfro**, Manager  
Communications Administration Program  
Bureau of Criminal Information & Analysis

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DATE

EXHIBIT "D"

**Certification Pursuant to Education Code Section 45125.1**

Send To (School District/Office of Education): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

*Contract Description:* \_\_\_\_\_

Certification Pursuant to Education Code Section 45125.1

I, \_\_\_\_\_ am an officer and agent for  
(please print or type)  
\_\_\_\_\_, ("contractor"), an entity as defined in Education Code section 41302.5, with the above School District/Department of Education, and have express authority to make the following statements and representations.

Pursuant to this contract, the following persons, employees of contractor ("employees"), may have contact with pupils.

LAST NAME	FIRST NAME	MIDDLE INITIAL

*(Attach additional sheets as necessary.)*

I certify as follows:

1. The employees have been fingerprinted and have submitted their fingerprints to the Department of Justice for review.
2. The Department of Justice has ascertained that none of the employees have either a pending criminal proceeding for a felony as defined in Education Code section 45122.1 or have been convicted of a felony as defined in Education Code section 45122.1. I understand that Education Code section 45122.1 incorporates portions of Penal Code sections 667.5 and 1192.7.
3. Attached to this Certification are true and correct copies of the fingerprint analyses prepared and provided by the Department of Justice with respect to each of the employees listed above.
4. None of the employees listed above has been convicted of a felony as defined in Education Code section 45122.1.
5. Upon receipt of notification from the Department of Justice that a previously cleared employee has committed a felony as defined in Education Code section 45122.1, said employee will immediately be removed from the job site and School District/Department of Education will be notified of same.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at California on \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Contracting Agency Representative)

Education Code Section 44237 (g) which references Penal Code Section 667.5 (c):

A "violent felony" for these purposes includes:

1. Murder or voluntary manslaughter;
2. Mayhem;
3. Rape or spousal rape by force, violence, duress, or fear of bodily injury or by threat to retaliate;
4. Sodomy by force violence, duress, menace or fear of bodily injury;
5. Oral copulation by force, violence, duress, menace or fear of bodily injury;
6. Lewd acts on a child under age fourteen;
7. Any felony punished by death or by life imprisonment;
8. Any felony in which great bodily injury is inflicted or in which the defendant personally uses a firearm;
9. Robbery in an inhabited dwelling where the defendant personally uses a dangerous weapon;
10. Arson when willful and malicious;
11. Rape with a foreign object by force, violence, duress, menace or fear of bodily injury;
12. Attempted murder;
13. Exploding or attempting to explode a destructive device with intent to murder;
14. Kidnap of a child under age fourteen for the purpose of child molestation;
15. Forcible rape of a child under age fourteen;
16. Continuous sexual abuse of a child;
17. Carjacking when the defendant personally uses a dangerous deadly weapon.

Education Code Section 44237 (g) which references Penal Code Section 1192.7 (c):

A "serious felony" for these purposes includes:

1. Non-forcible rape;
2. Assault with intent to commit rape or robbery;
3. Assault with a deadly weapon on a peace officer;
4. Assault by a life prisoner on a non-inmate;
5. Assault with a deadly weapon by an inmate;
6. Arson, when not willful or malicious;
7. Exploding a destructive device or explosive with intent to injury;
8. Explosion causing great bodily injury or mayhem;
9. Burglary of inhabited dwelling;
10. Robbery, except of an inhabited dwelling and except with personal use of a dangerous or deadly weapon;
11. Kidnapping a person fourteen years or older;
12. Prison inmate taking a hostage;
13. Attempt to commit any felony punishable by death or life imprisonment;
14. Any felony in which the defendant personally uses a dangerous or deadly weapon, except robbery or carjacking;
15. Sale or furnishing heroin, cocaine, PCP, or methamphetamine to a minor;
16. Grand theft involving a firearm;
17. Carjacking, except with personal use of a dangerous or deadly weapon;
18. Conspiracy to sell specified quantities of heroin, cocaine, PCP, or methamphetamine to a minor;
19. An attempt to commit any violent or serious offenses, except assault.

LIST OF SUB-CONTRACTORS:

Pursuant to the provisions of Section 4100 to 4108, inclusive, of the Government Code of the State of California, as set forth in Instructions to Bidders and General Conditions, the undersigned hereby designates below the names and locations of the place of business of each sub-contractor.

WORK TO BE DONE	SUB-CONTRACTOR	PLACE OF BUSINESS (ADDRESS)
1.	_____	_____
2.	_____	_____
3.	_____	_____
4.	_____	_____
5.	_____	_____
6.	_____	_____
7.	_____	_____
8.	_____	_____
9.	_____	_____
10.	_____	_____
11.	_____	_____
12.	_____	_____
13.	_____	_____
14.	_____	_____
15.	_____	_____
16.	_____	_____
17.	_____	_____
18.	_____	_____

*(Use Additional Sheets as Necessary)*

NONCOLLUSION AFFIDAVIT TO BE  
EXECUTED BY BIDDER AND SUBMITTED WITH BID

State of California            )  
  )        ss.  
County of                        )

\_\_\_\_\_, being first duly sworn, deposes and says that he  
(Name)

or she is \_\_\_\_\_ of \_\_\_\_\_  
  (Title)   (Company Name)

the party making the foregoing bid that the bid is not made in the interest of, or on behalf of any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid , and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

BY: \_\_\_\_\_



# WORKERS COMPENSATION CERTIFICATE

Labor Code Section 3700

Every employer except the State and all political subdivisions or institutions thereof, shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) Be securing from the Director of Industrial Relations of certificate of consent to self-insure, which may be given upon Flooring at Loyalto Elementary School satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of Section 3700 of the Labor Code, which requires every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

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(Contractor's Signature)

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(Title)

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(Company Name)

(In accordance with Article 5 (Commencing at Section 1860), Chapter 1, Part 7, Division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this contract.)

## GENERAL CONDITIONS:

1. PROJECT SCOPE: Except as otherwise stated in these Contract Documents, the scope of this contract consists of all labor, materials, tools, equipment, transportation, utilities, superintendence, temporary construction and any other service and facility required to execute and deliver the entire Work complete as specified, all according to the Conditions stated therein, within the time stated in the Agreement.
2. DEFINITIONS: The following words, or variations thereof, as used in these documents, shall have meanings as defined below:
  - A. Owner: **SIERRA COUNTY OFFICE OF EDUCATION**
  - B. Contract Documents: The Notice to Contractors, Proposal Form, List of Subcontractors, Instructions to Bidders, General Conditions, Supplementary General Conditions, and Special Conditions, Labor and Material and Faithful Performance Bonds, attached hereto, and all modifications and amendments thereof, Addenda and the Agreement.
  - C. Contractor: A person, persons, entity, joint venture, co-partner-ship, or corporation, as named in the Agreement.
  - D. Subcontractor: Person, persons, entity, joint venture, co-partner-ship, or corporation having direct contract with the Contractor.
  - E. Work: Labor or materials, or both, including equipment, tools, services, and incidentals.
  - F. Furnish, provide, include, install, place, apply, locate or similar words used individually shall each include the meaning of the others.
  - G. Called for, noted, shown, indicated, detailed, or similar words refer to applicable portions of the Contract Documents.
  - H. Approved, proper, equal, required, satisfactory, suitable, necessary, reviewed, permitted, directed, accepted, etc. refer to matters solely within the province of the Owner's decision.
  - I. Notice: Written demands, instructions, warnings, claims, approvals and disapprovals required to obtain compliance with Contract requirements. Any written notice by either party to the Contract shall be sufficiently given if delivered to or at the last known business address of the person, firm, or corporation constituting the other party to the Contract, or to his, their or its duly authorized agent, representative, or officer, who is authorized to receive such notice, or when enclosed in a registered postage prepaid envelope addressed to such last known business address and deposited with the United States mail, or when faxed to the last known fax number.
  - J. Notice to Proceed: Written notice to commence the Work, issued by the Owner.
3. FUNCTION OF CONTRACT DOCUMENTS:
  - A. Correlation: The Contract Documents are complementary and anything called for by one part shall as if called for by all. In case of a discrepancy, an item of higher quality or quantity shall take precedent.

- B. Conditions: The GENERAL CONDITIONS and the SUPPLEMENTARY GENERAL CONDITIONS apply with equal force to all Work including work of subcontractors and approved extra Work.
- C. The Contractor admits and agrees that the Contract Documents exhibit the intent and purpose of the Owner in regard to the Work, and that they are not complete in every detail and are to be considered as showing the purpose and intent only; and the Contractor further agrees to furnish all labor or material for any detail that is necessary to carry out said intent and purpose of the Contract Documents without extra charge to the Owner.
- D. The misplacement, addition or omission of any word, letter, and numerous punctuation mark shall in no way change the intent, purpose or meaning of the Plans and Specifications.

4. SIGNING OF CONTRACT:

- A. The Contract Documents, including specifications, will be completely identified and shall be signed in 4 counterparts by the Contractor and by the Owner before the work is started. The Owner will retain one set of documents and one set by the Contractor.
- B. Addenda: All additions, deductions and special interpretations pertaining to the Contract, whether arranged by specific addenda prior to bid, by letters of instructions, or by other written explanations, shall be properly listed and described in the Contract Documents. Changes or alterations of the approved plans or specifications prior to letting a construction contract shall be made by addenda signed by the Owner.
- C. Identification: If any Contract Document other than the Agreement be found to lack any or all signatures of the Owner or the Contractor, identification by the Owner is deemed sufficient and conclusive.

5. TIME FOR PERFORMANCE:

- A. After Notice of Award, Contractor shall submit executable Contract, including Bonds and Insurance documents, within 14 days. The Owner may deem Bidder non-responsive for failure to execute within 14 days.
- B. Notice to Proceed: The Owner will issue and authorize the Contractor, a Notice to Proceed with the work.
- C. Time is of the essence of the contract. All work shall be completed and this contract shall be fully performed within the time set forth in the Agreement. Time for performance shall be calculated to commence on the receipt of the Notice to Commence.
- D. Liquidated Damages: The Owner reserves the right to claim liquidated damages for delays in completion of the work attributable to the Contractor.
- E. Substantial Completion: The work will be deemed complete for purposes of this Paragraph hereof at such time as the entire project is sufficiently complete, in accordance with the Contract Documents, so that the Owner can occupy and utilize the entire project for its intended purpose.

6. TIME EXTENSIONS:

- A. Delays in Completion: The time for completion of the work shall be extended by the number of whole days which the contractor is unable to perform any work on the project for reasons which are beyond his control and are not his responsibility nor that of his subcontractors,

provided that a claim for extension be made and granted as set forth herein. These reasons may include the following:

- (1) Unusual or unexpected Acts of God.
  - (2) Acts of foreign, domestic, Federal or State Governments.
  - (3) Federal Government orders or contracts required by law to have priority over this contract.
  - (4) Strikes.
  - (5) Unusual failure of interstate transportation.
  - (6) War and the inability to obtain materials due to war.
  - (7) Perils of the sea.
  - (8) Insurrection or riot.
- B. The number of days allowed for completion as referred to in the Agreement takes into consideration a time loss up to and including twenty (20) business days within the contract time period for time lost due to adverse weather and weather caused conditions such as rain, mud and wind, which in the Owner's opinion actually delays the work or a portion of the work. Up to and including twenty (20) business days shall not be regarded as unavoidable delays in this sense, as the Contractor should understand that such conditions are to be expected within the average climatic range, and shall so be considered for purposes of this contract.
- C. Any and all claims for Extensions must be submitted in writing to the Owner within 7 days of the beginning of the delay.
- D. The Owner will, in his sole discretion, decide whether the cause for claim for extension does in fact exist, and will grant only such claims as are supported by good cause.
- E. Approved extension of contract time will be issued by written change order signed by the Owner. No order will authorize a time extension unless it is specifically stated therein. No extension of time granted by the Owner shall be deemed to allow the contractor any basis for additional compensation for overhead or any other expenses.

## 7. CONTRACTOR'S RESPONSIBILITIES:

- A. Existing Conditions: Detailed knowledge of existing conditions is required of the Contractor. Lack of such knowledge and understanding shall not be the basis of any claim for change in the contract amount or operate to release the Contractor from any requirement for the complete performance of the contract. If conditions arise which are not predictable or inferable from the Contract Documents or site inspection, and which are the cause for additional work, the amount of additional cost will be considered as a basis for claims for adjustment to the contract price.
- B. Checking Contract Documents: Contractor shall compare and check all Contract Documents prior to commencing work. He shall immediately report any discrepancy to the Owner for clarification and he shall not proceed with any work affected by the discrepancy until such clarification has been received in writing.
- (1) General Contractor must thoroughly review all Contract Documents prior to start of construction to minimize the quantity of RFI's during construction.

All Requests for Information (RFI's) must come from the General Contractor and must be typed or legibly hand printed with clear, concise information. They must be first submitted to the Inspector and must bear the Inspector's signature and

comments prior to being submitted to the Owner. Any RFI's not meeting these requirements may be rejected and returned to the General Contractor for revisions. All RFI's must be submitted in a time frame that allows a minimum of 10 business days for review and response. However, RFI's regarding unforeseeable conditions (as determined by the Owner) will receive priority attention and an expedient response.

General Contractor will not be entitled to additional compensation for his expenses incurred in the processing of RFI's. No extensions in time or overhead cost increases will be permitted for any work as a direct result of any RFI's responded to in the time frame outlined above.

(2) If the Contractor proceeds in error or omits required work, and if corrective documents are provided by the Owner in order that the Project can proceed without the Contractor having to remove all of the incorrect work, the Contractor shall pay the Owner and his engineers for their professional services analyzing the defect(s) at their current hourly rate schedule.

C. Coordination of Work: Contractor shall coordinate efficiently all work of his subcontractors and of all trades involved and shall make available to each subcontractor copies of Contract Documents and shall relay all information affecting each trade in ample time so that progress of the Work is not delayed. Any extra work or material, caused by failure or delay of Contractor to so comply, shall be furnished without expense to the Owner.

D. Access to all parts of the work shall be afforded at all times to all governing agencies and representatives of the Owner having jurisdiction over the work. The Contractor shall provide all facilities for such access and inspection.

#### 8. REGULATIONS, PERMITS AND LICENSES:

A. The Contractor shall conform to all Federal and State laws, ordinances and regulations covering this work.

B. Contractor shall obtain and pay all necessary permits as required by code for the County of Sierra. Contractor shall be responsible for all such inspections and provide owner with certificates at close of job.

C. All fees associated with actual fees at project site and as listed above shall not be part of the contractors bid. Contractor shall pay for and be reimbursed as an additional expense and shall bill the owner directly as an independent billing and shall not be part of the payment requests.

#### 9. LAWS & REGULATIONS:

A. The entire Contract Documents and the performance of Work described by them are subject to applicable governmental statutes, codes, regulations, ordinances, among which are the UBC, UPC, UMC, and NEC, now in effect or which shall be in effect during the term of the contract in the locale of the project. Nothing in these Contract Documents shall be construed to permit violation.

B. Contractor shall utilize only materials and methods on the work, which conform to these governmental provisions. He shall promptly inform the Owner of any violations of governmental provisions which he may find in the Contract Documents.

- C. Contractor shall waive "common practice" and "common usage" as construction criteria wherever details and specifications or codes, ordinances, etc. require greater quantity or better quality than common practice or common usage would allow.

10. MATERIALS & WORKMANSHIP:

- A. Specific Standards: Materials and workmanship specified by reference to number, symbol, or title of a specific standard such as Commercial Standard, a Federal Specification, a trade association standard, or other similar standard, shall comply with requirements in latest revision thereof and with any amendment or supplement thereto in effect on the date heading these specifications. Such standard, except as modified herein, shall have full force and effect as though printed in the specifications.
- B. Clear Title: No materials or supplies for the work shall be purchased by the Contractor or by any subcontractor subject to any chattel mortgage or under conditional sale or under any other agreement by which an interest is retained by the seller. Contractor warrants that he has clear title to materials and supplies for which he accepts any payment.

11. OWNER'S FUNCTION:

- A. Owner will periodically observe and review the work for conformance with Contract Documents and will interpret and clarify points of question. All decisions concerning color, texture, design, and aesthetic appearances shall be made by the Owner, whose decision shall be final and are not subject to arbitration; but this does not include direction of person's selection or direction of methods and construction equipment or placing in operation any mechanical or electrical facilities.
- B. Owner will review all shop drawings, samples, and materials.
- C. Owner will recommend approval or rejection of changes in contract amount and/or time and issue change orders accordingly for written approval.
- D. Owner will review amounts of all applications for partial payments from the Contractor as they become due and recommend certificates of payments for the Owner's written approval.
- E. Owner may order the Project work stopped if the Contract Documents are not being followed.
- F. Owner's orders will be in writing only. Oral orders from the Owner or from anyone acting for him shall not be considered binding in case of dispute.
- G. Owner will make written decisions regarding all claims of the Contractor and will interpret the Contract Documents on all questions arising in connection with execution and progress of the work, except as otherwise specified.
- H. Owner will appoint representatives to assist him in conduct of the Work; these persons shall be entitled to same free access to all parts of Work. All written instructions issued by Owner's representatives are final and binding as if issued by the Owner himself. Contractor shall act upon verbal instructions entirely at his own risk.
- I. All communications relating to the Work shall be submitted through the Owner, except the required notice of arbitration.

12. NON-PERFORMANCE OF CONTRACT:

- A. Owner's Right to Terminate Contract: The Owner, without prejudice to any other rights or remedy he may have, may terminate Agreement with the Contractor and Contractor's right to proceed, either with the entire Work or any portion thereof to which delay or default shall have occurred in any of the following circumstances:

- (1) If Contractor be adjudged bankrupt or make an assignment for the benefit of creditors.
  - (2) If receiver or liquidator be appointed for the Contractor or for any of his property and not be dismissed within 20 days after such appointment, or if proceedings in connection therewith are not stayed on appeal within said 20 days.
  - (3) If Contractor shall refuse or fail to supply enough properly skilled workmen or proper materials after notice or warning from Owner.
  - (4) If Contractor shall refuse or fail to execute the Work or any part thereof with such diligence as will insure its completion within the time specified or shall fail to complete the Work within said time. Owner shall be the sole judge of contractor's progress hereunder.
  - (5) If Contractor fails to make payments as specified herein to persons supplying labor or materials for the work.
  - (6) If Contractor fails or refuses to regard laws, ordinances or instructions of the Owner or otherwise be guilty of substantial violation of any provision of this contract.
- B. Procedure for Owner's Termination of Contract: Owner will give written notice of termination to Contractor and to Contractor's sureties. If contractor's sureties do not commence performance of the project within 5 days of such notice of intention, Owner may take over the work and prosecute it to completion by contract or by any other method deemed expedient. In such event, work shall be at the expense of the Contractor and of his sureties who shall be liable to the Owner for any excess cost or damage occasioned thereby, Owner may also, without any further liability, take possession of and utilize in completing the work, such materials, equipment, plant and other property of the Contractor as may be on the site of the Work.
- C. Termination Payment to Contractor: Contractor shall not be entitled to receive any further payment on the work until the work is finished. If the unpaid balance of compensation to be paid the Contractor for complete performance of the contract exceeds the expense of so completing the work, including compensation for additional managerial, administrative and inspection services and any liquidated damages for delay, such excess will be paid to the Contractor. If such expense exceeds such unpaid balance, the Contractor and his sureties shall be liable to Owner for such excess.
- D. Right to Stop Work: Authority to stop the work in whole or part is vested in the Owner and may be invoked whenever he deems such action necessary to insure proper execution of the contract; work may not be resumed until the Owner has given written consent.
- E. Rejection of Materials and Workmanship: The Owner has the right to reject defective material and workmanship and to require its replacement or correction without additional cost to Owner. Contractor shall promptly segregate and remove rejected work from the premises. All adjacent work disturbed by removal of such work shall be replaced in accordance with this contract and without expense to the Owner including Work of any other contractors disturbed by such removals and replacements.
- (1) If Contractor fails to proceed at once with replacement of rejected Work, Owner may, by contract or otherwise, replace such material and correct such workmanship and charge the cost to the Contractor, or Owner may terminate right of the Contract

to proceed. Contractor and his surety shall be liable for any damage to same extent as provided for by terminations hereunder.

(2) If rejected materials are not removed from premises within reasonable time, Owner may cause them to be removed and stored at Contractor's expense 3 days after issuing written notice to so remove them. If Contractor does not pay for such removal and storage within 6 days after such notice, Owner may, 6 days after further written notice, sell the materials and credit Contractor with net proceeds after all costs of removal and sale are deducted. If materials so removed are valueless or sale does not meet cost of removal, Contractor shall bear all resultant loss.

F. Neglected Work: Owner may perform or employ others to undertake portions of the work persistently neglected by the Contractor if work is still proceeding unsatisfactorily 3 days after written notice to the Contractor. In such case work will be done according to the Contract Documents and shall in no way affect the status of either party under this contract, nor be held as the basis of any claim by the Contractor for damages or for extension of time.

G. Right to Withhold Payment: Part or whole of any payment or any certificate may be withheld by Owner if such course be deemed necessary to protect Owner from loss on account of Contractor's failure to meet his obligations or if balances unpaid to Contractor are insufficient to complete the Work. This right may also be exercised if in Owner's opinion the work will not be completed within the time specified for performance of the contract.

13. **CHANGES TO CONTRACT:**

A. Owner may issue revision orders at any time without notice to the sureties, changing the specifications and drawings of this contract but the Contractor shall not make any change which increases the aggregate total contract price without written authorization. All Change Orders shall be signed by the Owner, and Contractor.

B. Revision Orders: Contractor shall submit for the Owner's review in itemized form his estimate of cost of all changes to the work prior to commencing any such work. Owner will either reject the estimate for further study or recommend approval of all or portions of the estimate and will prepare a written revision order stating description of work and its cost change for the Owner's approval. Contractor shall commence for the work upon receipt of written authorization by the Owner.

C. Determination of Amount: Changes in contract price shall be based upon unit prices if established, or upon the actual cost of labor, materials, insurance, taxes, fringe benefits, etc., plus a percentage fee for additional work insofar as it is within the Owner's interest. The owner reserves the right to negotiate lump sum separate proposals for all changes in amounts, which, in his judgment, render the above-stated prices unfair and unreasonable.

D. Percentage fee for additional work shall include all profit and overhead due the Contractor and shall be a percentage of actual cost of labor, materials, insurance, taxes, fringe benefits, etc. involved in the change.

E. Amount of any deductions to the contract sum shall be based on actual costs of labor, material, insurance, taxes, fringe benefits, etc. and the Contractor may retain his allowed percentage fee for profit and overhead on these items.

14. **NOTICE OF COMPLETION:**

A. Final Observation and Re-observation:



- (1) Request for Final Observation: When the work is completed, Contractor shall notify Owner in writing that the work will be ready for final observation on a definite date which shall be stated in such notice. The notice shall be given at least **two (2)** days in advance of such date. Contractor shall arrange for the presence at this observation of all subcontractors, if any.
  - (2) Except for minor touch-up work, ALL work of the contract shall be completed.
- B. Owner and Contractor will make joint final observation to determine if work is (1) entirely complete, or (2) substantially complete, or (3) neither entirely or substantially complete. Substantial completion implies completion except for minor adjustments, correction of finishes, etc. which minor items will not limit Owner's use or occupancy of the entire work. Owner will be sole judge in determining specifically what constitutes any minor item in this instance.
- (1) If the Owner arrives at the site for the Final Observation at the request of the Contractor and the Project is not deemed to be substantially complete by the Owner, the Final Observation shall be rescheduled. The Contractor shall be financially responsible to the Owner for paying the owner based on the amounts in B.4 below.
  - (2) Within **ten (10) days** after the final observation, a written list of any deficiencies consisting of items to be completed or corrected before acceptance of the building shall be furnished to Contractor. Such completion or correction shall be done within five (5) days after the final observation or such other time limit as may be established by the Owner.
  - (3) A Follow-Up Observation will be made by the Owner within **five (5)** days after the final observation or such other time limit as may be established by the Owner. Contractor shall arrange for the presence of subcontractors whose work was on the list of deficiencies.
  - (4) Reobservation(s) should it be determined during the follow-up observation that all items on the list of deficiencies have not been completed or corrected and that additional observations would be required to observe those items not completed or corrected. Contractor shall be charged in accordance with the following schedule. Determination of necessity for such reobservations shall be made by Owner.
    - i) Each additional observation by Owner will be at current hourly rate (4 hours minimum), including travel time and reimbursement for mileage.
    - ii) Each additional observation by the Consultant(s) will be at current hourly rate (4 hours minimum), including travel time and reimbursement for mileage.
  - (5) When Work is accepted, Owner shall give Contractor written notice of the date of completion.

15. ACCEPTANCE OF WORK:

- A. Final Payment: 35 days after receiving the notice of completion, the Contractor shall be entitled to payment of all remaining monies on following conditions:

- (1) Receipt of all Guarantee/Warranties, Release of Liens, and O&M Manuals.
- (2) No stop notices or claims have been filed.
- (3) Any such notices or claims, which have been filed, have been satisfied.
- (4) All Work is completed satisfactorily according to the terms of the Contract.

- B. Release of Claims: Final payment shall not become due until Contractor delivers to the Owner a complete release of all claims against the Owner arising under and by virtue of this contract, including claims of all subcontractors and suppliers of other materials or labor. Should said release not be delivered before final payment is made by the Owner, acceptance of final payment shall operate to release Owner from all claims the same as if said release had in fact been delivered.
- C. Performance Bond: No payment, final or otherwise, shall operate to release the Contractor or his sureties from any obligations under any performance bond.
- D. Final Acceptance of Work: Receipt of final payment by the Contractor shall operate as the act of delivery to and final acceptance by the Owner of the completed project; but receipt shall not relieve the Contractor of his responsibilities for any deviation, defect or omission of work, nor limit or waive any obligation due the Owner under guarantees and warranties required by the Contract.

16. OCCUPANCY:

- A. Owner may occupy certain portions of the work prior to Contractor's completion of the total project. The Owner's right to such occupancy is understood to be part of the Contract and Contractor shall proceed with completion of the total project in such manner as to cause least possible interference with the Owner, his employees, or others having business on the premises.
- B. Partial occupancy shall not be deemed acceptance or completion of work in whole or in part, and shall in no manner diminish any provision for liquidated damages for delay in completion of Contract, nor extend the time for completion of Contract.

17. GUARANTEES:

- A. General Guarantee: All Work shall be guaranteed by the Contractor against defects of materials or workmanship for one year from the date of receiving notice of completion.
- B. Special Guarantees: Certain parts of the work, where specifically noted, may require guarantee periods of greater duration than the General Guarantee period of one year, or may require other starting dates for guarantee period than date of filing notice of completion, or may require both of these exceptions to the general guarantees.
- C. Guarantee Requirements: If corrections are required within any guarantee period, without expense to the Owner, the Contractor shall promptly comply with the following:
- (1) Place in condition satisfactory to Owner all such guaranteed work.
  - (2) Make good all damage to buildings, to Owner's furnishings and personal property, or to site, which is the result of said defects.
  - (3) Make good any work, materials, equipment and contents of buildings or site disturbed by repairs and changes in fulfilling any such guarantee.
- D. Failure to Comply: Owner may have defects corrected if Contractor, after notice, fails to proceed promptly to comply with terms of the guarantee and Contractor and his surety shall be liable for all expenses incurred.
- E. Special Equipment: Owner may, at his sole discretion, exercise his option to repair or replace damaged special equipment if such repair or replacement is included in provisions of any guarantee. Cost of such remedy shall be recoverable from the Contractor in the amount of exact cost to the Owner.

- F. Certain items of work or equipment shall be excluded from the provision for commencement of guarantee if, at time of final acceptance of the work, these items are incomplete or unacceptable. The guarantee period for these items shall commence only upon written acceptance by the Owner.
18. ASSIGNMENT: The Contractor shall not assign the contract nor sublet it as a whole without written consent of the Owner, nor shall the Contractor assign any monies due or to become due to him hereunder without written consent of the Owner. Such assignment or sub-letting by the Contractor will not be binding upon the Owner without such consent.
19. SUBCONTRACTS:
- A. Agreements between Contractor and subcontractors shall be made available upon Owner's request.
  - B. Contractor shall bind each subcontractor to the terms of the Contract Documents; but no act of the Owner nor anything contained in any Contract Documents shall be construed as creating any contractual relation between the Owner and any subcontractor.
  - C. Disputes: The Owner will not undertake to settle any disputes between the contractor and his subcontractors or between subcontractors.
20. SEPARATE CONTRACTS:
- A. Owner, at his discretion, may let separate contracts related to the project, which may be carried on simultaneously with this contract. Scope and technical details of separate contracts will be made available to Contractor for his examination. Contractor shall cooperate with separate contractors to ensure uninterrupted progress of all work including delivery and storage of materials necessary for work of separate contractors.
  - B. Contractor shall notify Owner of potential interference with this Work by any separate Contractor's work before Work of either contract is disturbed, and shall secure Owner's decision as to procedure or change in design or construction before proceeding.
  - C. Where results or proper execution of this work depend upon work by separate contractor, Contractors shall inspect separate contractor's work and promptly report to Owner any defects that render it unsuitable for such results or execution. Failure to so report shall constitute acceptance of separate contractor's work as proper for reception of Contractor's work.
  - D. If Contractor damages any separate contractor's work, or vice versa, or if any dispute arises, Contractor agrees to settle by mutual consent, or upon due notice, to settle by arbitration in the manner provided in these GENERAL CONDITIONS or by agreement with the Owner.
21. SAFETY:
- A. Contractor shall be solely and completely responsible for conditions of the premises on which the work is performed and for safety of all persons and property on the site during performance of the contract. This requirement shall not be limited to normal working hours, but shall apply continuously.
  - B. Contractor shall conform to all governing safety regulations. The Owner is not responsible for monitoring the Contractor's compliance with safety regulations.
  - C. Contractor shall hold the Owner and their representatives free and harmless from any claim or judgment including litigation costs and counsel fees deriving from or related to performance of the work as regards safety to property or persons, including injury or death,

irrespective of whose conduct including conduct of the Owner or of their representatives, may have given rise to the claim or loss.

22. LIABILITY & INSURANCE: (For extent of coverage, see SUPPLEMENTARY GENERAL CONDITIONS.)

- A. For the duration of this contract, Contractor shall maintain Statutory Workmen's compensation and shall maintain Employer's Liability Insurance. Contractor shall require subcontractors to provide Workmen's Compensation and Employer's Liability Insurance with the same minimum limits.
- B. For the duration of this Contract, Contractor shall maintain Comprehensive General Liability Insurance. The policy shall include Protective Liability Insurance with the same minimum limits. Contractor shall require subcontractors to provide Comprehensive General Liability Insurance with the same minimum limits.
- C. For the duration of this Contract, Contractor shall maintain Comprehensive Automobile Liability Insurance for all owned, non-owned, and hired vehicles. Contractor shall require subcontractors to provide Comprehensive Automobile Liability Insurance with same minimum limits.
- D. Hold Harmless Agreement & Contractor's Insurance: Contractor's Comprehensive General Liability Insurance and his Comprehensive Automobile Liability Insurance shall hold Owner and their elective and appointive boards, officers, agents and employees, harmless from any liability for personal injury or claims for property damage including Owner's property which may arise from Contractor's or any subcontractor's operations under this agreement, whether such operation be by Contractor or by any subcontractor or subcontractors, or by any one or more persons directly or indirectly employed by, or acting as agent for, Contractor or any subcontractor or subcontractors. Policies shall include Owner's full legal names in the endorsements.
- E. Contractor shall defend Owner and their elective and appointive boards, officers, agents and employees from any suits or actions at law or in equity for damages caused, or alleged to have been caused, by reason of any of the aforesaid operations, provided as follows:
  - (1) That the Owner does not waive any right against Contractor which they may have by reason of the aforesaid hold harmless agreement, because of the acceptance by the Owner, or the depositing with either of them by the Contractor of any insurance policies described herein.
  - (2) That the aforesaid Hold Harmless Agreement by Contractor shall apply to all damages and claims for damages of every kind suffered or alleged to have been suffered by reason of any of the aforesaid operations, regardless of whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.
- F. The insurance required by sub-paragraphs 24.C, 24.D, 24.E (1) & (2) of the General Conditions shall include Contractual Liability Insurance applicable to the contractor's obligations under these same sub-paragraphs.
- G. Contractor shall not commence work at the site until he has obtained all required insurance and until such insurance has been approved by the Owner. The Contractor shall not allow

any subcontractor to commence work until all insurance required has been obtained and approved. Approval of the insurance by the Owner shall not relieve or decrease the liability of the Contractor hereunder. Certificates of insurance shall be filed with the Owner prior to commencing work.

- H. The required insurance must be written by a Company licensed to do business in the state of California at the time the policy is issued. In addition, the Company must be acceptable to the Owner.
- I. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse. All insurance policies shall include a clause to the effect that the policy shall not be canceled or reduced, restricted or limited until ten (10) days after the Owner has received written notice as evidenced by return receipt of registered or certified letter. Certificates of Insurance shall contain transcripts from the proper office of the insurer, evidencing in particular those insured, the extent of the insurance, the location and the operations to which the insurance applies, the expiration date, and the above-mentioned notice of cancellation clause.
- J. Approval or review by the Owner or by his representative of any equipment or material or work of installation shall in no manner act to release the Contractor, his sureties or insurers from any liability or indemnity as provided in these GENERAL CONDITIONS related to such equipment, material or installation work, or to its performance.
- K. Builder's Risk Insurance:
  - (1) The contractor shall carry coverage on a Builders Risk and/or installation floater for covering the interest of the contractor and Owner against loss or damage to machinery, equipment, building materials or supplies, being used with and during the course of installation, testing, building, renovating or repairing. Such policies shall cover at points or places where work is being performed, while in transit and during temporary storage or deposit of property designated for and awaiting specific installation, building, renovating or repairing.

## 23. TIME OF WORK

- A. The Owner shall designate the starting date of the work to be June 18, 2018, on which date the Contractor shall begin work forthwith.
- B. Simultaneously with the execution of the Contract, the Contractor shall furnish to the Owner a detailed estimate of the contract price (contract breakdown). The Contractor shall, within ten (10) days from the execution of the Contract, present a contemplated time schedule showing the time necessary to complete each portion of the building, and to complete the entire project.
- C. The Contractor "breakdown" showing percentage of work completed shall be presented each pay period to accompany the Owner's certificate of payment.
- D. The Contractor obligates himself to make the whole work complete and satisfactory on, or before, such date as shall be determined by the elapsed number of calendar days set forth in the Proposal, plus any extension approved by the Owner.

24. PAYMENTS

- A. Payments to the Contractor on account of the Contract shall be made according to the following schedule, and subject to additions and deductions, if any, as hereinafter provided. No payment will be made without the completion and verification of the certificate referred to in General Conditions 24-C.
- B. After the completion of the Work required by this Contract, the Contractor shall file with the Owner, his affidavit, sworn to before a Notary Public, stating that all workmen and persons employed, all firms supplying the materials, and all subcontractors upon the project have been paid in full, and that there are no disputed claims or stop notices. The filing of such affidavit by the Contractor shall be a prerequisite to the making, by the Owner, of the final payment of the Contract. Final payment shall be made thirty-five (35) days after completion of the work and its acceptance by Owner.
- C. Payment hereunder may, at any time, be reduced or withheld by the Owner, if, in the opinion of the Owner, the Contractor is not diligently and efficiently endeavoring to comply with the intent of this Contract, or if the Contractor shall fail to pay for labor and material used on the project when such payments become due.
- D. The acceptance by the Contractor of the payment of the final certificate shall constitute a waiver of all claims against the Owner under or arising out of this Contract.
- E. The Owner, at any time during the progress of the Work, shall have the right to order alterations in, additions to, or deviations or omissions from the work contemplated by this Contract, and the same shall in no way make void the Contract. If any such changes involve an increase or decrease in the contract amount, the change order shall state the amount to be added to or deducted from the contract amount, and shall also state the additional time, if any, needed for the performance of the work; provided that any additions to or deductions from the contract amount shall be determined upon the basis of an estimate and acceptance of a lump sum; lump sum costs shall not have greater than 10% mark-up for profit and overhead and maximum of 3% for Bonds and Insurance and provided further that, where such lump sum is not agreed upon, such additions shall be upon the basis of actual cost of labor and materials, plus ten Percent (10%) to cover the Contractor's profit and overhead expense for the extra work and a maximum of 3% for Bonds and Insurance. Payment to Subcontractors for such additions shall be computed on the same basis as payments to the Contractor. No payments shall be made on a cost plus basis, except on presentation of a correct list of such costs, together with vouchers therefore. Any change in the work shall be fully executed according to the original drawings and specifications insofar as they may apply without conflict to the conditions involved in the change.
- F. **CLAIMS FOR EXTRA COSTS:** It is hereby mutually agreed that the Contractor shall not be entitled to payment of additional compensation for any occurrence, unless he shall have given the Owner due written notice of potential extra cost.

The written notice of potential extra cost shall set forth the reasons the Contractor believes additional compensation will or may be due, the nature of the costs involved, and, insofar as possible an estimate of the total cost. The required notice must have been given to the Owner prior to the time the contractor performed the work, or in all other cases within seven (7) days after the start of work, giving rise to the potential extra cost.

It is the intention of this Article that differences between the parties arising under and by virtue of the Contract be brought to the attention of the Owner at the earliest possible time so

that such matters may be settled, if possible, or other appropriate action promptly taken. The Contractor hereby agrees that he shall have no right to additional compensation for any claim that may be based on any act, failure to act, event, thing or occurrence for which no written notice of potential claim was filed within the time constraints stated above. In the event of an emergency endangering life or property, the Contractor shall act as stated below, and after execution of the emergency work, shall present an accounting of labor, materials, and equipment in connection therewith. The procedure for any payment that may be due for emergency work will be as specified in Section 24-B. The Owner shall, within a reasonable time after their presentation to him, state his decisions in writing on all claims for extra compensation. All such decisions of the Owner shall be final.

- G. In an emergency affecting the safety of life or of the work or of adjoining property, the Contractor, without special instruction or authorization from the Owner, is hereby permitted to act at his discretion to prevent such threatened loss or injury, and he shall so act without appeal if so instructed or authorized. Any compensation claimed by the Contractor for emergency work shall be determined as specified under Section 24-B.
- H. Payment for additional work or extras, if any, under this Contract shall be made in accordance with the provisions of Section 24-B hereof. The value of omissions, if any, from the Contract, shall be deducted from the amount of the contract price, and the deductions shall be made by the Owner from the payment first following the authorization for said deductions.

25. TESTS AND INSPECTIONS

- A. The cost of all tests, sampling, tagging and shipping inspection called for in the specifications shall be paid for by the Owner. Should the result of any tests show that the materials and/or workmanship fails to meet the requirements of the specifications, then the contractor shall provide new materials and/or workmanship, and additional tests shall be made until the requirements of the specifications are satisfied. The Owner shall deduct from the final payment sufficient money to pay for all the testing costs from and after the first tests required by specifications. If the results of any tests on imported material show that it is not suitable, the contractor shall provide new material and additional tests shall be made. The Owner shall deduct from the final payment the cost of testing from and after the first tests should the material fail to meet the tests. The testing laboratory shall be employed by the owner.

26. RESOLUTION OF CONSTRUCTION CLAIMS

- A. The parties hereto shall adhere to and be bound by each and all of the provisions of Public Contract code Section 20104 through 20104.6, a copy of which is attached as "EXHIBIT A" and is incorporated herein by this reference.

27. ARBITRATION OF PUBLIC WORKS CONTRACT CLAIMS

- A. The parties hereto shall adhere to and be bound by each and all of the provisions of Public Works Contract, Section 22200 through 22201, a copy of which is attached as "EXHIBIT B" and is incorporated herein by this reference.

**"EXHIBIT A" (General Conditions Item 28)**

**PUBLIC CONTRACT CODE  
SECTION 20104-20104.4**

20104. (a) (1) This article applies to all public works claims of three hundred seventy-five thousand dollars (\$375,000) or less which arise between a contractor and a local agency.

(2) This article shall not apply to any claims resulting from a contract between a contractor and a public agency when the public agency has elected to resolve any disputes pursuant to Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2.

(b) (1) "Public work" has the same meaning as in Sections 3100 and 3106 of the Civil Code, except that "public work" does not include any work or improvement contracted for by the state or the Regents of the University of California.

(2) "Claim" means a separate demand by the contractor for (A) a time extension, (B) payment of money or damages arising from work done by, or on behalf of, the contractor pursuant to the contract for a public work and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (C) an amount the payment of which is disputed by the local agency.

(c) The provisions of this article or a summary thereof shall be set forth in the plans or specifications for any work which may give rise to a claim under this article.

(d) This article applies only to contracts entered into on or after January 1, 1991.

20104.2. For any claim subject to this article, the following requirements apply:

(a) The claim shall be in writing and include the documents necessary to substantiate the claim. Claims must be filed on or before the date of final payment. Nothing in this subdivision is intended to extend the time limit or supersede notice requirements otherwise provided by contract for the filing of claims.

(b) (1) For claims of less than fifty thousand dollars (\$50,000), the local agency shall respond in writing to any written claim within 45 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the local agency may have against the claimant.

(2) If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the local agency and the claimant.

(3) The local agency's written response to the claim, as further documented, shall be submitted to the claimant within 15 days after receipt of the further documentation or within a period of time no greater than that taken by the claimant in producing the additional information, whichever is greater.

(c) (1) For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the local agency shall respond in writing to all written claims within 60 days of receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, any additional documentation supporting the claim or relating to defenses to the claim the local agency may have against the claimant.

(2) If additional information is thereafter required, it shall be requested and provided pursuant to this subdivision, upon mutual agreement of the local agency and the claimant.

(3) The local agency's written response to the claim, as further documented, shall be submitted to the claimant within 30 days after receipt of the further documentation, or within a period of time no greater than that taken by the claimant in producing the additional information or requested documentation, whichever is greater.

(d) If the claimant disputes the local agency's written response, or the local agency fails to respond within the time prescribed, the claimant may so notify the local agency, in writing, either within 15 days of receipt of the local agency's response or within 15 days of the local agency's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon a demand, the local agency shall schedule a meet and confer conference within 30 days for settlement of the dispute.

(e) Following the meet and confer conference, if the claim or any portion remains in dispute, the claimant may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code. For purposes of those provisions, the running of the period of time within which a claim must be filed shall be tolled from the time the claimant submits his or her written claim pursuant to subdivision (a) until the time that claim is



denied as a result of the meet and confer process, including any period of time utilized by the meet and confer process.

(f) This article does not apply to tort claims and nothing in this article is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.

20104.4. The following procedures are established for all civil actions filed to resolve claims subject to this article:

(a) Within 60 days, but no earlier than 30 days, following the filing or responsive pleadings, the court shall submit the matter to nonbinding mediation unless waived by mutual stipulation of both parties. The mediation process shall provide for the selection within 15 days by both parties of a disinterested third person as mediator, shall be commenced within 30 days of the submittal, and shall be concluded within 15 days from the commencement of the mediation unless a time requirement is extended upon a good cause showing to the court or by stipulation of both parties. If the parties fail to select a mediator within the 15-day period, any party may petition the court to appoint the mediator.

(b) (1) If the matter remains in dispute, the case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act of 1986 (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure) shall apply to any proceeding brought under this subdivision consistent with the rules pertaining to judicial arbitration.

(2) Notwithstanding any other provision of law, upon stipulation of the parties, arbitrators appointed for purposes of this article shall be experienced in construction law, and, upon stipulation of the parties, mediators and arbitrators shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.

(3) In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who after receiving an arbitration award requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorney's fees of the other party arising out of the trial de novo.

(c) The court may, upon request by any party, order any witnesses to participate in the mediation or arbitration process.

20104.6. (a) No local agency shall fail to pay money as to any portion of a claim which is undisputed except as otherwise provided in the contract.

(b) In any suit filed under Section 20104.4, the local agency shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

**"EXHIBIT B"**      **(General Conditions Item 29)**

**PUBLIC CONTRACT CODE**  
**SECTION 22200-22201**

22200. As used in this part:

(a) "Public works contract" means, except for a contract awarded pursuant to the State Contract Act (Part 2 (commencing with Section 10100)), a contract awarded through competitive bids or otherwise by the state, any of its political subdivisions or public agencies for the erection, construction, alteration, repair, or improvement of any kind upon real property.

(b) "Claim" means a demand for monetary compensation or damages, arising under or relating to the performance of any public works contract.

22201. Unless otherwise prohibited by law, the terms of any public works contract may include at the time of bidding and of award a provision for arbitration of any claim pursuant to Article 7.1 (commencing with Section 10240) of Chapter 1 of Part 2.

## SUPPLEMENTARY GENERAL CONDITIONS

1. DOCUMENTS CONSTITUTING CONTRACT:

ADVERTISEMENT FOR BIDS

INSTRUCTIONS TO BIDDERS

PROPOSAL FORM

AGREEMENT

PERFORMANCE BOND

LABOR AND MATERIAL BOND

GENERAL CONDITIONS

SUPPLEMENTARY GENERAL CONDITIONS

All addenda instructions, modifications and clarifications to these documents issued prior to signing a contract.

SPECIFICATIONS: Divisions 1

2. ISSUE OF BID DOCUMENTS:

A. Contractor will be issued without any cost to him **2** sets of bid documents including copies already issued for bidding purposes.

B. Owner retains ownership of all copies of specifications. These documents shall not be used for work other than for the specific project identified by the Owner's project number.

C. Contractor shall return all copies of specifications to the Owner at completion of the project or upon Owner's request.

3. INSPECTION: Omitted

4. Regulations of California Building Code regarding Protection of Adjoining Property from Excavations, Foundations and Retaining Walls. He shall especially conform to these code provisions.

5. PARTIAL PAYMENTS:

A. Prior to Contractor's submitting his first request for payment, he shall submit for Owner's approval a breakdown of costs of all labor and material according to trade classification. Breakdown, when approved, shall form basis for all payments.

B. Amount of payment will be certified by Owner according to the value of the work and materials installed during period covered by request.

C. Partial payment shall be withheld by 35% of the total amount requested if the Owner determines adequate and timely record documents are not being kept.

- D. Percentage retention on determined amount of partial payments:
  - (1) For all work up to substantial completion of the project: 10%
  - (2) All monies retained by Owner after substantial completion of project will be released to Contractor according to Para. 16 of GENERAL CONDITIONS.
- 6. STARTING DATE FOR GUARANTEE PERIODS (Reference GENERAL CONDITIONS, Paragraph. 19) If Owner's occupancy of the work in advance of completion of the total project required Owner's operation of equipment or mechanical systems, guarantee or warranty periods for these systems shall commence on date of Owner's occupancy.
- 7. MINIMUM LIMITS OF LIABILITY INSURANCE (Reference GENERAL CONDITIONS 24:)
  - A. Statutory Workmen's Compensation and Employer's Liability Insurance: As prescribed by the State of California.
  - B. Comprehensive General Liability Insurance with Owner and its officers, agents, and employees protected with Contractor as additional insured. Personal injury \$ 1,000,000 each occurrence and property damage \$ 200,000 each occurrence.
  - C. Comprehensive Automobile Liability Insurance for all owned and non-owned and hired vehicles, with Owner protected with Contractor as additional insured: Personal injury \$1,000,000 each occurrence and property damage \$200,000 each occurrence.
- 8. WORKMANSHIP AND LABOR
  - A. All employees shall be especially skilled for the kind of work for which they are employed, and shall work under the direction of a competent foreman.
  - B. Should the Owner deem anyone employed on the work incompetent or unfit for his duties, the Contractor shall dismiss him, and he shall not again, without the permission of the Owner, be employed on the work.
- 9. WAGES:
  - A. Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II of the Labor Code of the State of California, Contractor and all sub-contractors shall pay their workmen on all work included in this contract not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for legal holidays and overtime work, for each craft or type of workman needed to execute the work contemplate under this Agreement, as ascertained by the Owners, and as set forth in the schedule of such wages located at the Office of the County Administrator on said work by the Contractor, or by any subcontractor doing or contracting to do any part of said work. Current prevailing wage rates may be found online at <http://www.dir.ca.gov/>.
    - (1) The Contractor shall forfeit as a penalty to the Owner, the sum of Fifty Dollars (\$ 50.00) for each calendar day or portion thereof, for each workmen paid less than said stipulated rates for any work done under this Agreement by him or by any subcontractor under him and shall pay each such workmen the difference between said prevailing wage rate, and the amount paid to each workman, and shall otherwise comply with Section 1775 of the Labor Code. The Contractor and each Subcontractor shall

keep an accurate record showing the name, occupation, and actual per diem wages paid to each workmen employed on the work contemplated by this Agreement, which record shall be kept open at all reasonable hours to the inspection of the Owner and the Division of Labor Law Enforcement.

- (2) Contractor shall be responsible for complying with Labor Code Section 1777.5 pertaining to the employment of the registered apprentices and Section 1771 of the Labor Code requires that for all public works projects, not less than the general prevailing rate of per diem wages must be paid to all workmen employed on public work.

10. LEGAL DAY'S WORK:

- A. In accordance with the provisions of Article 1 and 3 of Chapter 1, Part 7, Division II, of the Labor Code of the State of California, eight (8) hours labor shall constitute a regular day's work, and no workman in the employee of the Contractor or any Subcontractor doing or contracting to do any part of the work contemplated by this Agreement, shall be required or permitted to work more than eight (8) hours in any one calendar day or forty (40) hours during any calendar week, except as provided in Section 1810 to Section 1815 thereof, inclusive, of the Labor Code: and the Contractor and each Subcontractor shall keep an accurate record showing the name of and actual hours worked by each workman employed on the work contemplated by this Agreement, which record shall be kept open at all reasonable hours to the inspection of the Owner and to the Division of Labor Law Enforcement; and that said Contractor shall forfeit as a penalty to the Owner the sum of Fifty Dollars (\$ 50.00) for each workman employed in the execution of this contract, by him or by any Sub-contractor, for each calendar day during which said workman is required or permitted to labor more than eight (8) hours in violation of the provisions of said Article 3, as modified by Section 1815 of the Labor Code.

11. MATERIALS:

- A. The Contractor shall furnish and use new materials of quality required by the provisions of the Contract for every part of his work, unless otherwise specified. CONTRACTOR SHALL SUBMIT SAFETY DATA SHEETS FOR ALL CONSTRUCTION MATERIALS USED ON THE PROJECT. CONTRACTOR SHALL COLLECT AND KEEP ALL SAFETY DATA SHEETS (MSDS) ON THE JOB SITE IN A READILY ACCESSIBLE THREE RING BINDER. THIS BINDER SHALL BE SUBMITTED AT THE END OF THE PROJECT WITH THE OTHER CLOSE-OUT DOCUMENTATION.
- B. Whenever, in the specifications, any material or process is indicated or specified by patent or proprietary name and/or by name of manufacturer, such specifications shall be deemed to be used for the purpose of facilitating description of the material and/or process desired, and shall be deemed to be followed by the words, "or approved equal", and the Contractor may offer any material or process which shall be equal in every respect to that so indicated or specified, provided however, that if the material, process, or article offered by the Contractor is not, in the opinion of the Owner, equal in every respect to that specified, then the Contractor must furnish the material, process, or article specified or one that in the opinion of the Owner is the equal thereof in every respect. Request for substitution shall be made in writing to the Owner within thirty-five (35) days after signing of Contract. Time used by Owner in making decisions on substitute materials will not be allowed as a claim for extension of working time.

- C. If after the Owner has made a review of materials or equipment it is found that the materials or equipment presented and approved for use are not justifiably equal in quality and performance to the product originally specified, the Owner retains the right to revoke said approval, and to reject the materials or equipment prior to the installation without any additional cost.
- D. All materials, samples, tests, and inspection shall be in accordance with the requirements of the specifications.
- E. Any material may be submitted to the Owner prior to the bid opening for consideration as an approved equal to the proprietary material. Requests for such shall be in writing and be made not less than seven (7) business days prior to the bid opening. The request will be accompanied by manufacturer literature, details, test data and samples in a format, which shows direct item by item comparison between the proprietary and proposed materials. Approval lies solely within the province of the Owner.

12. LIQUIDATED DAMAGES (Reference GENERAL CONDITIONS, Para. 5)

- A. As of this date of this contract, it is impossible to determine precisely the damages, which Owner would sustain, should Contractor fail to complete the work by the date of completion set forth in the Agreement. Under the circumstances existing at the current time, the parties hereto have exercised a good faith attempt to estimate the amount of such damages and agree that said amount is one thousand dollars (**\$1,000.00**) per day. If Contractor fails to complete the work by the date of completion set forth in the Agreement, Contractor shall pay to Owner or Owner shall withhold from funds otherwise due and payable to Contractor (at Owner's option) the sum of one thousand dollars (**\$1,000.00**) per day for each day after the date of completion set forth in the Agreement until the project is completed. These damages are in addition to any other rights and remedies of Owner as set forth herein. Contractor acknowledges that the aforesaid sum is not intended to compensate Owner for and shall not affect its rights to collect from Contractor costs and expenses incurred by Owner to complete the work after the date of completion.

13. SUBCONTRACTS:

- A. The Owner will deal only through the Contractor, who shall be responsible for the proper execution of the whole work. Subletting the whole or any part of the Contract shall be made only in accordance with the provisions of Section 4100 to 4108 inclusive, of the Public Contracts Code of the State of California.
- B. Pursuant to the provisions of Section 4100 to 4108, inclusive, of the Public Contracts Code of the State of California, the Contractor shall not without the consent of the Owner, either:
  - 1. Substitute any persons as subcontractor in place of the subcontractor designated in his original bid.
  - 2. Permit any subcontract to be assigned or transferred or allow it to be performed by anyone other than the original subcontractor listed in the bid.
  - 3. Sublet or subcontract any portion of the work in excess of one-half (1/2) of one percent (1%) of his bid as to which his original bid did not designate a subcontractor.

- C. Should the Contractor violate any of the provisions of said Section 4100 to 4108, inclusive, of the Public Contracts Code, his so doing shall be deemed a violation of this Contract, and the Owner may cancel the Contract. In the event of such violation, the Contractor shall be penalized to the extent of ten percent (10%) of the amount of the subcontract involved.

14. PROTECTION OF SCHOOL CHILDREN

- A. This work may be executed at the time school is in session; therefore, the Contractor shall arrange with the Principal of the School and/or the Board of Trustees, who shall designate the areas which the Contractor shall use in the storage of materials and the construction activities. Every precaution shall be exercised to protect the children from injury by building accident.

## QUALITY CONTROL

### PART 1 - GENERAL

#### 1.1 DESCRIPTION

- A. Provide and maintain an effective Quality Control program and perform sufficient inspections and tests of all items of work, including those of subcontractors to insure compliance with Contractor Documents. Include surveillance and tests specified in the technical sections of the Specifications. Furnish appropriate facilities, instruments, and testing devices required for performance of the quality control function. Controls must be adequate to cover construction operations and be keyed to the construction sequence.

#### 2.1 WORKMANSHIP

- A. All work shall be in accordance with printed directions and specifications of associations, trades, and manufacturers of systems and materials approved for this project. Finished work shall be firm, well anchored, in true alignment, plumb level with smooth clean uniform appearance without waves, distortions, holes, marks, cracks, stains, or discolorations. Finish work shall have no exposed unsightly anchors or fastenings and shall not present hazardous, unfinished or unsafe protrusions, offsets, burrs, raw edges, or sharp corners. All work shall have provision for expansion and contraction or shrinkage as necessary to prevent cracks, buckling and warping.
- B. Attachments, connections, or fastenings of any nature are to be properly and permanently secured in conformance with best practice and Contractor is responsible for providing them according to these conditions.
- C. Contractor is responsible for verifying measurements at site.
- D. Contractor shall continuously check for clearances and for accessibility of equipment. No allowances of any kind will be made for negligence on part of Contractor to foresee means of installing equipment into position.
- E. Existing work remaining in place, which is damaged or defaced by work done under this contract shall be restored equal to its condition at the time of the award of the contract.

## PROJECT CLOSEOUT

### PART 1 - GENERAL

#### 1.1 CLEANING UP

- A. The premises and the job site shall be maintained in a reasonable neat and orderly condition and kept free from accumulations of waste materials and rubbish during the entire construction period. Remove crates, cartons, and other flammable waste materials or trash from the work areas at the end of each business day.
- B. Care shall be taken by workmen not to mark, soil, or otherwise deface finished surfaces. In the event that finished surfaces become defaced, clean and restore such surfaces to their original condition.
- C. Clean up immediately upon completion of each trade's work.
- D. Upon completion of the work, remove temporary buildings and structures, fences, scaffolding, surplus materials, and rubbish of every kind from the site of the work.
- E. The Contractor shall, in addition, remove all extraneous material such as paint, plaster, concrete spots, dust and dirt from finish surfaces.

#### 2.1 NOTICE OF COMPLETION

- A. Refer to the General Conditions.

#### 2.2 PREREQUISITES FOR FINAL PAYMENT

- A. Before the Final Payment for this contract the following requirements of the construction documents shall have been fulfilled.
  - 1. Satisfactory completion of all construction work and acceptance by Owner.
    - a. In the event a portion of unfinished work cannot be completed due to circumstances beyond the control of the contractor, the contractor may request that the retention amount be released, less an amount equal to 150% of the unfinished work.
  - 2. The submission by the contractor to the Owner of the required guarantees.
  - 3. The submission by the contractor to the Owner of the maintenance manuals and operating instructions.
  - 4. The submission of the following documents. A copy of these documents is provided immediately following this section:
    - a. Certification of Compliance for Building Materials



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**CERTIFICATION OF COMPLIANCE FOR BUILDING MATERIALS**

THIS IS TO CERTIFY, IN ACCORDANCE WITH THE ENVIRONMENTAL PROTECTION AGENCY REQUIREMENTS, THAT THE MATERIALS AND EQUIPMENT USED IN THE CONSTRUCTION OF THE: LOYALTON ELEMENTARY SCHOOL FOR THE SIERRA COUNTY OFFICE OF EDUCATION, LOYALTON, CALIFORNIA, ARE ASBESTOS FREE AND ARE, THEREFORE, NOT SUBJECT TO MONITORING FOR ASBESTOS CONTAMINATION.

PROJECT NAME:  
ADDRESS:

CONTRACTOR:  
ADDRESS:

SIGNATURE:  
TITLE:

CERTIFICATION OF COMPLIANCE FOR BUILDING MATERIALS

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## CLEANING

### PART 1 - GENERAL

#### 1.1 DESCRIPTION

##### A. Work Included:

1. Maintain premises and public properties free from accumulations of waste, debris, and rubbish caused by operations.
2. At completion of work, remove waste materials, rubbish, tools, equipment, machinery and surplus materials, and clean all sight-exposed surfaces. Leave Project clean and ready for occupancy.

#### 1.2 QUALITY ASSURANCE:

- ##### A. Standards:
- Cleanliness of Project and disposal of refuse shall be in accordance with applicable codes, laws and ordinances.

### PART 2 - PRODUCTS

#### 2.1 MATERIALS

- ##### A.
- Use only cleaning materials recommended by manufacturer of surface to be cleaned.
- ##### B.
- Use cleaning materials only on surfaces recommended by cleaning material manufacturer.

### PART 3 - EXECUTION

#### 3.1 DURING CONSTRUCTION:

- ##### A.
- Execute cleaning to ensure that building, grounds and public properties are maintained free from accumulations of waste materials and rubbish.
- ##### B.
- At reasonable intervals during progress of work, clean site and public properties and dispose of waste materials, debris and rubbish.
- ##### C.
- Provide on-site containers for collection of waste materials, debris and rubbish.
- ##### D.
- Remove waste materials, debris and rubbish from site and legally dispose of at public or private dumping areas.
- ##### E.
- No burning on site.

#### 3.2 FINAL CLEANING

- ##### A.
- For final cleaning employ experienced workmen or professional cleaners.
- ##### B.
- Remove grease, dust, dirt, stains, labels, fingerprints and other foreign materials from exposed interior and exterior finished surfaces. Polish surfaces so designated to shine finish.
- ##### C.
- Repair, patch and touch up marred surfaces to specified finish to match adjacent surfaces.

GUARANTEES

1.1 DESCRIPTION

- A. Contractor shall guarantee that the work done under this Specification in accordance with Paragraph 18 of the General Conditions.
- B. Guarantees shall be in the form outlined below and shall be submitted in duplicate by the Subcontractor and Contractor and submitted on his own letterhead.

GUARANTY-WARRANTY FOR \_\_\_\_\_

We hereby warranty and the General Contractor guarantees that the \_\_\_\_\_

\_\_\_\_\_

has been done in accordance with the Bid Document and that the Work as installed will fulfill the requirements of the guaranty-warranty included in the Specification. We agree to repair/replace any or all of our work together with any other adjacent work, which may be displaced or damaged by so doing that may prove to be defective in its workmanship or materials within a period of \_\_\_\_\_

\_\_\_\_\_

years from date of written Notice of Completion of the above-named without any expense to the Owner, ordinary wear and tear and unusual abuse or neglect excepted. In the event of our failure to comply with above-mentioned conditions within twenty-four (24) hours, or within additional time as allowed by the Owner, after being notified in writing by the Owner or his agent, we collectively or separately, do hereby authorize the Owner to proceed to have said defects repaired and made good at our expense and we will honor and pay the costs and charges therefore upon demand.

Signed: \_\_\_\_\_  
Subcontractor

Countersigned: \_\_\_\_\_  
Contractor

**BID FORM – ASPHALT PARKING LOT & ACCESS WAY**

**Package 1: Loyalton Elementary School – County Office Parking Lot area**

<b>Work to be completed in parking lots, entry/exit area and LES/LHS Access Way.</b>		
LES/CO Entire Lots and Entry/Exit lanes.	SF	\$
Overlay 2-inches	SF	\$
Remove and replace handicap signs with bollards and signs (signs must meet KCMO code)	4-inches diameter x 36-inches high	\$
Repaint striping on both lots	See MARKING specification	\$
LES/LHS Access Way	SF	\$
Overlay 2-inches	SF	\$

**Total Package 1: \$ \_\_\_\_\_**

**This work is to be completed between June 18, 2018 and August 17, 2018.**

All work not completed by August 17, 2018 shall result in a \$1,000.00 per diem penalty to be deducted by the County from final payment.

Prices as bid on this form shall include total dollar amounts to cover work as specified, including labor, materials, overhead and profit.

COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**BID FORM – LOYALTON ELEMENTARY SCHOOL PLAYGROUND**

**Package 2: Loylton Elementary School playground/Basketball Court area**

<b>Work to be completed in parking lots and entry/exit area.</b>		
LES Playground/basketball court area	SF	\$
Overlay 2-inches	SF	\$
Remove and replace basketball poles/hoops		\$
Repaint striping/key areas	See MARKING specification	\$

**Total Package 2: \$ \_\_\_\_\_**

**This work is to be completed between June 18, 2018 and August 17, 2018.**

All work not completed by August 17, 2018 shall result in a \$1,000.00 per diem penalty to be deducted by the County from final payment.

Prices as bid on this form shall include total dollar amounts to cover work as specified, including labor, materials, overhead and profit.

COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**BID FORM – CONCRETE FRONT ENTRANCE AND STAIRS**

**Package 3: Loyalton Elementary School Entrance and Stairs**

<b>Work to be completed in parking lots and entry/exit area.</b>		
LES entry way and stairs	SF	\$
Overlay 2-inches	SF	\$
		\$
Repaint markings and striping	See MARKING specification	\$

**Total Package 3: \$ \_\_\_\_\_**

**This work is to be completed between June 18, 2018 and August 17, 2018.**

All work not completed by August 17, 2018 shall result in a \$1,000.00 per diem penalty to be deducted by the County from final payment.

Prices as bid on this form shall include total dollar amounts to cover work as specified, including labor, materials, overhead and profit.

COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**BID FORM – COMBINATION ASPHALT & CONCRETE**

**Package 1 thru 3:**

**Total: \$ \_\_\_\_\_**

**This work is to be completed between June 18, 2018 and August 17, 2018.**

All work not completed by August 17, 2018 shall result in a \$1,000.00 per diem penalty to be deducted by the County from final payment.

Prices as bid on this form shall include total dollar amounts to cover work as specified, including labor, materials, overhead and profit.

COMPANY: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_

EMAIL: \_\_\_\_\_

PRINT NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_ DATE: \_\_\_\_\_

**PROPOSAL FORM**

PROPOSAL TO DO CERTAIN WORK

\_\_\_\_\_  
Name of Construction Firm

ASPHALT AND CONCRETE REPLACEMENT AT  
SIERRA COUNTY OFFICE OF EDUCATION PARKING LOT  
LOYALTON ELEMENTARY SCHOOL PARKING LOT  
LOYALTON ELEMENTARY/HIGH SCHOOL ACCESS WAY  
LOYALTON ELEMENTARY SCHOOL PLAYGROUND/BASKETBALL COURT AREA  
LOYALTON, SIERRA COUNTY, CALIFORNIA

Sealed Bids will be received until 3:00 P.M., APRIL 30, 2018 at the Sierra County Office of Education, 109 Beckwith Road, Loyalton, CA 96118.

TO: THE GOVERNING BOARD OF TRUSTEES FOR  
SIERRA COUNTY OFFICE OF EDUCATION

Ladies/Gentlemen:

The undersigned hereby proposes and agrees to furnish any and all required labor, materials, equipment, transportation, and services for the Asphalt and Concrete Replacement Project at the above named sites located in Loyalton, Sierra County, California, in strict conformity with the Contract Documents on file at the Owner's office.

**BASE PROPOSAL:**

\_\_\_\_\_ DOLLARS (\$ \_\_\_\_\_ )

NOTE: The Contract shall be awarded to the lowest responsible bidder, based upon the amount of the Base Proposal, and any accepted Alternate Bids. Alternate Bids if any, will be accepted in the numerical order that they are presented.



TIME OF COMPLETION:  
WORK TO COMMENCE ON OR AFTER JUNE 18, 2018  
WORK TO BE COMPLETED NO LATER THAN AUGUST 17, 2018

The undersigned understands that the Owner will incur substantial damages and expenses, should the work not be completed by the aforesaid date of completion. The undersigned has read, understands and agrees to the liquidated damages set forth in the General Conditions to the contract and also in the Supplemental Conditions of the contract. Work not completed by deadline of August 17, 2018 will be subject to a penalty of \$1,000 per diem until completion, amount will be deducted from bid total.

The undersigned hereby agrees to sign said contract and furnish the necessary bonds within Fourteen (14) days after Notice of Award of said Contract.

The undersigned has examined the location of the proposed work and is familiar with the Plans, Specifications, and other Contract Documents and to local conditions at the place where the work is to be done.

The undersigned has checked carefully all the above figures and understands that the Board of Trustees of the above referenced project will not be responsible for any errors or omissions on the part of the undersigned in making up this bid.

Enclosed find bidder's bond, certified check no. \_\_\_\_\_ or Cashier's Check No. \_\_\_\_\_ of the  
\_\_\_\_\_ Bank, for \$ \_\_\_\_\_

The contract herein contains provisions, which permit the contractor to substitute securities for any monies withheld by the district to insure performance under this contract, as required by Section 22300 of the Public Contract Code.

ADDENDA:

The undersigned agrees that all Addenda received and acknowledged herein shall become a part of and included in this proposal. This proposal includes the following addenda:

NOS.

NAME OF FIRM: \_\_\_\_\_

TYPE OF FIRM: \_\_\_\_\_  
(Corporation, Partnership, etc.)

ADDRESS: \_\_\_\_\_  
(Physical and P.O. Box, if applicable)

CITY, STATE & ZIP CODE: \_\_\_\_\_

PHONE NO. \_\_\_\_\_ FAX NO. \_\_\_\_\_

LICENSE NO. \_\_\_\_\_ EXP. DATE \_\_\_\_\_

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAW OF THE STATE OF CALIFORNIA THAT THE FOREGOING IS TRUE & CORRECT.

Dated: \_\_\_\_\_

\_\_\_\_\_  
Contractor's Signature

\_\_\_\_\_  
Corporate Seal (if a Corporation)



IV: AGREEMENT & BOND FORMS:

AGREEMENT:

THIS AGREEMENT, made and entered into the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between \_\_\_\_\_, **FIRST PARTY, SOMETIMES HEREINAFTER CALLED THE OWNER, AND** \_\_\_\_\_, SECOND PARTY, sometimes hereinafter called the CONTRACTOR.

WITNESSETH: That the parties hereto have mutually covenanted and agreed, and by these presents do covenant and agree with each other as follows:

1. The Advertisement for Bids, this Agreement, Proposal, List of Sub-Contractors, General Conditions, Supplementary General Conditions, Labor and Material and Faithful Performance Bonds, attached hereto, and Specifications and all Modifications and amendments thereof, are incorporated herein by this reference. An Addenda requirement shown in any of said Documents is as binding as though occurring in all. They are intended to be coordinated and to describe and provide for a complete Work. Should it appear that the Work to be done or any of the matters relative thereto are not sufficiently explained in said Documents or should any of said Documents appear to be conflicting, the CONTRACTOR shall apply to the OWNER for such further explanation as may be necessary, and shall conform to them as part of the Contract. The decisions of the OWNER as to the true meaning of said Documents shall be final.
2. The said CONTRACTOR agrees to furnish all tools, equipment, apparatus, facilities, transportation, labor, and material other than material agreed to be furnished by the OWNER, if any, necessary to perform and complete, and to perform and complete in a good and workmanlike manner, the Work:

*Including:*

as called for, and in the manner designed in, and in strict conformity with this Agreement.

AGREEMENT - Continued:

3. It is understood and agreed that said tools, equipment, apparatus, facilities, transportation, labor and materials shall be furnished and said Work performed and completed as required in said Contract Documents under the direction and supervision of and subject to the approval of the OWNER.
4. The OWNER agrees to pay and the CONTRACTOR agrees to accept in full payment for the work above agreed to be done, the sum of:
  
5. Failure of the OWNER to exercise any right hereunder or to require compliance with any provision hereof by CONTRACTOR, shall not be deemed a waiver of such right, and shall not relieve the CONTRACTOR from its obligation to perform each and every covenant and condition hereunder, nor from damage or other remedies for failure to perform or meet the obligations of this Agreement.
6. CONTRACTOR and all subcontractors shall keep accurate payroll records and shall comply with all payroll record and other requirements set forth in California Labor Code Section 1776. CONTRACTOR shall be responsible for compliance with Labor Code Section 1776.
7. Pursuant to Public Contract Code Section 22300, at the request and expense of the CONTRACTOR, CONTRACTOR has the option to deposit securities as a substitute for retention earning being withheld by OWNER. The parties agree that if CONTRACTOR exercises this option, they will enter into the Escrow Agreement set forth in Public Contract Code Section 22300. A true and correct copy of Public Contract Code Section 22300 is attached hereto as Exhibit "A" and fully incorporated by reference.
8. CONTRACTOR agrees there shall be no discrimination in the employment of persons pursuant to this contract because of the race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or

AGREEMENT - Continued:

sex of such persons, except as provided in Section 12940 of the Government Code. CONTRACTOR understands that every contractor for public works that violates Government Code Section 12940 is subject to all the penalties imposed for a violation of that chapter. CONTRACTOR also agrees to comply with all Federal regulations in its employment practices and activities with regard to race, color, national origin, ancestry, religion, marital status, sex, age, or physical handicap under Title VI of the Civil Rights Act of 1964, Title VII of the Civil Rights Act of 1964 as amended by the Equal Employment Opportunity Act of 1975, the Equal Pay Act of 1963, Title IX of the 1972 Education Amendments, and Executive Order 11246 as amended by 11375.

9. TIME OF COMPLETION: August 17, 2018

10. LIQUIDATED DAMAGES: Refer to Supplementary General Conditions.

IN WITNESS WHEREOF, the said Board of Trustees of the \_\_\_\_\_, has caused this Agreement to be subscribed by its duly authorized officer, in its behalf, and the said party of the Second Part has signed this Agreement, the day and year first above written.

NOTE:

If the Contractor executing this Agreement is a corporation, a certified copy of the by-laws, or of the Resolution of the Board of Directors, authorizing the officers of said Corporation to execute this Contractor and the Bonds required thereby, must be annexed hereto.

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BOND FOR LABOR AND MATERIALS

KNOW ALL PEOPLE BY THESE PRESENTS, THAT WE

the Contractor in the Contract

hereto annexed as Principal, and

Held and firmly bound unto the

As surety, are

, OWNER

, CALIFORNIA, in the sum of

lawful money of the United States for which payment, well and truly to be made, we bind ourselves, jointly and severally, firmly by these presents.

Signed, sealed and dated:

The Conditions of the above obligation is that if said principal as Contractor in the contract hereto annexed, or his or its subcontractor, fails to pay for any materials, provisions, provender or other supplies, or teams, used in, upon, for, or about the performance of the work contracted to be done by said contractor namely to furnish all tools, equipment, apparatus, facilities, transportation, labor and materials, if any, necessary to perform and complete in a good workmanlike manner the Work of

*Including:*

in strict conformity with the terms and conditions set forth in the contract hereto annexed, or for any work or labor done thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work, or labor, or for any amounts required to be deducted, withheld and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his Sub-Contractors pursuant to Section 18806 of the Revenue and Taxation Code, with respect to such work and labor, said surety will pay for the same in an amount not exceeding the sum hereinabove set forth, and also, in case suit is brought upon this bond, a reasonable attorney's fee, to be fixed by the courts. This bond is executed in accordance with the requirements of Chapter 7, Section 3247 through 3252 of the Civil Code, and is subject to the provisions thereof, and shall inure to the benefit of any and all persons, companies and corporations entitled to file claim under and by virtue of the provisions of Section 3181 of the Civil Code, or to their assigns; and

BOND FOR LABOR AND MATERIALS - Continued

the said surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or to addition the terms of the contract or to the Work to be performed thereunder or the Contract Documents accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of any contract or to the Work of the Contract Documents.

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CONTRACTOR

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Attorney-In-Fact

BOND OF FAITHFUL  
PERFORMANCE

KNOW ALL PEOPLE BY THESE PRESENTS, THAT WE

Contract annexed, as principal, and

, the Contractor in the

as surety, are held and firmly bound unto the  
, OWNER,

, CALIFORNIA in the sum of

lawful money of the United States, for which payment, well and truly to be made, we  
bond ourselves, jointly and severally, firmly by these presents.

Signed, sealed and dated:

The conditions of the above obligation is that said principal as contractor in the contract  
hereto annexed shall faithfully perform each and all of the conditions of said contract to be  
performed by him, and shall furnish all tools, equipment, apparatus, facilities, transportation,  
labor and materials necessary to perform and complete, and to perform and complete in a  
good workmanlike manner, the Work of

*Including:*

in strict conformity with the terms and conditions set forth in the contract hereto annexed, then  
this obligation shall be null and void-otherwise to remain in full force and effect; and the said  
surety, for value received, hereby stipulates and agrees that no change, extension of time,  
alteration or addition to the terms of the contract or to the Work to be performed thereunder or  
the Contract Documents with any changes thereto accompanying the same shall in any wise  
affect its obligation on this bond, and it does hereby waive notice of any such change,  
extension of time alteration or addition to the terms of the contract or to the contract or to the  
Work of the Contract Documents.



Surety further agrees, in case suit is brought upon this bond, that it will pay, in addition to the basic obligation herein, a reasonable attorney's fee to be awarded and fixed by the court, and to be taxed as costs, and to be included in the judgment therein rendered.

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CONTRACTOR

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Attorney-In-Fact

"ATTACHMENT A"  
PART 5  
WITHHELD CONTRACT FUNDS  
[Added Stats 1988 ch 1408 sec 11.]

22300. Permissible substitution of securities; Payment of retentions earned.

(a) Provisions shall be included in any invitation for bid and in any contract documents to permit the substitution of securities for any moneys withheld by a public agency to ensure performance under a contract provided that substitution of securities provisions shall not be required in contracts in which there will be financing provided by the Farmers Home Administration of the United State's Department of Agriculture pursuant to the Consolidated Farm and Rural Development Act (7 U.S.C. Sec. 1921 et seq.), and where federal regulations or policies, or both, do not allow the substitution of securities. At the request and expense of the contractor, securities equivalent to the amount withheld shall be deposited with the public agency, or with a state or federally chartered bank in California as the escrow agent, who shall then pay such moneys to the contractor. Upon satisfactory completion of the contract, the securities shall be returned to the contractor

(b) Alternatively, the contractor may request and the owner shall make payment of retentions earned directly to the escrow agent at the expense of the contractor. At the expense of the contractor, the contractor may direct the investment of the payments into securities and the contractor shall receive the interest earned on the investments upon the same terms provided for in this section for securities deposited by the contractor. Upon satisfactory completion of the contract, the contractor shall receive from the escrow agent all securities interest, and payments received by the escrow agent from the owner, pursuant to the terms of this section. The contractor shall pay to each subcontractor, not later than 20 days of receipt of the payment, the respective amount of interest earned, net of costs attributed to retention withheld from each subcontractor, or the amount of retention withheld to insure the performance of the contractor.

(c) Securities eligible for investment under this section shall include those listed in Section 16430 of the Government Code, bank or savings and loan certificates of deposit, interest bearing demand deposit accounts, standby letters of credit, or any other security mutually agreed to by the contractor and the public agency.

The contractor shall be the beneficial owner of any securities substituted for moneys withheld and shall receive any interest thereon.

Failure to include these provisions in bid and contract documents shall void any provisions for performance retentions in a public agency contract.

For purposes of this section, the term "public agency" shall include, but shall not be limited to, chartered cities.

(d) The Legislature hereby declares that the provisions of this section are of statewide concern and are necessary to encourage full participation by contractors in public contract procedures.

(e) The escrow agreement used hereunder shall be null, void, and unenforceable unless it is substantially similar to the following form:

ESCROW AGREEMENT FOR SECURITY DEPOSITS IN LIEU OF RETENTION

This Escrow Agreement is made and entered into by and between  
\_\_\_\_\_ whose address is \_\_\_\_\_  
\_\_\_\_\_ hereinafter called "Owner",  
\_\_\_\_\_ whose address is \_\_\_\_\_  
\_\_\_\_\_ hereinafter called "Contractor", and  
\_\_\_\_\_ whose address is \_\_\_\_\_  
\_\_\_\_\_ hereinafter called "Escrow Agent".

For the consideration hereinafter set forth, the Owner, Contractor, and Escrow Agent agree as follows:

(1) Pursuant to Section 22200 of the Public Contract Code of the State of California, Contractor has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the Owner and Contractor for \_\_\_\_\_ in the amount of \_\_\_\_\_ dated \_\_\_\_\_ (hereinafter referred to as the "Contract"). Alternatively, on written request of the contractor, the owner shall make payments of the retention earnings directly to the escrow agent. When Contractor deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the Owner within 10 days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the Owner and Contractor. Securities shall be held in the name of \_\_\_\_\_, and shall designate the Contractor as the beneficial Owner.

(2) The Owner shall make progress payments to the Contractor for such funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the form and amount specified above.

(3) When the owner makes payment of retentions earned directly to the escrow agent, the escrow agent shall hold them for the benefit of the contractor until such time as the escrow created under this contract is terminated. The contractor may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the owner pays the escrow agent directly.

(4) Contractor shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, Contractor and Escrow Agent.

(5) The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of Contractor and shall be subject to withdrawal by Contractor at any time and from time to time without notice to the Owner.

(6) Contractor shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from Owner to the Escrow Agent that Owner consents to the withdrawal of the amount sought to be withdrawn by Contractor.

(7) The Owner shall have a right to draw upon the securities in the event of default by the contractor. Upon seven days' written notice to the escrow agent from the owner of the default, the escrow agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the Owner.

(8) Upon receipt of written notification from the owner certifying that the Contract is final and complete, and that the Contractor has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to Contractor all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities on deposit and payments of fees and charges.

(9) Escrow Agent shall rely on the written notifications from the Owner and the Contractor pursuant to Sections (4) to (6), inclusive, of this agreement and the Owner and Contractor shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

(10) The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of Contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

(11) OPTIONS FOR ESCROW PAYMENTS:

OPTION NO. 1: \_\_\_\_\_ Total Amount of Retention.

OPTION NO. 2: \_\_\_\_\_ Owner to make Payments based on amount of Retention.

On behalf of Owner:	On Behalf of Contractor	On Behalf of Escrow Agent
Title	Title	Title
Name	Name	Name
Signature	Signature	Signature
Address	Address	Address

At the time the Escrow Account is opened, the Owner and Contractor shall deliver to the Escrow Agent a fully executed counterpart of this Agreement. IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

Owner:

\_\_\_\_\_  
Title  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Signature

Contractor:

\_\_\_\_\_  
Title  
\_\_\_\_\_  
Name  
\_\_\_\_\_  
Signature

Added Stats 1988 ch 1408 sec 11, operative until January 1, 1992.

Note - For declaration of existing law, see 1988 Note following Pub Con C 22000 et seq.

Note 2 - State 1988 ch 1408 provides: The transfer of provisions of law from the Government Code to the Public Contract Code made by Sections 1, 2, 10, and 11 of this act does not constitute a change in, but is declaratory of the existing law.

DRAFT