

PART V GENERAL CONDITIONS

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**PART V
GENERAL CONDITIONS**

GC-1 ENTIRE AGREEMENT

This Contract embodies the entire agreement between the District and Contractor. The parties shall not be bound by or be liable for any statement, representation, promise, inducement, or understanding of any kind or nature not set forth herein. No changes, amendments, or modifications of any of the terms or conditions of the Contract shall be valid unless reduced to writing and signed by both parties.

GC-2 INDEPENDENT CONTRACTOR

Contractor represents that it is fully experienced and properly qualified to perform the class of work provided for herein, and that it is properly licensed, equipped, organized, and financed to perform such work. Contractor shall act as an independent contractor and not as the agent of the District in performing the Contract, maintaining complete control over its employees and all of its subcontractors. Nothing contained in this Contract or any subcontract awarded by Contractor shall create any contractual relationship between any such subcontractor and the District. Contractor shall perform all work in accordance with its own methods subject to compliance with the Contract.

Contractor shall employ only competent and skilled personnel to perform the work. Contractor shall, if requested to do so by the District in writing, remove from the jobsite any personnel of Contractor. Contractor is responsible for maintaining satisfactory conduct of its employees and those of its subcontractors and maintaining labor relations in such manner as shall provide for harmony among the workers.

Contractor shall comply with and shall cooperate with the District in enforcing jobsite conditions which affect the performance of the work including but not limited to starting and quitting time, smoking regulations, check-in and check-out procedures, jobsite safety regulations, and daily clean-up.

GC-3 AUTHORIZED REPRESENTATIVES

Before starting work, Contractor shall designate a competent, authorized representative acceptable to the District to represent and act for Contractor and shall inform the District in writing of the name and address of such representative together with a clear definition of the scope of his/her authority to represent and act for Contractor and shall specify any and all limitations of such authority. Contractor shall keep District informed of any subsequent changes in the foregoing. All notices, determinations, instructions, and other communications given to the authorized representative by the District shall be binding upon Contractor.

The District's representative (sometimes referred to as "District") is the District's General Manager or the General Manager's authorized designee. All questions and requests of the Contractor as to compensation (including additional compensation), interpretation of the Contract, instructions, or extensions of time, otherwise shall be submitted in writing to the District's representative for determination. The District's representative is authorized to:

1. Determine the amount, quality, acceptability, and fitness of all work, materials, and equipment required by the Contract.
2. Make the final decision on all questions that may arise as to the quality or acceptability of materials furnished and work performed and as to the manner of performance and rate of progress of the work.
3. Make the final decision on all questions that may arise as to the coordination, interpretation and acceptable fulfillment of the Contract and its plans and Specifications.
4. Make the final decision on all questions as to measurement and payment and amounts owed to the Contractor.
5. Reject defective work and materials whenever such rejection may be necessary to assure execution of the Contract in accordance with the intent of the Contract.
6. Prepare and/or issue Contract Change Orders for all authorized changes or approved extra work in the Contract.
7. Monitor Project schedules and to enforce Project schedule requirements, and to take such measures as may be necessary to maintain overall Project schedules.
8. Enforce and to make effective such decisions and orders that the Contractor fails to carry out promptly.

GC-4 MEETINGS

A preconstruction meeting will be held after the award of the Contract to review the Contractor's preconstruction submittals as required by the Contract and to discuss various safety and administrative items. The Contractor shall also be prepared to discuss the construction schedule and methods of implementing the various work items.

The District may notice other meetings at which attendance by the Contractor and subcontractors may be required.

GC-5 NOTICES

Any written notice to be given to Contractor by the District, may be delivered in person to Contractor's authorized representative or mailed to the address last given in writing by Contractor.

Notices to District:

Twain Harte Community Services District
22912 Vantage Pointe Drive
Twain Harte, CA 95383

Administrative Representative: Tom Trott, General Manager
Contract No.: 150-57-0001
Telephone: (209) 586-3172

Owner's Representative: Watershed Progressive - Eli Loughmiller
Telephone: (209) 588-6595

GC-6 DISCOVERY OF ERRORS, OMISSIONS OR DISCREPANCIES

If the Contractor discovers any errors, omissions, discrepancies, or conflicts in the Contract, it shall immediately so inform the District in writing. The District will promptly clarify such matters by issuing Addenda or Change Orders. Failure or delay to act on the part of the District shall not constitute a waiver of any right afforded the District by the Contract or constitute an implied approval. Any work affected by such discoveries that is performed by the Contractor prior to authorization by the District shall be at the Contractor's risk.

Unless otherwise noted below, conflicts or inconsistencies between parts of the Contract will be resolved by the District with a Change Order or with an Addendum, if required. Addenda and Change Orders bearing the most recent date shall prevail over Addenda or Change Orders bearing earlier dates. Any reference to Addenda-changed Specifications or drawings shall be considered to have been changed accordingly.

In resolving conflicts, errors, or discrepancies, the order of precedence shall be as follows:

1. Change Orders/Addenda (most recent in time takes precedence)
2. Contract and Bond Forms
3. Technical Specifications
4. Special Conditions
5. Project Drawings
6. General Conditions
7. Instructions to Bidders
8. Bid Forms
9. Notice to Contractors

Reference specifications shall have the same order of precedence as the document in which it is referenced. For example, a reference to the District's Standard Specifications contained in the Technical Specifications will have the same order of precedence as that Technical Specification. A reference to an Appendix contained in the Technical Specifications will have the same order of precedence as that Technical Specification. If a reference specification is mentioned in more than one part of the Contract, the part with the highest order of precedence shall govern.

With reference to the Project Drawings:

1. Figures govern over scaled dimensions.
2. Project-specific drawings govern over general and typical drawings.
3. Addenda/Change Order drawings govern over Project Drawings.
4. Project Drawings govern over standard drawings.

It shall be the Contractor's responsibility to resolve any conflicts between the requirements contained on permits from other agencies and the Contract to the satisfaction of the District. When there is a conflict between the requirement(s) as specified in the Contract and as required by other agencies, the more restrictive requirement(s) shall prevail.

By execution of the Contract, the Contractor agrees that no request for additional compensation, and/or claim under Government Code Section 900 et seq. will be made against the District for any damages in excess of the aggregate sum of \$50,000 or five percent (5%) of the

construction costs (whichever is greater) for alleged damage that it or its subcontractors may suffer due to the inadequacy of the Contractor's bid on account of any alleged errors, omissions, or other deficiencies in the Contract. This limitation shall not apply to compensation for extra work authorized by the District as provided for in this Section GC-30, Extra Work Payment, and Section GC-27, Differing Site Conditions.

GC-7 LAWS, REGULATIONS, AND PREVAILING WAGES

This Contract shall be in accordance with the laws of the state of CALIFORNIA. Parties further stipulate that this Contract was entered into in the state of CALIFORNIA and the state of CALIFORNIA is the only appropriate forum for any litigation as a result of breach hereof or any questions risen herefrom.

Contractor shall keep itself fully informed of, and shall observe and comply with, all laws, ordinances, and regulations which in any manner affect those engaged or employed on any work, or the materials and equipment used in any work, or in any way affect the performance of any work, and of all orders and decrees of agencies having any jurisdiction or authority over work performed under the Contract.

Contractor shall comply with all applicable federal, state, and local laws, ordinances, rules, and regulations; and lawful orders of all authorities having jurisdiction for the safety of persons and protection of property.

If any discrepancy or inconsistency should be discovered between the Contract and any such law, ordinance, regulation, order, or decree, Contractor shall immediately report the same in writing to the District. Contractor shall be responsible for the compliance by subcontractors of all tiers with the above provisions of this Section. Contractor shall post all job site notices as required by law or regulation.

- A. Prevailing Wages: Special attention is directed to Part 7, Chapter 1, Article 2, Sections 1770 et seq. of the California Labor Code. Reference is hereby made to the provisions for minimum per diem wages contained in Part I, Notice to Contractors. . This Contract will be subject to compliance monitoring and enforcement by the California Department of Industrial Relations, pursuant to Labor Code Section 1771.4.

The Contractor and each subcontractor engaged in the work shall pay each respective employee thereof an amount not less than the general prevailing rate of per diem wages established in compliance with Section 1770 et seq. of the California Labor Code and as determined by the State of California Director of Industrial Relations to be effective and applicable for the various crafts, trades, or type of worker needed or required to execute the Contract. In accordance with Section 1770 of said Labor Code, nothing otherwise provided under Article 2 of said Labor Code shall prohibit the payment of wage rates to any worker in excess of such prevailing rates of wages as determined by the Director of the Department of Industrial Relations. However, should the Contractor or a subcontractor have a contractual relationship with workers whereby per diem rates of wages are paid in excess of such determined prevailing rates of wages, the Contractor or subcontractor shall identify and submit a certified listing of such workers and the amounts payable prior to beginning construction operations applicable thereto in accordance with this General Condition.

Failure of the Contractor or any subcontractor to certify and list workers and actual wages in excess of those effective as determined by the State of California Director of Industrial Relations shall be deemed an express statement by the Contractor or such subcontractor that actual wages shall be as determined by the Director of Industrial Relations and such will be paid all workers and be applicable to all work required and ordered under the Contract.

The possibility of labor cost increases within the periods of time established and specified for completion of the Project is one of the elements to be considered by bidding Contractors and its subcontractors. The District will not consider any increase in labor costs as a basis of a request for additional compensation for work bid as specified and shown regardless of the cause of the increase.

It is stipulated that the provisions of Article 2, Chapter 1, Part 7, Division 2 (commencing with Section 1770), of the California Labor Code, and in particular, Sections 1775 and 1776, shall be complied with. In accordance with said Section 1775, the Contractor and any subcontractor under the Contractor, shall forfeit to the District or to the Division of Labor Standards, as a penalty, up to fifty dollars (\$50) per each day or portion thereof, for each worker paid less than the prevailing rates for such work or craft in which such worker is employed for any work done under the Contract by him/her or by any subcontractor under the Contractor in violation of the provisions of the Labor Code and in particular, California Labor Code Sections 1770 to 1780, inclusive. The amount of the daily penalty shall be as determined by the Labor Commissioner in accordance with Section 1775. In addition to said penalty and pursuant to said Section 1775, the difference between the prevailing wage rates and the amount paid to each worker by the Contractor or subcontractor for each day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor or subcontractor.

If a worker employed by a subcontractor is not paid the general prevailing per diem wages by the subcontractor, the prime contractor or the project is not liable for any penalties unless the prime contractor had knowledge of that failure to pay specified prevailing rate of wages to those workers or unless the prime contractor fails to comply with the California Labor Code, Section 1775(b) (1)-(4).

Where prevailing wage determinations have been predetermined to change during the Contract (beyond expiration dates as indicated on the forms), the Contractor shall obtain such changes from the Prevailing Wage Unit, Division of Labor Statistics and Research, Department of Industrial Relations, 525 Golden Gate Avenue, San Francisco, California 94102, telephone (415) 557-0561, and deliver copy of such to the District.

If a Contractor or subcontractor intends to use a craft or classification not shown on the general prevailing wage determinations, the Contractor or subcontractor may be required to pay the wage rate of the craft or classification most closely related to it as shown in the general determinations effective at the time of bid opening.

- B. Payroll Records: The Contractor and subcontractor's attention is directed to the provisions of Section 1776 of the California Labor Code and to the requirements therein pertaining to the keeping, availability, and filing of accurate payroll records of all journeymen, apprentices, and other workers performing work under this Contract. The Contractor agrees to comply with the requirements of said section.

Prior to each monthly progress payment, the Contractor shall deliver to the District copies of certified payrolls of its and all subcontractors' forces performing work at the job site (or sites established primarily for the work) for labor compliance purposes and extra/force account considerations. Such records shall be kept current on an effective day or period basis. The certified payroll records shall be kept on forms provided by the Division of Labor Standards Enforcement, or shall contain the same information as the forms provided by the Division in addition to the above-listed information.

The Contractor shall also furnish the records specified in California Labor Code Section 1776, including but not limited to the certified payrolls, directly to the Labor Commissioner.

Each payroll record shall contain or be verified by a written declaration that is made under penalty of perjury stating:

1. The information contained in the payroll is true and correct;
2. The employer has complied with the requirements of California Labor Code Sections 1771, 1811, and 1815 for any work performed by its employees on the Project.

The Contractor shall inform the District of the location of the above payroll records, including the street address, city and county, and shall, within five (5) working days, provide a notice of change of location and address.

The Contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting certified payroll records. In the event that the Contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the District, forfeit one hundred dollars (\$100) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. The Contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District shall be marked or obliterated in accordance with California Labor Code Section 1776.

Compliance with the above provisions of this Section and California Labor Code, Section 1776, shall be the responsibility of the Contractor or subcontractor. Pursuant to Labor Code Section 1771.4, Contractor is required to post all job-site notices prescribed by law or regulation that include, but are not limited to, payment of prevailing wages.

- C. Labor Discrimination: Attention is directed to Section 1735 of the Labor Code, which reads as follows:

No discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons, except as provided in Section 12940 of the Government Code, and every contractor for public works violating this Section is subject to all the penalties imposed for violation of this Chapter.

- D. Apprentices: The Contractor shall comply with the provisions of Sections 1777.5 and 1777.6, of the California Labor Code in regard to employment of apprentices.
- E. Work Hours: Contractor stipulates and agrees that pursuant to the provisions of Labor Code, Sections 1810 through 1815, eight (8) hours labor shall constitute a legal day's work, and no worker shall be required or permitted to work more than eight (8) hours in any one (1) calendar day and forty (40) hours in any one (1) calendar week, except as provided for under Section 1815. Nothing in this provision shall be construed to relate to wage determination or in any way affect contractual provisions related to compensation. The contractor or subcontractor shall, as a penalty to the District, forfeit twenty-five dollars (\$25) for each worker employed in the execution of the contract by the respective contractor or subcontractor for each calendar day during which the worker is required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week in violation of the provisions of this article.

Notwithstanding the Labor Code provisions set forth above, pursuant to Labor Code, Section 1815, work performed by employees of Contractor in excess of eight (8) hours per day and forty (40) hours during any one (1) week shall be permitted provided that compensation shall be made for all hours worked in excess of eight (8) hours per day at not less than one and one-half (1-1/2) times the basic rate of pay.

- F. Travel: As required by Section 1773.8 of the California Labor Code, the Contractor shall pay travel and subsistence payments to each worker needed to execute the work, as such travel and subsistence payments are defined in the applicable collective bargaining agreements filed in accordance with this Section.
- G. Chemical Exposure: Contractor shall comply with Sections 12101 through 12901 of Title 22, California Administrative Code. Contractor shall warn all persons at the work site of their exposure to chemicals known to the state to cause cancer or birth defects or other reproductive harm. Contractor shall be responsible for compliance by its subcontractors with this article.
- H. Air Pollution: The Contractor shall so perform its work as not to discharge into the atmosphere from any source whatsoever smoke, dust, or other air contaminants in violation of the laws, rules, and regulations of the governmental entities having jurisdiction.
- I. Asbestos: The Contractor shall comply with all state laws and regulations regarding asbestos and asbestos-related work including, but not limited to, the provisions of California Labor Code, Sections 6501.5 through 6511.
- J. Human Remains: The Contractor's attention is directed to the provisions of Health and Safety Code, Section 7050.5, relating to the discovery of human remains. Upon any such discovery, there shall be no further excavation or disturbance of the site. The Contractor shall immediately notify the District and the Tuolumne County Sheriff-Coroner's Office of any such find and shall comply with all other applicable laws and regulations.
- K. Cultural Resources: The Contractor's attention is directed to the provisions of Health and Safety Code, Section 7050.5, and Public Resources Code, Sections 5098.5, 5097.94, 5097.98, and 5097.99, and the California Environmental Quality Act (CEQA), Appendix K, relating to the excavation, removal, destruction, injury, and defacement of historic or prehistoric ruins, burial grounds, archeological or vertebrate paleontological sites, or any

other archeological, paleontological or historical feature. The Contractor shall immediately stop work in the area of the archeological discovery and notify the District and comply with all other laws and regulations upon discovery of any such remains in the construction site. Compensation to the Contractor, if any, for lost time or changes in construction to avoid the find shall be determined in accordance with changed conditions or Change Order provisions of the Contract. The Contractor shall have no property right in such sites or features.

In the event that any Indian relics or items possessing archaeological or historical value are discovered by the Contractor or any of its subcontractors or any of their representatives or employees, the Contractor shall immediately notify the District and await the District's decision before proceeding with any work. The Contractor shall have no property right in such relics and items.

- L. License: Contractor shall be licensed under the provisions of Chapter 9, Division 3, of the Business and Professions Code of the State of California to do the type of work contemplated in the Project and shall be skilled and regularly engaged in the general class or type of work called for under the Contract.
- M. Agreement to Assign (Contractors and Subcontractors): Agreement to Assign (Contractors and Subcontractors): The Contractor's and subcontractors' attention is directed to the provisions of Government Code, Section 4551, which requires that, in entering into a public works contract or subcontract, contractors and subcontractors agree to assign to the purchasing body all rights arising from violations of antitrust regulations. In pertinent part, Government Code, Section 4551, reads as follows:
- In entering into a public works contract or a subcontract to supply goods, services or materials pursuant to a public works contract, the contractor or subcontractor offers and agrees to assign to the awarding body all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) or under the Cartwright Act (Chapter 2 [commencing with Section 16700] of Part 2 of Division 7 of the Business and Professional Code) arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final payment to the contractor without further acknowledgement by the party
- N. Claims and Actions Against Public Entities and Employees: The Contractor's and subcontractors' attention is directed to Government Code Section 900 et seq. dealing with claims and actions against public entities and employees. Nothing contained in the Contract, including but not limited to Section GC-28, Changes, is intended to modify or remove the requirements set forth in these Government Code sections.
1. If the Contractor files any claim with the District for compensation in excess of the Contract amount or return of liquidated damages, the claim shall be in writing and include the documents necessary to substantiate the claim. Said documents may include invoices, cost breakdowns, and other documentation explaining the details of the Contractor's calculations of the amount claimed. Such claim must be filed on or before the date of final payment. Nothing in this subsection is intended to extend the time limit or supersede notice requirements otherwise provided by the Contract relating to requests for extra compensation or extensions of time. The presentation

of any claim by the Contractor shall be accompanied by a signed personal certification as set forth below.

PERSONAL DECLARATION AND CERTIFICATION OF CLAIM

I, _____, BEING THE _____ (MUST BE AN OFFICER) OF _____ (CONTRACTOR), DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA, AND DO PERSONALLY CERTIFY AND ATTEST THAT: I HAVE THOROUGHLY REVIEWED THE ATTACHED CLAIM AND KNOW ITS CONTENTS, AND SAID CLAIM IS MADE IN GOOD FAITH; THE SUPPORTING DATA IS TRUTHFUL AND ACCURATE; THAT THE AMOUNT REQUESTED ACCURATELY REFLECTS THE CONTRACT ADJUSTMENT FOR WHICH THE CONTRACTOR BELIEVES THE DISTRICT IS LIABLE; AND, FURTHER THAT I AM FAMILIAR WITH CALIFORNIA GOVERNMENT CODE SECTION 12650, ET SEQ. PERTAINING TO FALSE CLAIMS, AND FURTHER KNOW AND UNDERSTAND THAT SUBMISSION OR CERTIFICATION OF A FALSE CLAIM MAY LEAD TO FINES, IMPRISONMENT AND/OR OTHER SEVERE LEGAL CONSEQUENCES.

Signed: _____

Date: _____

2. For claims of less than fifty thousand dollars (\$50,000), the District will respond in writing within 45 days of its receipt of the claim, or may request, in writing, within 30 days of its receipt of the claim, submission of additional documentation supporting the claim or relating to defenses or claims the District may have against the Contractor.
 - a. If such additional documentation is requested by the District, it shall be provided by the Contractor within 20 days of its receipt of the request from the District or as otherwise mutually agreed upon by the District and the Contractor.
 - b. Following the Contractor's submission of all requested additional documentation, the District will respond to the claim within 15 days or within the period of time taken by the Contractor in producing the additional documentation, whichever is longer.

3. For claims of over fifty thousand dollars (\$50,000) and less than or equal to three hundred seventy-five thousand dollars (\$375,000), the District will respond in writing within 60 days of its receipt of the claim, or may request, in writing, within 30 days of receipt of the claim, submission of additional documentation supporting the claim or relating to defenses or claims the District may have against the Contractor.
 - a. If such additional documentation is requested by the District, it shall be provided by the Contractor within 30 days of its receipt of the request or as otherwise mutually agreed upon by the District and the Contractor.
 - b. Following the Contractor's submission of all requested additional documentation, the District will respond to the claim within 30 days, or within

the period of time taken by the Contractor in producing the additional documentation, whichever is longer.

4. If the Contractor disputes the District's written response, or if the District fails to respond within the time prescribed, the Contractor may so notify the District, in writing, either within fifteen (15) days of receipt of the District's response or within fifteen (15) days of the District's failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receiving such a demand, the District shall schedule a meet and confer conference within thirty (30) days.
5. If, following the meet and confer conference, the claim or any portion remains in dispute, the Contractor may file a claim pursuant to 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 Contractor submits its written claim pursuant to paragraph 2 above until the time said claim is denied pursuant to the procedures set forth herein, including any period of time utilized by the meet and confer conference.

GC-8 PERMITS, LICENSES, EASEMENTS AND TAXES

- A. Permits and Licenses: Contractor shall, unless otherwise provided elsewhere in the Contract, at its expense, obtain all permits and licenses and pay all charges and fees necessary for the performance of the Contract, and shall give all public notices necessary for the lawful performance of the Contract.

Attention is directed to the Project Documents and to any permits that may have been acquired by or imposed upon the District that contain requirements related to performance of the work, including but not limited to encroachment permits and storm water pollution prevention. All work within public properties and rights of way shall be accomplished in conformance with any specific conditions, instructions, and/or requirements contained in permits issued by the agencies having jurisdiction over such property and rights of way.

Where permits and/or licenses require subsequent contingent permits, inspections, or other actions, the Contractor shall comply with these requirements at no additional cost to the District, except that the inspection fees charged by regulatory and/or permitting agencies shall be paid for by the District. However, if the inspection fee is due to noncompliance of the permit requirements, such inspection fee shall be paid for by the Contractor.

- B. Easements: The District may provide easements for work under the Contract. District-provided easements are shown in the Project Documents. All work within private and public properties shall be accomplished in conformance with any specific conditions, instructions, and/or requirements of the respective easements.

The District may provide additional easements for use of public or private property for working space, haul roads, and for storage of materials and equipment. District-provided easements are shown in the Project Documents. The Contractor may use such property so provided for working space, haul roads, and for storage of materials and equipment.

Should the Contractor find it necessary or advantageous to use any land, over and above that land that is provided, for any purpose whatever, the Contractor shall, at its expense, obtain a written agreement with the property owner and obtain approval from the District for the use of such land. A copy of any such agreement shall be submitted to the District prior to implementation.

Nothing in the Contract shall be construed as allowing the Contractor to make any arrangements with any person to permit occupancy or use of any land, structure, or building for any Contract purpose whatsoever, either with or without compensation, in conflict with any agreement between the District and any owner, former owner, or tenant of such land, structure, or building.

- C. Taxes: Contractor shall pay all taxes, levies, duties, and assessments of every nature due in connection with any work under the Contract, shall make any and all payroll deductions required by law, and shall indemnify and hold harmless the District from any liability on account of any and all such taxes, levies, duties, assessments, and deductions.

GC-9 PUBLICATIONS

No publications or advertisements concerning the subject matter of the Contract shall at any time be made by or on behalf of Contractor, its subcontractors, or suppliers, unless prior written authorization is obtained from the District.

No advertising signs shall be erected at the site of the work.

GC-10 WAIVER

Neither the inspection by the District, nor any order, measurement, approval, determination, decision, or certificate by the District, nor any order by the District for the payment of money, nor any payment for or use, occupancy, possession, or acceptance of the whole or any part of the work by the District, nor any extension of time, nor any other act or omission of the District shall constitute, or be deemed to be acceptance of any defective or improper work, materials, or equipment nor operate as a waiver of any requirement or provision of the Contract, nor of any remedy, power, or right of or herein reserved to the District nor of any right to damages for breach of Contract. Any and all rights and/or remedies provided for in the Contract are intended and shall be construed to be cumulative; and, in addition to each and every other right and remedy provided for herein or by law, the District shall be entitled, as a right, to a writ or injunction against any breach or threatened breach of the Contract by Contractor, by its subcontractors, or by any other person or persons.

None of the provisions of the Contract shall be considered waived by the District unless such waiver is expressly given in writing by the District. No such waiver shall be a waiver of any past or future default, breach, or modification of any of the terms, provisions, conditions, or covenants of the Contract unless expressly set forth in such waiver.

GC-11 INDEMNITY

Contractor shall indemnify, defend, and hold harmless the District and its officers, agents, servants, employees and any other District representatives, and each of them, from and against any and all suits, actions, legal or administrative proceedings, claims, demands, consequential damages, liabilities, interest, attorneys' fees, costs and expenses of whatsoever kind or nature

whether arising before or after final acceptance of the work hereunder and in any manner directly or indirectly caused, occasioned, or contributed to or claimed to be caused, occasioned, or contributed to in whole or in part by reason of any act, omission, fault, or negligence whether active or passive of Contractor, or of anyone acting under its direction, control, or on its behalf including subcontractors in connection with or incident to the performance of this Contract without limiting the generality of the foregoing, the same shall include injury to or death of any person or persons and damage to any property, regardless of where located, including without limitation the property of the District, Contractor's employees, and all other persons. Contractor's aforesaid indemnity and hold harmless agreement shall not be applicable to any liability caused by the active negligence or willful misconduct of the District or its officers, agents or employees.

Contractor shall include in each agreement with each of its subcontractors at all tiers, a provision requiring that the subcontractor indemnify the District as stated in this Section.

GC-12 PATENT INDEMNITY

The Contractor shall pay all licenses, copyrights, fees, and royalties and assume all costs incident to the use and performance of the work, or the incorporation in the work, of any invention, design, process, product, or device that is the subject of patent rights or copyrights held by others. The Contractor shall indemnify, defend, and save harmless the District, its officers, directors, employees, representatives, and agents, and each of them from and against all claims, losses, costs, damages, consequential damages, and expenses, including attorneys' fees, incurred by the District, its officers, directors, employees, representatives, and agents as a result of or in connection with any claims or actions based upon infringement or alleged infringement of any patent and/or copyright and arising out of the use of the materials, equipment, and/or products furnished under the Contract by the Contractor, or out of the processes or actions employed by, or on behalf of, the Contractor in connection with the performance of the Contract. The Contractor shall, at its expense, promptly defend against any such claim or action, whether or not well founded in fact or in law, provided that the District shall have notified the Contractor upon becoming aware of such claims or actions, and provided further that the Contractor's aforementioned obligations shall not apply to equipment, materials, and/or products furnished or specified by the District. The Contractor shall have the right, in order to avoid such claims or actions, to substitute at its expense noninfringing equipment, materials, and/or products, or to modify at its expense such infringing equipment, materials, and/or products so they become noninfringing, provided that such substituted and modified equipment, materials, and/or products shall meet all the requirements and be subject to all the provisions of the Contract.

GC-13 SUBCONTRACTS AND SUBCONTRACTORS

No subcontract shall be entered into and Contractor shall not substitute any person as subcontractor in place of a subcontractor so listed in the Contract provided that the District, at its discretion, may consent to a subcontractor substitution if (1) the subcontractor listed fails or refuses to execute a written contract, or (2) the substitution is otherwise necessary to the efficient construction of the work. In either case, Contractor shall obtain the District's prior written consent. No subcontracts at any tier shall relieve Contractor of any of its liabilities or obligations under the Contract, and Contractor agrees that it is fully responsible to the District for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by them in the performance of the Contract. Contractor shall assure that each subcontractor at all tiers fully complies with the provisions of any applicable Worker's

Compensation Act or similar law having application to subcontractor's employees. Failure of Contractor or any of its subcontractors to comply with this provision will be considered as grounds for termination of the Contract at Contractor's expense in accordance with Section GC-15 Termination of Right to Proceed.

Nothing contained in the Contract shall create any contractual relationship between any subcontractor and the District.

The Contractor shall, at all times, be responsible for the safety of its subcontractors' employees at any tier and for its subcontractors' plants and equipment at any tier; and the method of prosecuting the work and shall ensure the compliance, by all subcontractors' employees at any tier, with all local, state, and federal safety regulations and the District Safety Requirements as may be applicable to the performance of the work.

The Contractor shall, at all times, be responsible for the adequacy, efficiency, and sufficiency of its subcontractor at any tier or persons employed by the subcontractors. All workers shall have sufficient knowledge, skill, and experience to properly perform the work assigned to them.

When a portion of the work that has been subcontracted by the Contractor is not being prosecuted in a manner satisfactory to the District, the Contractor shall cause such subcontractor forces to be removed immediately upon the request of the District, and such subcontractor forces shall not again be employed on the work.

Any assignment of the performance of this Contract without prior written consent of the District shall be voidable. Consent will not be given to any proposed assignment which would relieve the original Contractor or its Surety of their responsibilities under the Contract. Contractor may assign monies due or to become due it under the Contract, to the extent permitted by law, and such assignment will be recognized by the District, if written notice thereof is given to the District at least ten (10) working days before a payment is due, but any assignment of monies shall be subject to all proper set-offs in favor of the District and to all deductions or retentions provided for in the Contract and particularly all money withheld, whether assigned or not, shall be subject to being used by the District for the completion of the work in the event that Contractor should be in default therein or for the payment of claims or liens.

GC-14 ASSIGNMENTS

No assignment of any performance of work under this Contract shall be made by the Contractor, its heirs, executors, administrators, or successors without prior written consent of the District. Consent for any proposed assignment will not be considered that would, by any instrument, relieve the original Contractor or its Surety of the responsibilities under the Contract.

The Contractor may assign monies due or to become due under the Contract, to the extent permitted by law, and such assignment will be recognized by the District, if written notice thereof is given to the District at least ten (10) days before a payment is due. Any assignment of monies shall, however, be subject to all proper set-offs in favor of the District and to all deductions provided for in the Contract. All monies withheld, whether assigned or not, shall be subject to being used by the District for the completion of the work in the event that the Contractor should be in default therein or for the payment of claims or liens against the work from any source.

GC-15 TERMINATION OF RIGHT TO PROCEED

If Contractor should refuse or fail, except in cases for which extension of time is provided, to supply enough properly skilled workers, proper equipment and proper appliances or proper materials, or if it should fail to make prompt payments to subcontractors or for material or labor, or disregard laws, ordinances, or the instructions of the District, or otherwise be guilty of a substantial violation of any provision of this Contract, then the District may without prejudice to any other right or remedy, serve written notice upon Contractor and Surety, if any, of the District's intention to terminate the performance of Contractor, such notices to contain the reasons for such termination, and unless within seven (7) calendar days after the serving of such notice upon Contractor and Surety, if any, such cause shall cease and satisfactory arrangement for correction shall be made, the performance of Contractor shall cease and terminate. In the event of any such termination, or should Contractor be adjudged as bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, the District shall serve notice thereof upon Contractor and Surety, if any, and the Surety shall have the right to perform the Contract; provided, however, that if the Surety does not commence performance thereof within seven (7) calendar days from the date of service of notice of termination upon the Surety, the District may take possession of the premises and of all materials, tools, equipment, and appliances thereon and finish the work by whatever method the District may deem expedient. In such case, Contractor shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the Contract price shall exceed the expense of finishing the work, including compensation for additional managerial and administrative services, such excess shall be paid to Contractor. If such expense shall exceed such unpaid balance, Contractor and Surety, if any, shall pay the difference to the District. The expense incurred by the District as herein provided, and the damage incurred through Contractor's default, shall be certified by the District. Service of any notices hereunder shall be deemed complete upon the deposit in the United States mail, postage prepaid, addressed to the address of Contractor and Surety, if any, as shown on records on file with the District.

Said termination shall be without prejudice to any other remedies available to the District.

Upon receipt of any such written notice of termination of right to proceed, Contractor shall, at its expense, for that work affected by any such termination:

- A. Assist the District in making an inventory of all materials and equipment in storage at the site, enroute to the site, and on order from suppliers.
- B. Assign to the District subcontracts, supply contracts, and equipment rental agreements all as designated by the District.
- C. Remove from the site all construction materials, equipment, and plant listed in said inventory other than such construction materials, equipment, and plant which are designated in writing by the District to be used by the District in completing such work.

GC-16 OPTIONAL TERMINATION

Including, but not limited to, provisions for termination in the event of national emergency under Section 4410 et. seq. of the Government Code of the State of California, the District may, at its

option, cancel and terminate the Contract in whole or in part at any time by written notice thereof to Contractor, whether or not Contractor is in default.

Upon any such cancellation and termination, Contractor shall waive any claims for damages, including loss of anticipated profits, on account thereof, but as the sole right and remedy of Contractor and the District, the District shall pay Contractor in accordance with subparagraph B., below, provided, however, that the provisions of the Contract, which by their very nature survive final acceptance under the Contract, shall remain in full force and effect after such cancellation and termination to the extent provided in such provisions.

- A. Upon receipt of any such notice, Contractor shall, unless the notice requires otherwise:
 - 1. Immediately discontinue work on the date and to the extent specified in the notice.
 - 2. Place no further orders or subcontracts for materials, services, or facilities, other than as may be necessary or required for completion of such portion of work under the Contract that is not terminated.
 - 3. Promptly make every reasonable effort to obtain cancellation upon terms satisfactory to the District of all orders and subcontracts to the extent they relate to the performance of work terminated.
 - 4. Assist the District as specifically requested, in writing, in the maintenance, protection, and disposition of property acquired by the District under the Contract.

- B. Upon any such termination, the District will pay to Contractor an amount determined in accordance with the following (without duplication of any item):
 - 1. All amounts due and not previously paid to Contractor for work completed in accordance with the Contract prior to such notice, and for work thereafter completed as specified in such notice.
 - 2. The cost of settling and paying claims arising out of the termination of work under subcontracts or orders as provided in subparagraph A.3., above.
 - 3. The reasonable costs incurred pursuant to subparagraph A.4., above.
 - 4. Any other reasonable costs incidental to such termination of work.
 - 5. The foregoing amounts shall include a reasonable sum, under all of the circumstances, as profit for any work performed by Contractor.

GC-17 SUSPENSION OF WORK

The District may, at any time and in its sole discretion, for the District's convenience, by notice in writing to the Contractor, suspend the performance of all or any portion of the work being or to be performed under the Contract. Work that is suspended shall not be resumed until the District issues a written notice to resume suspended work. Upon issuing the notice to suspend work, the District will designate the amount and type of plant, labor, and equipment to be committed to the Project. During the period of suspension, the Contractor shall use its best efforts to utilize its plant, labor, and equipment in such a manner as to minimize the costs associated with suspension.

- A. Upon receipt of any notice to suspend work, the Contractor shall, unless the notice requires otherwise:

1. Immediately discontinue work on the date and to the extent specified in the notice; and
 2. Place no further orders or subcontracts for material, services, or facilities with respect to suspended work other than as required in the notice; and
 3. Promptly make every reasonable effort to obtain suspension of all orders, subcontracts, and rental agreements to the extent they relate to performance of work suspended upon terms satisfactory to the District; and
 4. Unless otherwise specifically stated in the notice, the Contractor shall continue to protect and maintain the Project, including those portions of work that have been suspended.
- B. As full compensation, the Contractor will be reimbursed for the following costs, reasonably incurred, without duplication of any item, to the extent that such costs directly result from such suspension of work:
1. A standby charge to be paid to the Contractor during the period of suspension of work, which standby charge shall be sufficient to compensate the Contractor for keeping, to the extent required in the notice, its organization and equipment committed to the Project in a standby status.
 2. All reasonable costs associated with mobilization and demobilization of the Contractor's plant, forces, and equipment.
 3. An equitable amount to reimburse the Contractor for the cost of maintaining and protecting that portion of the Project upon which work has been suspended.
 4. If the costs associated with subsequently performing work is increased or decreased as a result of any such suspension of work, an equitable adjustment reflecting either an increase or decrease in such cost will be established by Change Order in accordance with Section GC-28, Changes.

Upon receipt of notice to resume suspended work, the Contractor shall immediately resume the suspended work to the extent required in the notice. The Contractor shall also submit a revised construction schedule for the District's review and approval.

In cases where other governmental agencies or authorities suspend the performance of the work, and such suspension is not due to the failure of the Contractor to comply with the requirements of the Contract, the suspension will be considered a suspension for convenience by the District and the provisions of this Section shall apply.

Notwithstanding the provisions for convenience stated above, the District may partially or entirely suspend the work for an indefinite period of time for the failure of the Contractor to comply with the Contract. Under such suspension, the Contract completion date will not be extended and the Contractor shall not be entitled to recover resulting costs or damages including, but not limited to, acceleration costs.

GC-18 CONTRACTOR-FURNISHED DRAWINGS AND DATA

Contractor shall promptly submit within the time specified at its own expense all submittals, shop drawings and details required by the plans and specifications. The District's favorable review shall be obtained before any such items are manufactured or used in the work. The

favorable review of drawings by the District shall apply in general design only and shall in no way relieve Contractor from responsibility for errors or omissions contained therein. Favorable review by the District shall not relieve Contractor of its obligation to meet safety requirements and all other requirements of laws.

Submittals and coordination are the responsibility of Contractor; this responsibility shall not be delegated in whole or in part to subcontractors or suppliers. Any designation of work "by other," shown on submittals, shall mean that the work will be the responsibility of Contractor rather than the subcontractor or supplier who has prepared the shop drawings.

Submittals shall be prepared in such form that data can be identified with the applicable specification paragraph. The data shall demonstrate clearly compliance with the project drawings and specifications and shall relate to the specific equipment to be furnished. Where manufacturer's standard drawings are employed, they shall be marked clearly to show what portions of the data are applicable to this project.

Review of shop drawing submittals by the District has as its primary objective the completion for the District of a project in full conformance with the project drawings and specifications, unmarred by field corrections, and within the time provided. In addition to this primary objective shop drawing review as a secondary objective will assist Contractor in its procurement of equipment that will meet all requirements of the project drawings and specifications, will fit the structures detailed on the drawings, will be complete with respect to piping, electrical, and control connections, will have the proper functional characteristics, and will become an integral part of a complete operating facility. Acceptance of shop drawings and submittals does not constitute a change order to the Contract requirements.

Within ten (10) business days after receipt by the District of two (2) hard copies and one (1) PDF copy each of Contractor's submissions and all appurtenant data required for their review, the appropriate number of copies will be returned to Contractor with one of the following notations:

1. Resubmittal not required; correction, if any noted.
2. Correct and resubmit; corrections noted.

Returned copies of drawings marked with notation "1" authorize Contractor to proceed with the operations covered by such returned copies, provided that such operations shall be subject to the comments, if any, shown on such returned copies

Returned copies of drawings marked with notation "2" shall be corrected, as necessary and required, and shall be submitted in the same manner as before.

Submittals which do not have all the information required to be submitted, including deviations, are not acceptable and will be returned without review.

When submittals are favorably reviewed, the District will retain one (1) copy and will return all other copies to Contractor. When submittals are not favorably reviewed, the District will retain only one (1) copy and will return all others to Contractor.

It is considered reasonable that Contractor shall make a complete and acceptable submission to the District at least by the second submission of data. The District reserves the right to deduct

monies from payments due Contractor to cover additional costs of the District's review beyond the second submission.

Favorable review by the District will not constitute acceptance by the District of any responsibility for the accuracy, coordination, and completeness of the shop drawings or the items of equipment represented on the drawings. Accuracy, coordination, and completeness of shop drawings shall be the sole responsibility of Contractor, including responsibility to backcheck comments, corrections, and modifications from the District's review before fabrication.

Supplemental, specific requirements for shop drawings and details are contained in the applicable technical sections of these specifications.

Copies of schedules and shop drawings submitted to the District for review shall be such as to provide one (1) for the District's files, and such additional copies as Contractor may desire for its own office files and/or for distribution by it to subcontractors or vendors. Exceptions will be noted in specific sections of this Contract.

All submittals and supporting data, catalogs, and schedules, shall be submitted as the instruments of Contractor, who shall be responsible for their accuracy and completeness. These submittals may be prepared by Contractor, subcontractors, or suppliers, but Contractor shall ascertain that submittals meet all of the requirements of the Contract while conforming to structural, space, and access conditions at the point of installation. Contractor shall check all submittals before submitting them to the District.

The District shall check and review schedules, drawings, etc., submitted by Contractor only for general design conformance with the concept of the project and compliance with the information given in the Contract.

Shop drawings shall not be used to order products' fabrication or delivery for construction or installation unless submitted to and favorably reviewed by the District.

Acceptance by the District of any drawings, method of work, or any information regarding materials and equipment Contractor proposes to furnish shall not relieve Contractor of its responsibility for any errors therein and shall not be regarded as an assumption of risks or liability by the District, or its representatives, or any officer or employee thereof, and Contractor shall have no claim under the Contract on account of the failure or partial failure or inefficiency or insufficiency of any plan or method of work or material and equipment so accepted. Such acceptance shall be considered to mean merely that the District has no objection to Contractor using, upon its own full responsibility, the plan or method of work proposed, or furnishing the materials and equipment proposed.

GC-19 SUBSTITUTIONS AND EQUAL ALTERNATIVES

The work, unless otherwise permitted or approved by the District, shall be completed with the incorporated use of trade-named materials and equipment where such are specified. Substitutions and equal alternatives will be permitted as provided in this Section; however, neither the request for substitution nor the offer of alternatives shall in any way by their submittal obligate the District to assent to any request or offer. Failure of Contractor to submit proposed substitutions for review in accordance with this Section will be considered as evidence that the work shall be accomplished with trade-named materials and equipment as identified in the

Technical Specifications and shall be cause for rejection by the District of any other proposed substitutions.

Except when the specifications prohibit the substitution of a similar or equivalent material or article, Contractor may make written request to the District for approval of the use of alternative equipment or materials. Such request shall contain complete data intended to show that such alternative item is of a quality equal to or better than that specified and has the required characteristics for the intended use. Upon request, Contractor shall furnish to the District such additional information relating to such alternative items as the District may require.

Contractor shall submit written requests for substitutions to the District, within thirty-five (35) days of Contract award and prior to placing any purchase orders, but at least thirty (30) days before it requires approval of any such alternative item.

The burden of proof as to the quality and suitability of alternatives shall be upon Contractor, and it shall furnish all necessary information requested and required by the District. The District will be the sole judge as to the quality and suitability of alternative articles or materials, and its decision shall be final.

GC-20 QUALITY OF EQUIPMENT, MATERIALS, PRODUCTS, AND/OR WORKMANSHIP

The Contractor shall furnish all equipment, materials, and/or products required to complete the work, except equipment, materials, and/or products that are designated to be furnished by the District. Materials that are identified as District-furnished materials on the Project Drawings or in Part VI, Special Conditions, Section SC-15, District-Furnished Materials or Equipment, will be available to the Contractor free of charge, upon request, at the locations designated.

Only equipment, materials, and/or products meeting the requirements of the Contract shall be incorporated in the work. The equipment, materials, and/or products furnished and used shall be new and shall be manufactured, handled, and installed in a workmanlike manner to ensure a completed Project in accordance with the Contract. Manufacturers' warranties, guarantees, instruction sheets, and parts lists that are furnished with certain equipment, materials, and/or products incorporated in the work shall be delivered to the District before the Contract will be accepted.

If no detailed specifications are set forth, the Contractor shall furnish equipment, materials, and/or products in conformance with the latest standards, specifications, manuals or codes of an acceptable technical society, organization or association, or to the laws or regulations of any applicable governmental authority, whether such reference be specific or by implication, in effect at the time of opening of bids.

GC-21 INSPECTIONS AND SAMPLES

Unless otherwise provided in the Contract, all equipment, materials, and work shall be subject to inspection and testing by the District. The District shall have the right to reject equipment, materials, and work not in accordance with the Contract. Rejected work shall be satisfactorily corrected; rejected equipment shall be satisfactorily repaired or replaced with satisfactory equipment; and rejected material shall be satisfactorily replaced with satisfactory material, all in accordance with the Contract. The Contractor shall promptly segregate and remove rejected materials and equipment from the premises. All such correcting, repairing, replacing, and removing shall be by and at the expense of the Contractor.

The District will perform inspections in such manner as not to delay the work unreasonably, and the Contractor shall perform its work in such manner as not to delay inspection unreasonably. The Contractor shall give the District reasonable advance notice of operations requiring special inspections or tests, and it may request inspection of a portion of any work at any time by reasonable advance notice to the District. The Contractor shall, at its expense, furnish promptly all facilities, labor, and materials necessary and required for such inspection and tests.

Contractor shall provide work area access at all reasonable times to the District and its officers, agents, employees, and any other duly authorized representatives and employees, and all duly authorized representatives of governmental agencies having jurisdiction over work areas or any part thereof for the purpose of determining compliance with Contract requirements. The Contractor shall also arrange for the District, and its officers, agents, employees, and any other duly authorized representatives and employees, to have access at all reasonable times to all places where equipment or materials are being manufactured, produced, or fabricated for use under the Contract.

The Contractor shall furnish the District all reasonable facilities for the District's safety and convenience in inspecting work, at all times and at all places where inspection may take place. If the District finds that conditions are unsafe for inspection at a particular location, he may, upon notice to the Contractor, refuse to inspect in that location until such conditions are corrected. The Contractor shall bear any additional costs resulting from such action, including any costs incurred to permit subsequent inspection of any portion of work covered or completed at the location before correction of the conditions, whether or not such portion of work is found to meet Contract requirements.

The Contractor shall bear any additional inspection costs resulting from its failure to have a portion of work ready for inspection at the time requested by it for inspection, or from reinspection of any previously rejected portion of work where the defects requiring such rejection were due to the Contractor's fault or negligence. Such costs may be deducted, in whole or in part, from any monies due or that may become due to the Contractor under the Contract.

Inspection of materials and finished articles to be incorporated into any work may be made by the District at the place of production, manufacture, or shipment. When such inspection is to be performed, no such materials or finished articles shall be shipped from such place of inspection or incorporated in any work prior to inspection or without the written approval of the District. Equipment, materials, and work not in conformity with the Contract shall be corrected or replaced with satisfactory equipment and materials by and at the expense of the Contractor so as to conform to the Contract as determined by the District.

No acceptance of equipment, materials, or work shall be construed to result from such inspections by the District. Any inspections or tests or waivers thereof shall not relieve the Contractor of its responsibility for meeting the requirements of the Contract.

Where so required in the Contract, or whenever requested by the District, the Contractor shall, at its expense, promptly furnish to the District sample specimens of materials to be incorporated into any work. Samples shall be submitted in an orderly sequence so that dependent materials or equipment can be assembled and reviewed without causing delays in the work. Samples of material from natural sources shall be taken in the presence of the District; otherwise, the sample will not be considered for testing. Samples shall be tagged or labeled securely and fully

identified as to manufacturer, type, size or capacity, lot, and date, all as applicable and by reference to the applicable section and paragraph of the Contract. Materials for which samples are required shall not be used in any work until approved in writing by the District. Materials incorporated in any work shall conform to such samples as the District, in his discretion, determines meet the requirements of the Contract. Samples will be returned to the Contractor only at the discretion of the District.

GC-22 PROJECT DOCUMENTS AND RECORD DRAWINGS

The Contractor shall keep on the work site a copy of the Project Documents and shall at all times give the District access thereto. Any drawings included in the detailed Specifications shall be regarded as part thereto and of the Contract. Anything mentioned in these Specifications and not shown on the Project Drawings, or shown on the Project Drawings and not mentioned in these Specifications, shall be of like effect as though shown or mentioned in both. The District will furnish from time to time such detail drawings, plans, profiles, and information as he may consider necessary for the Contractor's guidance. It shall be the duty of the Contractor to see that the provisions of the Contract are complied with in detail irrespective of the inspection given the work during its progress by the District. Any failure on the part of the Contractor to observe the requirements contained in the Contract will be sufficient cause for the rejection of the work at any time before its acceptance.

The Contractor shall maintain, at the job site, one record set of Project Drawings in good order and clearly marked to show any deviations that have been made from the Project Drawings, including concealed construction and utility features that are revealed during the course of construction. Marked prints shall be updated at least once each week and shall be available to the District for review as to currency prior to developing partial payment estimates. Upon completion of the work, the marked set of prints shall be delivered to the District.

In the case of those drawings that depict the detail requirement for equipment to be assembled and wired in the factory, such as motor control centers and the like, the Record Drawings shall be updated by indicating those portions that are superseded by Change Order drawings or final shop drawings and by including appropriate reference information describing the Change Orders by number and the shop drawings by manufacturer, drawing, and revision numbers.

Requests for partial payments will not be approved if the updated set of drawings is not in good order or is not kept current. Request for final payment will not be approved until the complete and correct Record Drawings are delivered to the District.

GC-23 SAFETY REQUIREMENTS

In accordance with generally accepted construction practices and state law, Contractor shall be solely and completely responsible direction and control of the work and for conditions on the jobsite, including safety of all persons and property during performance of the work. This requirement shall apply continuously and not be limited to normal working hours.

Contractor shall take all necessary precautions and provide all necessary safeguards to prevent personal injury and property damage. Contractor shall provide protection for all persons including, but not limited to, its employees and employees of other contractors or subcontractors; and employees, agents, and representatives of the District and regulatory agencies that may be on or about the work. Contractor shall also take such measures as may

be necessary or required to assure that the safety and health of the employees and of the public may be safeguarded.

Contractor shall provide and maintain all necessary safety equipment such as fences, barriers, signs, lights, walkways, guards, and fire prevention and fire-fighting equipment and shall take such other action as is required to fulfill its obligations under this Section. It is the intent of the District to provide a safe working environment under normal conditions.

All work and materials shall be in strict accordance with all applicable state, city, county, and federal rules, regulations, and codes, and attention is drawn to the requirements of OSHA. Contractor shall be solely responsible for compliance with all city, county, and state explosive transport, storage, and blasting requirements and for any damages caused by its operations.

Contractor shall promptly and fully comply with and carry out safety, sanitary, and medical requirements as prescribed by federal, state, or local laws or regulations and industry standards. Contractor shall keep adequate first aid facilities and supplies available and instruction in first aid shall be given.

The services of the District in conducting review and inspection of Contractor's performance is not intended to include review of the adequacy of Contractor's work methods, equipment, bracing or scaffolding, or safety measures, in, on, or near the construction site. However, The District reserves the right to stop work if the District believes that there is an imminent danger to persons or property. Even though the District reserves such rights, the exercise of such rights is at the District's sole discretion, and such reservations will not be construed as an obligation of the District to monitor or enforce the Contractor's safety program. The District's exercise of these rights shall not provide a basis for delay damages, extra compensation, and/or additional compensation to complete the work.

All costs in connection with meeting the requirements of this Section shall be borne by Contractor.

GC-24 CLEANING UP

Contractor shall, at all times, keep the premises occupied by it and access to such premises in a neat, clean, and safe condition. During the progress of work, the Contractor shall, at a minimum:

1. Retain all stored items in an orderly arrangement allowing maximum access, not impeding drainage or traffic, and providing the required protection of material.
2. Provide adequate storage of all items awaiting removal from the job site, observing all requirements for fire protection and protection of the environment.
3. Remove any accumulation of scrap, debris, waste material, and other items not required for construction of this work.
4. Dispose of existing materials and equipment to be demolished and removed and all trash, such as broken concrete, wood blocking, shipping containers, etc., resulting from the contract work off the premises occupied by the Contractor, including District property, at the Contractor's expense. District-leased dumpsters and other disposal containers on District's property, unless specifically provided by the Contractor, shall not be used by the Contractor.

5. Maintain all work areas within Contract work limits free from dust, as determined by the District. Industry-accepted methods of dust control, suitable for the area involved, will be permitted. No separate payment will be made to Contractor for dust control.

Upon completion of any portion of any work, Contractor shall promptly remove all of its equipment, temporary structures, and surplus construction and other materials not to be used at or near the same location during later stages of work. Upon completion of any work and before final payment is made, Contractor shall, at its expense, satisfactorily dispose of all plant, buildings, rubbish, unused materials, concrete forms, and other equipment and materials belonging to it or used in the performance of work; and Contractor shall leave the premises in a neat, clean, and safe condition.

The Contractor shall, as a minimum, conduct daily inspections to verify that requirements of this Section are being met. If the Contractor fails to comply with any of the foregoing, the District will transmit written notification of noncompliance. If, within five (5) days of the written notification, the Contractor fails to comply, cleanup may be undertaken by the District at the expense of the Contractor.

GC-25 CONTAMINATED SOILS/MATERIALS

Contaminated soils and materials shall include, but not be limited to, pollutants and/or materials defined as hazardous substances or hazardous wastes under the Resource Conservation and Recovery Act (RCRA), the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), the Hazardous Substances Control Act (Health and Safety Code Section 25300 and following), the Hazardous Waste Control Act (Health and Safety Code Section 25100 and following), or as defined as pollutants or contaminants under any other applicable state and federal laws and regulations. Said materials shall include, but not be limited to, friable asbestos, PCBs, petroleum products and its byproducts, and waste oil, among other substances.

Contractor shall notify the District by person or by telephone within two hours of discovery as to any contaminated soil or materials on or beneath the job site, including in buildings and related structures that could be impacted by the construction Project so discovered by the Contractor, its personnel, agents, representatives, consultants, or any other persons working under the direction and control of the Contractor. In addition, written notice shall be delivered to the District by the Contractor within 24 hours of discovery. Contractor shall require that like provisions be inserted in all contracts with its subcontractors and tiers of subcontractors. This shall not relieve the Contractor from the obligation and responsibility to ensure that the provisions of this General Condition are complied with.

The Contractor and its subcontractors shall immediately cease any and all work at the location of the discovery of the contaminated soils or materials until further notice from the District.

However, if the Contractor is specifically directed to conduct appropriate cleanup operations with respect to the contaminants discovered, the Contractor shall proceed with these operations. In addition, the Contractor shall notify the District of the discovery of said contaminants in the manner set forth above. Further, if the contaminants substantially vary from the description in the Contract as to type of material, quality of materials, level of concentration or toxicity, location, as to the materials' affect on groundwater, or vary in any other substantial manner from the description as set forth in the Contract, the Contractor shall immediately cease operations and notify the District in the manner set forth above.

All work done by the Contractor with respect to cleanup, removal, and remedial actions concerning the contaminated soils or materials shall be done according to law. All required notices shall be given by the Contractor to the County Environmental Health Hazard Materials Section and other appropriate governmental agencies, including the State Department of Toxic Substances Control and Regional Water Quality Control Board, among others. The Contractor or any subcontractor doing such work on behalf of the Contractor shall have the appropriate certification, licenses, and permits prior to commencing any such cleanup, removal, and/or remedial work. The District shall not be responsible for the negligence of or violation of any laws, rules, regulations, or ordinances by the Contractor or any of the Contractor's subcontractors, agents, consultants, employees, or representatives in doing such cleanup, removal, and remedial work.

If any of the cleanup, removal, containment, and remediation work substantially impacts upon the community, including, but not limited to, traffic, odor, and health issues, the District reserves the right to direct that the manner of operations by the Contractor be revised accordingly to reduce or eliminate the adverse effects.

GC-26 EXISTING UTILITIES AND INTERFERENCES

The locations of known existing utilities and pipelines are shown on the Project Drawings in their approximate locations. Some of the locations include multiple conduits. The Contractor shall exercise care in avoiding damage to those facilities that are to remain in service subsequent to the construction of the particular new facility involved, and it will be held responsible for their repair if damaged. The Contractor shall also exercise care in maintaining those pipes and facilities required for continuing operation of the existing facilities until such time as they can be abandoned. There is no guarantee that all utilities or obstructions are shown or that the locations indicated are accurate.

The Contractor shall be responsible for discovery of all existing underground installations in advance of excavating or trenching by contacting all local utilities 48 hours in advance and by prospecting. Contractor shall notify Underground Service Alert 48 hours prior to any excavation work.

The Contractor shall uncover and completely expose all piping where crossings, interferences, or connections are shown on the Project Drawings, prior to trenching or excavating for any pipe or structures, to determine actual elevations. New pipelines shall be laid to such grade as to clear all existing facilities that are to remain in service for any period subsequent to the construction of the run of pipe involved. If the Contractor does not expose all required utilities, it shall not be entitled to additional compensation for work necessary to avoid interferences or for repair to damaged utilities. Excavations around underground electrical ducts and conduits shall be performed using extreme caution to prevent injury to workers or damage to the electrical ducts or conduits.

Notwithstanding any other provision of this Contract between the District and the Contractor:

- A. In accordance with the provisions of Section 4215 of the California Government Code, in any contract to which the District is a party, the District shall assume the responsibility between the parties to the contract for the timely removal, relocation, or protection of existing main or trunk line utility facilities located on the site of any construction project and that are a subject of the Contract if such utilities are not identified by the District in

the Project Drawings and Specifications; provided, however, that nothing herein shall be deemed to require the District to indicate the presence of existing service laterals or appurtenances whenever the presence of such utilities on the site of the construction project can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes on or adjacent to the site of construction. The District will compensate the Contractor for the costs of locating and repairing damage and removing or relocating such utility facilities that are not indicated in the Project Drawings and Specifications, provided that the Contractor exercises due reasonable care.

- B. The owner of the utility shall have the sole discretion to perform repairs or relocation work or permit the Contractor to do such repairs or relocation work at a reasonable price.
- C. The Contractor shall not be assessed liquidated damages for delay in completion of the Project when such delay was caused by the failure of the District to show existing utilities or other existing facilities, excluding service laterals.

If interferences between existing utilities and proposed work occur at locations other than those shown on the Project Drawings, the Contractor shall notify the District, and a method for correcting said interference will be supplied by the District. Payment for correction of interferences not shown on the Project Drawings will be in accordance with the provisions of Section GC-27, Differing Site Conditions.

GC-27 DIFFERING SITE CONDITIONS

The Contractor shall promptly, and before the following conditions are disturbed, notify the District in writing of any:

1. Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law.
2. Subsurface or latent physical conditions at the site differing materially from those indicated in the Project Documents and/or geotechnical report.
3. Unknown physical conditions at the site of any unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract.

Actions by the Contractor to disturb or cover the above conditions before the District is notified or has had the opportunity to investigate the conditions shall be deemed a waiver by the Contractor of any and all rights that the Contractor may have for additional compensation for increases in the Contractor's cost of, or the time required for, performance of any part of the work.

The District will promptly investigate the conditions; and if the District finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the work, the District will issue a Change Order in accordance with the provisions of Section GC-28, Changes.

In the event that a dispute arises between the District and Contractor whether the conditions

materially differ, or involve hazardous waste, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the work, the Contractor shall not be excused from any scheduled completion date provided for by the Contract, but shall proceed with all work to be performed under the Contract. The Contractor shall retain any and all rights provided either by Contract or by law that pertain to the resolution of disputes and protests between the contracting parties.

GC-28 CHANGES

District may, at any time, by written change order make changes in the work, or extend the time to complete the work, as deemed necessary by District. The Contractor shall perform the work when so ordered. Any such change or request will be authorized in writing by the District, provided that in the event of an emergency, which the District determines endangers life or property, any work required by reason of such an emergency shall be performed in accordance with oral orders from the District, which will be confirmed in writing as soon as practicable. Any such authorization, whether written or oral, may be accompanied by drawings and data as are necessary to show the extent of such change or extra work.

If the District does not issue a written change order and the Contractor believes he is entitled to compensation or time in excess of the Contract amount arising out of the conduct of the work, Contractor may submit a written request for change to the District. Such requests for change will not be considered by the District unless the Contractor complies with the notification requirements of this paragraph. Contractor shall notify the District immediately upon learning of a condition, occurrence or circumstance that potentially will give rise to a request for change. If the initial notification is oral, Contractor shall confirm the notification in writing within five (5) days of the oral notification. The Contractor shall not proceed with the work involving the potential request for additional compensation without notifying the District of the subject conditions, occurrence, or circumstance unless an emergency exists or unless it is impossible to notify the District without creating an unreasonable delay in the work.

When changes in the work are required by the District or requested by Contractor, Contractor shall promptly estimate their effect on the cost or time of performance of this Contract and so notify the District. If requested by the District, Contractor shall supply any information to support Contractor's estimate of cost and/or time. No change shall be implemented by Contractor unless it is approved by the District in writing, and, unless otherwise agreed to in writing, the provisions of this Contract shall apply to all changes in the work.

If the District determines that any change materially affects the cost or time of performance of this Contract as a whole, Contractor and the District will mutually agree, in writing, to an equitable adjustment as specified in Section GC-29, Delays and Time Extensions and/or Section GC-30, Extra Work Payment. In the event of disagreement, the District will fix such adjustment that, in its opinion, be reasonable and proper, regard being had to all material and relevant factors including Contractor's direct costs and overhead. The Contractor may protest terms of such a change order in accordance with Section GC-31, Protest Procedure.

Contract change orders which affect the cost or term of performance shall be processed through the District's designated administrative representative, as shown in Section GC-5, Notices.

The District reserves the right to engage another contractor to perform the work if such engagement is in the District's best interest.

GC-29 DELAYS AND TIME EXTENSIONS

The time limits stated in the Contract are of the essence to the Contract. By executing the Contract, the Contractor confirms that the time limits set forth in the Contract, including interim or milestone dates, are reasonable periods for the performance of the work. The Contractor shall not be entitled to extensions of time limits at any time in the progress of the work unless the delay is occasioned by an act or neglect of the District or unless the delay in the completion of the work arises from unforeseeable causes beyond the control and without fault or negligence of both the Contractor and subcontractors or suppliers. Such unforeseeable causes may include: acts of God; acts of a public enemy; acts of a governmental entity not occasioned by the Contractor's, subcontractor's, or supplier's conduct; acts of another contractor in performance of a contract with the District; fires; floods; epidemics; quarantine restrictions; freight embargoes; unusually severe weather; or other delays of subcontractors or suppliers arising from unforeseeable causes beyond the control and without the fault or negligence of both the Contractor and such subcontractors or suppliers.

If the Contractor seeks an extension of time for the completion of any phase of the work, the Contractor shall submit a written request to the District for an extension of time for the portion of the work so delayed within five (5) days of the onset of such delay, and such request shall fully state the reasons for such delay. When such a request is received, the District will ascertain the reasons for and the extent of such delay. If the District determines that the facts justify an extension of time, the Contract will be modified accordingly, through a written change order. If the District determines that the facts do not justify an extension of time, such request will be denied. The District's finding of fact of either determination will be given to the Contractor, and such findings shall be final unless the Contractor files a protest under Section GC-31, Protest Procedure. No extension will be granted for any portion of any delay unless the required written request is made by the Contractor as specified herein and the District finds justification for the request.

In any event, the Contractor expressly waived any right to delay damages from the District where a reasonable extension is granted, except when the District is responsible for the delay of the Contractor's performance of the work and which delay is unreasonable under the circumstances involved and not within the contemplation of the parties.

No time extensions will be granted nor extended overhead paid until a delay occurs which:

1. Impacts the Project's critical path,
2. Consumes all available float, slack time, or schedule contingency within the construction schedule (the time between the Contractor's scheduled early completion date and the Contract completion date), and
3. Extends work beyond the Contract completion date.

Float, slack time, or schedule contingency within the construction schedule is not for the exclusive use or benefit of the District or the Contractor but is a resource available to both parties as needed.

Except as limited by Section 7102 of the Public Contract Code, should the Contractor sustain any loss, damage, or delay through any act or omission of any other contractor or entities, the

Contractor expressly waives any rights and any claims against the District, other than for an extension of time.

GC-30 EXTRA WORK PAYMENT

If the District determines that any change in the work materially affects the cost of this Contract as a whole, there shall be an equitable adjustment in the payment price. The price adjustment shall be determined by one of the following methods in the order of preference listed:

- A. Unit Price Change: Based on the unit prices contained in Section 2, Schedule of Bid, Part III, Bid Forms.

If there is a variation in the estimated Bid quantity listed in Section 2, Schedule of Bid, Part III, Bid Forms by more than one hundred fifty percent (150%) or less than fifty percent (50%) of the Bid quantity, either the District or the Contractor may notify the other party of their desire to renegotiate the Contract unit price with respect to those quantities outside of the permitted range of fifty percent (50%) below to one hundred fifty percent (150%) above the Bid quantity.

- B. Agreed Price Change: Mutually agreed-upon lump sum or unit price adjustment.
- C. Cost Plus Change: Contractor's actual cost of labor (wages and benefits), materials (actual purchase price, sales tax, freight and delivery) and equipment/tools (at actual or fair/prevaling rental rates) directly engaged in the performance of the extra work plus a fifteen percent (15%) mark-up for overhead and profit. A five percent (5%) mark-up will be added to the cost of extra work performed by subcontractors.

For cost plus changes, Contractor shall provide to District an itemized breakdown of the quantities and prices used in the extra work, and it shall make available all source documents for itself and any subcontractors, including but not limited to payroll records, invoices, purchase orders, contracts and lease agreements. Contractor shall keep accurate records that clearly delineate the extra work from other Contract work.

The total payment made as provided above shall be deemed to be the actual cost of such work, including overhead costs, and shall constitute full compensation therefore.

When extra work is performed by subcontractor forces, Contractor shall reach agreement with such other forces as to the distribution of the payment made by the District for such work. No additional payment will be made by the District by reason of the performance of the work by a subcontractor.

GC-31 PROTEST PROCEDURE

If the Contractor objects to any direction, instruction, determination or decision provided by the District, the Contractor may submit a written protest. All such written protests must be submitted within ten (10) days after such direction, instruction, determination or decision is delivered to the Contractor in writing. If the direction, instruction, determination or decision is oral, Contractor must request that the District provide said oral direction, instruction, determination or decision within five (5) days of receiving the oral direction, instruction, determination or decision. The Contractor shall proceed without delay to perform work as

directed, instructed, determined, or decided by the District and shall comply promptly with such directions, instructions, determinations, or decisions.

Written protests shall clearly state in detail the Contractor's objections, the reasons therefor, and the nature and amount of additional compensation or extension of time, if any, to which the Contractor contends it will be entitled thereby. It shall also include, if possible, Contract specification references, quantities, costs and any related detailed records.

The District will issue a decision upon each protest. If the District determines that the facts support the protest, the Contract will be modified accordingly, in writing. If the District determines that the facts do not support the protest, such request will be denied. The District's finding of fact of either determination will be given to the Contractor and such findings shall be final and conclusive.

If the Contractor disagrees with any terms or conditions set forth in an approved contract change order which it has not executed, and does not submit a written protest within the time specified above, payment will be made as set forth in the approved contract change order, and such payment shall constitute full compensation for all work included therein or required thereby.

The Contractor shall be deemed to have waived all grounds for protest of direction, instruction, determination, or decision and all claims for additional compensation, extensions of time, or damages occasioned thereby for which protest could have been made under this Section, and shall further be deemed to have accepted such direction, instruction, determination, or decision as being fair, reasonable, and determinative of the Contractor's obligations and rights under the Contract.

GC-32 RECORDS AND ACCOUNTS

The Contractor shall, at its expense, keep and maintain such records and accounts and shall require its subcontractors and suppliers to keep records and accounts in connection with the performance of the Contract. The Contractor shall maintain, in a businesslike manner, records, accounts, and other evidence directly pertinent to the performance of work under this Contract in accordance with Generally Accepted Accounting Principles and practices consistently applied and applicable under California and federal law. The Contractor shall also maintain the financial information and data used by the Contractor in the preparation or support of cost submissions required for this Contract or any Change Order. The District, or its authorized representatives, shall have access, at all times during normal business hours, to such records, accounts, and other evidence for the purpose of inspection, audit, and copying. The Contractor shall provide proper business facilities for such access, inspection, and copying at no cost to the District.

The Contractor shall furnish to the District, upon request, an accurate written allocation of the total amount of the price paid for performance of work under the Contract to the various elements of the work, as may be required by the District for accounting purposes and for public record. If the District determines that any price (including profit) negotiated in connection with this Contract, Change Order, or any cost reimbursable under this Contract, was increased by any significant sum because the Contractor, subcontractor, or supplier furnished incomplete or inaccurate cost or pricing data or data not current, then such price or cost or profit shall be reduced accordingly and the Contract shall be modified in writing to reflect such reduction.

Failure to agree on a reduction under this Section shall be subject to Section GC-31, Protest Procedure.

Such records and accounts shall remain accessible to the District for a period of not less than three (3) years beyond the date of formal acceptance as provided under Section GC-35, Acceptance of the Contract and Final Payment. The Contractor shall agree to include this Section in all its contracts, subcontracts, and purchase orders with suppliers in excess of \$10,000.

GC-33 PROGRESS PAYMENTS

- A. Monthly Progress Payments: Monthly progress payments will be made as the work proceeds. Such payments will be made according to estimates of the amount and value of work satisfactorily performed by the Contractor up to the time of each estimate.

Progress payment estimates shall be made by the Contractor and submitted to the District for review and concurrence. Once the District has agreed to the items of cost, the Contractor shall prepare a progress payment request and submit the request for payment. The burden of requesting payment is on the Contractor. The District has no obligation to pay for a separate item of cost unless that item of cost is included in a progress payment request by the Contractor.

Contractor's progress payment requests shall be made in writing on or about the twenty-fifth (25th) day of each calendar month, and payment will be made within twenty-one (21) days after the District verifies that the request has been properly filed and submitted. Progress estimates will not be required to be made by strict measurement, but may be by measurement or by estimation or partly by one method and partly by another.

Pursuant to Section 20104.50 of the Public Contract Code, the District will pay interest on progress payments held over thirty (30) days from the date of submission, as long as the request for payment by the Contractor is deemed properly filed and submitted. A request for payment by the Contractor will not be deemed properly filed or submitted until such time as the Record Drawings are reviewed and found to be current. The date of submission is the date the District's representative signs the progress payment request form in the space provided for the District. This signature will verify that the request has been properly filed and submitted.

- B. Detailed Cost Breakdown: Prior to preparation of the first progress payment request by the Contractor, the Contractor shall submit to the District a detailed cost breakdown of the work under each bid item awarded. If the initial detailed cost breakdown is not accepted by the District, additional cost breakdowns shall be submitted by the Contractor until the District determines that the cost breakdown is acceptable. Upon acceptance by the District, the breakdown will then become the basis for partial payment determination. Bond and insurance costs shall not be considered a separate item of cost for this purpose but shall be included in mobilization/demobilization.
- C. Retainage: In making progress payments, the District shall retain five percent (5%) of the cumulative estimated amount until final acceptance of all work under the Contract as set forth under Section GC-35, Acceptance of Contract and Final Payment. The Contractor shall be allowed to substitute securities for any monies withheld to ensure

performance under this Contract, or the Contractor may request that the District have such funds, which the District would otherwise withhold from progress payments to ensure performance, deposited in an escrow account pursuant to Section 22300 of the California Public Contract Code. The Contractor may exercise the option of substituting securities or depositing funds in an escrow account by executing the Escrow Agreement for Security Deposits in Lieu of Retention in the form supplied by the District upon request.

- D. Withholding Payment: Any payments otherwise payable under the Contract may be withheld, in whole or in part, by the District, if in the discretion of the District, it is necessary to protect the District from loss due to the following:
1. Defective work that is not remedied; or
 2. Third-party claims filed or reasonable evidence indicating probable filing of such claims; or
 3. Contractor's failure to make payments to subcontractors for labor, equipment, materials, or products to which a subcontractor is entitled; or
 4. Evidence that the work cannot be completed for the unpaid balance of the Contract sum; or
 5. Contractor's failure to submit an acceptable construction schedule or failure to update the schedule; or
 6. Any and all damage to the District, or another contractor, resulting from the Contractor's action or inaction; or
 7. Contractor's failure or inability to maintain insurance coverage and bonds as required by the Project Documents throughout the course of the job; or
 8. Contractor's repeated failure to carry out the work in accordance with the Project Documents; or
 9. Contractor's failure to provide copies of certified payrolls, as specified in this Section GC-7, Laws, Regulations and Prevailing Wages; or
 10. Contractor's failure to comply with the laws or regulations of any federal, state, or local government; or
 11. Untimely repair of any damage resulting from the Contractor's operations or untimely restoration of property, affected by the construction, to a preconstruction condition.

In addition, the District may deduct from any progress payment due the Contractor any amount the District may be currently, or in the future, authorized to retain pursuant to federal, state, or local laws or regulations, any amount due the District from the Contractor, and any other amount that the District is otherwise authorized to retain as specified in Part VI, Special Conditions.

The District will withhold an amount from any progress payment due the Contractor, which will not exceed twice the value of any necessary repairs, corrections, or replacements, to assure that the Contractor completes all repairs, corrections, or replacements for which the Contractor is responsible. The Contractor shall receive

payments of said retained amount after the repairs, corrections, or replacements are completed.

Any amount withheld for the reasons stated above shall be based on estimates made by the District and shall be in addition to any amount previously withheld. The Contractor may avoid withholding of amounts from a progress payment by eliminating the cause of the withholding to the satisfaction of the District.

If the Contractor fails to meet the obligations set forth above, upon written notice by the District, the District may discharge such obligations and deduct all costs in connection with the District's discharge of Contractor's obligations from any payments that may become due to the Contractor. If the amount withheld from payment(s) is insufficient to meet such costs, or if any claim or charge against the Contractor shall be discharged by the District after the final Contract payment is made, Contractor and its Sureties shall promptly pay the District all costs incurred thereby, regardless of when such claim arose or whether such claim constitutes a lien upon the Project or the real property upon which the Project is situated.

In the event that District finds Contractor in default, such that the District calls upon the Contractor's surety to perform the remainder of the project, including but not limited to entering into a takeover agreement with Contractor's surety, Contractor shall execute all documents as necessary to transfer or assign the Escrow Agreement called for herein. Contractor shall notify the District of such assignment and transfer such that District shall be fully informed.

- E. Ownership and Waiver: All equipment, materials, products, and work covered by progress payments will, upon payment, become the property of the District. However, this provision shall neither be construed as constituting acceptance of any work or as relieving the Contractor from the sole responsibility for all equipment, materials, products, and work upon which payments have been made, including the restoration of any damaged work until final acceptance thereof, unless specifically provided for elsewhere. The payment for any equipment, material, products, and work covered by a progress payment does not constitute a waiver of the District's right to require fulfillment of all of the terms of the Contract.

The Contractor's acceptance of any payment made under the terms of this Contract shall operate as, and shall be, a release to the District and a waiver of all claims by the Contractor against the District that may arise from the completed work for which payment has been made, except those claims previously submitted to the District in writing pursuant to Government Code Section 901 et seq., which are disputed at the time of the payment.

- F. Subcontractor Payments: The District informs Contractor, and Contractor by execution of the Contract takes cognizance of the following: Contractor must pay progress payments to subcontractors no later than seven (7) days after receipt from the District. If Contractor fails to make progress payments to subcontractors within seven (7) days, then Contractor is subject to penalties of 2% per month, disciplinary action, and attorneys' fees of subcontractors.
- G. Payment for Equipment, Materials, and Products: Generally, the Contractor will not be compensated for equipment, materials, and/or products delivered to the site until after

they are incorporated in the work. However, if the District determines that the progress of the work will benefit by the delivery to the site of certain equipment, materials, and/or products in advance of their actual requirement, and if such equipment, materials, and/or products are delivered, a portion of the cost of the equipment, materials, and/or products may be included in progress payments.

GC-34 LIENS AND STOP NOTICE

If at any time any notices of lien are filed for labor performed or materials or equipment manufactured, furnished, or delivered to or for the work, the Contractor shall, at its own cost and expense, promptly discharge, remove, or otherwise dispose of the same; and until such discharge, removal, or disposition, the District shall have the right to retain from any monies payable to the Contractor an amount that, in the District's sole judgment, the District deems necessary to satisfy such liens and pay the costs and expenses, including attorneys' fees, of defending any actions brought to enforce the same, or incurred in connection therewith or by reason thereof.

If, at any time prior to the expiration of the period for service of a Stop Notice, there is served upon the District a Stop Notice as provided in Sections 9350 through 9510 of the Civil Code of the State of California, the District shall, until the discharge thereof, withhold from the monies under its control so much of said monies due or to become due the Contractor under this Contract as shall be sufficient to answer the claim stated in such Stop Notice and to provide for the reasonable cost of any litigation thereunder, provided that, if the District shall, in the District's discretion, permit the Contractor to file with the District the bond referred to in Section 9364 of the Civil Code of the State of California, said monies shall not thereafter be withheld on account of such Stop Notice. The monies that the District withholds shall be a minimum of one hundred twenty-five percent (125%) of the face value of the Stop Notice.

GC-35 ACCEPTANCE OF CONTRACT AND FINAL PAYMENT

- A. Final Acceptance: Whenever the Contractor deems that its obligations under the Contract have been fulfilled, the Contractor shall, in writing, so notify the District. This notification shall include a request for the District to make a final inspection. Upon receipt of such notice, the District will, in company with the Contractor, inspect the work that has been performed. If the District determines that the request is appropriate, the District will make a final inspection.

If any deficiencies are discovered by the District during the final inspection of the work, a "punch list" stating the deficiencies will be prepared and transmitted to the Contractor for correction. Upon correction of the deficiencies, the Contractor shall notify the District. The District will reinspect the corrected work. If the District determines that all work is completed except for minor punch-list items, and that all other requirements of the Contract have been met, the District will recommend acceptance of the Contract work to the District's General Manager.

Immediately upon acceptance by the General Manager and without further acknowledgement by the parties, the Contractor is relieved of the duty of maintaining and protecting the Contract work as a whole except as required by the warranty, guaranty, insurance, indemnity, and all other conditions of the Contract that are intended to continue after acceptance of the Contract. Guaranty and warranty periods required by

the Contract and the statutory period for the filing of liens and Stop Notices shall commence on the date of acceptance by the General Manager.

Additionally, upon the General Manager's acceptance of the Contract work, the District will cause a Notice of Completion of all work under the Contract to be filed in the office of the District and the office of the County Recorder of Tuolumne County, in accordance with Section 4005 of the Government Code of the State of California. Upon expiration of the statutory period for filing of liens and Stop Notices and provided no liens or Stop Notices have been filed, the District will authorize release or release the retention, less all such amounts the District may be authorized or required to reserve or retain.

- B. Release of Claims and Subcontractor Payments: The Contractor shall provide a release of all claims arising out of work related to undisputed Contract amounts. Final payment shall be subject to the Contractor's execution of a release in favor of the District, its directors, officers, representatives, agents, and employees, as to all claims arising out of the Contract work and District liability to the Contractor, or any third party, for anything done in relation to or furnished for any work related to undisputed Contract amounts. Such release shall include claims for any act or omission of the District, its directors, officers, representatives, agents, and employees, respectively, or of any person relating to or affecting any work related to such final payment. All prior progress payments, being estimates, will be subject to adjustment in the final payment.

Claims by the Contractor for additional compensation or damages remaining in dispute, as set forth in the final payment release, shall be excluded from the terms of the release. The District may withhold from the final payment up to one hundred fifty percent (150%) of the estimated value of claims by the District, or third parties against the Contractor, including but not limited to, claims regarding amounts previously paid to the Contractor by the District.

The release signed by the Contractor as part of the final payment shall be in substantially the following form:

Final Payment and Release

District Project Name _____
District Project Number _____

The acceptance by Contractor of the final Contract payment in the sum of \$ _____ covering undisputed Contract amounts shall operate as, and shall be a release to the Twain Harte Community Services District (District), the District's directors, officers, representatives, agents, and employees, respectively, from all claims of and liability to the Contractor (except as set forth below), including claims of the Contractor as the successor in interest by assignment or otherwise, to claims of laborers, mechanics, subcontractors, consultants, and materialmen, and including claims by laborers, mechanics, subcontractors, consultants, and materialmen as successors in interest by assignment or otherwise, arising out of the work performed under the Contract which are related to said undisputed Contract amounts. This Release shall be effective as to all claims of the Contractor arising out of or in connection with the performance of the work under this Contract with respect to said undisputed Contract amounts, including tort claims, which are known to the Contractor or reasonably should have been known to the Contractor at the date of the signing of this Release. The

acceptance by Contractor of the final Contract payment described above shall operate as a waiver of all claims described herein and of any entitlement to additional payment arising out of the Contract, except as to those claims by the Contractor and their respective estimated dollar amounts listed herein below. It is understood that the amounts set forth below are good faith estimates and may be subject to some reasonable modification. It is intended that this Release be construed in accordance with the limitations set forth in California Public Contract Code, Section §7100.

<u>DESCRIPTION OF DISPUTED CLAIM</u>	<u>ESTIMATED AMOUNT OF DISPUTED CLAIM</u>
_____	\$ _____

Signed: _____

By: _____
(typed or printed)

Title: _____

Company Name: _____

Date: _____

The District, at its discretion, may elect to issue final payments directly to certain of the subcontractors, or to issue joint check payments, payable to the Contractor and subcontractor involved. Contractor agrees to verify the correctness of any final payments to be made to subcontractors by the District and acknowledge the same in writing to the District within five (5) days of written request from the District. If the Contractor disputes the correctness of any final payment to be made to a subcontractor, the Contractor shall so notify the District in writing of the matters in dispute and the amounts thereof. The notice shall be in writing delivered to the District within five (5) days of the above-written request from the District. Said payments shall be made in accordance with estimates made by the Contractor and/or subcontractor and approved by the District of the amount and value of work satisfactorily performed by the subcontractor. Amounts so paid to the subcontractor shall be deducted from any amounts due to the Contractor under the terms of the Contract and any Change or Extra Work Orders. However, to the extent that the Contractor disputes any portion or all of the estimated payment due a subcontractor, an amount not to exceed one hundred fifty percent (150%) of the disputed amount will be withheld from the payment to the subcontractor. If the entire amount due to the subcontractor is disputed by the Contractor, then up to one hundred fifty percent (150%) of this entire amount may be deducted from payments to the Contractor until the dispute is resolved.

If, as stated above, the District elects to issue final payments to a subcontractor or subcontractors or to issue joint check payments, the District may request, as part of its payment to the subcontractor or subcontractors involved, that said subcontractor or

subcontractors sign a Conditional Waiver and Release Upon Final Payment to the subcontractor, which shall be in substantially the following form:

Conditional Waiver and Release Upon Final Payment to Subcontractor

Upon receipt by the undersigned of a check from Twain Harte Community Services District (District) in the sum of \$_____ payable to _____ and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, Stop Notice, or bond right the undersigned has on the Contract. This release covers the final payment of the undersigned for all labor, services, equipment, or material furnished on the job, except for disputed claims for additional work described in the attached sheet, if any, in the amount of \$_____.

Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

Date: _____
By: _____
Title: _____
_____ Company Name

GC-36 SURVIVAL

Notwithstanding the District's acceptance of the work and payment, Contractor shall remain obligated under all clauses of this Contract, which expressly or by their nature extend beyond and survive such acceptance and payment or termination.

GC-37 WARRANTY

Contractor warrants that the work performed pursuant to the Contract shall be of the quality specified or of the highest quality if no quality is specified, and shall conform to the specifications, drawings, samples, and other descriptions set forth in the Contract. Contractor warrants all equipment and materials furnished by it and all work performed by it under the Contract against defective design (unless furnished by the District), materials, and workmanship for a period of one (1) year from and after final acceptance regardless of whether the same were furnished or performed by Contractor or by any of its subcontractors or suppliers of any tier. Performance and Payment Bonds, if any, shall remain in full force and effect during such warranty periods.

If, after installation and acceptance, the operation or use of the material or equipment furnished under this Contract proves to be unsatisfactory to the District, the District shall have the right to operate and use such materials and equipment until it can, without damage to the District, be taken out of service for correction or replacement by Contractor at its expense. The warranty period for the materials or equipment which are replaced shall be one (1) year from and after the replacement materials or equipment are satisfactorily installed.

Upon receipt of written notice from the District of any breach of warranty during the applicable warranty period, the affected item shall be redesigned, repaired, or replaced by Contractor and

it shall perform such tests as the District may require to verify that such redesign, repairs, and replacement comply with the requirements of the Contract. As to the redesigned, repaired, or replaced work, Contractor warrants such redesigned, repaired, or replaced work against defective design, materials, and workmanship for a period of one (1) year from and after the date of acceptance of such work. The District reserves the right to require that Contractor perform such repair or replacement work.

The District also reserves the right to make such repairs or replacements, if, within seven (7) calendar days after mailing of a notice in writing to Contractor and Surety, if any, Contractor shall neglect to make or undertake with due diligence the aforesaid repairs or replacements and that Surety, if any, within seven (7) calendar days after mailing of a notice in writing of such negligence of Contractor shall neglect to make or undertake with due diligence the aforesaid repairs or replacements itself, provided, however, that in the case of an emergency where in the opinion of the District delay would cause hazard to health or serious loss or damage, repair may be made without notice being sent to Contractor or Surety, and Contractor shall pay the cost thereof.

All costs, including manpower and materials incidental to such redesign, repair, replacement, and testing, including the removal, replacement, and reinstallation of equipment necessary to gain access and all other costs incurred as the result of a breach of warranty shall be borne by Contractor whether performed by the District or Contractor.

Nothing in this section shall be construed to limit, relieve or release Contractor's, subcontractor's, and equipment supplier's liability to the District for damages sustained as the result of latent defects in the equipment furnished caused by the negligence of the supplier's agents, employees or subcontractors.

The Performance Bond shall extend for a period of one (1) year after acceptance of the Contract by the District and shall cover the Contractor's obligations resulting from the warranty requirements herein specified.

GC-38 COST-REDUCTION INCENTIVE

The Contractor may submit to the District, in writing, proposals for modifying the Project Drawings, Technical Specifications, or other requirements of the Contract for the sole purpose of reducing the total cost of construction. The cost-reduction proposal shall not impair in any manner the essential functions or characteristics of the Project, including but not limited to service life, economy of operation, ease of maintenance, desired appearance, or design and safety standards.

Cost-reduction proposals shall contain the following information:

1. A description of both the existing Contract requirements for performing the work and the proposed changes.
2. An itemization of the Contract requirements that must be changed if the proposal is adopted.
3. A detailed estimate of the cost of performing the work under the existing Contract and under the proposed change. The estimates of cost shall be priced in the same manner as if the work were to be paid for as an extra work payment, as provided in Section GC-30, Extra Work Payment.

4. A statement of the time within which the District must make a decision thereon.
5. The Contract items of work affected by the proposed changes, including any quantity variation attributable thereto.

The provisions of this Section shall not be construed to require the District to consider any cost-reduction proposal that may be submitted hereunder. The District will not be liable to the Contractor for failure to accept or act upon any cost-reduction proposal submitted pursuant to this Section nor for any delays to the work attributable to any such proposal. If a cost-reduction proposal is similar to a change in the Project Drawings or Technical Specifications under consideration by the District for the Project at the time said proposal is submitted, or if such a proposal is based upon or similar to standard specifications, standard special provisions, or standard plans adopted by the District after the advertisement for the Contract, the District will not accept such proposal, and the District reserves the right to make such changes without compensation to the Contractor under the provisions of this Section.

The Contractor shall continue to perform the work in accordance with the requirements of the Contract until an executed Change Order incorporating the cost-reduction proposal has been issued. If an executed Change Order has not been issued by the date upon which the Contractor's cost-reduction proposal specifies that a decision thereon should be made, or such other date as the Contractor may subsequently have specified in writing, such cost-reduction proposal shall be deemed rejected.

The District shall be the sole judge of the acceptability of a cost-reduction proposal and of the estimated net savings in construction costs from the adoption of all or any part of such proposal. In determining the estimated net savings, the right is reserved to disregard the Contract bid prices if, in the judgment of the District, such prices do not represent a fair measure of the value of work to be performed or to be deleted.

If the Contractor's cost-reduction proposal is accepted in whole or in part, such acceptance will be a Contract Change Order, which shall specifically state that it is executed pursuant to Section GC-28, Changes. Such Change Order shall incorporate the changes in the Project Drawings and Technical Specifications that are necessary to be put into effect and shall include any conditions upon which the District's approval thereof is based if the approval of the District is conditional. The Change Order shall also set forth the estimated net savings in construction costs attributable to the cost-reduction proposal effectuated by the Change Order and shall further provide that fifty percent (50%) of said estimated net savings amount be included as compensation for the Contractor. The Contractor's cost of preparing the cost-reduction proposal shall be excluded from consideration in determining the estimated net savings in construction costs.

The District reserves the right, where it deems such action appropriate, to require the Contractor to share in the District's costs of investigating a cost-reduction proposal submitted by the Contractor as a condition of considering such proposal. Where such a condition is imposed, the Contractor shall indicate its acceptance thereof in writing, and such acceptance shall constitute full authority for the District to deduct amounts payable to the District from any monies due or that may become due to the Contractor under the Change Order. The Change Order incorporating the cost-reduction proposal and the Contractor's fifty percent (50%) share of the net savings will also include any deductions for the Contractor's share of the District's cost of investigating the proposals per the agreement between the District and the Contractor.

Acceptance of the cost-reduction proposal and performance of the work thereunder shall not extend the time of completion of the Contract, unless specifically provided for in the Contract Change Order authorizing the use of the cost-reduction proposal.

The amount specified to be paid to the Contractor in the Change Order that effectuates a cost-reduction proposal shall constitute full compensation to the Contractor for the cost-reduction proposal and the performance of the work thereof pursuant to the said Change Order.