

## Heritage Ranch Community Services District

4870 Heritage Road, Paso Robles, California 93446

(805) 227-6230 • (805) 227-6231

### BOARD MEETING AGENDA

Thursday, July 16, 2020

DISTRICT OFFICE, HERITAGE RANCH, CA

*The Heritage Ranch Community Services District will be practicing physical distancing guidance as instructed by the Governor, the Center for Disease Control, and County officials, and as provided in the President's Declaration of April 6, 2020.*

*We have made this meeting available by virtual means. The virtual meeting protocols are outlined in the President's Declaration of April 6, 2020 which can be found on our website: <https://heritageranchcsd.ca.gov/board-meetings>*

Please click the link below to join the meeting:

<https://us02web.zoom.us/j/85251551471>

Or Telephone:

Dial 1 669 900 9128

Meeting ID: 852 5155 1471

Additional numbers available: <https://zoom.us/u/adl8uxWv0D>

#### Board Members:

Dan Burgess, President

Devin Capps, Vice President

Reg Cousineau, Director

Martin Rowley, Director

Bill Barker, Director

1. 4:00 PM OPEN SESSION / CALL TO ORDER / FLAG SALUTE
2. ROLL CALL
3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA

It is the policy of the Board to refer concerns from members of the Public to the District Manager for investigation and resolution, if appropriate. Presentations are limited to three minutes. In compliance with the Brown Act the Board may not take

action on any matter that is not on the agenda. The public will be offered an opportunity to comment on agenda items when the items are presented.

#### 4. CONSENT ITEMS

The following items are considered routine and may be approved by one motion if no member of the Board wishes an item be removed. If discussion is desired, an item may be removed from the Consent Agenda by a Board member and will be considered separately. If an item is removed for discussion a motion must be made for approval.

- a. Meeting Minutes: Receive/approve minutes of regular meeting of June 18, 2020.
- b. Warrant Register: Receive/approve June 2020 warrants.
- c. Treasurer's Report: Receive/file June 2020 Report.
- d. Treasurer's Report: Receive/file FY 2019/20 4<sup>th</sup> Quarter Report.
- e. Treasurer's Report: Receive/file FY 2019/20 Annual Report.
- f. Fiscal Report: Receive/file June 2020 status report.

#### 5. PUBLIC HEARINGS

- a. Submittal for approval Resolution 20-10 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

**(Action required: 1) Open the Public Hearing; 2) receive staff report; 3) receive public comments; 4) close Public Hearing; 5) discussion, motion, roll call vote)**

- b. Submittal for approval Resolution 20-11 adopting a Fiscal Year 2020/21 Final Budget and Salary Schedule.

**(Action required: 1) Open the Public Hearing; 2) receive staff report; 3) receive public comments; 4) close Public Hearing; 5) discussion, motion, roll call vote)**

#### 6. DISCUSSION ITEMS

- a. Submittal for approval Resolution 20-12 adopting the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan Update 2019.

**(Action required: 1) receive staff report; 2) receive public comments; 3) close public comment; 4) discussion, motion, roll call vote)**

- b. Request to approve draft contract documents for the Raw Water Vertical Intake No. 1 - Phase 1, and direct staff to finalize the documents to advertise for proposals.

**(Action required: 1) receive staff report; 2) receive public comments; 3) close public comment; 4) discussion, motion, roll call vote)**

- c. Request to receive and file Photovoltaic System Project updates.

**(Action required: 1) receive staff report; 2) open public comment; 3) close public comment; 4) discussion, receive and file)**

## **7. MANAGER'S REPORT**

Receive/file July 2020 report.

## **8. STAFF REPORTS**

Receive/file June 2020 reports.

## **9. COMMITTEE AND DIRECTOR REPORTS**

This item is the opportunity for Committees or Directors to make brief reports or announcements, ask questions related to District business, request staff to report back on a particular matter, or place an item on a future agenda.

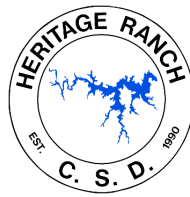
## **10. ADJOURNMENT**

**(Action required: by motion and voice vote, adjourn meeting)**

The next regular Board of Directors meeting is scheduled for Thursday, August 20, 2020.

### **Notes:**

- All comments concerning any item on the agenda are to be **directed to the Board President**.
- Any document pertaining to an open session item on this agenda which is distributed to the Board of Directors is available for public review at the time the subject writing or document is distributed or at least 72 hours before the meeting date whichever occurs first on the District's website at:  
<https://heritageranchcsd.ca.gov/board-meetings>.
- Copies of the staff reports or written materials relating to each open session item on this agenda are available for public inspection and reproduction at District cost.
- In compliance with the Americans with Disabilities Act (ADA), the Heritage Ranch Community Services District is committed to including the disabled in all its services, programs and activities. If you need special assistance to participate in this meeting, please contact the Board Secretary at 805-227-6230 at least 72 hours prior to the meeting to enable the District to make reasonable arrangements to insure accessibility to the meeting.



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS' REGULAR MEETING**  
*Minutes of June 18, 2020*

***This meeting was held virtually pursuant to the virtual meeting protocols as outlined in the President's Declaration of April 6, 2020.***

**1. 4:00 PM OPEN SESSION / CALL TO ORDER / FLAG SALUTE**

President Burgess called the meeting to order at 4:00 pm and led the flag salute.

**2. ROLL CALL**

Secretary Gelos called the roll. Director Capps was absent, all other Directors were present.

Staff present: General Manager Scott Duffield, Office Supervisor/Board Secretary Kristen Gelos and District legal counsel Jeff Minnery and Jennifer Blackburn.

**3. PUBLIC COMMENT ON ITEMS NOT ON THE AGENDA**

No comments

**4. CONSENT ITEMS**

- a. **Meeting Minutes:** Receive/approve minutes of regular meeting of May 21 2020.
- b. **Warrant Register:** Receive/approve May 2020 warrants.
- c. **Treasurer's Report:** Receive/file May 2020 report.
- d. **Fiscal Report:** Receive/file May 2020 status report.

Director Cousineau made a motion to approve all consent items as presented. Director Barker seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**5. DISCUSSION ITEMS**

- a. **Request to receive and file a report on granular activated carbon.**

Manager Duffield provided a brief summary of the item and answered any questions the Board had.

Simon Morris from JBI was available if anyone had any questions.

The report was received and filed.

**b. Request to approve amendment of the Memorandum of Understanding between Heritage Ranch Community Services Employees Association and Heritage Ranch Community Services District.**

Manager Duffield provided a brief summary of the item and answered any questions the Board had.

Director Barker made a motion to approve amendment of the Memorandum of Understanding. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**c. Request to adopt the Preliminary FY 2020/21 Budget, and schedule a public hearing for July 16, 2020, to consider adoption of a Final FY 2020/21 Budget.**

Manager Duffield provided a brief summary of the item and answered any questions the Board had.

Public Comment from HROA Manager, Tina Platt if the Budget included rate increases to residents of Heritage Ranch. Manager Duffield explained that it did include the Rate Study increase effective January 1, 2021.

Director Barker made a motion to adopt the Preliminary FY 2020/21 Budget and schedule a public hearing for July 16, 2020. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**d. Submittal for approval Resolution 20-09 requesting consolidation of the District's biennial election with the November 3, 2020 Consolidated General Election.**

Manager Duffield provided a brief summary of the item and answered any questions the Board had.

Director Cousineau made a motion to approve Resolution 20-09 requesting consolidation of the District's biennial election with the November 3, 2020 Consolidated General Election. Director Rowley seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

**e. Request to receive and file Photovoltaic System Project updates.**

Manager Duffield provided a brief summary and update of the project and answered any questions the Board had.

The report was received and filed.

**f. Request to discuss protocols for regular meetings of the Board, and any and all other meetings of the District's legislative bodies that are subject to the Brown Act.**

Manager Duffield provided a brief summary of the item and answered any questions the Board had.

The Board discussed options of possibly setting up a video feed for public to attend meetings.

The report was received and filed.

**6. MANAGER'S REPORT**

The report was received and filed.

**7. STAFF REPORTS**

The reports were received and filed.

**8. COMMITTEE AND DIRECTOR REPORTS**

Director Burgess wanted to thank everyone for their attendance and making the Board meetings continue via teleconference.

**9. ADJOURN TO CLOSED SESSION**

**a. Pursuant to Government Code §54957(b)(1): Annual evaluation of performance of a public employee: General Manager.**

The Board adjourned to closed session at 5:36 pm. No reportable action.

**10. RECONVENE TO OPEN SESSION**

**a. Request to consider compensation and extension of the Employment Agreement for the General Manager.**

The Board reconvened to open session at 5:55 pm.

Director Barker made a motion to approve a five-year extension of the General Manager's contract with an annual compensation of \$160,000 and requested District Counsel prepare the Employment Agreement for signatures. Director Cousineau seconded the motion. The motion passed by the following roll call vote:

Ayes: Barker, Burgess, Cousineau, Rowley  
Absent: Capps

## **11. ADJOURNMENT**

On a motion by Director Barker and seconded by Director Rowley, the meeting adjourned at 6:01 pm to the next scheduled regular meeting on Thursday, July 16, 2020.

### **APPROVED:**

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**Dan Burgess, President  
Board of Directors**

### **ATTEST:**

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**Kristen Gelos, Secretary  
Board of Directors**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
6/5/2020	R. BRINK NET PAYROLL	2,372.86	\$ 2,372.86
6/5/2020	R. ARNOLD NET PAYROLL	2,187.62	\$ 2,187.62
6/5/2020	J. PRITCHETT NET PAYROLL	2,224.26	\$ 2,224.26
6/5/2020	M. HUMPHREY NET PAYROLL	1,999.58	\$ 1,999.58
6/5/2020	K. GELOS NET PAYROLL	2,323.75	\$ 2,323.75
6/5/2020	D. BURGESS NET PAYROLL	138.52	\$ 138.52
6/5/2020	B. BARKER NET PAYROLL	138.52	\$ 138.52
6/5/2020	M. ROWLEY NET PAYROLL	92.35	\$ 92.35
6/5/2020	R. COUSINEAU NET PAYROLL	92.35	\$ 92.35
6/5/2020	S. DUFFIELD NET PAYROLL	3,442.02	\$ 3,442.02
6/5/2020	D. CAPPS NET PAYROLL	92.35	\$ 92.35
6/3/2020	CALPERS HEALTH BENEFITS CALPERS HEALTH BENEFITS EMPLOYEE PAID HEALTH BENEFIT EMPLOYEE PAID HEALTH BENEFIT	9,796.40 819.88 819.88	\$ 11,436.16
6/8/2020	PG&E ELECTRICITY	21,597.20	\$ 21,597.20
6/9/2020	GREAT WESTERN ALARM ALARM / ANSWERING SERVICE	277.30	\$ 277.30



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
6/9/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES FICA WITHIHOLDING MEDICARE	1,656.16 74.40 615.84	\$ 2,346.40
6/9/2020	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	206.34 580.16	\$ 786.50
6/9/2020	WALLACE GROUP PVS PROJECT	2,350.76	\$ 2,350.76
6/9/2020	CLEATH-HARRIS GEOLOGISTS, INC. VERTICAL INTAKE PROJECT	2,535.00	\$ 2,535.00
6/9/2020	READY REFRESH BY NESTLE LAB TESTING	15.94	\$ 15.94
6/9/2020	BRENNTAG PACIFIC, INC CHEMICALS	2,674.28	\$ 2,674.28
6/9/2020	AIRFLOW FILTER SERVICE, INC. FUEL & OIL	55.75	\$ 55.75
6/9/2020	COUNTY OF SAN LUIS OBISPO PROFESSIONAL SVCS X-CONNECT	313.90	\$ 313.90
6/9/2020	DELTA LIQUID ENERGY PROPANE SERVICE AGREEMENT	110.00	\$ 110.00
6/9/2020	FLUID RESOURCE MANAGEMENT PROFESSIONAL SERVICES	394.50	\$ 394.50
6/9/2020	ABALONE COAST ANALYTICAL, INC. LAB TESTING	899.00	\$ 899.00
6/9/2020	RHYTHM DESIGN UNIFORM ALLOWANCE	30.00	\$ 30.00
6/9/2020	BURT INDUSTRIAL SUPPLY OFFICE SUPPLIES	47.23	\$ 47.23

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
6/9/2020	U.S. BANK CORPORATE PAYMENT SY MAINTENANCE FIXED EQUIPMENT STRUCTURES & GROUNDS OFFICE SUPPLIES COMPUTERS / SOFTWARE MAINTENANCE FIXED EQUIPMENT VEHICLES VEHICLES TRAINING & TRAVEL TRAINING & TRAVEL	452.18 714.38 46.12 64.34 69.90 8.76 6.92 92.00 60.00	\$ 1,514.60
6/9/2020	MICHAEL K. NUNLEY & ASSOCIATES CONSULTING & ENGINEERING	863.14	\$ 863.14
6/9/2020	DATA PROSE LLC MAY BILLING / LATE NOTICES	1,291.97	\$ 1,291.97
6/9/2020	RIVAL TECHNOLOGY INC. COMPUTER / SOFTWARE	144.74	\$ 144.74
6/9/2020	KENWOOD ENERGY PVS PROJECT	1,511.25	\$ 1,511.25
6/12/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
6/12/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT PERS RETIREMENT TIER 2 PERS RETIREMENT PEPRA SURVIVOR BENEFIT	2,298.31 962.32 282.94 5.58	\$ 3,549.15
6/12/2020	CALPERS FISCAL SERVICES DIVISI OTHER POST EMPLOYMENT BENEFITS	25,000.00	\$ 25,000.00
6/16/2020	SAN MIGUEL GARBAGE DELINQUENT SOLID WASTE FEES	612.00	\$ 612.00
6/17/2020	PG&E PVS PROJECT	6,246.60	\$ 6,246.60
6/19/2020	AT&T TELEPHONE / INTERNET	171.20	\$ 171.20

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
6/19/2020	R. BRINK NET PAYROLL	2,114.71	2,114.71
6/19/2020	R. ARNOLD NET PAYROLL	2,381.30	2,381.30
6/19/2020	J. PRITCHETT NET PAYROLL	2,294.05	2,294.05
6/19/2020	M. HUMPHREY NET PAYROLL	1,757.27	1,757.27
6/19/2020	K. GELOS NET PAYROLL	2,323.75	2,323.75
6/19/2020	S. DUFFIELD NET PAYROLL	3,608.89	3,608.89
6/23/2020	CALPERS RETIREMENT SYSTEM PERS RETIREMENT U/L PERS RETIREMENT U/L PERS RETIREMENT U/L	5,797.93 168.52 36.14	\$ 6,002.59
6/23/2020	INTERNAL REVENUE SERVICE FEDERAL WITHHOLDING TAXES MEDICARE	1,633.78 595.22	\$ 2,229.00
6/23/2020	EMPLOYMENT DEVELOPMENT DEPARTM SDI STATE WITHHOLDING	205.24 583.67	\$ 788.91
6/24/2020	FERGUSON ENTERPRISES INC MAINTENANCE FIXED EQUIPMENT	29.55	\$ 29.55
6/24/2020	ADAMSKI, MOROSKI, MADDEN, CUMB LEGAL & ATTORNEY	1,368.50	\$ 1,368.50
6/24/2020	RYAN BRINK CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/24/2020	RELIABLE OFFICE MACHINE REPAIR PROFESSIONAL SERVICES	180.00	\$ 180.00

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
6/24/2020	KRITZ EXCAVATING & TRUCKING, I MAINTENANCE FIXED EQUIPMENT	80.20	\$ 80.20
6/24/2020	BRENNTAG PACIFIC, INC CHEMICALS	2,650.00	
	CHEMICALS	2,245.49	\$ 4,895.49
6/24/2020	TYLER TECHNOLOGIES COMPUTER / SOFTWARE	13,874.63	\$ 13,874.63
6/24/2020	FGL ENVIRONMENTAL LAB TESTING	146.00	\$ 146.00
6/24/2020	ROY ARNOLD CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/24/2020	RDO EQUIPMENT CO. VEHICLES	351.35	\$ 351.35
6/24/2020	FASTENAL COMPANY MAINTENANCE FIXED EQUIPMENT	61.53	\$ 61.53
6/24/2020	KRISTEN GELOS CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
6/24/2020	JAMES A. PRITCHETT CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/24/2020	KEVIN BENNETT EXCAVATING MAINTENANCE FIXED EQUIPMENT	7,700.00	\$ 7,700.00
6/24/2020	SCOTT DUFFIELD CELL & INTERNET ALLOWANCE	40.00	\$ 40.00
6/24/2020	WESTERN EXTERMINATOR COMPANY STRUCTURES & GROUNDS	86.00	\$ 86.00
6/24/2020	MARK HUMPHREY CELL & INTERNET ALLOWANCE	80.00	\$ 80.00
6/24/2020	MJ WELDING SM TOOLS/EQUIP	166.25	\$ 166.25

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020  
WARRANT REGISTER**

<b>DATE</b>	<b>NAME OF PAYEE</b>	<b>ITEM AMOUNT</b>	<b>WARRANT AMOUNT</b>
6/26/2020	CALPERS 457 DEFFERED COMP PROG PERS 457- DEFFERED COMP.	1,028.00	\$ 1,028.00
6/26/2020	CALPERS RETIREMENT SYSTEM EMPLOYER'S CONTRIBUTION	14.58	
	PERS RETIREMENT	2,255.06	
	PERS RETIREMENT TIER 2	962.32	
	PERS RETIREMENT PEPRA	282.94	
	SURVIVOR BENEFIT	5.58	\$ 3,520.48
6/28/2020	CHARTER COMMUNICATIONS INTERNET	84.99	\$ 84.99
6/29/2020	CALPERS RETIREMENT SYSTEM SURVIVOR EMPLOYER PREM.FY19/20	105.60	
	SURVIVOR EMPLOYER PREM.FY19/20	57.60	\$ 163.20
6/29/2020	STOCKMAN'S ENERGY, INC. PVS PROJECT	19,579.50	\$ 19,579.50
6/29/2020	J.B. DEWAR. INC. FUEL & OIL	818.02	\$ 818.02
6/30/2020	CALPERS RETIREMENT SYSTEM SURVIVOR EMPLOYER PREM.FY19/20	273.60	\$ 273.60
<b>GRAND TOTAL FOR ALL WARRANTS</b>			<b>\$181,214.51</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
TREASURER'S REPORT  
JUNE 2020**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance:	\$ 5,172,153.51
Ending Balance:	\$ 5,152,240.88
Variance:	\$ (19,912.63)
Interest Earnings for the Month Reported:	\$ 101.32
Interest Earnings Fiscal Year-to-Date:	\$ 79,325.84

**ANALYSIS OF REVENUES**

Total operating income for water and sewer was:	\$ 161,098.20
Non-operating income was:	\$ 20,740.10
Franchise fees paid to the District by San Miguel Garbage was:	\$ 6,573.44
Interest earnings for the P.P.B. checking account was:	\$ 3.71
Interest earnings for the P.P.B. DWR Loan Services account was:	\$ 0.07
Interest earnings for the P.P.B. DWR Reserve account was:	\$ 70.36
Interest earnings for the P.P.B. SRF Loan Services account was:	\$ 27.18
Interest earnings for the Western Alliance account was:	\$ -
Interest earnings for the LAIF account was:	\$ -

**ANALYSIS OF EXPENSES**

Pacific Premier Bank checking account total warrants, fees, and Electronic Fund Transfers was:	\$ 196,713.75
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**STATEMENT OF COMPLIANCE**

This report was prepared in accordance with the Heritage Ranch Community Services District Statement of Investment Policy. All investment activity was within policy limits. There are sufficient funds to meet the next 30 days obligations. Attached is a status report of all accounts and related bank statements.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
STATUS REPORT FOR ALL ACCOUNTS  
JUNE 2020**

<b>BEGINNING BALANCE ALL ACCOUNTS</b>		<b>\$ 5,172,153.51</b>
<hr/>		
<b>OPERATING CASH IN DRAWER</b>		<b>\$300.00</b>
<hr/>		
<b>PACIFIC PREMIER BANK - CHECKING</b>		
<b>BEGINNING BALANCE 05/31/2020</b>	\$83,139.75	
DEPOSIT REVENUE & MISCELLANEOUS INCOME	\$216,384.08	
INTEREST EARNED	\$3.71	
TOTAL CHECKS, FEES AND EFT'S	(\$196,713.75)	
TRANSFER TO LAIF ACCOUNT	\$0.00	
<b>ENDING BALANCE 06/30/2020</b>		<b>\$102,813.79</b>
<hr/>		
<b>PACIFIC PREMIER BANK DWR LOAN REPAYMENT (1994-2029): LOAN SERVICES ACCOUNT</b>		
<b>BEGINNING BALANCE 05/31/2020</b>	\$114.28	
QUARTERLY DEPOSIT	\$0.00	
INTEREST EARNED	\$0.07	
SEMI-ANNUAL PAYMENT	\$0.00	
<b>ENDING BALANCE 06/30/2020</b>		<b>\$114.35</b>
<hr/>		
<b>PACIFIC PREMIER BANK DWR RESERVE ACCOUNT</b>		
<b>BEGINNING BALANCE 05/31/2020</b>	\$113,160.37	
INTEREST EARNED	\$70.36	
<b>ENDING BALANCE 06/30/2020</b>		<b>\$113,230.73</b>
<hr/>		
<b>PACIFIC PREMIER BANK SDWSRF LOAN SERVICES ACCOUNT</b>		
<b>BEGINNING BALANCE 05/31/2020</b>	\$44,198.28	
QUARTERLY DEPOSIT	\$14,685.00	
INTEREST EARNED	\$27.18	
SEMI-ANNUAL PAYMENT	(\$29,369.28)	
<b>ENDING BALANCE 06/30/2020</b>		<b>\$29,541.18</b>
<hr/>		
<b>WESTERN ALLIANCE</b>		
<b>PVS PROJECT CAPITALIZED INTEREST FUND</b>		
<b>BEGINNING BALANCE 05/31/2020</b>	\$51,322.33	
INTEREST EARNED		
<b>ENDING BALANCE 06/30/2020</b>		<b>\$51,322.33</b>
<hr/>		
<b>LOCAL AGENCY INVESTMENT FUND (LAIF)</b>		
<b>BEGINNING BALANCE 05/31/2020</b>	\$4,880,218.50	
INTEREST EARNED	\$0.00	
TRANSFER FROM PACIFIC PREMIER CHECKING	\$0.00	
TRANSFER TO PACIFIC PREMIER CHECKING	(\$25,000.00)	
<b>ENDING BALANCE 06/30/2020</b>		<b>\$4,855,218.50</b>
<hr/>		
<b>ENDING BALANCE ALL ACCOUNTS</b>		<b>\$5,152,240.88</b>
<b>DIFFERENCE FROM LAST MONTH</b>	<b>Decrease</b>	<b>(\$19,912.63)</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
QUARTERLY TREASURER'S  
REPORT FOR THE PERIOD OF  
APRIL 1, 2020 – JUNE 30, 2020**

**SUMMARY REPORT OF ALL ACCOUNTS**

Beginning Balance	\$	3,757,901
Ending Balance	\$	5,152,241
Variance	\$	1,394,340
Interest Earnings	\$	17,777.39

**STATEMENT OF COMPLIANCE**

This report was prepared in accordance with the HRCSD Statement of Investment Policy. All investment activity was within policy limits. There are sufficient funds to meet the next 180 days' obligations. Attached is a status report of all accounts and related bank statements. For more information contact the District Office.

**ACCOUNT PROFILE INFORMATION**

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Pacific Premier Bank Checking: Variable interest-bearing checking account currently at 0.05%, at Pacific Premier branch in Paso Robles used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
3. Pacific Premier Bank DWR loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits are made into each account. Semi-annual payments are made from the Loan Services account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities.
4. Pacific Premier Bank DWR reserve: The Reserve Account interest earnings rate is 0.25%. The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. Statements are received on a quarterly basis.
5. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits will be made into the Loan Services. Semi-annual payments will be made from the Loan Services account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. Statements are received on a quarterly basis.
6. Western Alliance Bank PVS Project Capitalized Interest Fund: The Capitalized Interest Fund interest earnings rate is 0.05%. The purpose of this Account is to hold the first two interest payments which the District will begin paying on October 1, 2020.
7. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 2.57%. Statements are received on a quarterly basis.



## INTEREST EARNINGS: TRENDS & PROJECTIONS

The number of accounts in this report totals seven. The interest earnings for those accounts are summarized below. The accounts are referenced by number which corresponds with the Account Profile Information.

### SUMMARY OF INTEREST EARNINGS

\* Account Profile by Reference Number

	<b>Beginning Balance</b>	<b>Total Debits</b>	<b>Total Credits</b>	<b>Interest Earnings</b>	<b>Ending Balance</b>
<b>1</b>	300.00	-	-	-	300.00
<b>2</b>	63,867.58	-6,013,719.01	6,052,645.76	19.46	102,813.79
<b>3</b>	114.28	0.00	0.00	0.07	114.35
<b>4</b>	113,160.37	0.00	0.00	70.36	113,230.73
<b>5</b>	44,198.28	-29,369.28	14,685.00	27.18	29,541.18
<b>6</b>	0.00	0.00	51,320.01	2.32	51,322.33
<b>7</b>	3,536,560.55	-2,157,233.27	3,458,233.22	17,658.00	4,855,218.50
<b>TOTALS</b>	<b>\$3,758,201.06</b>	<b>(\$8,200,321.56)</b>	<b>\$9,576,883.99</b>	<b>\$17,777.39</b>	<b>\$5,152,540.88</b>

Interest earnings in accounts 2, 3, 4, 5 & 6 above are always low because of account balance policies. Account 7 (LAIF) is the one account with more productive interest earnings because it typically holds over 90% of HRCSD cash reserves. Interest rates continue to fluctuate and remain low.

### MANAGEMENT BY CONTRACTED PARTIES

For the reporting period, only the Local Agency Investment Fund (LAIF) is held under the Management By Contracted Parties.

LAIF is a treasury of pooled money made up of deposits from many of the over 5,000 local agencies within California. More than \$25 billion is vested in a variety of ways with a cumulative net yield of a conservative nature. State law requires, and the LAIF Pooled Money Investment Board requires that pooled money first be invested in such a manner to realize the maximum return consistent with safe and prudent management after which yield is considered. In other words, because these are public moneys invested and managed by others, the investments are low risk, low yield.

HRCSD typically has most of its cash (over 90%) deposited in LAIF. This is common strategy with many local agencies in the state, especially those with cash reserves of less than \$5 million. Complete reports of all investment activity, etc. are received from the LAIF Board on a monthly basis, along with an annual report, which are available for inspection at the District office. In addition, an analysis is provided in our *Status Report of All Accounts* for our share of LAIF deposits on a monthly basis.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
ANNUAL TREASURER'S REPORT  
FOR THE FISCAL YEAR ENDING  
JUNE 30, 2020**

**INTRODUCTION**

This report covers all investments and fund activities of the District for the period of July 1, 2019 to June 30, 2020. This report is prepared in accordance with the District's Statement of Investment Policy, adopted by Resolution No. 96-1.

The Heritage Ranch Community Services District is a public subdivision formed and operated under enabling state law. The District provides water and sewer service, and solid waste collection (via a Franchise Agreement with San Miguel Garbage Company for solid waste removal) which is categorized as an enterprise function (fee for service). The District's latent powers also include parks and recreation, a non-enterprise function, and the only item in this category is the Heritage Village Senior's Center. The District has formally appointed the Manager as the Treasurer. District staff prepares all fiscal reports, and the Treasurer and staff oversee all financial activity and make recommendations to the District Board of Directors.

Treasurer's Reports are submitted on a monthly, quarterly, and annual basis to the Board of Directors. A detailed description of contents for each type of report is contained in Section I of said Statement of Investment Policy, a copy of which is attached as part of this report. The Policy now in force was adopted in accordance with changes in state law, effective 1996.

**REVIEW**

Table 1 provides the beginning and ending balances, and the variance of all funds combined for each month of the year.

<b>Table 1</b>			
<b>PERIOD</b>	<b>BEGINNING BALANCE</b>	<b>ENDING BALANCE</b>	<b>VARIANCE</b>
JUL 19	\$3,618,405.03	\$3,612,630.50	(\$5,774.53)
AUG 19	\$3,612,630.50	\$3,620,428.79	\$7,798.29
SEPT 19	\$3,620,428.79	\$3,568,854.05	(\$51,574.74)
OCT 19	\$3,568,854.05	\$3,630,753.94	\$61,899.89
NOV 19	\$3,630,753.94	\$3,718,286.86	\$87,532.92
DEC 20	\$3,718,286.86	\$3,707,833.05	(\$10,453.81)
JAN 20	\$3,707,833.05	\$3,817,453.29	\$109,620.24
FEB 20	\$3,817,453.29	\$3,850,812.86	\$33,359.57
MAR 20	\$3,850,812.86	\$3,757,901.06	(\$92,911.80)
APR 20	\$3,757,901.06	\$5,034,832.51	\$1,276,931.45
MAY 20	\$5,034,832.51	\$5,120,651.18	\$85,818.67
JUN 20	\$5,120,651.18	\$5,152,240.88	\$31,589.70

The District maintained a total of seven locations/accounts for its cash during the reporting year. Of these seven, only one is considered an investment; the Local Agency Investment Fund (LAIF). A complete profile of all of the aforementioned accounts follows:

1. Operating cash in cash drawer: Maintained to make change for cash transactions.
2. Pacific Premier Bank Checking: Variable interest-bearing checking account currently at 0.05%, at Pacific Premier branch in Paso Robles used for most of our transactions such as payroll, accounts receivable and accounts payable. Statements are received on a monthly basis.
3. Pacific Premier Bank DWR loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits are made into each account. Semi-annual payments are made from the Loan Services account by the bank, which functions as our fiscal agent, to DWR for repayment of a \$2 million loan to partially finance our water treatment plant and water pumping facilities.
4. Pacific Premier Bank DWR reserve: The Reserve Account interest earnings rate is 0.25%. The purpose of the Reserve Account was to build up over ten years an amount equal to debt service for one year, a DWR requirement. Statements are received on a quarterly basis.
5. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) loan repayments: The Loan Services Account interest earnings rate is 0.25%. Quarterly deposits will be made into the Loan Services. Semi-annual payments will be made from the Loan Services account by the bank, which functions as our fiscal agent, to SDWSRF for repayment of a \$714,000 loan to finance upgrades at the water treatment plant. The fund will provide for a twenty (20) year repayment period at a 1.7875 percent interest rate. Statements are received on a quarterly basis.
6. Pacific Premier Bank SDWSRF (Safe Drinking Water State Revolving Fund) reserve: Quarterly deposits will be made into the Reserve Account. The purpose of the Reserve Account is to build up over ten years an amount equal to two semiannual payments, which is based upon the estimated loan principal and interest rate.
7. LAIF: Local Agency Investment Fund, a variable interest-bearing investment fund administered by the California State Treasurer. The majority of our funds are retained in this account. The last reported interest rate was 2.03%. Statements are received on a quarterly basis.

The term "fund" is applied in our operations in two District ways. One application is a reference to services rendered by the District and their related funds, i.e. water and sewer, general and solid waste. These are functions of internal bookkeeping where revenue and expenses are allocated according to revenue source and type of expense. The other application is used to identify moneys within certain accounts. For example, the analysis of the balance in LAIF is reported on each monthly Treasurer's Report, and the allocation of interest earnings from all accounts to funds is based on established policy.

A recap of interest earned in each account is presented in Table 2. Some accounts do not bear interest, as stated in the account profile above, but all accounts are listed for reference. The dollar amounts posted are the totals for the fiscal year for each account.

ACCOUNTS	INTEREST EARNINGS	INTEREST RATE
1. Cash Drawer	\$0.00	0.00%
2. Pacific Premier Checking	\$71.81	0.05%
3. Pacific Premier DWR Loan Services	\$30.20	0.25%
4. Pacific Premier DWR Reserve	\$283.11	0.25%
5. Pacific Premier SRF Loan Services	\$86.77	0.25%
6. Western Alliance	\$2.32	0.05%
7. LAIF	\$79,057.47	2.03 % - 2.57%

**CONCLUSION**

The District appears to be managing its cash and investments in a prudent manner with adherence to optimal safety, yield, and liquidity. Treasurer's Reports are presented to the Board of Directors monthly, quarterly, and annually. A formal Statement of Investment Policy is in place. Internal policies for allocation of earned interest and preparation of reports, including a running analysis of funds deposited in LAIF, is complete and straight-forward.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2019/20 Budget**

<b>OPERATING INCOME</b>	<b>Budget FY 19/20</b>	<b>Actual June</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Water Fees	1,048,675	100,943	1,043,135	99%	
Sewer Fees	628,817	55,130	635,259	101%	
Hook-Up Fees	6,000	600	1,800	30%	Fluctuates based on activity
Turn on Fees	3,500	400	3,300	94%	
Late Fees	18,000	1,712	18,178	101%	
Plan Check & Inspection	10,000	0	993	10%	
Miscellaneous Income	2,000	2,313	14,835	742%	SDRMA claim, SLOCOPWD refund
<b>TOTAL OPERATING INCOME</b>	<b>\$1,716,992</b>	<b>\$161,098</b>	<b>\$1,717,500</b>	<b>100%</b>	

<b>FRANCHISE INCOME</b>					
Solid Waste Franchise Fees	70,932	6,573	71,656	101%	
<b>TOTAL FRANCHISE REVENUE</b>	<b>\$70,932</b>	<b>\$6,573</b>	<b>\$71,656</b>	<b>101%</b>	

<b>NON-OPERATING INCOME</b>					
Standby Charges	242,466	2,649	235,098	97%	
Property Tax	364,361	3,874	367,709	101%	
Interest	50,000	101	79,326	159%	Fluctuates based on activity
Connection Fees	141,160	14,116	42,348	30%	Fluctuates based on activity
<b>TOTAL NON-OPERATING INCOME</b>	<b>\$797,987</b>	<b>\$20,740</b>	<b>\$724,481</b>	<b>91%</b>	

<b>RESERVE REVENUE</b>					
Capital Reserves	63,189	11,031	459,163	727%	
Operating Reserves	143,942	4,878	96,126	67%	
<b>TOTAL RESERVE REVENUE</b>	<b>\$207,131</b>	<b>\$15,909</b>	<b>\$555,289</b>	<b>268%</b>	

<b>TOTAL ALL INCOME</b>	<b>\$2,793,042</b>	<b>\$204,321</b>	<b>\$3,068,926</b>	<b>110%</b>	
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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET  
2019/20 Budget**

**OPERATING EXPENSES**

<b>SALARIES AND BENEFITS</b>	<b>Budget FY 19/20</b>	<b>Actual June</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Salaries	644,289	39,091	684,549	106%	
Health Insurance	96,753	5,846	93,485	97%	
Health Insurance - Retiree	48,561	3,950	47,389	98%	
PERS	115,465	10,101	137,453	119%	
Standby	12,900	994	12,502	97%	
Overtime	15,050	825	14,388	96%	Fluctuates based on need & staffing
Workers Comp. Ins.	25,072	0	21,681	86%	Paid Annually
Directors' Fees	7,000	600	6,500	93%	
Medicare/FICA	9,863	643	10,936	111%	
Car Allowance	3,000	250	3,000	100%	
SUI/ETT	1,500	0	599	40%	
Uniforms	4,500	30	2,449	54%	
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$983,953</b>	<b>\$62,329</b>	<b>\$1,034,931</b>	<b>105%</b>	

**UTILITIES**

Electricity	240,202	21,597	218,475	91%	
Propane	973	110	821	84%	
Water Purchase	23,114	0	23,114	100%	Paid Semiannually
Telephone/Internet	11,663	656	10,809	93%	
<b>TOTAL UTILITIES EXPENSE</b>	<b>\$275,952</b>	<b>\$22,363</b>	<b>\$253,220</b>	<b>92%</b>	

**MAINTENANCE & SUPPLIES**

Chemicals	76,000	7,570	64,919	85%	
Computer/Software	7,000	14,084	21,041	301%	Logmein increase
Equip. Rental/Lease	1,000	0	835	83%	
Fixed Equip.	103,000	8,393	98,398	96%	
Fuel & Oil	12,000	874	11,515	96%	
Lab Testing	30,000	1,061	38,184	127%	Compliance needs
Office Supplies	3,000	93	1,460	49%	
Parks & Recreation	500	0	0	0%	
Struct./Grnds.	14,000	800	9,393	67%	
Small Tools/Equip.	3,500	166	4,067	116%	
Supplies	6,000	0	6,195	103%	Increased operational need
Meters/Equip.	5,000	0	0	0%	Fluctuates based on activity
Vehicles	8,500	367	6,191	73%	
<b>TOTAL MAINT. &amp; SUPPLY EXPENSE</b>	<b>\$269,500</b>	<b>\$33,409</b>	<b>\$262,199</b>	<b>97%</b>	

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Budget FY 19/20</b>	<b>Actual June</b>	<b>Actual Year to Date</b>	<b>Percentage Year to Date</b>	<b>Variance Explanation</b>
Ads./Advertising	1,500	0	455	30%	Fluctuates based on activity
Alarm/Answering Service	3,275	277	4,185	128%	Upgrade cost
Audit	10,000	0	6,057	61%	
Bank Charges/Fees	3,000	334	4,282	143%	Fluctuates based on activity
Consulting/Engineering	20,000	863	8,555	43%	
Dues/Subscription	9,400	0	8,647	92%	
Elections	1,000	0	0	0%	
Insurance	20,488	0	30,353	148%	Paid Annually
LAFCO	8,000	0	7,904	99%	Paid Annually
Legal/Attorney	22,000	1,369	28,326	129%	
Licenses/Permits	28,200	0	30,718	109%	
Plan Check & Inspection	10,000	0	993	10%	
Postage/Billing	20,000	1,292	15,732	79%	
Professional Service	38,400	888	33,241	87%	
Tax Collection	5,300	0	5,218	98%	
Staff Training & Travel	7,000	152	4,225	60%	
Board Training & Travel	10,000	0	145	1%	
<b>TOTAL G &amp; A</b>	<b>\$217,563</b>	<b>\$5,176</b>	<b>\$189,035</b>	<b>87%</b>	

#### **CAPITAL PROJECTS & EQUIPMENT**

Projects	243,918	32,223	542,646	222%	
Equipment	135,000	0	117,830	87%	
<b>TOTAL CAPITAL EXPENSE</b>	<b>\$378,918</b>	<b>32,223</b>	<b>660,476</b>	<b>174%</b>	

#### **DEBT**

State Loan Payment	103,629	0	103,628	100%	paid semiannually
State Loan Payment Phase II	58,740	29,369	58,739	100%	paid semiannually
<b>TOTAL DEBT</b>	<b>\$162,369</b>	<b>\$29,369</b>	<b>\$162,367</b>		

FUNDED DEPRECIATION	\$288,000	\$24,000	\$288,000	100%	
UNFUNDED DEPRECIATION	\$0	\$0	\$0	0%	

<b>TOTAL EXPENSE</b>	<b>\$2,576,255</b>	<b>\$208,869</b>	<b>\$2,850,228</b>	<b>111%</b>	
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CONNECTION FEES TRANSFER      \$141,160      \$14,116      \$42,348      30%

SOLID WASTE FEES TRANSFER      \$30,321      \$3,450      \$33,279      110%

<b>FUND TOTAL</b>	<b>\$45,306</b>	<b>(\$22,115)</b>	<b>\$143,071</b>		
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# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager  
Kristen Gelos, Office Supervisor

**DATE:** July 16, 2020

**SUBJECT:** Submittal for approval Resolution 20-10 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

### **Recommendation**

It is recommended that the Board of Directors:

1. Open the Public Hearing to provide an opportunity for filing objections and presentation of testimony or other evidence concerning this report; and
2. At the close of the Public Hearing, approve Resolution 20-10 providing for collection of delinquent solid waste charges and penalties to be collected on the tax roll in the same manner as property taxes.

### **Background**

District Code of Ordinances Section 8.200 specifies that,

“All developed properties located within the District with a water meter shall be subject to mandatory solid waste service. The collection service may be either curbside or by commercial bin service. This requirement is predicated on an identical requirement adopted by the Heritage Ranch Owner’s Association, dated March 25, 1999.”

### **Discussion**

District Code of Ordinances Section 8.330 specifies the collection procedures for overdue solid waste accounts. This section incorporates the procedures of Government Code Section 61115(b) that provides for the collection of charges and any penalties for services provided to be collected on the tax roll in the same manner as property taxes. Thus, the Board of Directors may authorize the San Luis Obispo County auditor to collect delinquent



solid waste service charges and penalties by placing them on the property owners' property tax bill for collection.

The following required procedures were used to notify delinquent customers of their account status:

- On April 15, 2020, San Miguel Garbage Company sent certified letters to each delinquent account customer giving a 45-day notice to pay pursuant to District Code 8.330. This letter stated that non-payment may result in the District collecting the amount owed with general taxes.
- On June 1, 2020, San Miguel Garbage provided the District with a listing of delinquent accounts.
- On June 11, 2020, the District sent a Notice of Public Hearing to each delinquent property owner.
- On June 18, 2020 and July 2, 2020, the Notice of Public Hearing was published in *The Tribune*.
- Property owners that have paid since June 30, 2020, will be removed from the delinquent listing (Exhibit A) at the Public Meeting.

### **Fiscal Considerations**

This action will enforce the mandatory solid waste provision of District Code of Ordinances Section 8.200 and collect monies owed to San Miguel Garbage Company for services provided.

### **Results**

The attached Resolution 20-10 authorizes the San Luis Obispo County Auditor to levy the amounts due on delinquent solid waste accounts to be collected with property taxes.

Attachments: Resolution 20-10

Exhibit A – 2019/2020 Delinquent Solid Waste Charges and Penalties

File: Solid Waste\_SMGC

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 20-10**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH  
COMMUNITY SERVICES DISTRICT PROVIDING FOR COLLECTION OF  
DELINQUENT SOLID WASTE CHARGES AND PENALTIES TO BE COLLECTED  
ON THE TAX ROLL IN THE SAME MANNER AS PROPERTY TAXES**

**WHEREAS**, the Heritage Ranch Community Services District (“District”) makes the following finding of fact:

1. The District is duly authorized to provide its residents with solid waste services.
2. All developed properties located within the District with a water meter are subject to mandatory solid waste service pursuant to District Ordinance Code 8.200.
3. On December 20, 2007, the District adopted Resolution 07-12 amending District Ordinance Code Chapter 8 incorporating the provisions of Government Code Section §61110 et seq. for the collection of delinquent solid waste charges and penalties.
4. District Ordinance Code Section 8.330 provides that all solid waste accounts that are more than 120 days past due during the year are subject to collection procedures as identified in Government Code Section §61115(b).
5. The Franchisee, who provides solid waste collection services, has provided notice to delinquent service accounts pursuant to District Code 8.330.
6. The District General Manager has prepared and filed a report (“Report”) that describes each affected parcel of real property and the amounts of charges and delinquencies for each affected parcel for the year. Said Report is attached hereto as Exhibit “A” and incorporated herein by this reference.
7. The District General Manager, pursuant to Section §6066 of the Government Code, has published notice of the filing of the Report and has caused notice in writing to be mailed to the owner of each affected parcel as shown on the last equalized assessment roll available on the date the Report was prepared, as the address shown on the assessment roll, or as known to the General Manager.
8. On July 16, 2020, a public hearing was held before the District Board at which time all interested persons were given the opportunity to object or protest the Report or any portions thereof.

**NOW, THEREFORE, BE IT ORDAINED** by the Board of Directors of the Heritage Ranch Community Services District as follows:

1. Each of the above findings are true and correct and incorporated herein by this reference.
2. The Report (Exhibit "A") as submitted and as may be revised by the Board is hereby confirmed and adopted.
3. The charges and penalties as described in the Report have been determined by the Board to be delinquent and unpaid.
4. On or before August 10, 2020, the District General Manager is authorized to file with the county auditor a copy of this Resolution and Report showing the unpaid charges and penalties as required by Section §61115(b) of the Government Code.
5. Pursuant to Government Code §61115(b), the county auditor shall enter the amount of charges and penalties against each of the affected parcels of real property as they appear on the current assessment roll. The county tax collector shall include the amount of the charges and penalties on the tax bills for each affected parcel of real property and collect the charges and penalties in the same manner as property taxes.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Heritage Ranch Community Services District on the 16<sup>th</sup> day of July 2020, by the following roll call vote.

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:** \_\_\_\_\_

**Dan Burgess, President  
Board of Directors**

**ATTEST:** \_\_\_\_\_

**Kristen Gelos  
Board Secretary**

**2018/2020 Delinquent Solid Waste Charges and Penalties  
Exhibit A**

	<b>FIRST NAME</b>	<b>LAST NAME</b>	<b>APN #</b>	<b>AMOUNT TO BE COLLECTED ON TAX ROLL</b>
1	WILLIAM	BECK	012-274-041	\$ 367.00
2	BRAD	BETSCHART	012-275-047	\$ 410.00
3	JOSEPHINE	CASTRO	012-182-056	\$ 317.00
4	JANA	CLARK	012-275-037	\$ 113.00
5	ZACHARY	CONDIT	012-275-052	\$ 418.00
6	KEVIN & DEANNA	DAUGHERTY	012-282-010	\$ 290.00
7	TYLER	DECKER	012-187-010	\$ 356.00
8	SEAN	DORAN	012-276-032	\$ 370.00
9	FRANKLIN	DUQUE	012-345-033	\$ 182.00
10	TONYA	GERMAIN	012-183-021	\$ 382.00
11	DIANA	GODOY	012-272-011	\$ 468.00
12	PATTY	HILL	012-182-068	\$ 140.00
13	ALFIO	IAIA	012-274-021	\$ 430.00
14	TREVOR	JACOB	012-331-002	\$ 508.00
15	DAVID	KERR	012-284-045	\$ 160.00
16	JOHN	KNOPKE	012-324-002	\$ 372.00
17	LISA	KORELL	012-274-043	\$ 317.00
18	KATHY	KROPP	012-273-046	\$ 202.00
19	BRIAN	LINDNER	012-322-034	\$ 400.00
20	CANDICE L	MARRIOTT	012-187-056	\$ 372.00
21	PATRICIA	NAREZ	012-274-026	\$ 131.00
22	KEVIN	NAY	012-282-014	\$ 368.00
23	LEE & KRISTIN	ORMONDE	012-187-013	\$ 372.00
24	ERNIE	RAPER	012-342-041	\$ 122.00
25	BRITTNEY	REEVE	012-352-016	\$ 243.00
26	EARLINE	RIOS	012-183-019	\$ 372.00
27	LOUIS PATRICK	RODRIGUEZ	012-185-024	\$ 272.00
28	JON	ROSS	012-374-021	\$ 372.00
29	DEBBIE	SANDOVAL	012-373-001	\$ 262.00
30	DEAN	SHUPP	012-274-012	\$ 382.00
31	ROGER	TIGHE JR.	012-272-023	\$ 400.00
32	EBERARDO	TINAJEVO	012-275-006	\$ 430.00
33	TARYN	VISSER	012-324-008	\$ 250.00
34	SHIRLEY	YODER	012-276-007	\$ 250.00
35	KENNY & TRACEY	YOUNG	012-184-014	\$ 377.00

\$ 11,177.00

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** July 16, 2020

**SUBJECT:** Submittal for approval Resolution 20-11 adopting a Fiscal Year 2020/21 Final Budget and Salary Schedule.

#### **Recommendation**

It is recommended that the Board of Directors:

1. Hold a public hearing to consider adopting a final budget for Fiscal Year 2020/21; and
2. At the close of the public hearing approve Resolution 20-11 adopting a Fiscal Year 2020/21 Final Budget and Salary Schedule.

#### **Background**

On June 18, 2020, your Board adopted the Fiscal Year 2020/21 Preliminary Budget. The meeting allowed the opportunity for the public to provide input prior to the adoption of the Preliminary Budget. Following the meeting a notice was published in the Tribune indicating the Preliminary Budget had been adopted and setting the date of July 16, 2020, for a public hearing and adoption of a Final Budget. The Preliminary Budget has been available for public review. The District has not received any written public comments.

California Code of Regulations Title 2, Section 570.5, and Section 571 subsection (b) require salary schedules and special compensation to be publicly available and duly approved and adopted by the Board.

#### **Discussion**

##### **Budget**

The attached water, sewer, solid waste, and general fund budgets are presented for your adoption. Increases or decreases in line item categories from the adopted FY 2020/21 Preliminary Budget are indicated on the Final Budget. The water fund has a \$4,663 surplus and the sewer fund has a \$2,675 surplus.

The final consolidated budget has a surplus of \$7,337.

## Salary Schedule

All agencies that are members of CalPERS are required to ensure that pay schedules and special compensation (e.g., out-of-class pay, certification pay) are publicly available as prescribed by the California Code of Regulations, Title 2, §570.5, and §571 subsection (b). “Publicly available” is defined as posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website.

Your Board approves a budget, a Memorandum of Understanding with the Heritage Ranch Community Services Employees Association, and an employment agreement with the General Manager. All these items are publicly available and contain salary schedules and special compensation items pursuant to the code sections noted above. Thus, approval of the FY 2020/21 Salary Schedule with the budget is recommended.

The rates listed in the FY 2020/21 Salary Schedule are reflected in the FY 2020/21 Final Budget.

## Results

Approval of Resolution 20-11 adopting a Fiscal Year 2020/21 Final Budget and Salary Schedule will result in maintaining fiscally responsible management of the District.

Attachments: Resolution 20-11  
Fiscal Year 2020/21 Final Budget  
Fiscal Year 2020/21 Salary Schedule

File: Budget\_FY20/21

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 20-11**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH  
COMMUNITY SERVICES DISTRICT ADOPTING A FISCAL YEAR 2020/21 FINAL  
BUDGET AND SALARY SCHEDULE**

**WHEREAS**, the District is required, pursuant to Government Code Section 61110, to adopt a preliminary budget that conforms to Generally Accepted Accounting Principles before July 1 of each year; and

**WHEREAS**, The District's budget outlines anticipated revenue and expense for each of its operating funds; and

**WHEREAS**, the District adopted a preliminary budget on June 18, 2020, and published said budget for public review and comment, and set the date of July 16, 2020, for adoption of a Final Budget.

**WHEREAS**, the District is required to ensure that pay schedules and special compensation (e.g., out-of-class pay, certification pay) are publicly available as prescribed by the California Code of Regulations, Title 2, §570.5, and §571 subsection (b); and

**WHEREAS**, your Board approves a budget, a Memorandum of Understanding with the Heritage Ranch Community Services Employees Association, and an employment agreement with the General Manager; and

**WHEREAS**, the rates listed in the FY 2020/21 Salary Schedule are reflected in the FY 2020/21 Final Budget.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED** by the Board of Directors of the Heritage Ranch Community Services District that:

1. The District Final Budget for Fiscal Year 2020/21, a copy of which is attached and made a part hereof, is hereby adopted.
2. The budget be administered as established by current policies and practices.
3. The District Salary Schedule for Fiscal Year 2020/21, a copy of which is attached and made a part hereof, is hereby adopted.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Heritage Ranch Community Services District on the 16<sup>th</sup> day of July 2020, by the following roll call vote.

**AYES:**  
**NOES:**  
**ABSTAIN:**  
**ABSENT:**

**APPROVED:** \_\_\_\_\_  
**Dan Burgess, President**  
**Board of Directors**

**ATTEST:** \_\_\_\_\_  
**Kristen Gelos, Secretary**  
**Board of Directors**



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>OPERATING REVENUE</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Water Fees	1,043,135	1,021,511	-		1,021,511
Late Fees	11,108	10,200	-		10,200
Hook-Up Fees	1,500	2,500	-		2,500
Turn on Fees	1,980	2,000	-		2,000
Plan Check & Inspection	496	5,000	-		5,000
Miscellaneous Income	0	0	-		0
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,058,219</b>	<b>\$1,041,211</b>	<b>\$0</b>		<b>\$1,041,211</b>
<b>NON-OPERATING REVENUE</b>					
Standby Charges	195,131	202,958	-		202,958
Property Tax	202,240	210,691	-		210,691
Interest	60,334	60,800	-		60,800
Connection Fees	19,022	31,745	-		31,745
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$476,728</b>	<b>\$506,194</b>	<b>\$0</b>		<b>\$506,194</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	340,759	462,400	14,064	plus roll fwd	476,464
General Reserves	25,822	948,600	27,300	plus roll fwd	975,900
<b>TOTAL RESERVE REVENUE</b>	<b>\$366,581</b>	<b>\$1,411,000</b>	<b>\$41,364</b>		<b>\$1,452,364</b>
<b>TOTAL REVENUE</b>	<b>\$1,901,528</b>	<b>\$2,958,405</b>	<b>\$41,364</b>		<b>\$2,999,769</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES AND BENEFITS</b>					
Salaries	253,872	284,442	-		284,442
Overtime	8,633	9,000	-		9,000
Standby	7,501	8,400	-		8,400
Health Insurance	32,489	44,324	1,151	updated info	45,475
Pers Retirement	49,021	50,144	-		50,144
Workers Comp. Ins.	11,491	10,173	-		10,173
Medicare/FICA	3,907	4,124	-		4,124
Uniforms	1,469	3,000	-		3,000
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$368,383</b>	<b>\$413,607</b>	<b>1,151</b>		<b>\$414,758</b>
<b>UTILITIES</b>					
Electricity	139,732	163,309	-		163,309
Water Purchase	23,114	23,114	-		23,114
Telephone/Internet	3,574	3,694	-		3,694
<b>TOTAL UTILITIES</b>	<b>\$166,419</b>	<b>\$190,117</b>	<b>-</b>		<b>\$190,117</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - WATER FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

	Un-Audited FYE 2020	Preliminary 20/21	Changes	Notes	Final Budget 20/21
<b>MAINTENANCE &amp; SUPPLIES</b>					
Chemicals	46,486	55,000	-		55,000
Computer/Software	4,173	600	7,000	incode	7,600
Equip. Rental/Lease	801	2,000	-		2,000
Fixed Equip.	44,191	96,000	-		96,000
Fuel & Oil	6,974	7,200	-		7,200
Lab Testing	13,916	18,600	-		18,600
Struct./Grnds.	2,348	3,535	-		3,535
Small Tools/Equip.	2,440	1,800	-		1,800
Supplies	4,109	3,000	-		3,000
Meters/Equip.	0	5,000	-		5,000
Vehicles	3,715	3,900	-		3,900
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$129,154</b>	<b>\$196,635</b>	<b>\$7,000</b>		<b>\$203,635</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
Allocation of General Fund	249,449	243,535	(9,145)	calculated	234,389
Alarm/Answering Service	1,046	1,000	-		1,000
Bank Charges/Fees	0	0	-		0
Consulting/Engineering	5,761	60,000	-		60,000
Dues/Subscription	2,987	5,355	-		5,355
Insurance (Property/Liability)	12,748	16,425	950	updated info	17,375
Legal/Attorney	4,934	15,000	-		15,000
Licenses/Permits	13,150	13,900	-		13,900
Plan Check & Inspection	496	5,000	-		5,000
Professional Service	11,151	12,100	-		12,100
Training & Travel	920	1,000	-		1,000
<b>TOTAL G &amp; A</b>	<b>\$302,644</b>	<b>\$373,315</b>	<b>(\$8,196)</b>		<b>\$365,119</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Project	393,732	1,360,000	41,363	plus roll fwd	1,401,363
Equipment	70,698	51,000	-		51,000
<b>TOTAL CAPITAL</b>	<b>\$464,430</b>	<b>\$1,411,000</b>	<b>\$41,363</b>		<b>\$1,452,363</b>
<b>DEBT</b>					
State Loan Payment-DWR	103,628	103,629	-		103,629
State Loan Payment Phase II-SRF	58,739	58,740	-		58,740
<b>TOTAL DEBT</b>	<b>\$162,367</b>	<b>\$162,369</b>	<b>\$0</b>		<b>\$162,369</b>
<b>FUNDED DEPRECIATION</b>					
	175,000	175,000			175,000
<b>UNFUNDED DEPRECIATION</b>					
	0	0			0
<b>TOTAL EXPENSE</b>	<b>\$1,768,397</b>	<b>\$2,922,043</b>	<b>41,318</b>		<b>\$2,963,361</b>
<b>TRANSFER TO RESERVES</b>	<b>\$19,022</b>	<b>\$31,745</b>	<b>\$0</b>		<b>\$31,745</b>
<b>FUND TOTAL</b>	<b>\$114,109</b>	<b>\$4,617</b>	<b>\$46</b>		<b>\$4,663</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>OPERATING REVENUE</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Sewer Fees	635,259	658,012	-		658,012
Late Fees	7,071	6,800	-		6,800
Hook-Up Fees	300	500	-		500
Turn on Fees	1,320	1,500	-		1,500
Plan Check & Inspection	496	5,000	-		5,000
Miscellaneous Income	0	0	-		0
<b>TOTAL OPERATING REVENUE</b>	<b>\$644,446</b>	<b>\$671,812</b>	<b>\$0</b>		<b>\$671,812</b>
<b>NON-OPERATING REVENUE</b>					
Standby Charges	39,967	39,186	-		39,186
Property Tax	110,313	114,922	-		114,922
Interest	18,992	19,200	-		19,200
Connection Fees	23,326	38,835	-		38,835
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$192,597</b>	<b>\$212,143</b>	<b>\$0</b>		<b>\$212,143</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	118,404	151,375	18,557	prj x + roll fwd	169,932
General Reserves	70,305	390,125	96,984	prj x + roll fwd	487,109
<b>TOTAL RESERVE REVENUE</b>	<b>\$188,708</b>	<b>\$541,500</b>	<b>\$115,541</b>		<b>\$657,041</b>
<b>TOTAL REVENUE</b>	<b>\$1,025,751</b>	<b>\$1,425,455</b>	<b>\$115,541</b>		<b>\$1,540,996</b>
<b>OPERATING EXPENSES</b>					
<b>SALARIES AND BENEFITS</b>					
Salaries	169,248	189,628	-		189,628
Overtime	5,755	6,000	-		6,000
Standby	5,001	5,600	-		5,600
Health Insurance	21,952	29,549	767	updated info	30,316
Pers Retirement	32,440	33,429	-		33,429
Workers Comp. Ins.	7,588	6,718	-		6,718
Medicare/FICA	2,604	2,750	-		2,750
Uniforms	979	2,000	-		2,000
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$245,568</b>	<b>\$275,674</b>	<b>767</b>		<b>\$276,441</b>
<b>UTILITIES</b>					
Electricity	75,108	81,327	-		81,327
Telephone/Internet	2,471	2,575	-		2,575
<b>TOTAL UTILITIES</b>	<b>\$77,579</b>	<b>\$83,902</b>	<b>-</b>		<b>\$83,902</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SEWER FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

	Un-Audited FYE 2020	Preliminary 20/21	Changes	Notes	Final Budget 20/21
<b>MAINTENANCE &amp; SUPPLIES</b>					
Chemicals	18,433	21,000	-		21,000
Computer/Software	4,245	400	7,000	incode.	7,400
Equip. Rental/Lease	34	500	-		500
Fixed Equip.	54,207	46,000	-		46,000
Fuel & Oil	4,541	4,800	-		4,800
Lab Testing	24,268	22,400	-		22,400
Struct./Grnds.	4,697	7,070	-		7,070
Small Tools/Equip.	1,627	1,200	-		1,200
Supplies	1,481	1,500	-		1,500
Vehicles	2,476	2,600	-		2,600
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$116,009</b>	<b>\$107,470</b>	<b>\$7,000</b>		<b>\$114,470</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
Allocation of General Fund	191,884	187,334	(7,035)	calculated	180,299
Alarm/Answering Service	1,046	1,000	-		1,000
Bank Charges/Fees	0	0	-		0
Consulting/Engineering	2,297	25,000	-		25,000
Dues/Subscription	1,428	3,395	-		3,395
Insurance (Property/Liability)	9,713	12,514	724	updated info	13,238
Legal/Attorney	2,602	10,000	-		10,000
Licenses/Permits	17,567	18,200	-		18,200
Plan Check & Inspection	496	5,000	-		5,000
Professional Service	13,010	12,500	-		12,500
Training & Travel	218	1,000	-		1,000
<b>TOTAL G &amp; A</b>	<b>\$240,262</b>	<b>\$275,944</b>	<b>(\$6,311)</b>		<b>\$269,632</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Project	148,913	507,500	115,541	prj x + roll fwd	623,041
Equipment	47,132	34,000	-		34,000
<b>TOTAL CAPITAL</b>	<b>\$196,045</b>	<b>\$541,500</b>	<b>\$115,541</b>		<b>\$657,041</b>
FUNDED DEPRECIATION	98,000	98,000	-		98,000
UNFUNDED DEPRECIATION	0	0	-		0
<b>TOTAL EXPENSE</b>	<b>\$973,464</b>	<b>\$1,382,490</b>	<b>116,997</b>		<b>\$1,499,487</b>
TRANSFER TO RESERVES	\$23,326	\$38,835	-		\$38,835
<b>FUND TOTAL</b>	<b>\$28,962</b>	<b>\$4,130</b>	<b>(\$1,456)</b>		<b>\$2,675</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - SOLID WASTE FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>OPERATING REVENUE</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Franchise Fees	\$71,656	\$66,984	-		\$66,984
<b>TOTAL REVENUE</b>	<b>\$71,656</b>	<b>\$66,984</b>	<b>\$0</b>		<b>\$66,984</b>
<b>OPERATING EXPENSES</b>					
Allocation of General Fund	38,377	37,467	(1,407)	calculated	\$36,060
<b>TOTAL EXPENSES</b>	<b>\$38,377</b>	<b>\$37,467</b>	<b>-\$1,407</b>		<b>\$36,060</b>
TRANSFER TO RESERVES	\$33,279	\$29,517	\$1,407		\$30,924
<b>FUND TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>OPERATING REVENUE</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Transfer from other Funds	0	0	-		0
Miscellaneous Income	14,835	2,000	-		2,000
<b>TOTAL OPERATING REVENUE</b>	<b>\$14,835</b>	<b>\$2,000</b>	<b>\$0</b>		<b>\$2,000</b>
<b>NON-OPERATING REVENUE</b>					
Property Tax	55,156	57,461	-		57,461
Interest	0	0	-		0
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$55,156</b>	<b>\$57,461</b>	<b>\$0</b>		<b>\$57,461</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	0	0	-		0
General Reserves	0	0	28,685	updated	28,685
<b>TOTAL RESERVE REVENUE</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,685</b>		<b>\$28,685</b>
<b>TOTAL REVENUE</b>	<b>\$69,991</b>	<b>\$59,461</b>	<b>\$28,685</b>		<b>\$88,146</b>

<b>OPERATING EXPENSES</b>					
<b>SALARIES AND BENEFITS</b>					
Salaries	261,429	235,897	5,600	updated	241,497
Overtime	0	1,000	-		1,000
Health Insurance	39,044	27,358	713	updated info	28,071
Health Insurance - Retirees	47,389	47,269	1,182	updated info	48,451
Pers Retirement	55,993	41,590	934	updated	42,524
Workers Comp. Ins.	2,602	2,303	-		2,303
Directors' Fees	6,500	12,000	-		12,000
Medicare/FICA	4,425	3,595	81	updated	3,676
Car Allowance	3,000	3,000	-		3,000
SUI/ETT	599	1,500	-		1,500
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$420,980</b>	<b>\$375,512</b>	<b>8,510</b>		<b>\$384,022</b>
<b>UTILITIES</b>					
Electricity	3,635	5,174	-		5,174
Propane	821	1,012	-		1,012
Telephone/Internet	4,765	5,860	-		5,860
<b>TOTAL UTILITIES</b>	<b>\$9,221</b>	<b>\$12,047</b>	<b>\$0</b>		<b>\$12,047</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - GENERAL FUND**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>MAINTENANCE &amp; SUPPLIES</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Computer/Software	12,624	7,450	7,000	incode	14,450
Equip. Rental/Lease	0	0	-		0
Fixed Equip.	0	0	-		0
Office Supplies	1,460	2,000	-		2,000
Parks & Recreation	0	0	-		0
Struct./Grnds.	2,348	3,535	-		3,535
Supplies	605	500	-		500
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$17,037</b>	<b>\$13,485</b>	<b>\$7,000</b>		<b>\$20,485</b>
<b>GENERAL &amp; ADMINISTRATION</b>					
Ads./Advertising	455	1,500	-		1,500
Alarm/Answering Service	2,092	2,000	-		2,000
Audit	6,057	8,200	-		8,200
Bank Charges/Fees	4,282	4,000	-		4,000
Consulting/Engineering	496	0	-		0
Dues/Subscription	4,232	0	-		0
Elections	0	1,000	-		1,000
Insurance (Property/Liability)	7,892	10,168	588	updated info	10,756
LAFCO	7,904	6,600	-		6,600
Legal/Attorney	20,790	0	-		0
Licenses/Permits	0	0	-		0
Postage	15,732	20,000	-		20,000
Professional Service	9,080	12,300	-		12,300
Tax Collection	5,218	5,300	-		5,300
Staff Training & Travel	3,086	6,000	-		6,000
Board Training & Travel	145	6,000	(5,000)	updated	1,000
<b>TOTAL G &amp; A</b>	<b>\$87,462</b>	<b>\$83,068</b>	<b>-\$4,412</b>		<b>\$78,656</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Project	0	28,685	-		28,685
Equipment	0	0	-		0
<b>TOTAL CAPITAL</b>	<b>\$0</b>	<b>\$28,685</b>	<b>\$0</b>		<b>\$28,685</b>
FUNDED DEPRECIATION	15,000	15,000	-		15,000
UNFUNDED DEPRECIATION	0	0	-		0
<b>TOTAL EXPENSE</b>	<b>\$549,701</b>	<b>\$527,797</b>	<b>\$11,098</b>		<b>\$538,895</b>
TRANSFERRED TO OTHER FUNDS	<b>(\$479,710)</b>	<b>(\$468,336)</b>	<b>\$17,587</b>		<b>(\$450,749)</b>
<b>FUND TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>OPERATING REVENUE</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Water Fees	1,043,135	1,021,511	-		1,021,511
Sewer Fees	635,259	658,012	-		658,012
Hook-Up Fees	1,800	3,000	-		3,000
Turn on Fees	3,300	3,500	-		3,500
Late Fees	18,178	17,000	-		17,000
Plan Check & Inspection	993	10,000	-		10,000
Miscellaneous Income	14,835	2,000	-		2,000
<b>OPERATING REVENUE</b>	<b>\$1,717,500</b>	<b>\$1,715,023</b>	<b>-</b>		<b>\$1,715,023</b>
<b>FRANCHISE REVENUE</b>					
<b>FRANCHISE REVENUE</b>	<b>\$71,656</b>	<b>\$66,984</b>	<b>-</b>		<b>\$66,984</b>
<b>TOTAL OPERATING REVENUE</b>	<b>\$1,789,156</b>	<b>\$1,782,007</b>	<b>-</b>		<b>\$1,782,007</b>
<b>NON-OPERATING REVENUE</b>					
Standby Charges	235,098	242,144	-		242,144
Property Tax	367,709	383,074	-		383,074
Interest	79,326	80,000	-		80,000
Connection Fees	42,348	70,580	-		70,580
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$724,481</b>	<b>\$775,798</b>	<b>-</b>		<b>\$775,798</b>
<b>RESERVE REVENUE</b>					
Capital Reserves	459,163	613,775	32,621	plus roll forward	646,396
General Reserves	96,126	1,338,725	152,969	plus roll forward	1,491,694
<b>TOTAL RESERVE REVENUE</b>	<b>\$555,289</b>	<b>\$1,952,500</b>	<b>185,590</b>		<b>\$2,138,090</b>
<b>TOTAL NON-OPERATING REVENUE</b>	<b>\$1,279,770</b>	<b>\$2,728,298</b>	<b>185,590</b>		<b>\$2,913,888</b>
<b>TOTAL ALL REVENUE</b>	<b>\$3,068,926</b>	<b>\$4,510,305</b>	<b>\$185,590</b>		<b>\$4,695,895</b>



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>OPERATING EXPENSES</b>					
	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
<b>SALARIES AND BENEFITS</b>					
Salaries	684,549	709,967	5,600	updated	715,567
Health Insurance	93,485	101,231	2,631	updated info	103,862
Health Insurance - Retiree	47,389	47,269	1,182	updated info	48,451
Pers Retirement	137,453	125,163	934	updated	126,097
Standby	12,502	14,000	-		14,000
Overtime	14,388	16,000	-		16,000
Workers Comp. Ins.	21,681	19,194	-		19,194
Directors' Fees	6,500	12,000	-		12,000
Medicare/FICA	10,936	10,469	81	updated	10,550
Car Allowance	3,000	3,000	-		3,000
SUI/ETT	599	1,500	-		1,500
Uniforms	2,449	5,000	-		5,000
<b>TOTAL SALARIES &amp; BENEFITS</b>	<b>\$1,034,931</b>	<b>\$1,064,793</b>	<b>10,428</b>		<b>\$1,075,221</b>
<b>UTILITIES</b>					
Electricity	218,475	249,810	-		249,810
Propane	821	1,012	-		1,012
Water Purchase	23,114	23,114	-		23,114
Telephone/Internet	10,809	12,129	-		12,129
<b>TOTAL UTILITIES</b>	<b>\$253,220</b>	<b>\$286,066</b>	<b>-</b>		<b>\$286,066</b>
<b>MAINTENANCE &amp; SUPPLIES</b>					
Chemicals	64,919	76,000	-		76,000
Computer/Software	21,041	8,450	21,000	incode	29,450
Equip. Rental/Lease	835	2,500	-		2,500
Fixed Equip.	98,398	142,000	-		142,000
Fuel & Oil	11,515	12,000	-		12,000
Lab Testing	38,184	41,000	-		41,000
Office Supplies	1,460	2,000	-		2,000
Parks & Recreation	0	0	-		0
Struct./Grnds.	9,393	14,140	-		14,140
Small Tools/Equip.	4,067	3,000	-		3,000
Supplies	6,195	5,000	-		5,000
Meters/Equip.	0	5,000	-		5,000
Vehicles	6,191	6,500	-		6,500
<b>TOTAL MAINT. &amp; SUP.</b>	<b>\$262,199</b>	<b>\$317,590</b>	<b>21,000</b>		<b>\$338,590</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT - CONSOLIDATED BUDGET**  
**2019/20 Un-Audited, Preliminary 2020/21, & Final 2020/21**

<b>GENERAL &amp; ADMINISTRATION</b>	<b>Un-Audited FYE 2020</b>	<b>Preliminary 20/21</b>	<b>Changes</b>	<b>Notes</b>	<b>Final Budget 20/21</b>
Ads./Advertising	455	1,500	-		1,500
Alarm/Answering Service	4,185	4,000	-		4,000
Audit	6,057	8,200	-		8,200
Bank Charges/Fees	4,282	4,000	-		4,000
Consulting/Engineering	8,555	85,000	-		85,000
Dues/Subscription	8,647	8,750	-		8,750
Elections	0	1,000	-		1,000
Insurance	30,353	39,107	2,261	updated info	41,368
LAFCO	7,904	6,600	-		6,600
Legal/Attorney	28,326	25,000	-		25,000
Licenses/Permits	30,718	32,100	-		32,100
Plan Check & Inspection	993	10,000	-		10,000
Postage/Billing	15,732	20,000	-		20,000
Professional Service	33,241	36,900	-		36,900
Tax Collection	5,218	5,300	-		5,300
Staff Training & Travel	4,225	8,000	-		8,000
Board Training & Travel	145	6,000	(5,000)	updated	1,000
<b>TOTAL G &amp; A</b>	<b>\$189,035</b>	<b>\$301,457</b>	<b>(2,739)</b>		<b>\$298,718</b>
<b>CAPITAL PROJECTS &amp; EQUIPMENT</b>					
Structures/Improvements	542,646	1,896,185	156,904	plus roll forward	2,053,089
Equipment	117,830	85,000	-		85,000
<b>TOTAL CAPITAL</b>	<b>\$660,476</b>	<b>\$1,981,185</b>	<b>156,904</b>		<b>\$2,138,089</b>
<b>DEBT</b>					
State Loan Payment - DWR	103,628	103,629	-		103,629
State Loan Payment Phase II - SRF	58,739	58,740	-		58,740
<b>TOTAL DEBT</b>	<b>\$162,367</b>	<b>\$162,369</b>	<b>-</b>		<b>\$162,369</b>
FUNDED DEPRECIATION	\$288,000	\$288,000	-		\$288,000
UNFUNDED DEPRECIATION	\$0	\$0	-		\$0
<b>TOTAL EXPENSE</b>	<b>\$2,850,228</b>	<b>\$4,401,461</b>	<b>185,593</b>		<b>\$4,587,054</b>
CAPACTIY CHARGES TRANSFER	\$42,348	\$70,580	-		\$70,580
SOLID WASTE FEES TRANSFER	\$33,279	\$29,517	1,407	calculated	\$30,924
		\$100,097			\$101,504
<b>FUND TOTAL</b>	<b>\$143,071</b>	<b>\$8,747</b>	<b>(\$1,410)</b>		<b>\$7,337</b>

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
Draft 2020/21 Capital & Equipment Budget**

PROJECTS	Total Budget	Funding Source							
		Capital Reserves		Operating Budget			Operating Reserves		
		Water	Sewer	Water	Sewer	General	Water	Sewer	
Vertical Well (construction) FY19/20 roll forward	\$160,000 \$32,303 \$192,303	\$65,383						\$126,920	
Project X (maybe sludge removal; headworks; TSO, design)	\$82,500		\$28,875						\$53,625
Lift Station 1-5 Rehab (const) FY19/20 roll forward	\$75,000 \$62,521 \$137,521								\$137,521
PVS (construction) FY19/20 roll forward	\$1,600,000 \$12,080 \$1,612,080	\$411,080	\$141,057					\$797,980	\$261,963
OPEB Funding/Transfer	\$28,685					\$28,685			
subtotal Projects	\$2,053,090	\$476,464	\$169,932	\$0	\$0	\$28,685		\$924,900	\$453,109
<b>EQUIPMENT</b>									
Equipment / Vehicle replacement	\$85,000 \$0							\$51,000 \$0	\$34,000 \$0
subtotal Equipment	\$85,000	\$0	\$0	\$0	\$0	\$0		\$51,000	\$34,000
<b>TOTAL CAPITAL</b>	<b>\$2,138,090</b>	<b>\$476,464</b>	<b>\$169,932</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,685</b>		<b>\$975,900</b>	<b>\$487,109</b>

**HRCSD Salaries Ranges FY 2020/2021**

**07/01/2020 Budget**

Position	Range	Hourly Pay Range per Step					Longevity		
		A	B	C	D	E	10 years	15 years	20 years
Customer Service Representative I	5	\$14.40	\$15.12	\$15.88	\$16.67	\$17.51	\$17.94	\$18.38	\$18.82
Customer Service Representative II	9	\$15.88	\$16.68	\$17.51	\$18.38	\$19.30	\$19.79	\$20.27	\$20.75
Customer Service Representative III	13	\$17.51	\$18.39	\$19.30	\$20.27	\$21.28	\$21.82	\$22.35	\$22.88
Maintenance Worker	14	\$17.95	\$18.85	\$19.79	\$20.78	\$21.82	\$22.36	\$22.91	\$23.45
Office Assistant I	22	\$21.82	\$22.91	\$24.05	\$25.26	\$26.52	\$27.18	\$27.85	\$28.51
Operator In Training	22	\$21.82	\$22.91	\$24.05	\$25.26	\$26.52	\$27.18	\$27.85	\$28.51
Treatment Op. 1	28	\$25.26	\$26.52	\$27.85	\$29.24	\$30.70	\$31.47	\$32.24	\$33.00
Office Assistant II	28	\$25.26	\$26.52	\$27.85	\$29.24	\$30.70	\$31.47	\$32.24	\$33.00
Treatment Op. 1 / WW I	30	\$26.52	\$27.85	\$29.24	\$30.70	\$32.24	\$33.04	\$33.85	\$34.66
Treatment Op. 2	32	\$27.85	\$29.24	\$30.71	\$32.24	\$33.85	\$34.70	\$35.55	\$36.39
Treatment Op. 2 / T3	33	\$28.53	\$29.95	\$31.45	\$33.02	\$34.67	\$35.54	\$36.41	\$37.27
Treatment Operator 2 / WW I	34	\$29.23	\$30.70	\$32.23	\$33.84	\$35.53	\$36.42	\$37.31	\$38.20
Treatment Op. 2 / WW I - lab	35	\$29.95	\$31.45	\$33.02	\$34.67	\$36.41	\$37.32	\$38.23	\$39.14
Office Supervisor	37	\$31.45	\$33.02	\$34.68	\$36.41	\$38.23	\$39.19	\$40.14	\$41.10
Treatment Operator 3	38	\$32.23	\$33.85	\$35.54	\$37.31	\$39.18	\$40.16	\$41.14	\$42.12
Operations Manager	50	\$43.19	\$45.35	\$47.61	\$49.99	\$52.49	\$53.81	\$55.12	\$56.43
Assistant General Manager	54	\$47.64	\$50.03	\$52.53	\$55.15	\$57.91	\$59.36	\$60.81	\$62.25

General Manager Contract Annual Salary \$160,000

Budgeted 2020/2021

# HERITAGE RANCH COMMUNITY SERVICES DISTRICT

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** July 16, 2020

**SUBJECT:** Submittal for approval Resolution 20-12 adopting the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan Update 2019.

### **Recommendation**

It is recommended that the Board of Directors approve Resolution 20-12 adopting the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan Update 2019.

### **Background**

The County's Hazard Mitigation Plan, approved by FEMA on December 29, 2014, is required to be reviewed and revised every five years to reflect changes in development, progress in local mitigation efforts, and changes in priorities. This plan update incorporates updated seismic, tsunami, sea level rise and flood mapping, enhanced mapping of local fire threats and natural hazard threats, and recent advances in climate adaptation strategies, as well as reviewed and revised identified hazards to help ensure that effective hazard mitigation strategies are in place and will be implemented.

Through the Governor's Office of Emergency Services (Cal OES), the Federal Emergency Management Agency (FEMA) awarded the County of San Luis Obispo grant funding through the Hazard Mitigation Grant Program (HMGP) to fund the development of this multi-jurisdictional hazard mitigation plan. HMGP is authorized by the Stafford Emergency Assistance and Disaster Relief Act and is designed to assist States and local communities to implement a sustained pre-disaster natural hazard mitigation program to reduce overall risk to the population and structures from future hazard events, while also reducing reliance on Federal funding in future disasters.

The County Office of Emergency Services (OES) applied for a grant on September 19, 2017. The HMGP funding was awarded on a competitive basis to eligible applicants. Federal funding was awarded for up to 75 percent of eligible activity costs. The OES project application was approved on June 22, 2018 for the development of the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan, which was an update to the County's existing plan, and includes additional participating cities and special districts.

OES accepted the grant funding on August 7, 2018 and approved a contract with Wood Environment and Infrastructure Solutions, Inc. on January 15, 2019.

## **Discussion**

County Planning and Building and County OES worked closely with all the participating jurisdictions, which included: the cities of Arroyo Grande, Atascadero, Grover Beach, Morro Bay, Paso Robles, Pismo Beach, San Luis Obispo; and special districts including Avila Beach Community Service District (CSD), Ground Squirrel Hollow CSD, Heritage Ranch CSD, Los Osos CSD, Nipomo CSD, San Miguel CSD, San Simeon CSD, Templeton CSD, Cayucos Sanitary District, San Luis Obispo Flood and Water Conservation District and Port San Luis Harbor District.

Participating jurisdictions had direct representation on the planning team throughout the planning and development process. There were multiple public workshops and public surveys held during the plan development process, where the public provided input into the development of the plan. This multi-jurisdictional plan built on previous hazard mitigation planning and incorporated updated hazard mapping, risk assessment and threat analysis. The final draft of the LHMP will go before each jurisdiction's governing body for adoption.

Specific projects / actions identified by the District and included in the plan are:

- Vertical Intake Project
- Supporting communication towers and other communication infrastructure
- Communicate and engage with MCWRA
- Public education and awareness

## **Fiscal Considerations**

The total projected final cost of this project is \$198,260. The development of the plan was 75% grant funded. The remaining 25% or \$49,565 was local match funded, of which \$18,565 was County General Funded for the plan update, with the remaining local match funding being provided by the other participating jurisdictions. The participating jurisdictions provided signed match commitment letters for their portion of the local match cost of this project, which was based on a per capita cost formula.

The District's final direct cost was \$1,000.

## **Results**

Participating jurisdictions will be eligible to apply for hazard mitigation grants to fund their hazard mitigation projects as soon as their respective governing bodies adopt the plan. Development of this multi-jurisdictional plan produced a more coordinated approach to hazard mitigation throughout the County and is consistent with the countywide goal of providing a safe community

Attachments: Resolution 20-12

Hazard Mitigation Plan (Clerk's File)

Annex J: Heritage Ranch Community Services District

File: LHMP

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RESOLUTION NO. 20-12**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE HERITAGE RANCH  
COMMUNITY SERVICES DISTRICT ADOPTING THE SAN LUIS OBISPO COUNTY  
MULTI-JURISDICTIONAL HAZARD MITIGATION PLAN UPDATE 2019**

**WHEREAS**, Heritage Ranch Community Services District (District) recognizes the threat that natural hazards pose to people and property within our community; and

**WHEREAS**, undertaking hazard mitigation actions will reduce the potential for harm to people and property from future hazard occurrences; and

**WHEREAS**, an adopted Multi-Jurisdictional Hazard Mitigation Plan is required as a condition of future funding for mitigation projects under multiple Federal Emergency Management Agency (FEMA) pre- and post-disaster mitigation grant programs; and

**WHEREAS**, the District fully participated in the FEMA-prescribed mitigation planning process to prepare this Multi-Jurisdictional Hazard Mitigation Plan; and

**WHEREAS**, the California Office of Emergency Services and FEMA, Region IX officials have reviewed the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan and approved it contingent upon this official adoption of the participating governing body.

**NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Heritage Ranch Community Services District as follows:**

1. The District adopts the San Luis Obispo County Multi-Jurisdictional Hazard Mitigation Plan by reference into the District's Codes in accordance with the requirements of AB 2140; and
2. The District will submit this adopted resolution to the California Office of Emergency Services and FEMA Region IX officials to enable the plan's final approval in accordance with the requirements of the Disaster Mitigation Act of 2000 and to establish conformance with the requirements of AB 2140.

**PASSED, APPROVED AND ADOPTED** by the Board of Directors of the Heritage Ranch Community Services District on the 16<sup>th</sup> day of July 2020, by the following roll call vote.

**AYES:**

**NOES:**

**ABSTAIN:**

**ABSENT:**

**APPROVED:** \_\_\_\_\_

**Dan Burgess, President  
Board of Directors**

**ATTEST:** \_\_\_\_\_

**Kristen Gelos  
Board Secretary**

# CLERK'S FILED

A copy of the Hazard Mitigation Plan is on file with the Clerk of the County Board of Supervisors.

*Clerk's Filed documents are not available for public viewing on the HRCSD website. These documents are available for public review in the County Administrative Office and/or on County departmental websites.*





## J.1 District Profile

### J.1.1 Mitigation Planning History and 2019 Process

This annex was created during the development of the 2019 San Luis Obispo County Hazard Mitigation Plan Update. The General Manager of the Heritage Ranch Community Services District (HRCSD) was the representative on the County-wide HMPC and took the lead for developing the plan and this annex in coordination with the HRCSD Planning Team. The HRCSD Planning Team will be responsible for implementation and maintenance of the plan. See Table J.1 for more information on the local Planning Team.

**Table J.1 Heritage Ranch CSD Hazard Mitigation Plan Planning Team**

Department or Stakeholder	Title
Heritage Ranch CSD	General Manager

More details on the planning process followed and how the jurisdictions, service districts and stakeholders participated can be found in Chapter 3 of the Base Plan (Planning Process), as well as how the public was involved during the 2019 update.

### J.1.2 District Overview

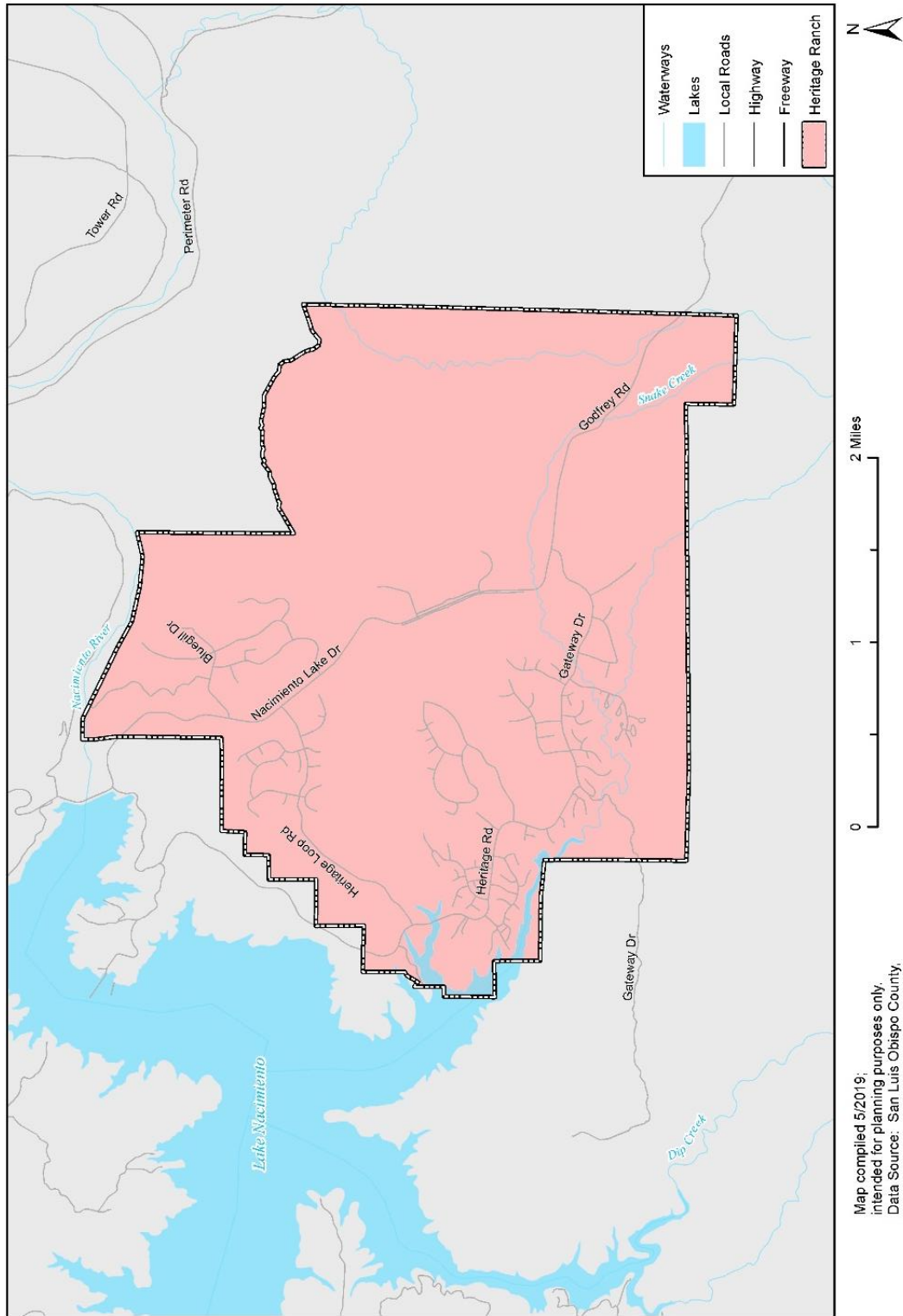
The Village of Heritage Ranch was established in 1972 as a vacation and retirement community, and the Heritage Ranch Community Services District (HRCSD) was formed in 1990 to provide local control of water and sewer services. Heritage Ranch is located in the North County planning area and is one of two village reserve areas situated around Lake Nacimiento. The HRCSD service area is bounded on the west by Lake Nacimiento, on the north by the Nacimiento River, on the east by the Camp Roberts National Guard post, and on the south by private property. Figure J.1 shows the HRCSD boundaries, represented in pink.

The Village of Heritage Ranch includes both Heritage Ranch, a home and recreation community originally planned for 6,800 dwelling units, and Lake Nacimiento Resort, a complete resort facility with 1,500 campground spaces and day use facilities. The resort is privately owned on land leased from the Monterey County Water and Flood Control District. There is also a marina and campground, dude ranch, and recreation and equestrian centers.





Figure J.1 Heritage Ranch Community Services District





### J.1.3 Development Trends

Future residential development is anticipated to continue to be oriented primarily toward construction of homes, but a modest continuing increase is expected in permanent residents, primarily the retired. Infrastructure improvements are being considered to accommodate the growing population of Heritage Ranch and increased recreational use of Lake Nacimiento. Because of existing concerns about overcrowding at Lake Nacimiento, the most current San Luis Obispo County Inland Area Plan recommends focusing on limiting current recreational use of the reservoir rather than accommodating expansion.

Rural refuse container stations have been recommended in the Inland Area Plan to mitigate illegal dumping in rural areas surrounding the Village of Heritage Ranch.

### J.1.4 Other Community Planning Efforts

Coordination and synchronization with other community planning mechanisms and efforts are vital to the success of this plan. To have a thorough evaluation of hazard mitigation practices already in place, appropriate planning procedures should also involve identifying and reviewing existing plans, policies, regulations, codes, tools, and other actions are designed to reduce a community’s risk and vulnerability from natural hazards.

As an unincorporated community, the Village of Heritage Ranch is referenced in other County planning documents and regulated by County policies and planning mechanisms. Integrating existing planning efforts, mitigation policies, and action strategies into this annex establishes a credible, comprehensive document that weaves the common threads of a community’s values together. The development of this jurisdictional annex involved a comprehensive review of existing plans, studies, reports, and initiatives from San Luis Obispo County and the Village of Heritage Ranch community that relate to hazards or hazard mitigation. A high-level summary of the key plans, studies and reports can be found in Table J.2 below. Information on how they informed the update are noted and incorporated where applicable.

In addition to the development standards within the Heritage Ranch Specific Plan, there are County planning mechanisms that regulate future and existing development within the Village of Heritage Ranch planning area. Refer to Section J.4 Capability Assessment as well as the Base Plan for more information on the plans, policies, regulations and staff that govern the Village of Heritage Ranch.

**Table J.2 Summary of Review of Key Plans, Studies and Reports**

Plan, Study, Report Name	How Document Informed the Annex
Heritage Ranch Village Plan (2014)	Pulled community background information as well as hazard details
North County Area Plan (2014)	Incorporated hazard information related to water supply
County of San Luis Obispo Local Hazard Mitigation Plan (2014)	Informed past hazard event history, hazard profile and background, and mitigation strategy information.
San Luis Obispo County 2014 Integrated Regional Water Management Plan	Obtained information on water use in the CSD, water management regions, and the drought/water scarcity hazard.
State of California’s Hazard Mitigation Plan – Updated 2018	General information on hazards, events, and vulnerability assessments.
2014-2016 Resource Summary Report for San Luis Obispo County’s General Plan	Pulled information about water resources, reliability, and ongoing efforts to increase resilience in the county and district of Heritage Ranch as related to drought.





## J.2 Hazard Identification and Summary

The Heritage Ranch CSD planning team identified the hazards that affect the HRCSD and summarized their frequency of occurrence, spatial extent, potential magnitude, and significance specific to the HRCSD (see Table J.3). Note that the dam failure and dam incidents hazards will be combined in the description of this annex’s loss estimation summaries, as they are in the Base Plan’s Hazard Identification and Risk Assessment (HIRA). In addition, debris flows, and slope stability/landslide are related hazards that will be dealt with together in this annex (as they also were in the HIRA chapters of the Base Plan). Finally, hazardous trees are discussed within the adverse weather, drought, and wildfire chapters given these tree related issues are usually cascading from other natural events/hazards.

**Table J.3 Heritage Ranch CSD Hazard Risk Summary**

Hazard	Geographic Area	Probability of Future Occurrence	Magnitude/Severity (Extent)	Overall Significance
Adverse Weather	Extensive	Highly Likely	Critical	High
Dam Incidents	Extensive	Likely	Critical	High
Drought and Water Shortage	Extensive	Highly Likely	Critical	High
Earthquake	Extensive	Occasional	Catastrophic	High
Flooding	Extensive	Likely	Critical	High
Landslide/Debris Flow	Extensive	Likely	Negligible	High
Wildfire	Extensive	Highly Likely	Catastrophic	High
<b>Geographic Area</b> Limited: Less than 10% of planning area Significant: 10-50% of planning area Extensive: 50-100% of planning area <b>Probability of Future Occurrences</b> Highly Likely: Near 100% chance of occurrence in next year or happens every year. Likely: Between 10 and 100% chance of occurrence in next year or has a recurrence interval of 10 years or less. Occasional: Between 1 and 10% chance of occurrence in the next year or has a recurrence interval of 11 to 100 years. Unlikely: Less than 1% chance of occurrence in next 100 years or has a recurrence interval of greater than every 100 years.		<b>Magnitude/Severity (Extent)</b> Catastrophic—More than 50 percent of property severely damaged; shutdown of facilities for more than 30 days; and/or multiple deaths Critical—25-50 percent of property severely damaged; shutdown of facilities for at least two weeks; and/or injuries and/or illnesses result in permanent disability Limited—10-25 percent of property severely damaged; shutdown of facilities for more than a week; and/or injuries/illnesses treatable do not result in permanent disability Negligible—Less than 10 percent of property severely damaged, shutdown of facilities and services for less than 24 hours; and/or injuries/illnesses treatable with first aid <b>Significance</b> Low: minimal potential impact Medium: moderate potential impact High: widespread potential impact		





### J.3 Vulnerability Assessment

The intent of this section is to assess the HRCSD vulnerability separate from that of the planning area, which has already been assessed in Section 5 Hazard Identification and Risk Assessment (HIRA) in the Base Plan. This vulnerability assessment analyzes the population, property, and other assets at risk to hazards ranked of medium or high significance.

The information to support the HIRA portion of this Annex was collected through a Data Collection Guide, which was distributed to each participating municipality or district to complete during the planning process. Information collected was analyzed and summarized in order to identify and rank all the hazards that could impact anywhere within the County, as well as to rank the hazards and identify the related vulnerabilities unique to each jurisdiction/district. In addition, the Heritage Ranch CSD planning team members were asked to share information on past significant hazard events that have affected the HRCSD.

Each participating jurisdiction were in support of the main hazard summary identified in the Base Plan (See Section 5 of the Base Plan). However, the hazard summary rankings for each jurisdictional annex may vary slightly due to specific hazard risk and vulnerabilities unique to that jurisdiction (See Table J.3). Identifying these differences helps the reader to differentiate the jurisdiction's risk and vulnerabilities from that of the overall County.

Note: The hazard "significance" reflects overall ranking for each hazard and is based on the Heritage Ranch CSD planning team input from the Data Collection Guide and the risk assessment results compiled during the planning process (see Section 5 of the Base Plan), which included more detailed quantitative analyses with best available data. The hazard summaries in Table J.3 reflect the hazards that could potentially affect the HRCSD. The discussion of vulnerability for each of the hazards listed is in Section J.3.2 Estimating Potential Losses.

#### Other Hazards

The HRCSD rated hazardous trees as a high significance hazard. In terms of this plan hazardous trees are considered a cascading hazard for adverse weather, drought and wildfire hazards. Information related to the public concerns about tree mortality in relation to wildfire risk can be found under J.3.2 Estimating Potential Losses and in Section 5 of the Base Plan.

Additionally, the HRCSD Planning Committee members decided to rate several hazards as Not Applicable (N/A) to the planning area due to a lack of exposure, vulnerability, and no probability of occurrence. The following hazards are considered Not Applicable (N/A) to the Heritage Ranch Community Services District.

- Agricultural Pest Infestation and Disease
- Biological Agents (naturally occurring)
- Coastal Storm/Coastal Erosion/Sea Level Rise
- Subsidence
- Tsunami and Seiche
- Hazardous Materials

#### J.3.1 Assets at Risk

This section considers assets at risk within the District and Village of Heritage Ranch, including values at risk, critical facilities and infrastructure, historic assets, economic assets, and growth and development trends. See Section 5.2 of the Base Plan for more details and background on the parcel summarization, analysis, and datasets available.





### Values at Risk

The following data on property exposure is derived from San Luis Obispo County Assessor data. This data should only be used as a guideline to overall values in the Community Services District as the information has some limitations. Table J.4 summarizes the exposure of properties (e.g., the values at risk based on improvement values, content values, and total values as an addition of these two types of values) broken down by property type for the Heritage Ranch Community Services District.

**Table J.4 Property Exposure for Heritage Ranch by Property Types**

Property Type	Property Count	Improved Value	Content Value	Total Value
Commercial	1	\$6,498,416	\$6,498,416	\$12,996,832
Government/Utilities	9	--	--	--
Other/Exempt/Miscellaneous	313	\$2,060,342	--	\$2,060,342
Residential	937	\$223,625,509	\$111,812,755	\$335,438,264
Multi-Family Residential	78	\$10,113,042	\$5,056,521	\$15,169,563
Mobile/Manufactured Homes	676	\$62,511,623	\$31,255,812	\$93,767,435
Vacant	10	\$1,767,486	--	\$1,767,486
<b>Total</b>	<b>2,024</b>	<b>\$306,576,418</b>	<b>\$154,623,503</b>	<b>\$461,199,921</b>

Source: Wood Plc summaries based on ParcelQuest and San Luis Obispo County Assessor's Office data, 2019

### Critical Facilities and Infrastructure

A critical facility is defined as one that is essential in providing utility or direction either during the response to an emergency or during the recovery operation. See Section 5 of the Base Plan for more details on the definitions and categories of critical facilities.

An inventory of critical facilities in the Heritage Ranch Community Services District based on San Luis Obispo County GIS data as well as structures obtained from the Homeland Infrastructure Foundation-Level Dataset (HIFLD) is provided in in Table J.5 and illustrated in





Figure J.2 . The four types of Critical Facilities categorized by San Luis Obispo County and its jurisdictions' and districts' planning teams are: Emergency Services, High Potential Loss Facilities, Lifeline Utility Systems, and Transportation Systems. Note that Heritage Ranch has only identified critical facilities falling under the one category listed below. Refer to Section 5.2 of the Base Plan for more information on the Assets used throughout this annex and the county-wide analyses.

**Table J.5 Heritage Ranch Critical Facilities**

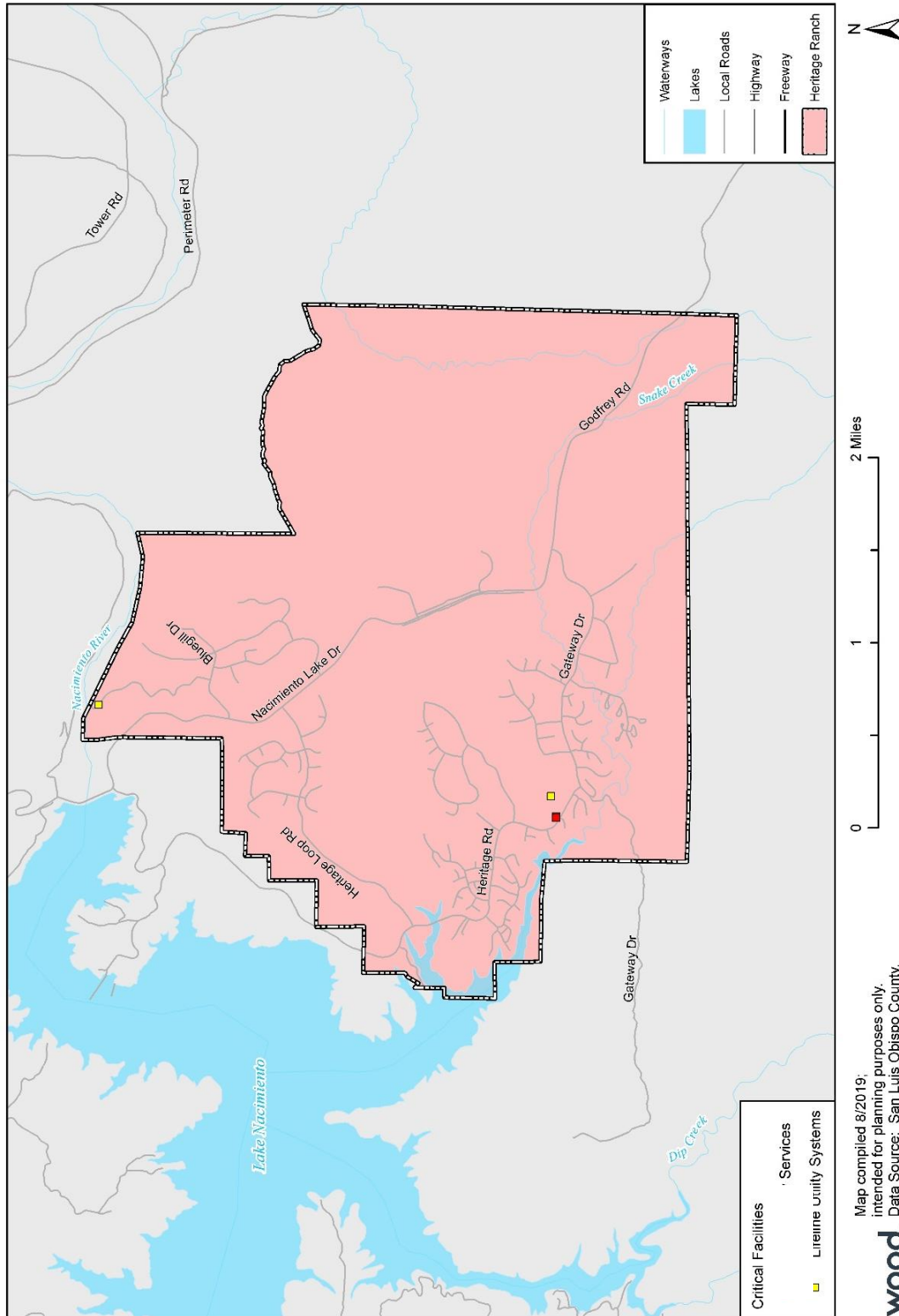
Facility Category	Facility Type	Name	Counts
Emergency Services	Emergency Medical Service Stations	California Department of Forestry and Fire Protection Station 33 - Heritage Ranch Fire Station	1
	Fire Stations		1
Lifeline Utility Systems	Water Treatment Facilities	Heritage Ranch CSD Water Treatment Plant	1
	Wastewater Treatment Plants	Heritage Ranch CSD Wastewater Treatment Plant, Operations Yard, and Administrative Building	1
<b>Total</b>			<b>4</b>

Source: San Luis Obispo County Planning & Building, Heritage Ranch CSD, HIFLD





**Figure J.2 Heritage Ranch Critical Facilities**







### Additional Critical Facilities

Additional critical facilities as identified by the Heritage Ranch CSD Planning Team are as follows:

- Water Treatment and Distribution System - \$18.1 million replacement value
- Wastewater Collection and Treatment System - \$11.8 million replacement value
- Administration Building - \$675,000 replacement value

### Emergency Service Facilities

The CSD contains 2 Emergency Services facilities aimed at providing for the health and welfare of the entire community. It is technically one fire station that serves the two purposes of providing fire protection and firefighting capabilities as well as emergency medical services, as stated in Table J.5.

### Transportation Systems, High Potential Loss Facilities, and Lifeline Facilities

No critical transportation systems were specifically identified in the District, nor were high potential loss facilities. However, two lifeline facilities were noted, one of which is the Heritage Ranch CSD Water Treatment Plant and the other a combination facility containing the Heritage Ranch CSD Wastewater Treatment Plant, the Operations Yard, and the Administrative Building. In addition, it is worth noting that the Village of Heritage Ranch is only accessible via Lake Nacimiento Drive, which links to Highway 101 (a notable transportation route) at two locations. If development occurs to the levels projected for the Village of Heritage Ranch and nearby communities, traffic levels could far exceed the roadway capacity. Upgrades to Lake Nacimiento Drive have been proposed, as has a new collector road that would encircle Lake Nacimiento, passing through the Village of Heritage Ranch and nearby communities.

The only source of potable water for HRCSD is the Nacimiento Reservoir that is dammed by the Nacimiento Dam, which hence impounds Lake Nacimiento. The Monterey County Water Resources Agency (MCWRA) operates the dam (also worth noting as an important facility for the District) for flood protection and water distribution. The HRCSD water treatment facility is located about ¼ mile downstream of the dam and receives water via three shallow infiltration gallery wells several feet under the bed of the Nacimiento River. Native material and engineered bedding above and around the gallery wells provide some natural turbidity reduction, which is further reduced by a plate settler before water is processed through sand filters.

### Historic and Cultural Resources

Historical assets include local, county, state, and potentially federally listed historic sites. Based on data provided by the County of San Luis Obispo and LAFCO, it was found that there are no historic and cultural resources in or near the Heritage Ranch CSD.

### Natural Resources

Natural resources are important to include in benefit-cost analyses for future projects and may be used to leverage additional funding for projects that also contribute to community goals for protecting sensitive natural resources. Awareness of natural assets can lead to opportunities for meeting multiple objectives. For instance, protecting wetlands areas protects sensitive habitat as well as attenuates and stores floodwaters. The Heritage Ranch Village Plan (2014) designated the following combining designations that apply to the protection of special resources in the Heritage Ranch community:

- Nacimiento River and Canyon; Dip, Franklin, Las Tablas, Snake and Town Creeks; and Lake Nacimiento – These water courses are identified as susceptible to potential flood hazards. Future development proposals must incorporate mitigation measures. All are natural drainage courses which should be maintained in their





natural state with native vegetation and habitats retained. At Lake Nacimiento, the 800-foot elevation constitutes the lake's high-water level and no habitable structures are permitted below the 825-foot elevation.

- The Santa Lucia Range and Foothill Areas – Portions of this Geologic Study Area (GSA) are exposed to moderately high and high landslide risk potential.
- Lake Nacimiento Drive Interlake Road – The portion of this route from Chimney Rock Road northwest to the Monterey County line is an adopted State scenic highway route. All development in this corridor must be sited to minimize visual impacts as this interlake road was classified as a Sensitive Resource Area.

### Economic Assets

According to the Inland Area Plan, prior to the creation of Lake Nacimiento, the population of the sub-area was widely dispersed with most residing and employed on farms and ranches. Despite the rugged terrain of most of the area and the concentration of recreational activities at the lake, the economy of the region surrounding Lake Nacimiento remains agriculture based. Grazing is the primary agricultural pursuit, though some dry farming occurs in limited areas. Commercial activities around the lake are mostly visitor-serving and oriented toward peak use periods.

### J.3.2 Estimating Potential Losses

Note: This section details vulnerability to specific hazards of high or medium significance, where quantifiable, and/or where (according to Planning Team input) it significantly differs from that of the overall County.

Table J.4 under Section J.3.1 summarizes the Village of Heritage Ranch's exposure in terms of number and value of parcels falling within the District's boundaries. San Luis Obispo County's parcel and assessor data was used to calculate the improved value of parcels, using ParcelQuest's spatial layers on parcel geometry. The most vulnerable structures are those in the parcels within hazard threat areas, unreinforced masonry buildings, and buildings built prior to the introduction of modern-day building or land regulatory codes. Impacts of past events and vulnerability to specific hazards are further discussed below as particular to each hazard. See Section 5 of the Base Plan for more information on assets, parcel analysis methodology, and hazard profiles.

### Adverse Weather

Adverse weather for the Village of Heritage Ranch includes thunderstorms, heavy rain, hail, lightning, dense fog, freeze, high winds, tornadoes, and extreme heat depending on the time of year. This hazard has been identified as posing **High Significance** for HRCSD. Common problems associated with severe storms include the loss of utilities or immobility. Loss of life is uncommon but can occur during severe storms depending on secondary effects or impacts. Imobility can occur when roads become impassable due to dense fog, heavy rains causing flooding, and downed trees (often referred to as hazardous trees due to the threat they pose).

Being in the northern portion of the county, the Village of Heritage Ranch experiences heavier rainfall compared to the southern portion of the county. Climate change is expected to further increase rainfall in winter months, while decreasing rainfall in spring months. A changing climate will also likely lead to more extreme temperatures, particularly hotter weather in the warmer months. Heavy rain may lead to more debris flows and landslides, as well as erosion and flash or localized flooding, especially over areas that have been impacted by wildfire or other hazards affecting the local landscape. See the Landslide section below for more on this related hazard. Increased seasonal variability in precipitation will likely have an impact on releases from the Nacimiento Dam as well. The potential for downed trees is also a significant concern of the community. Section 5 of the Base Plan contains additional information on past adverse weather events in San Luis Obispo County and the Village of Heritage Ranch/Nacimiento Area.





## Dam Incidents

Dam incidents are classified as **Highly Significant** for the HRCSD. See Figure J.3 for areas at risk of inundation from the Nacimiento Dam if it were to fail. The Nacimiento Dam is managed by Monterey County. Though total failure is unlikely, several damaging release incidents have occurred. In 1969, 2006, 2011, and 2017, heavy rain caused Lake Nacimiento to fill to capacity, prompting Monterey County Water Resources Agency (MCWRA) to lower the spillway, dramatically increasing flows downstream. The 1969 release damaged downstream property and would have destroyed the HRCSD water treatment facility had it existed at the time.

The 2011 release of the Nacimiento Dam increased flows downstream from 400 to 8,100 cubic feet per second (cfs) in less than three hours with sustained flow over 6,000 cfs. This destroyed the HRCSD gallery well system, requiring emergency repairs to be made at a cost of approximately \$375,000. The new gallery wells were lowered three feet, but the system was still incapable of handling flows over 5,000 cfs and was damaged again by releases in 2017. Flows over 5,000 cfs are highly likely to occur in the future according to MCWRA. If the gallery well system cannot be maintained, the water treatment facility will need to be converted to a conventional water treatment plant or receive water through a different intake method. Photos of the Nacimiento Dam uncontrolled releases, spills, and failures are included in Figure J.4 below.

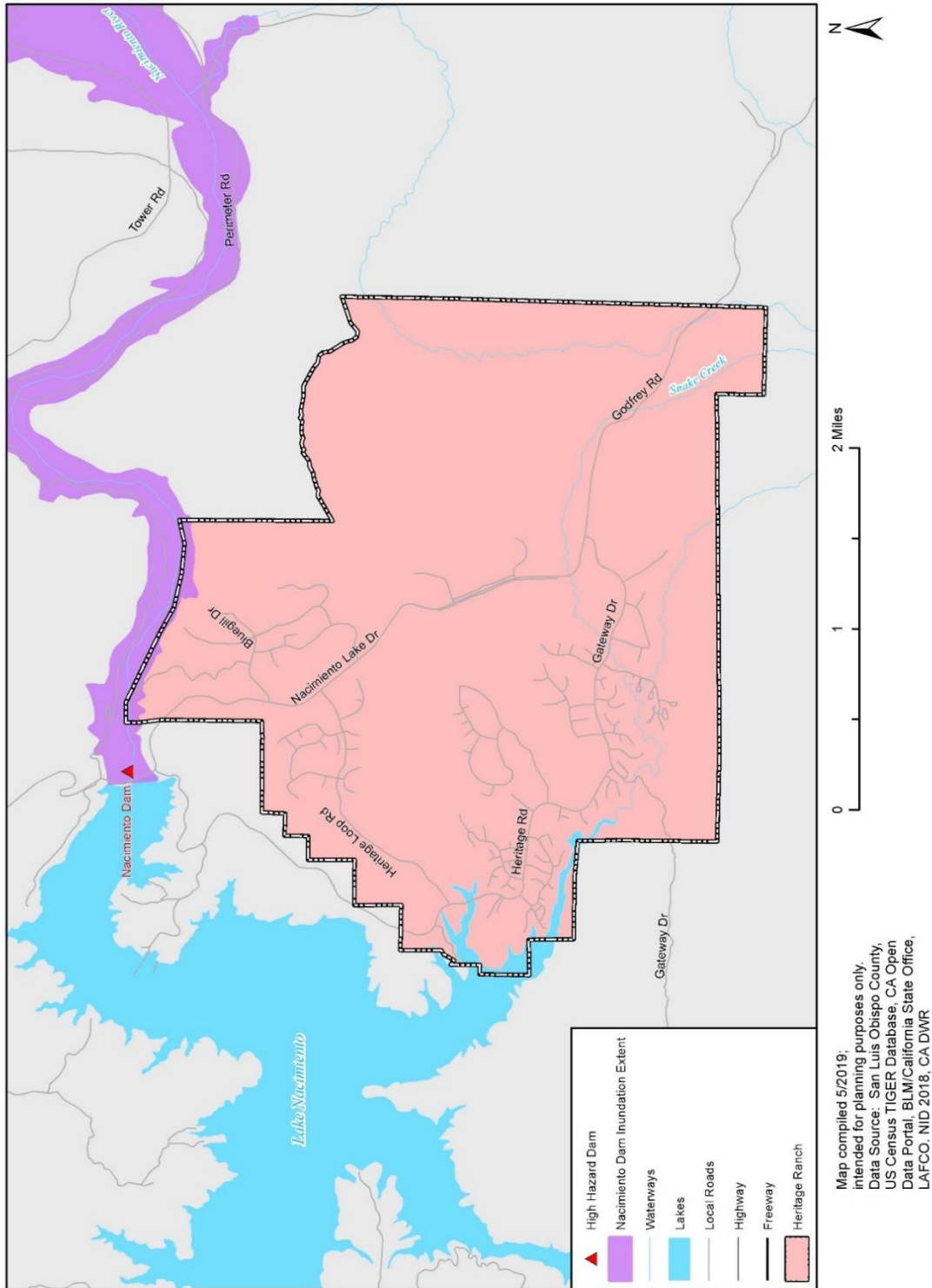
To alleviate the issues that have occurred in the past with the dam, and because the Nacimiento Reservoir (with water controlled by the Nacimiento Dam) is the only source of potable the HRCSD, a few goals were set by the Planning Team related to dam failure and dam incident:

- Continue actively engaging with the MCWRA to operate the Nacimiento Dam in a manner more conducive to preventing dam related hazards
- Construction of a vertical well or wells to provide mitigation for both low and high flows related to this and drought hazards.

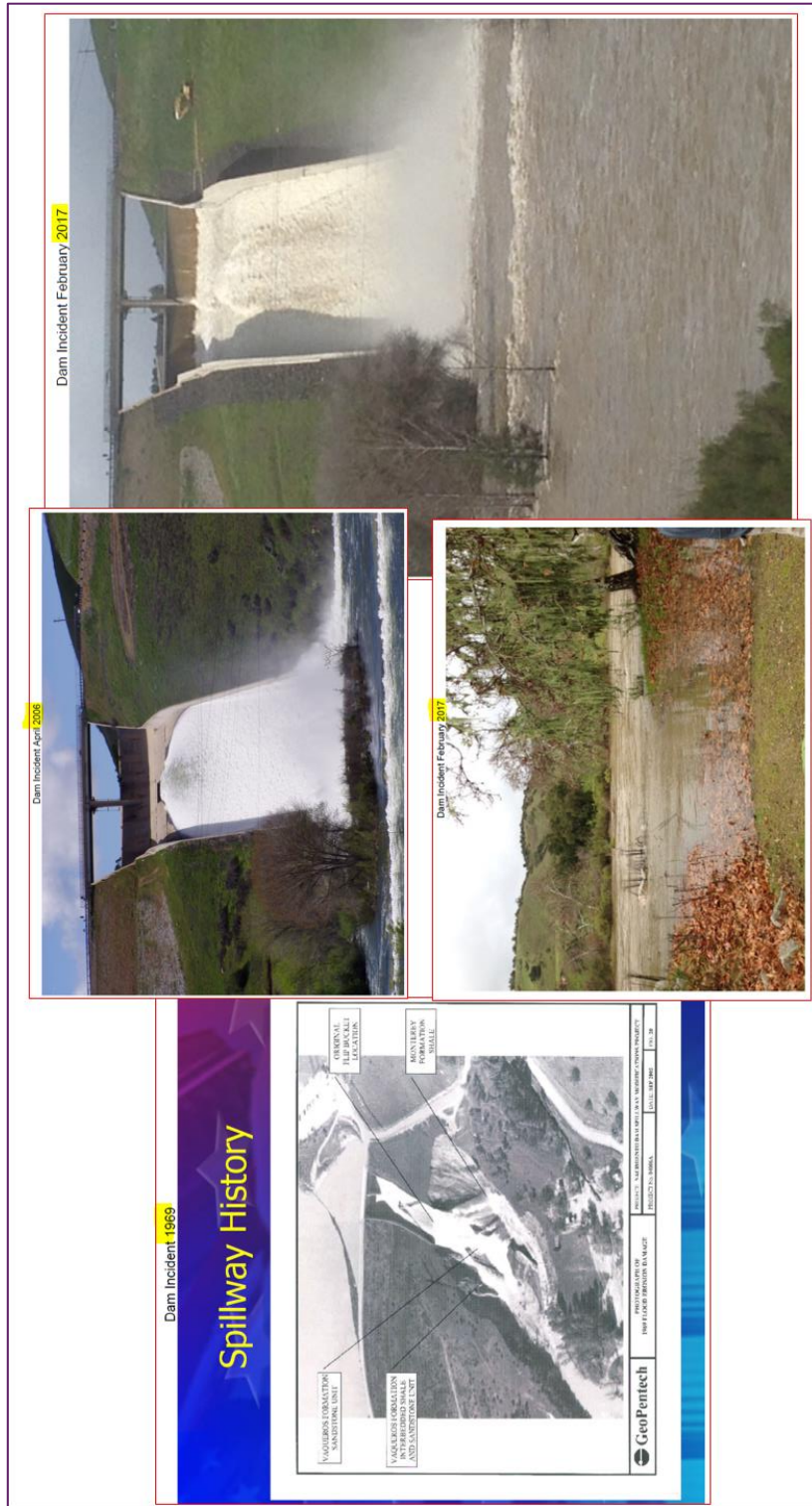




Figure J.3 Dam Inundation Extents in the Heritage Ranch CSD



**Figure J.4 Nacimiento Dam Incidents throughout the Years**



Source: Heritage Ranch CSD Planning Team, 2019





Structures and Population at Risk

A dam inundation vulnerability assessment was completed during the update of the county hazard mitigation plan, following the methodology described in Section 5 of the Base Plan. Dam inundation extents were overlaid with parcels falling within the HRCSD boundary with use of GIS, and the results of the analysis indicate that only one parcel is found to overlap with the dam inundation extent layer from the Nacimiento Dam, and no population is at risk from this parcel (as no people are likely to reside in a government/utilities property).

Table J.6 Heritage Ranch CSD’s Parcels within the Nacimiento Dam Inundation Extents

Parcel Type	Parcel Count	Improved Value	Content Value	Total Value	Loss Estimate	Population at Risk
Government/Utilities	1	--	--	\$0	\$0	--
<b>Total</b>	<b>1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>--</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor’s Office, ParcelQuest, Wood Plc Parcel Analysis, CA DWR, NID 2018

Critical Facilities at Risk

Based on the GIS analysis performed there is 1 critical facility located in the dam inundation areas affecting the Heritage Ranch CSD (from the Nacimiento Dam). This is the Heritage Ranch CSD Water Treatment Plant, located on the northwest corner of the CSD’s boundary, at 10200 Nacimiento Lake Drive.

Drought and Water Shortage

San Luis Obispo County has an annual entitlement to 17,500 acre-feet of water from Lake Nacimiento, of which HRCSD is currently under contract with San Luis Obispo County for 889 acre-feet. Overall, San Luis Obispo County has set aside a maximum allotment of 1,100 acre-feet for the area encompassed by HRCSD. The 2014 Village Plan recommended that a moratorium on further development be enacted if total water use in the Village of Heritage Ranch reaches this limit.

HRCSD has experienced severe drought for the past few years except. Drought conditions have increased water treatment costs due to many things including but not limited to rapid changes in water levels in Lake Nacimiento. Since the dam was constructed, the water elevation in the reservoir has never reached “dead pool” conditions in which the water elevation is below the elevation of the outlet works, so that no water flows downstream. However, multi-year drought periods have lowered the water elevation close to this point. In 2016 HRCSD constructed an emergency intertie with the Nacimiento Water Project to allow for water intake in dead pool conditions or other times when water cannot be released through the dam outlet works. A recycled water study was also completed in 2017 to evaluate water and wastewater treatment and determine the feasibility of recycled water usage. HRCSD also imposes water restrictions in times of drought. Because of the rapid rate at which Nacimiento Reservoir’s water elevations are changing, increased costs have also been seen for water treatment.

This drought hazard, along with adverse weather conditions, was deemed a likely contributing factor to the very destructive 2016 Chimney Fire, which is described in the Wildfire chapter of this annex. As a related drought impact, tree mortality has resulted in potentially vulnerable critical infrastructure property as these vulnerable trees become more susceptible to falling with time and could affect properties in the planning area. Drought and water shortage hazards have been identified as posing **High Significance** for the Heritage Ranch CSD.

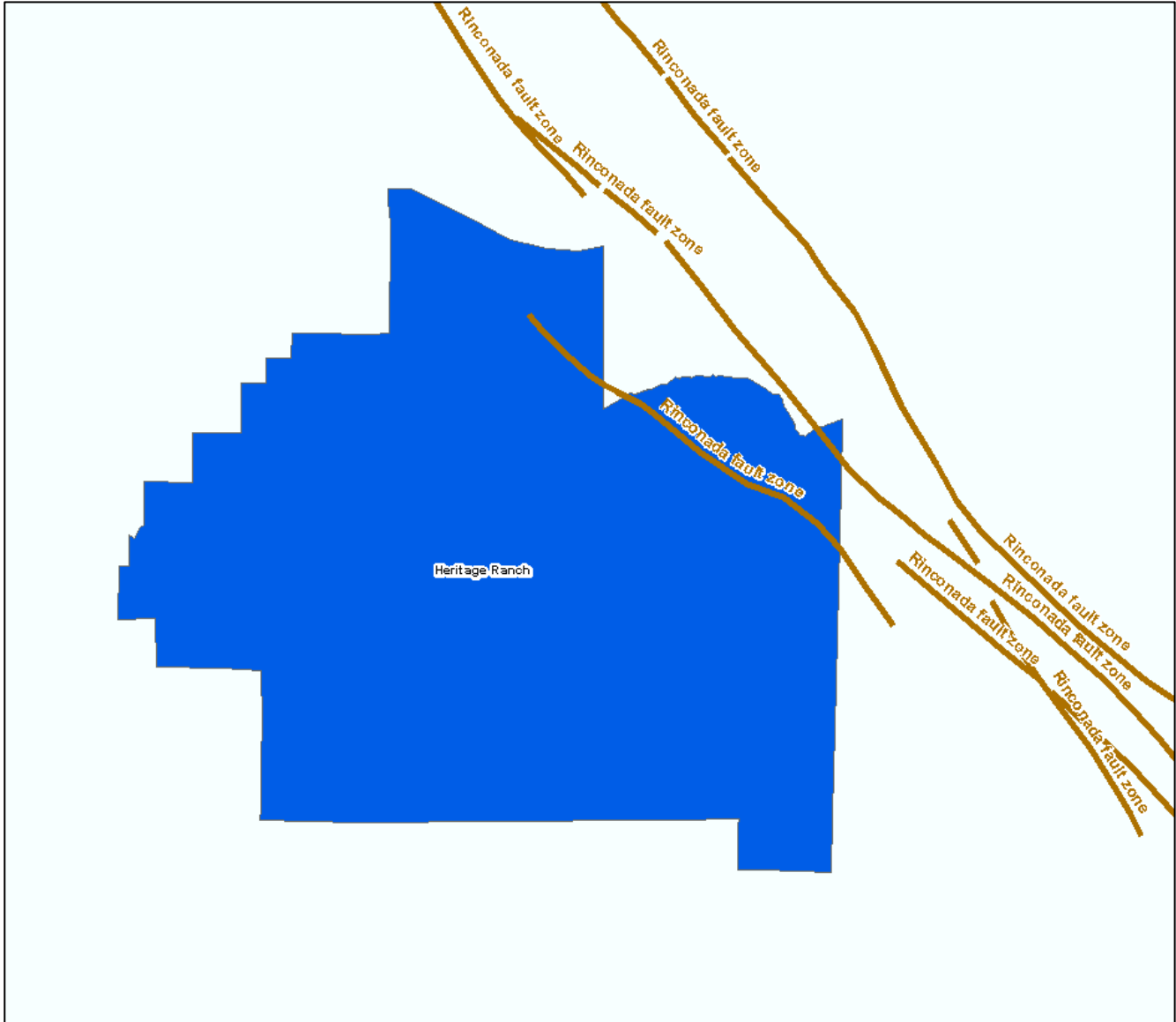




### Earthquake

The nearest fault zone to Heritage Ranch is the Rinconada fault zone (see the snapshot in Figure J.5). This regional fault zone is considered to be potentially active and has moderate ground shaking potential. The structure most vulnerable to an earthquake in Heritage Ranch is the Nacimiento Dam which is about three miles from the fault.

**Figure J.5 Earthquake Fault Zones in and near the Heritage Ranch CSD**



Source: USGS, San Luis Obispo County Planning & Building, LAFCO, Wood Plc analysis

Failure of the dam due to future seismic activity could inundate a small portion of the community and perhaps heavily damage or even destroy the HRCSD water intake system and water treatment plant, eliminating the HRCSD ability to provide safe drinking water to its residents. In addition, seiches could be an issue nearby





because of the Lake, which could cause flooding of the community and nearby structures, properties, and facilities. No moderate, high, or very high liquefaction risk has been identified to be present inside the District. However, high liquefaction risk zones are present to the north of the community, following the Nacimiento River’s path. The two critical facilities listed in Section J.3.1 of this annex are found in low liquefaction risk areas.

For more information on Earthquakes and Liquefaction, refer to Section 5.3.7 of the Base Plan. For information on Tsunami and Seiche hazards, see Section 5.3.11. Overall, the earthquake hazard has been identified as posing **High Significance** for the Heritage Ranch CSD.

**Flooding**

Lake Nacimiento, the Nacimiento River, and its associated tributaries have been identified as posing flood hazards. The 2011 dam incident caused significant flooding of the Nacimiento River below the dam. Three to four feet of riverbed material was removed in this incident, blocking some channels and scouring others. This “re-carving” of the channel will likely impact the way future flows are routed through the river. Overall, flood hazards have been identified as posing **High Significance** for the Heritage Ranch CSD.

Heritage Ranch does not participate separately in the National Flood Insurance Program (NFIP) but will continue to support the County’s participation in and compliance with the NFIP.

*Structures and Population at Risk*

A flood vulnerability assessment was completed during the update of the county hazard mitigation plan, following the methodology described in Section 5 of the Base Plan. Table J.7 below summarizes the values at risk in the Village of Heritage Ranch 100-year floodplain (which corresponds to 1% chance of flooding in a 100-year period). Based on this analysis, the Village of Heritage Ranch has only one parcel at risk of flooding in a 100-year event.

**Table J.7 Village of Heritage Ranch FEMA 1% Annual Chance Flood Hazard by Property Type**

Property Type	Parcel Count	Improved Value	Content Value	Total Value	Loss Estimate	Population at Risk
Other/Exempt/Miscellaneous	1	--	--	\$0	\$0	--
<b>Total</b>	<b>1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>--</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor’s Office, ParcelQuest, Wood Plc Parcel Analysis, FEMA NFHL

Limitations to the analysis performed and results shown: This model may include structures in the floodplains that are elevated at or above the level of the base-flood elevation, which will likely mitigate flood damage.

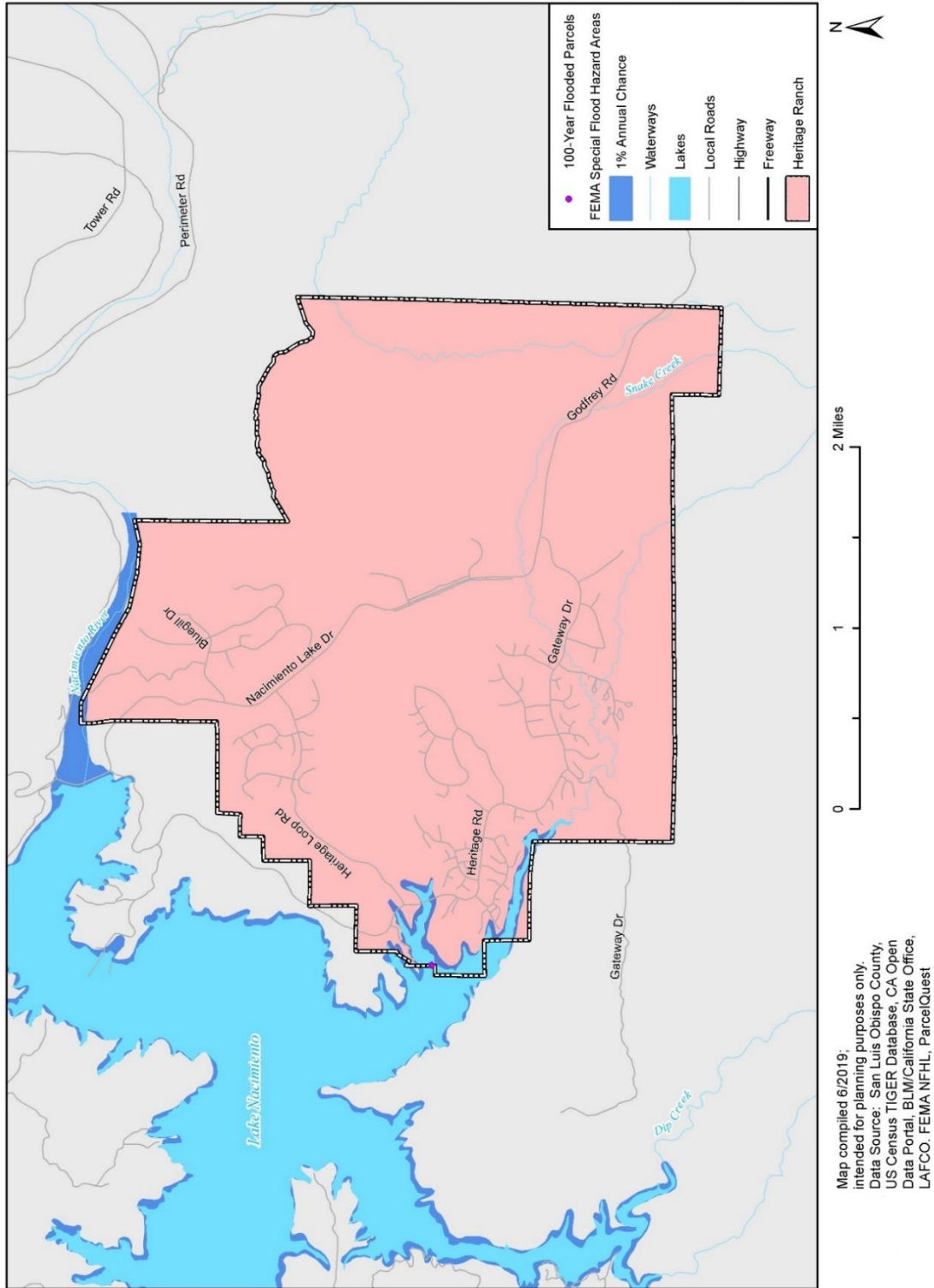
Figure J.6 displays the parcel flooded by the 100-year event, located on the west side of the district, shown as a purple dot. No population is at risk of flooding from this parcel (as no people are likely to reside in an exempt or miscellaneous property). The Heritage Ranch planning team also noted that the CSD’s intake facilities and water treatment facility properties are located approximately where the red square is on Figure J.6, towards the northwest of the CSD boundary. No 500-year floodplains have been identified.







**Figure J.6 Flooded Parcel in the Village of Heritage Ranch, in the 100-Year Floodplain**





*Critical Facilities at Risk*

Based on the GIS analysis performed there are no critical facilities located in the 100-year or 500-year flood hazard areas, though the Heritage Ranch CSD’s Water Treatment Facility is located in the dam inundation extent of the Nacimiento Dam (see the Dam Incidents section of this document for additional details).

**Landslides and Debris Flow**

Landslide potential and debris flow hazards have been ranked by the Planning Team as posing **High Significance** to the Heritage Ranch CSD.

Heavy rain in the year following the Chimney Fire of 2016 led to a significant debris flow into Lake Nacimiento/Nacimiento Reservoir. This degraded the quality of water entering the HRCSD water treatment facilities, thus increasing treatment costs which is of high importance as the Nacimiento Reservoir water is the only source of potable water for the community. Such debris flows can also add stress to the dam and require costly removal of sediment and debris. A similar debris flow is highly likely to occur in the future, as is a landslide. Tables J.8, J.9, and J.10 summarize the parcel values in zones of moderate, high, and extremely high landslide potential, respectively. Most properties exist in areas of moderate landslide potential. A total of 678 parcels are hence at risk of landslide hazards, with a total estimated value of over \$168 million at risk. Figure J.7 displays the landslide potential areas present in and near the Village of Heritage Ranch.

*Structures at Risk*

A vulnerability assessment was completed during the update of the county hazard mitigation plan, following the methodology described in Section 5 of the Base Plan. Landslide potential was determined for the Village of Heritage Ranch by overlaying the county’s parcel layers with the landslide potential zones, all in GIS.

*Critical Facilities at Risk*

Based on the GIS analysis performed there is 1 critical facility located in the Moderate landslide potential area: The Heritage Ranch CSD Water Treatment Plant on the northwest of the CSD, at 10200 Nacimiento Lake Dr.

**Table J.8 The Village of Heritage Ranch Parcels in Moderate Landslide Potential by Parcel Type**

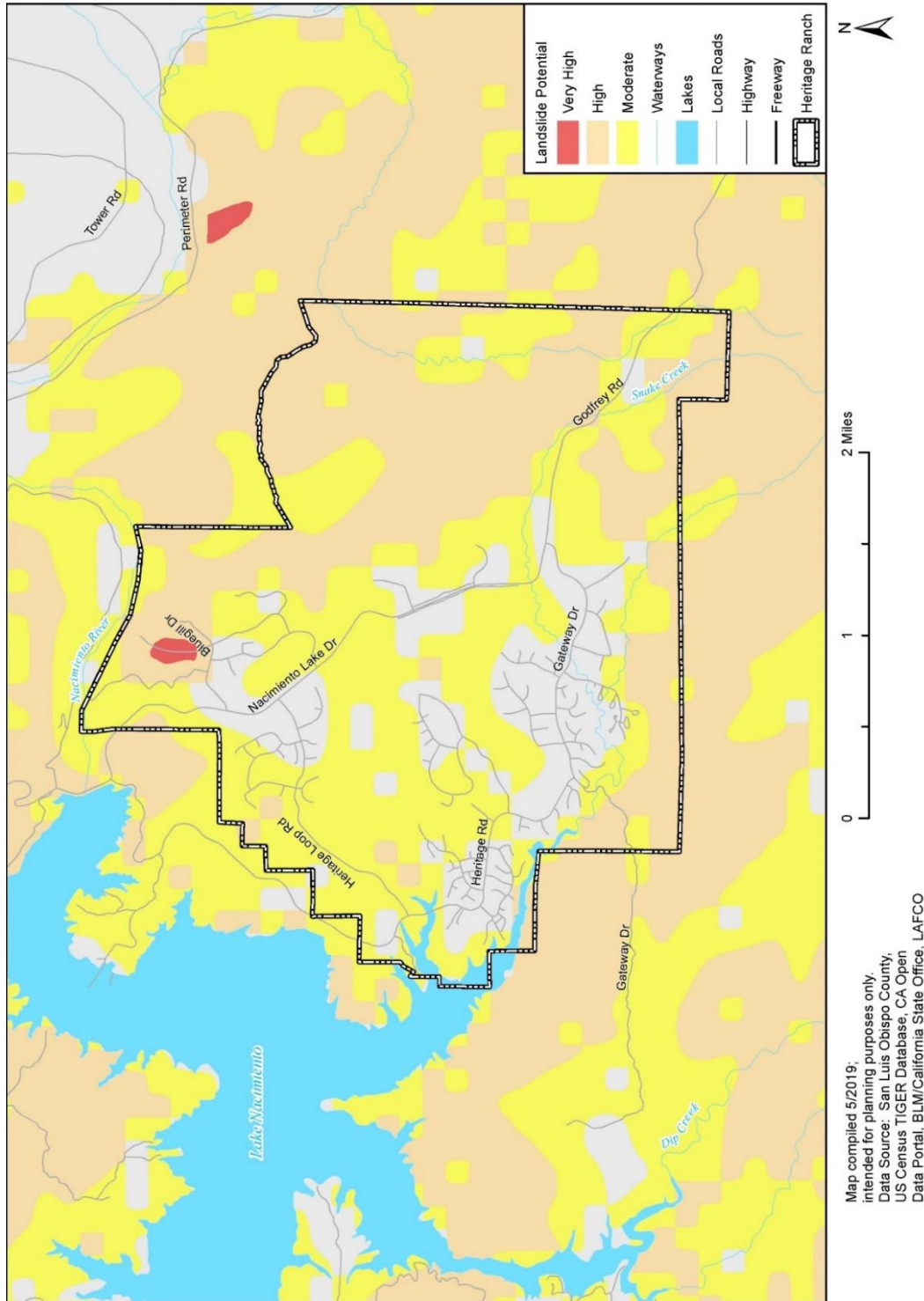
Property Type	Property Count	Improved Value	Content Value	Total Value
Government/Utilities	3	--	--	\$0
Other/Exempt/Misc.	129	\$1,002,358	--	\$1,002,358
Residential	215	\$69,560,773	\$34,780,387	\$104,341,160
Multi-Family Residential	40	\$4,157,490	\$2,078,745	\$6,236,235
Mobile/Manufactured Homes	224	\$21,299,268	\$10,649,634	\$31,948,902
Vacant	3	\$635,903	--	\$635,903
<b>Total</b>	<b>614</b>	<b>\$96,655,792</b>	<b>\$47,508,766</b>	<b>\$144,164,558</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor’s Office, ParcelQuest, Wood Plc Parcel Analysis





**Figure J.7 Landslide Potential Hazard Areas in the Village of Heritage Ranch**





**Table J.9 The Village of Heritage Ranch Parcels in High Landslide Potential by Parcel Type**

Property Type	Property Count	Improved Value	Content Value	Total Value
Government/Utilities	2	--	--	\$0
Other/Exempt/Misc.	10	--	--	\$0
Residential	25	\$10,199,896	\$5,099,948	\$15,299,844
Mobile/Manufactured Homes	10	\$826,489	\$413,245	\$1,239,734
<b>Total</b>	<b>47</b>	<b>\$11,026,385</b>	<b>\$5,513,193</b>	<b>\$16,539,578</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor's Office, ParcelQuest, Wood Plc Parcel Analysis

**Table J.10 The Village of Heritage Ranch Parcels in Very High Landslide Risk by Parcels Type**

Property Type	Property Count	Improved Value	Content Value	Total Value
Other/Exempt/Misc.	3	--	--	\$0
Residential	14	\$5,012,952	\$2,506,476	\$7,519,428
<b>Total</b>	<b>17</b>	<b>\$5,012,952</b>	<b>\$2,506,476</b>	<b>\$7,519,428</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor's Office, ParcelQuest, Wood Plc Parcel Analysis

### Wildfire

According to the Heritage Ranch Village Plan from 2014, because of the dry summer climate coupled with highly flammable vegetation (including hazardous trees that were flammable or downed and hence dangerous) as well as rugged terrain, fire hazard in Heritage Ranch is high, and fire control is difficult. The Chimney Fire in 2016 injured one person, destroyed 49 residences and 21 other structures, and damaged 8 structures. Drought contributed to this fire which was caused by the ignition of dry grass adjacent to a dirt road. Increased recreation uses will likely intensify the fire hazard in developed areas as well as along the miles of Lake Nacimiento's shoreline accessible by boat. Wildfire hazards have been ranked by the Planning Team as posing **High Significance**. Figure J.8 depicts the fire hazard severity zones under which the Heritage Ranch CSD falls.

#### Structures and Population at Risk

A wildfire vulnerability assessment was completed during the update of the county hazard mitigation plan, following the methodology described in Section 5 of the Base Plan. Risk of wildfire was determined for the Heritage Ranch CSD by overlaying the parcel layers with the fire hazard severity zones within the California State Responsibility Areas (SRAs), all in GIS. Table J.11 and Table J.12 summarize the parcel values found within moderate and very high fire hazard severity zones, respectively, as no parcels fall within the high wildfire hazard severity zones in the district. Most properties in the Village of Heritage Ranch are located in a zone of very high fire hazard severity. While no people are expected to be at risk of the moderate severity SRA zones (based on the likelihood that no people reside in exempt or miscellaneous properties), a total of 4,244 people are at risk of being affected by fires, as they are located in very high fire hazard severity zones.





**Table J.11 The Village of Heritage Ranch Wildfire Risk by Property Type – Moderate Severity SRA Zone**

Property Type	Property Count	Improved Value	Content Value	Total Value	Loss Estimate	Population
Other/Exempt/Miscellaneous	1	--	--	\$0	\$0	--
<b>Total</b>	<b>1</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>--</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor's Office, ParcelQuest, Wood Plc Parcel Analysis, CalFire

**Table J.12 The Village of Heritage Ranch Wildfire Risk by Property Type – Very High Severity SRA Zone**

Property Type	Property Count	Improved Value	Content Value	Total Value	Loss Estimate	Population
Commercial	1	\$6,498,416	\$6,498,416	\$12,996,832	\$12,996,832	--
Government/Utilities	9	--	--	\$0	\$0	--
Other/Exempt/Miscellaneous	312	\$2,060,342	--	\$2,060,342	\$2,060,342	--
Residential	937	\$223,625,509	\$111,812,755	\$335,438,264	\$335,438,264	2,352
Multi-Family Residential	78	\$10,113,042	\$5,056,521	\$15,169,563	\$15,169,563	196
Mobile/Manufactured Homes	676	\$62,511,623	\$31,255,812	\$93,767,435	\$93,767,435	1,697
Vacant	10	\$1,767,486	--	\$1,767,486	\$1,767,486	--
<b>Total</b>	<b>2,023</b>	<b>\$306,576,418</b>	<b>\$154,623,503</b>	<b>\$461,199,921</b>	<b>\$461,199,921</b>	<b>4,244</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor's Office, ParcelQuest, Wood Plc Parcel Analysis, CalFire

*Critical Facilities at Risk*

Four critical facilities are located in very high fire hazard severity zones, as indicated in Table J.13.

**Table J.13 The Village of Heritage Ranch Critical Facilities in Very High Wildfire Hazard Zone**

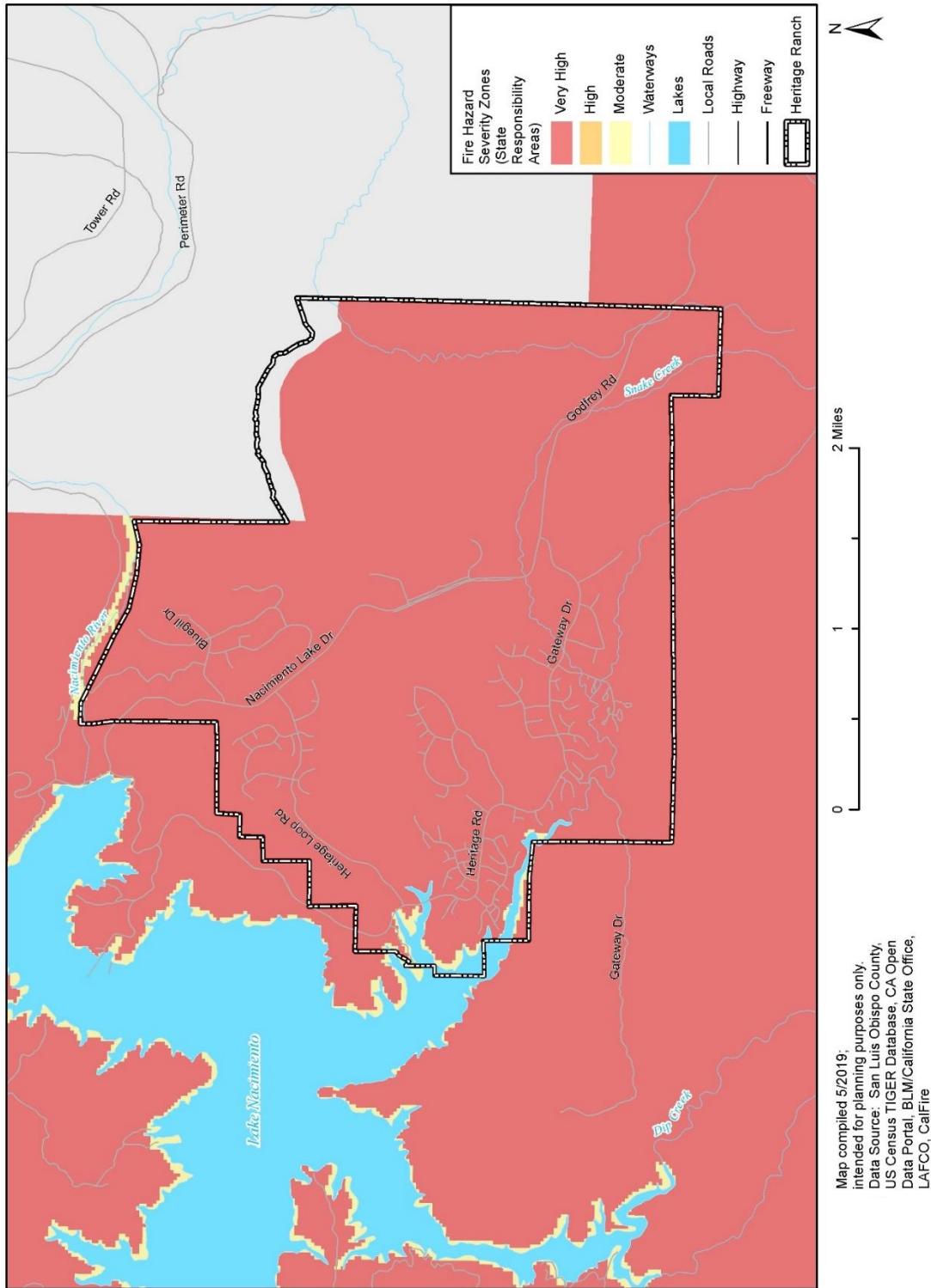
Facility Type	Count
Fire Stations	1
Emergency Medical Service Stations	1
Water Treatment Facilities	1
Wastewater Treatment Plant/Operations Yard/Administrative Building	1
<b>Total</b>	<b>2</b>

Source: San Luis Obispo County Planning and Building Dept., Assessor's Office, ParcelQuest, Wood Plc Parcel Analysis, CalFire





**Figure J.8 Wildfire Hazard Severity Zones in the Heritage Ranch CSD**





## J.4 Capability Assessment

Capabilities are the programs and policies currently in use to reduce hazard impacts or that could be used to implement hazard mitigation activities. This capability assessment is divided into five sections: regulatory mitigation capabilities, administrative and technical mitigation capabilities, fiscal mitigation capabilities, mitigation outreach and partnerships, and other mitigation efforts.

To develop this capability assessment, the jurisdictional planning representatives used a matrix of common mitigation activities to inventory policies or programs that are in place. The team then supplemented this inventory by reviewing additional existing policies, regulations, plans, and programs to determine if they contributed to reducing hazard-related losses. During the plan update process, this inventory was reviewed by the jurisdictional planning representatives and Wood consultant team staff to update information where applicable and note ways in which these capabilities have improved or expanded. In summarizing current capabilities and identifying gaps, the jurisdictional planning representatives also considered their ability to expand or improve upon existing policies and programs as potential new mitigation strategies. The Heritage Ranch CSD capabilities are summarized below.

### J.4.1 Regulatory Mitigation Capabilities

Table J.14 identifies existing regulatory capabilities the HRCSD has in place to help with future mitigation efforts. Note: many of the regulatory capabilities that can be used for the HRCSD are within the County’s jurisdiction. Refer to Section 6 Capability Assessment of the Base Plan for specific information related to the County’s mitigation capabilities.

**Table J.14 Heritage Ranch CSD Regulatory Mitigation Capabilities**

Regulatory Tool	Yes/No	Comments
General plan	Yes	By the County
Zoning ordinance	Yes	By the County
Subdivision ordinance	Yes	By the County
Growth management ordinance	Yes	By the County
Floodplain ordinance	Yes	By the County
Other special purpose ordinance (stormwater, water conservation, wildfire)	Yes	By the County
Building code	Yes	By the County
Fire department ISO rating	Yes	By the County
Erosion or sediment control program	Yes	By the County
Stormwater management program	Yes	By the County
Site plan review requirements	Yes	
Capital improvements plan	Yes	
Economic development plan	No	
Local emergency operations plan	Yes	
Other special plans	Yes	
Flood Insurance Study or other engineering study for streams	Yes	By the County
Elevation certificates (for floodplain development)	Yes	By the County

Source: Wood Data Collection Guide, 2019





### J.4.2 Administrative/Technical Mitigation Capabilities

Table J.15 identifies the personnel responsible for activities related to mitigation and loss prevention in the Heritage Ranch Community Services District.

**Table J.15 Heritage Ranch CSD Administrative/Technical Mitigation Capabilities**

Personnel Resources	Yes/No	Department/Position/Comments
Planner/engineer with knowledge of land development/land management practices	Yes	General Manager, District Engineer
Engineer/professional trained in construction practices related to buildings and/or infrastructure	Yes	General Manager, District Engineer
Planner/engineer/scientist with an understanding of natural hazards	No	By the County
Personnel skilled in GIS	Yes	District Engineer
Full time building official	No	By the County
Floodplain manager	No	By the County
Emergency manager	Yes	General Manager
Grant writer	No	Would be able to do if need-driven
Other personnel	Yes	Water and Wastewater Operators; Office Staff
GIS Data Resources - (Hazard areas, critical facilities, land use, building footprints, etc.)	No	By the County
Warning systems/services (Reverse 9-11, outdoor warning signals)	No	By the County

Source: Wood Data Collection Guide, 2019

### J.4.3 Fiscal Mitigation Capabilities

Table J.16 identifies financial tools or resources that the CSD could potentially use to help fund mitigation activities.

**Table J.16 Heritage Ranch CSD Fiscal Mitigation Capabilities**

Financial Resources	Accessible/Eligible to Use (Yes/No)
Community Development Block Grants	Yes
Capital improvements project funding	Yes
Authority to levy taxes for specific purposes	Yes
Fees for water, sewer, gas, or electric services	Yes
Impact fees for new development	Yes
Incur debt through general obligation bonds	Yes
Incur debt through special tax bonds	Yes
Incur debt through private activities	Yes
Withhold spending in hazard prone areas	No

Source: Wood Data Collection Guide, 2019

### J.4.4 Mitigation Outreach and Partnerships

The Heritage Ranch Community Services District and the Heritage Ranch Owners Association (HROA) generally have the same boundary. The HROA has a safety committee which has Safety Plan separate from those of the HRCSD. Both entities coordinate on water, wastewater, and facility planning and management efforts to







operate effectively during an emergency. They additionally maintain a responsible water use policy and disseminate relevant information periodically. For example, the HRCSD recently completed a project in 2016 connecting the HRCSD water system intake facility to the Nacimiento Water Project pipeline for emergency uses, which highlights the community's outreach and partnership/collaboration intents and efforts.

### **J.4.5 Opportunities for Enhancement**

Based on the capabilities assessment, the Heritage Ranch Community Services District has several existing mechanisms in place that already help to mitigate hazards, such as those mentioned in this Annex's hazard profiles and summary sections and in existing planning and community organization mechanisms such as the 2014 Heritage Ranch Village Plan. There are also opportunities for the HRCSD to expand or improve on these policies and programs to further protect the community. Future improvements may include providing training for staff members related to hazards or hazard mitigation grant funding in partnership with the County and Cal OES. Additional training opportunities will help to inform HRCSD staff and board members on how best to integrate hazard information and mitigation projects into the District policies and ongoing duties of the HRCSD. Continuing to train HRCSD staff on mitigation and the hazards that pose a risk to the HRCSD will lead to more informed staff members who can better communicate this information to the public.

## **J.5 Mitigation Strategy**

### **J.5.1 Mitigation Goals and Objectives**

The Heritage Ranch CSD adopts the hazard mitigation goals and objectives developed by the County Planning Team and described in Section 7 of the Base Plan: Mitigation Strategy.

### **J.5.2 Mitigation Actions**

The Planning Team for the Heritage Ranch Community Services District identified and prioritized the following mitigation actions based on the conducted risk assessment (see Table J.17). Background information and information on how each action will be implemented and administered, such as ideas for implementation, responsible office, potential funding, estimated cost, and timeline are also included. Actions were prioritized using the process described in Section 7.2.1 of the Base Plan. Actions with an asterisk (\*) are those that mitigate losses to future development.





**Table J.17 Heritage Ranch CSD’s Mitigation Action Plan**

ID	Hazard(s) Mitigated	Description/Background/Benefits	Lead Agency and Partners	Cost Estimate	Potential Funding	Priority	Timeline	Status/ Implementation Notes
HR.1	Adverse Weather	Consider support for communication towers and other communication infrastructure to be built within the HRCSD Boundary/property to provide expanded warning capabilities related to adverse weather.	Communication companies	Unknown	Private	Low	2019-2024	New
HR.2	Dam Incidents; Drought; Flooding; Landslide /Debris Flow	The District currently has a vertical well project identified to mitigate low flows from the Dam during outages and/or drought, as well as to provide redundancy (mitigate) for high flow releases that have historically damaged or destroyed the current gallery well system.  A vertical well(s) would provide mitigation for both low and high flows (drought and Dam incidents). A vertical well(s) would improve raw water quality if debris flow occurs within Nacimiento Reservoir and River like it did after the Chimney Fire.	HRCSD	\$400,000	CIP funding; water fees; debt; grants	High	Design 2019/20; Construct 2020/21	New Some preliminary engineering completed (siting, borings, conceptual drawings, etc.)
HR.3	Dam Incidents; Drought; Flooding	Continue to engage with San Luis Obispo County Flood Control & Water Conservation District, and Monterey County Water Resources Agency to operate the Dam in a manner more conducive to preventing these hazards.	HRCSD; SLOCFWCD; MCWRA	Little to no cost	Staff Time/ Dept. Budget	Medium	2019-2020	New
HR.4	Earthquake	Increase risk awareness of the potential impacts of earthquakes to water and wastewater systems and conduct outreach to residents of same; Continue to partner with the Heritage Ranch Owners Association and their Emergency Services Committee on emergency planning.	HR Owners Association, HRCSD	Little to no cost	Staff Time/ Dept. Budget	Low	2019-2020	New
HR.5	Wildfire	Continue public education and awareness programs to advise residents of risk to life, health and safety; include information on defensible space and safe evacuation; Continue to partner with the Heritage Ranch Owners	HR Owners Association, HRCSD	Little to no cost	Staff Time/ Dept. Budget	Medium	2019-2020	New





ID	Hazard(s) Mitigated	Description/Background/Benefits	Lead Agency and Partners	Cost Estimate	Potential Funding	Priority	Timeline	Status/ Implementation Notes
		Association and their Emergency Services Committee on emergency planning.						





## J.6 Implementation and Maintenance

Moving forward, the Heritage Ranch Community Services District will use the mitigation action table in the previous section to track progress on implementation of each project. Implementation of the plan overall is discussed in Section 8 in the Base Plan: Implementation and Monitoring.

### J.6.1 Incorporation into Existing Planning Mechanisms

The information contained within this Annex and the Base Plan, including results from the Vulnerability Assessments and the Mitigation Strategy will be used by the HRCSD to help inform updates of the Heritage Ranch CSD's existing plans (e.g. 2014 Village Plan) as well as in the development of additional local plans, programs, regulations, and policies. Understanding the hazards which pose a risk and the specific vulnerabilities to the HRCSD and its sphere of influence will help in future capital improvement planning and development for the HRCSD. The San Luis Obispo County Planning & Building Department may utilize the hazard information when reviewing a site plan or other type of development applications within or nearby the boundaries of the Heritage Ranch Community Services District area. As noted in Section 8 Implementation and Monitoring, the Planning Team representative/s from the Heritage Ranch CSD will report on efforts to integrate the hazard mitigation plan into local plans, programs, regulations, and policies and will report on these efforts at the annual Hazard Mitigation Plan and Planning Team review meeting.

### J.6.2 Monitoring, Evaluation and Updating the Plan

The Heritage Ranch Community Services District will follow the procedures to monitor, review, and update this plan in accordance with San Luis Obispo County as outlined in Section 8 of the Base Plan. The District will continue to involve the public in mitigation, as described in Section 8.3 of the Base Plan. The HRCSD General Manager will be responsible for representing the HRCSD in related County Hazard Mitigation Plan meetings or events, and for coordination with County staff and departments during plan updates. The Heritage Ranch CSD realizes it is important to review the plan regularly and update it every five years in accordance with the FEMA Disaster Mitigation Act Requirements as well as other State of California requirements.



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**MEMORANDUM**

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** July 16, 2020

**SUBJECT:** Request to approve draft contract documents for the Raw Water Vertical Intake No. 1 - Phase 1, and direct staff to finalize the documents to advertise for proposals.

**Recommendation**

It is recommended that the Board of Directors approve draft contract documents for the Raw Water Vertical Intake No. 1 - Phase 1 (Project - Phase 1), and direct staff to finalize the documents to advertise for proposals.

**Background**

In 2012, your Board approved a preliminary engineering study for a vertical intake project that included soil borings and a siting recommendation. The approved 5-year Capital Improvement Program includes a vertical intake project. The design phase of the vertical intake project commenced during FY 2019/20.

**Discussion**

The scope of the Project - Phase 1 is to drill the borehole, install the casing, and perform pump tests. The District Engineer and the District's consultant for this project, Cleath-Harris Geologists (CHG), have developed draft contract documents. The complete contract documents consist of three parts:

- Part I – Notice Inviting Proposals, Request for Proposals, and Agreement Forms
- Part II – Conditions of the Contract
- Part III – Technical Specifications

The anticipated schedule for the proposal phase of the Project - Phase 1 is:

Advertise for Proposals	July 17, 2020	
Pre-proposal Meeting & Site Visit	July 28, 2020	
Proposals Due / Bid Opening	August 11, 2020	
Contract Award	August 20, 2020	

The scope of the Project - Phase 2 will be design and installation of the pump and piping and will be delivered under separate contract documents and agreement.

Staff recommends that your Board approve the attached draft contract documents for the Raw Water Vertical Intake No. 1 - Phase 1, and direct staff to finalize the documents to advertise for proposals.

### **Fiscal Considerations**

The FY 2020/21 Budget includes \$160,000 for the construction phase of the Raw Water Vertical Intake No. 1 project. Funding in the amount of \$32,303 from the design phase will also be rolled forward into the FY 2020/21 Budget.

Staff will return to your Board if additional funding is needed.

### **Results**

Approval of the recommended action will initiate advertising for proposals to further the District's goal of improving water system resiliency, water quality, and water productivity.

Attachments: Draft Contract Documents for the Raw Water Vertical Intake No. 1 - Phase 1

File: Projects\_ Raw Water Vertical Intake No. 1

PROJECT MANUAL

FOR THE

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**4870 HERITAGE ROAD**

**PASO ROBLES, CA 93446**

**(805) 227-6230**

# **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

Prepared by:

WALLACE GROUP

612 Clarion Court

San Luis Obispo, CA 93401

805 544-4011

JULY 2020

WG JOB NO 0160-0001-06

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## **CERTIFICATION**

In accordance with the provisions of Section 6735 of the Business and Professions Code of the State of California, these specifications have been prepared by or under the direction of the following Professional Engineers licensed in the State of California:

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STEVEN G. TANAKA, PE #C49779 EXP. 9/30/20

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# **PART I - NOTICE, PROPOSAL, AND AGREEMENT FORMS**

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[insert list of drawings here]

## **PART I**

### **NOTICE, PROPOSAL AND AGREEMENT FORMS**

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# **NOTICE INVITING BIDS**

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**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

**NOTICE INVITING BIDS**

NOTICE IS HEREBY GIVEN that the HERITAGE RANCH COMMUNITY SERVICES DISTRICT (Owner) hereby invites sealed bids which will be received at:

Wallace Group  
612 Clarion Court  
San Luis Obispo, California 93401

Until August 11, 2020, at 3:00 pm PST, or such later date as may be set by Addendum, at which time and at the above address, they will be reviewed, and tabulated bid results will be emailed to bidders by 11 a.m. the next business day following the date bids are due. No public bid opening will be conducted due to the Corona Virus Pandemic.

**SUPPLEMENTAL BIDDING INSTRUCTIONS DUE TO CORONA VIRUS PANDEMIC** – Bids shall be submitted by mail, delivery service, or in person at Wallace Group, 612 Clarion Court, San Luis Obispo, CA. Electronic submission of bids shall not be allowed. Bidders are responsible for confirming their bids are received by Wallace Group staff by the bid due date and time. Wallace Group and the District will not take any responsibility for late bids and will not be maintaining watch at the front door to witness when packages are delivered.

DESCRIPTION OF WORK: The work is comprised of providing insert brief project description, as specified herein and as shown on the Contract Documents.

LOCATION OF THE WORK - The work is located in Heritage Ranch, California, and more specifically at District's Water Treatment Plant site.

BID OPENING - Telephones will not be available to bidders for the preparation of the bids or for calling in bid results. Bid forms received after the designated time will not be accepted. Bidders, their authorized agents and other interested parties, are invited to attend the bid opening.

AWARD OF CONTRACT- The OWNER intends to award a contract **to the lowest, responsive, and responsible bidder to the bid schedule delineated in these contract documents.** All bids submitted shall be in accordance with the provisions of the Contract Documents and the OWNER may waive any minor irregularities or reject any and all bids. Any bid may be withdrawn prior to bid opening but not afterward.

FORM OF THE BID - Bidders must submit proposals on the proposal bid form provided. Proposals will not be considered unless submitted on proposal forms included in the Contract Documents obtained from the OWNER. It is **not mandatory**, but highly recommended, that the bidder attend the pre-bid job conference scheduled for Tuesday, July 28, 2020, **at 10 am.** The bidder may contact Steve Tanaka **at 805-441-2293** for additional information.

**BID SECURITY** - Each proposal must be accompanied by cash, a certified or cashier's check, or bidder's bond on the prescribed form and made payable to the OWNER for an amount equal to at least 10 percent of the amount of the Bid, such guaranty to be forfeited should the apparent successful bidder to whom the contract is awarded fail to furnish the required bonds and insurance certificates, and enter into contract with the OWNER within the time stated in the Proposal requirements. Proposals cannot be withdrawn for the period of time specified in Article 10 of the Instructions to Bidders.

**PERFORMANCE SECURITIES** – The successful bidder will be required to furnish a payment bond and faithful performance bond in the full amount of the Contract price, and insurance with certificates and endorsements of insurance, as provided in the Contract Documents. The required bonds must be provided only by a surety insurer who is in good standing with the State of California Department of Insurance.

**CONTRACTOR LICENSING** - In accordance with the provisions of California Public Contract Code Section 3300, the OWNER has determined that the contractor shall possess a valid C-57 Well Drilling Contractor license at the time of bid issuance. Failure to possess the specified license shall render the Bid as non-responsive and shall act as a bar to award of the Contract to any bidder not possessing said license at the time of award. In the event of dispute over classification of the license required, the opinion of the contractor's State License Board shall prevail.

**WAGE RATE REQUIREMENTS** - In accordance with the provisions of California Labor Code Sections 1770, 1773, 1773.1, 1773.6 and 1773.7 as amended, the Director of the Department of Industrial Relations has determined the general prevailing rate of per diem wages in accordance with the standards set forth in Section 1773 for the locality in which the work is to be performed. A copy of said wage rates is on file at the office of the OWNER. It shall be mandatory upon the contractor to whom the work is awarded and upon any subcontractor under the contractor to pay not less than said specified rates to all workmen employed by them in the execution of the work.

**CONTRACTOR REGISTRATION WITH DEPARTMENT OF INDUSTRIAL RELATIONS** – In accordance with California Labor Code Section 1725.5, Contractors and Subcontractors (as defined by California Labor Code Section 1722.1) bidding on Public Works contracts in California shall be registered with the Department of Industrial Relations **prior to bidding**. Contractor shall verify that this requirement has been met, prior to award of Contract.

**AGREEMENT TO ASSIGN** - In accordance with Section 4552 of the California Government Code, the bidder shall conform to the following requirements: In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act 15 U.S.C. 15, or under the Cartwright Act, Chapter 2.

**DEPOSIT OF SECURITIES IN LIEU OF RETAINAGE** - The Contractor may elect to receive 100 percent of payment due under the Contract Documents from time to time, without retention of any portion of the payment by the OWNER, by depositing securities of equivalent value with the OWNER in accordance with the provisions of Section 20300 of the California Public Contract Code. Such securities, if deposited by the Contractor, shall be valued by the OWNER, whose decision on valuation of the securities shall be final. Securities eligible for investment under this provision shall be limited to those listed in Section 16430 of the California Government Code or bank or savings and loan certificates of deposit.

CONTRACT DOCUMENTS - Only PDF electronic copies of the bid documents will be made available to bidders, at no charge to bidders. The special attention of prospective bidders is called to the Instructions to Bidders portion of the Contract Documents for full directions for bidding the Work. To request copies of the contract documents, contact the District Engineer, Steven Tanaka, Wallace Group, at (805) 441-2293 or email at [stevent@wallacegroup.us](mailto:stevent@wallacegroup.us). Contract documents may also be obtained by downloading from the District's website, <https://heritageranchcsd.ca.gov/>. **HOWEVER, IF YOUR FIRM INTENDS TO BID THE PROJECT, YOU MUST NOTIFY THE DISTRICT ENGINEER OF YOUR INTENT TO BID THE PROJECT SO THAT YOU WILL BE PLACED ON THE PLANHOLDERS' LIST. FAILURE TO DO SO MAY CAUSE YOU TO MISS ADDENDA AND OTHER IMPORTANT NOTIFICATIONS DURING THE BIDDING PROCESS, FOR WHICH THE DISTRICT AND DISTRICT ENGINEERING WILL NOT BE RESPONSIBLE FOR.**

The successful bidder must insure that employees and applicants for employment are not discriminated against on the basis of age, color, race, national origin, ancestry, religion, sex, sexual preference, marital status, and shall comply with the Americans with Disabilities Act.

Date: \_\_\_\_\_

OWNER: \_\_\_\_\_  
SCOTT DUFFIELD, GENERAL MANAGER

**END OF NOTICE INVITING BIDS**



# **INSTRUCTIONS TO BIDDERS**

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HERITAGE RANCH COMMUNITY SERVICES DISTRICT

**RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

**INSTRUCTIONS TO BIDDERS**

- 1) Commencement of Work: No work shall commence before contract bonds and insurance certificates have been filed with the OWNER, the Contract has been signed by the OWNER and the Notice to Proceed has been issued by the OWNER.
- 2) Completion Time: The Contractor shall obligate him/herself to satisfactorily complete the work within 60 (sixty) **calendar days**. The date of the Notice to Proceed issued by the OWNER shall constitute the starting date of the Contract. Upon issuance of the Notice to Proceed, the Contractor shall immediately begin and diligently prosecute the work to completion.
- 3) Liquidated Damages: Per Article 6.1 of the Supplementary General Conditions.
- 4) Method of Payment: Payment will be made on the basis of the **unit price** bid and as set forth in the General Conditions and Supplementary General Conditions.
- 5) Form of the Bid and Signature: The proposal shall be submitted on the form attached hereto and shall be enclosed in a sealed envelope addressed and marked as hereinafter directed.

The bidder shall state the **unit price** for which he/she proposes to supply the labor, materials, supplies, or equipment, and perform the work required by the Specifications.

- The low bidder, for purposes of award, shall be the conforming, responsible bidder offering the most favorable bid per the project base bid. All bids shall be evaluated on the same basis.

If the proposal is made by an individual, it shall be signed and his/her full name and mailing address shall be given; if it is made by a firm, it shall be signed with the partnership name of a member of the firm, who shall also sign his/her own name, and the name and address of each member shall be given; and if it is made by a corporation, the name of the corporation shall be signed by its duly authorized officer or officers attested by the corporate seal, and the names and titles of all officers of the corporation shall be given.

Bidder may only modify his bid by written communication received by the OWNER prior to said closing time; provided that it shall be the responsibility of the bidder to ensure receipt of such document by the OWNER prior to said closing time. Any written modification so received will be read aloud at the time and place fixed for opening and reading of bids. Written communication should not reveal the Bid price but should state the addition or subtraction or other modification so that the final prices or terms will not be known by the OWNER until the sealed bid is opened.

- 6) Interpretation and Addenda: No oral representation or interpretations will be made to any bidders as to the meaning of the Contract Documents. All questions about the meaning or intent of the Contract Documents are to be directed to the engineer. Additions, deletions, or revisions to the Contract Documents considered necessary by the engineer in response

to such questions will be issued by Addenda mailed or delivered to all parties recorded by the engineer or District as having received the Contract Documents. Questions received less than 14 days prior to the date of Bid opening may not be answered. Only answers to such questions issued by formal written Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.

Addenda may also be used to make other additions, deletions, or revisions to the Contract Documents.

Bidders shall make no special interpretation or inference of intent from differing formats in the Technical Specifications.

7) Bidder's Examination of Contract Documents and Site:

- A. It is the responsibility of the Bidders to inspect the site of the work in order to satisfy themselves, by personal examination or by such other means as they may prefer, of the location of the proposed work and the actual conditions of and at the site. Bidders may apply to the Engineer for additional information and explanation before submitting bids. However, no supplemental information requested or furnished shall vary the terms of the Contract Documents or affect the Contractor's sole responsibility to satisfy himself as to the conditions of the work to be performed. No claim for additional compensation will be allowed which is based upon a lack of knowledge of the actual conditions or location of the Work.

Submission of a proposal by the bidder shall constitute acknowledgment that, if awarded the contract, the bidder has relied and is relying on their own examination of (a) the site of the work; (b) access to the site; and (c) all other data, matters, and things requisite to the fulfillment of the work and, on their own knowledge of existing facilities on and in the vicinity of the site of the work to be constructed under the contract, and not on any representation or warranty of the lack of knowledge of the above items. Removal, relocation, or protection of existing public utilities not identified by the District shall be done in conformance with Section 4215 of the Government Code.

- B. Each bidder shall thoroughly examine and be familiar with legal and procedural documents, general conditions, specifications, drawings and addenda (if any). Submission of a proposal shall constitute acknowledgment, upon which the Owner may rely, that the bidder has thoroughly examined and is familiar with the Contract Documents. Failure or neglect of a bidder to receive or examine any of the Contract Documents shall in no way relieve them of any obligation with respect to their proposal or to the Contract. No claim for additional compensation will be allowed which is based upon a lack of knowledge of any Contract Documents.
- C. Each bidder shall review the Plans and Specifications, prior to the submission of the bid, and report any errors and omissions noted by the Contractor to the Engineer. The review by the Contractor shall be confined to the Contractor's capacity as a contractor, and not as a licensed design professional.

8) OWNER Investigations and Testings: NOT USED



- 9) Addenda or Bulletins: Any addenda or bulletins issued during the time of bidding shall form a part of the Contract Documents and Specifications, shall be covered in the proposal, and shall be made part of the Contract. Receipt of addenda must be acknowledged in the appropriate space on the Proposal Form. Failure to acknowledge all such addenda will be cause to reject the bid as being non-responsive. It is the Bidder's responsibility to determine whether any addenda or bulletins have been issued.
- 10) Preparation of the Proposal: All blank spaces in the Proposal Forms, Contract Documents, and Bid Schedule shall be properly filled in. The phrasing of the proposal shall not be changed and no additions shall be made to the items mentioned therein. Unauthorized conditions, limitations, or provisions attached to a proposal will render it invalid and may cause its rejection. Alterations by erasure or inter-lineation must be explained or noted in the proposal over the signature of the bidder. Alternative proposals will not be considered unless specifically provided for in the Bid Schedule.

A Bidder may withdraw his/her proposal before the time fixed for opening of bids, without prejudice to himself, by submitting a written request to the OWNER for its withdrawal, and his proposal will be returned to him unopened when reached in the procedure of opening bids. No proposal may be withdrawn after the hour fixed for opening bids without rendering the accompanying certified or cashier's check or bidder's bond subject to forfeiture as liquidated damages in like manner as in the case of failure to execute the Contract after award, as provided hereinafter.

No proposal received after the time named or at any place other than the place stated in the Notice to Bidders will be considered. All proposals will be opened and declared publicly. Bidders, their representatives, and others interested are invited to be present at the opening. The OWNER reserves the right to waive any minor irregularities in any proposal, to reject any or all proposals, to reject one part of a proposal and accept the other, except to the extent that bids are qualified by specific limitations, and to make award to the apparent lowest responsible bidder for a period of 60 calendar days from the receipt of the award of bid. No proposal can be withdrawn for a period of 60 calendar days from the date of award of the bid, unless otherwise required by law. Where bonds are required, the bidder shall name in his/her bid the surety or sureties who have agreed to furnish said bonds.

- 11) Licensing of Contractors: Before submitting bids, Contractors shall be licensed in accordance with the provisions of Chapter 9, Division 3, of the Business and Professions Code of the State of California.

**A photocopy of the appropriate license(s) shall be submitted with the proposal.**

In accordance with California Labor Code Section 1725.5, Contractors and Subcontractors (as defined by California Labor Code Section 1722.1) bidding on Public Works contracts in California shall be registered with the Department of Industrial Relations prior to bidding. Proof of registration with the DIR will be required prior to award of any public works contract.

- 12) List of Subcontractors Filed With Bid: Each proposal shall have listed on the forms provided, the name and address of each subcontractor to whom the bidder proposes to sublet portions of the work in excess of one-half of one percent of the total amount of the

proposal or \$10,000, whichever is greater. For the purpose of this paragraph, a subcontractor is defined as anyone who contracts with the Contractor to furnish materials and labor, labor only, and/or one who specially fabricates and/or installs a portion of the work or improvement according to detailed drawings contained in the Contract Documents. All listings and subsequent substitutions, if any, shall be done in conformance with the Subletting and Subcontracting Fair Practices Act, Public Contract Code Section 4100 et seq.

- I. The Contractor shall perform with its own organization work amounting to not less than 50 percent of the original total contract price, except that any work designated "Specialty Items" may be performed by subcontract and the amount of any such "Specialty Items" so performed may be deducted from the original total contract price before computing the amount of work required to be performed by the Contractor with its own organization. When items of work in the Bid schedule are preceded by the letter (S), such items shall be deemed designated "Specialty Items." Where an entire item is subcontracted, the value of work subcontracted will be based on the contract item bid price. When a portion of an item is subcontracted, the value of work subcontracted will be based on the estimated percentage of the contract item bid price, determined from information submitted by the Contractor, subject to approval by the Engineer.

- 13) Submission of Bids: All Bids must be submitted not later than the time prescribed, at the place and in the manner set forth in the Invitation to Bid. The OWNER shall not consider any Bid received after the time fixed or received at any place other than the place stated in the Invitation to Bid. Bids must be made on the prescribed Bid forms. A complete Bid requires submission of fully completed and executed: Bid, Designation of Subcontractors (if applicable), Bid Bond (or other bid guarantee), Experience Qualifications and Noncollusion Declaration. Each Bid must be submitted in a sealed envelope, so marked as to indicate its contents without being opened, and addressed in conformance with the instructions in the Notice Inviting Bids. The bidder is wholly responsible to see that its Bid is submitted at the time and place named for the opening of bids.

Bids shall acknowledge receipt of all addenda (identified by addendum no.) issued during the bidding period. Failure to acknowledge an addendum or clarification may result in the Bid being rejected as not responsive.

Bids shall be open at the time and place specified in the Notice Inviting Bids, unless changed by addendum. All Bids will be opened and read publicly. Bidders, their representatives and other interested parties, are invited to be present at the opening.

- 13a) Discrepancy in Bids: In the event of discrepancy between unit prices and totals, unit prices will prevail. [In case of discrepancy between words and figures, words will prevail.]
- 14) Bidders Interested in More Than One Bid: No person, firm, or corporation shall make, file, or be interested in more than one proposal for the same work unless alternate bids are specifically requested. A person, firm, or corporation who has submitted a sub-proposal to a bidder, or who has quoted prices of materials to a bidder, is not hereby disqualified from submitting a sub-proposal or quoting prices to other bidders.
- 15) Additive Bid Items: If additive bid items are called for, the Contract may be awarded at the election of the Governing Board to the lowest responsible bidder on the base bid, or on the base bid and any additive or combination of additives.

16) Award of Contract: Award of the contract, if awarded, will be made to the lowest responsive, responsible Bidder who's Bid complies with the requirements of the Contract Documents. Unless otherwise specified, any such award will be made within the period stated in the Notice Inviting Bids that the bids are to remain open. Unless otherwise indicated, a single award will be made for all the Bid items in an individual Bid Schedule. In the event the work is contained in more than one Bid Schedule, the owner may award Schedules individually or in combination. In the case of two or more Bid Schedules which are alternative to each other, only one of such alternative schedules will be awarded.

2) Before a Bid is considered for award, the OWNER may, in addition to the Experience Qualifications form, require a Bidder to submit a statement of facts and detail as to his business, technical organization and financial resources and equipment available and to be used in performing the work. Additionally, the OWNER may require evidence that the Bidder has performed other work of comparable magnitude and type. The OWNER expressly reserves the right to reject any Bid if it determines that the business and technical organization, equipment, financial and other resources or other experience of the Bidder (including the Bidder's subcontractors) is not sufficiently qualified for the work bid upon and, therefore, justifies such rejection.

17) Return of Bid Security: Within 14 days after award of the contract, the owner will, if requested, return the Bid securities accompanying such Bids that are not being considered in making the award. All other Bid securities will be held until the Agreement has been finally executed. They will then be returned, if requested, to the respective Bidders who's Bids they accompany.

18) Lowest Responsible Bidder: In selecting the lowest responsible bidder, consideration will be given to the general competency of the bidder for the performance of the work covered by the bid. To receive favorable consideration, a bidder will be required to present evidence that he/she has successfully performed similar work of comparable magnitude or submit other evidence satisfactory to the OWNER that Bidder or his/her associates are personally competent to manage the proposed undertaking and to carry it forward to a successful conclusion. Professional integrity and honesty of purpose shall be essential requirements.

19) Local Conditions: Bidders shall read the Specifications, examine the reference drawings, inspect the project site, and make their own estimates of the existing facilities and the difficulties which will attend the execution of the work called for by the proposed contract, including local conditions, uncertainty of weather, project difficulty, and all other contingencies.

Bidders shall satisfy themselves by personal examination of the location of the proposed Work, and by such other means as they may choose as to actual conditions, actual quantities, and requirements and as to the accuracy of the quantities stated in the Bid Schedule. Information derived from the maps, plans, Specifications, profiles, or drawings, or from the Engineer or his/her assistants, shall not relieve the Bidder of this responsibility.

Bidders shall not at any time after the submittal of a bid make or have any claim for damages or anticipated profits or loss of profit or otherwise because of any difference between the quantities of work actually done and material furnished and the unit price stated in the Bid Schedule. **Bidders are encouraged to attend a pre-bid conference at the date, time, and location specified in the Notice Inviting Bids.**

- 20) Substitution of Materials: All materials are mentioned as standards. Should a Contractor desire to substitute materials or methods for those specified, he shall state on a separate sheet attached to his bid the price deduction he will make if such a substitution is accepted in material and/or method. Such substitution submittal, however, may not be used in the determination of the lowest qualified bidder. Question of all such substitution shall be determined prior to the award of the Contract, as no substitution will be permitted after the Contract is signed unless approved in writing by the Engineer.
- 21) Payments: Payments to the Contractor on account of the Contract shall be made in accordance with the terms set forth in Article 1.7, Section 20104.5 of the State Public Contract Code, General Conditions and Supplementary General Conditions.
- 22) Execution of Contract: The apparent successful bidder shall execute a written Contract on the Form of Agreement attached hereto, secure the payment of workmen's compensation, furnish good and approved bonds, and proof of specified insurance as required in the following Articles, all in accordance with the provisions hereof within 15 calendar days or such additional time as may be allowed by the Engineer from the date of the mailing of a notice of award of bid according to the address given by him, of the acceptance of his proposal. If a bidder to whom award is made fails or refuses to enter into Contract as herein provided, or to conform to any of the stipulated requirements in connection therewith, the money represented by Bidder's security check or Bond shall be forfeited to the OWNER, the award will be annulled, and at the discretion of the OWNER the Contract may be awarded to the next lowest bidder; and such bidders shall fulfill every stipulation embraced herein as if he were the party to whom the first award was made. A corporation to which an award is made may be required, before the Contract is finally executed, to furnish evidence of its corporate existence, of its right to do business in California, and of the authority of the officer signing the Contract and bonds for the corporation.
- 23) Bonds: A bidder to whom the Contract is awarded shall, within the time mentioned in the preceding Article, furnish a bond with a responsible corporate surety or corporate sureties conditioned upon the faithful performance of the said bidder of all covenants and stipulations in the Contract. Said bond is hereinafter referred to as the Faithful Performance Bond. Within the time mentioned in the preceding Article, the bidder to whom the Contract is awarded shall furnish such faithful performance bond, and shall also furnish a Payment Bond within said time frame. The Faithful Performance Bond and the Payment Bond shall be in the form approved by the OWNER and in the amount stipulated in the GENERAL CONDITIONS.

The surety or sureties on all bonds furnished must be satisfactory to the OWNER. The party required to furnish bonds pursuant to these instructions shall furnish such bonds at his/her own cost and expense. The OWNER reserves the right to reject any bond if, in the opinion of the Engineer, the sureties' acknowledgment is not in the form included within the Contract Documents or in another form substantially as prescribed by law.

- 24) Insurance Policies and Bonds: Attention is directed to the provisions of the Insurance Code of the State of California with reference to the writing of insurance policies and bonds covering risks located in this state, and the premiums and commissions thereon. A bidder to whom the Contract is awarded shall furnish, at the time his bond or bonds are submitted for approval, satisfactory evidence that the requirements of said Code have been observed, including proof of unemployment insurance. The required bonds must be

provided only by surety insurer who is duly admitted by the Insurance Commissioner of the State of California.

- 25) Liability Insurance: Before the Contract is executed on behalf of the OWNER, a bidder to whom the Contract has been awarded shall furnish to the OWNER the necessary policy or certificate of liability insurance in which the OWNER and the Engineer shall be named as additional insureds with the bidder in the amount specified in the SUPPLEMENTARY GENERAL CONDITIONS, ARTICLE 11, entitled "Insurance." The policy shall insure the OWNER, the Engineer, the OWNER's officers and employees, the bidder, his employees and his Subcontractors and their employees, and their heirs, agents, and employees, while acting within the scope of their duties, against all claims arising out of or in connection with the work to be performed and shall remain in full force and effect until the work is accepted by the OWNER. The Policy shall provide for the limits stated with any insurance policy carried out by the OWNER.
- 26) Assignment of Contract: No assignment by the Contractor of any contract to be entered into in accordance with the Notice Inviting Bids and these Instructions to Bidders, or any part thereof, or of funds to be received thereunder, will be recognized by the awarding authority unless such assignment has had prior approval of the awarding authority and the surety has had notice of such assignment in writing and has given his/her written consent thereto.
- 27) Non-Collusion Affidavit: Section 7106 of the Public Contract Code requires that each bidder execute a Non-collusion Affidavit on all public works contracts. Bidder shall execute the Noncollusion Affidavit included with the Contract Documents and submit it to the OWNER with the Proposal.
- 28) Disqualification of Bidder: If there is a reason to believe that collusion exists among any of the bidders, none of the bids of the participants in such collusion will be considered, and the OWNER may likewise elect to reject all bids received.
- 29) Rejection of Proposals: The OWNER reserves the right to reject any proposals which are incomplete, obscure, or irregular, any proposals which omit a bid on any one or more items for which bids are required; any proposals which omit unit prices if unit prices are required; any proposal in which unit prices are unbalanced in the opinion of the OWNER; any proposals accompanied by insufficient or irregular proposal guaranty; and any proposals from bidders who have previously failed to perform properly or to complete contracts of any nature on time.
- 30) Relief of Bidders: Attention is directed to the provisions of Public Contract Code Section 5100, et seq., concerning relief of bidders, and in particular to the requirement therein that if a bidder claims a mistake was made in its bid, the bidder shall give the OWNER written notice within five (5) calendar days after the opening of the bids of the alleged mistake, specifying in the notice, in detail, how the mistake occurred.
- 31) Debarred Contractors and Subcontractors: No contractor or subcontractor who is ineligible to bid work on, or be awarded, a public works project under Labor Code sections 1771.1 or 1777.7 can bid on, be awarded or perform work as a subcontractor on the Project. The Contractor is prohibited from performing work on the Project with a subcontractor who is ineligible to perform work on a public works project under these sections of the Labor Code.

- 32) Taxes: Bid prices shall include all applicable federal, state, and local taxes.
- 33) Bid Protest Procedures: Any bid protest relating to the form or content of the bidding or Contract Documents must be submitted in writing to the OWNER, HERITAGE RANCH COMMUNITY SERVICES DISTRICT, 4870 HERITAGE ROAD, PASO ROBLES, CA 93446 at least ten (10) business days before the original date set for the bid opening. Any bidder who submits a bid shall be deemed to have waived any protest to the form or content of the bidding or Contract Documents.

Any bid protest relating to the award of the contract for the work must be submitted in writing to Owner at the address specified above. The protest must be received before 5:00 p.m. of the third business day following bid opening.

The initial protest document shall contain a complete statement of the basis for the protest. The protest shall refer to the specific portion(s) of the bid documents which forms the basis for the protest. The protest shall include the name, address and telephone number of the person representing the protesting party.

The party filing the protest shall concurrently transmit a copy of the initial protest document and any attached documentation to all other parties who have a direct financial interest that may be adversely affected by the outcome of the protest. Such parties shall include all other bidders or proposers who appear to have a reasonable prospect of receiving an award depending upon the outcome of the protest. The documents shall be transmitted by fax or overnight mail.

The procedure and time limits set forth in this paragraph are mandatory and are the Bidder's sole and exclusive remedy in the event of bid protest. Failure to comply with these procedures shall constitute a waiver of any right to further pursue the bid protest, including filing a Government Code claim or legal proceedings.

- 34) Items Required for a Completed Proposal:
- a) Signed Proposal Form
  - b) Experience Qualifications Form
  - c) Bid Schedule (acknowledge addenda, if any)
  - d) Contractor's Licensing Statement
  - e) List of Subcontractors
  - f) List of Material/Equipment Suppliers
  - g) Acknowledgment of Insurance Requirements
  - h) Bid Security Form and Bid Bond
  - i) Non-Collusion Affidavit
  - j) Certificate of Bidder Regarding Affirmative Action Program
  - k) Proof of Worker's Compensation Insurance
  - l) One photo copy of each license required by these Instructions to Bidders
  - m) References (or other information)

## **END INSTRUCTIONS TO BIDDERS**

## PROPOSAL

HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
4870 HERITAGE ROAD  
Paso Robles, CA 93446

District Board of Directors:

The undersigned hereby proposes to perform all work for which a contract may be awarded to it and to furnish any and all supervision, plant, labor, services, material, accessories, tools, equipment, supplies, transportation, utilities, and all other items and facilities necessary therefore as provided in the Contract Documents, entitled:

### RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1

together with all appurtenances thereto, all as set forth in the Contract Documents including Addenda \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_; and further proposes and agrees that, if its Proposal is accepted, it will contract in the form and manner stipulated to perform all the work called for in the Contract Documents, and to complete all such work in strict conformity therewith within the time limits set forth therein, and that it will accept as full payment therefore the price or prices set forth in the Bid Schedule forming a part hereof.

A bid bond or cashiers/certified check properly made payable to: HERITAGE RANCH COMMUNITY SERVICES DISTRICT

hereinafter designated as the OWNER, for the sum of:

\_\_\_\_\_ dollars (\$ \_\_\_\_\_), which amount is not less than 10 percent of the total amount of the bid, is attached hereto and is given as a guarantee that the undersigned will execute the Agreement and furnish the required bonds and insurance if awarded the contract and, in case of failure to do so within the time provided, the proceeds of said check shall be forfeited to the OWNER.\*

\* Sureties or surety liability to the OWNER for forfeiture of the face amount of the bond shall be considered as established.

It is understood and agreed that:

1. The undersigned has carefully examined all of the documents contained in the Table of Contents and which shall comprise those documents specifically referred to in ARTICLE 4 of the Agreement;
2. The undersigned has, by investigation at the site the Work and otherwise, satisfied itself as to the nature, location, and quantity of the Work and has fully informed itself as to all conditions and matters which can in any way affect the Work or the cost thereof;
3. The undersigned fully understands the scope of the Work and has checked carefully all words and figures inserted in its Proposal and further understands that the OWNER will in no way be responsible for any errors or omissions in the preparations of this Proposal;

4. The undersigned will execute the Agreement and furnish the required Performance and Payment Bonds and proof of the specified insurance coverage within the time frame specified in Articles 22 through 25 of the Instructions to Bidders. This Proposal may not be withdrawn for a period of time specified in Article 10 of the Instructions to Bidders, unless otherwise required by law. If any bidder shall withdraw its bid within said period, the Bidder shall be liable under the provisions of the Bid Security, or the Bidder and its Surety shall be liable under the Bid Bond, as the case may be;
5. The undersigned hereby certifies that this Proposal is genuine and not sham or collusive or made in the interest or in behalf of any person not herein named, and the undersigned has not directly or indirectly induced or solicited any other bidder to put in a sham bid, or any other person or corporation to refrain from bidding; the undersigned has not in any manner sought by collusion to secure for itself an advantage over any other bidder;
6. In conformance with the current statutory requirements of Section 1860 et. seq. of the Labor Code of the State of California, the undersigned confirms the following as his or her certification:

I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for worker's compensation or to undertake self insurance in accordance with the provisions before commencing the performance of the Work of this contract.

7. The undersigned has submitted the following with this proposal as required for a completed bid:
  - a) Signed Proposal Form
  - b) Experience Qualifications Form
  - c) Bid Schedule (acknowledge addenda, if any)
  - d) Contractor's Licensing Statement
  - e) List of Subcontractors
  - f) List of Material or Equipment Suppliers
  - g) Bid Security Form and Bid Bond
  - h) Non-Collusion Affidavit
  - i) Affirmative Action Form
  - j) Proof of Worker's Compensation Insurance
  - k) One photo copy of each license required by these Instructions to Bidders
  - l) References (or other information)
  - m) Certificate of Liability Insurance Endorsement
  - n) Proof of Unemployment Insurance



NOW: In compliance with the Notice Inviting Bids and all the provisions herein before stipulated; the undersigned with full cognizance thereof, hereby proposes to perform the entire Work for the prices set forth in the attached Bid Sheet(s) upon which award of contract is based.

Dated \_\_\_\_\_

Bidder \_\_\_\_\_

Bidders Post Office Address

By \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_  
License number, expiration date

\_\_\_\_\_

Title \_\_\_\_\_

\_\_\_\_\_

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**EXPERIENCE QUALIFICATIONS**

(To Accompany Proposal)

The bidder has been engaged in the contracting business, under the present business name, for 5 years. Experience in work of a nature similar to that covered in the proposal extends over a period of 5 years.

The bidder, as a contractor, has never failed to satisfactorily complete a contract awarded to him, except as follows:

\_\_\_\_\_

The following contracts have been satisfactorily completed in the last three (3) years for the persons, firm, or authority indicated, and to whom reference is made:

<b>YEAR</b>	<b>TYPE OF WORK</b>	<b>CONTRACT AMOUNT</b>	<b>LOCATION AND FOR WHOM PERFORMED</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

The following is a list of a plant and equipment owned by the bidder, which is definitely available for use on the proposed work as required:

<b>QUANTITY</b>	<b>NAME, TYPE, AND CAPACITY</b>	<b>CONDITION</b>	<b>LOCATION</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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

Title: \_\_\_\_\_

(Same as for signature on proposal)

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## BID SCHEDULE

### HERITAGE RANCH COMMUNITY SERVICES DISTRICT RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1

Refer to Section 01 20 00, Price and Payment Procedures, for further definitions of the bid items in this Bid Schedule.

	Item (includes installation)	Units	Quantity	Unit Price	Item Price
1	Well Construction Permit	Lump Sum	1	Lump Sum	
2	Mobilization / de-mobilization, site cleanup. Build berms to prevent fluid runoff into the Nacimiento River, excavate an approximately 40x40 foot shallow pit to accommodate water produced during development.	Lump Sum	1	Lump Sum	
3	Drill test hole to 22-inch diameter	Lineal foot	40		
4	Install 12-inch diameter, 3/8-inch wall, stainless steel 304 blank water well casing from wellhead to 15 feet depth, and from 30 to 40 feet depth	Lineal foot	25		
5	Install 12-inch diameter, stainless steel wire-wrap water well casing with 0.040-inch slots from 15 to an estimated 30 feet depth.	Lineal foot	15		
6	Three, 3/8-inch thick, stainless steel bar stock centralizers at top and bottom of screened interval	Each	6		
7	Install 3-inch diameter schedule 40 low carbon steel gravel fill tube, one foot above grade and to 12 feet depth	Lineal foot	13		
8	Basal filter pack (3/8-inch pea gravel from bottom of borehole to bottom of screens, estimated 30 to 40 feet depth).	Cubic yard	1.0		
9	Filter pack (4508R 2-2.4 mm SiLiBead glass water well beads from surface to 30 feet depth).	Cubic yard	2.0		
10	Sanitary cement seal	Lineal foot	10		
11	Air-lift development	Hour	2		
12	Install/remove test pump (with 1-inch I.D. sounding tube terminating immediately above pump bowls).	Lump Sum	1	Lump Sum	
13	Furnish 10,000 gallon tank to contain initial development water, and furnish pipeline to direct remaining development water to percolation pit.	Lump Sum	1	Lump Sum	
14	Pump development	Hour	4		
15	Vacuum truck loads for initial development water disposal	Each	3		
16	Constant discharge pumping test	Hour	8		
17	Drilling fluid disposal	Lump Sum	1	Lump Sum	
	<b>TOTAL</b>				
18	Abandon test hole if necessary (do not add to total)	Lump Sum	1	Lump Sum	

Total Bid Amount in Words: \_\_\_\_\_

Signature of Bidder: \_\_\_\_\_ Date: \_\_\_\_\_

The undersigned agrees to perform, for the benefit of the OWNER, the work itemized herein, and in accordance with all San Luis Obispo County, State, and Federal laws.

All materials and equipment used in the execution of the described work shall comply with all applicable State and Federal codes, regulations and requirements.

The Contractor shall verify all measurements and submit a unit price for the facilities shown above. Payment will be made on a unit price basis.

The Work to be performed described in the above BID SCHEDULE shall consist of furnishing all plant, tools equipment, materials, supplies, and manufactured articles and furnishing all labor, transportation, and services, including fuel, power, water, and essential communications, and performing all Work, or other operations required for the fulfillment of the Contract in strict accordance with the Contract Documents.

The quantities of work or material stated in the Unit Price Items of the Bid Schedule are supplied only to give an indication of the general scope of the work; the OWNER does not expressly or by implication agree that the actual amount of work or material will correspond therewith, and reserves the right after award to increase or decrease the amount of any Unit Price Item of the work by an amount up to and including 25 percent of any Bid Item, without a change in the Unit Price, and shall have the right to delete any Bid Item in its entirety, or to add additional Bid Items up to and including an aggregate total amount not to exceed 25 percent of the Contract Price.

The receipt of the following addenda to the Specifications is acknowledged:

Addendum No. \_\_\_\_\_ Date \_\_\_\_\_ Addendum No. \_\_\_\_\_ Date \_\_\_\_\_

Addendum No. \_\_\_\_\_ Date \_\_\_\_\_ Addendum No. \_\_\_\_\_ Date \_\_\_\_\_

The representations made herein are made under penalty of perjury.

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

By: \_\_\_\_\_

Contractor's License No. & Expiration Date: \_\_\_\_\_

Title: \_\_\_\_\_

**END OF BID SCHEDULE**

## CONTRACTOR'S LICENSING STATEMENT

The undersigned is licensed in accordance with the laws of the State of California providing for the registration of Contractors, including Department of Industrial Relations (DIR) registration requirements mandated by California Labor Code Section 1725.5.

Contractor's License Classification and number: \_\_\_\_\_

Name of individual contractor (print or type): \_\_\_\_\_

Signature of Owner: \_\_\_\_\_

Business address: \_\_\_\_\_

Business telephone: \_\_\_\_\_

or

Name of Firm: \_\_\_\_\_

Business address: \_\_\_\_\_

Business telephone: \_\_\_\_\_

Signature, title, and address of members signing on behalf of partnership:

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

Address: \_\_\_\_\_

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

Address: \_\_\_\_\_

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

Address: \_\_\_\_\_

or

Name of Corporation: \_\_\_\_\_

Business address: \_\_\_\_\_

Corporation organized under the laws of the State of: \_\_\_\_\_

\_\_\_\_\_  
Signature of the President  
of the Corporation

\_\_\_\_\_  
Signature of the Secretary  
of the Corporation

Contractor's License number is: \_\_\_\_\_

The License expiration date is: \_\_\_\_\_

The representations made herein are made under penalty of perjury.

Authorized Signature of Contractor or Corporation \_\_\_\_\_

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**LIST OF SUBCONTRACTORS**

In accordance with the provisions of Section 4100 and 4104 et. seq. of the Government Code of the State of California, the bidder shall, in its bid, list the name, License Number and Classification, and place of business of each subcontractor who will perform work or labor or render service to the prime contractor in an amount in excess of one-half of 1 percent of the prime contractor's total bid, including the percentage of Prime Contractor's total base bid.

<b>Name Under which Subcontractor is Licensed</b>	<b>License No. and Classification</b>	<b>Address of Office, Mill or Shop</b>	<b>Percent of Total Bid</b>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
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_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

NOTE: Do not list alternative subcontractors for same work.

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### LIST OF MATERIAL/EQUIPMENT SUPPLIERS

Name the manufacturer or manufacturers of the items listed below and every major product or major piece of equipment whose cost exceeds fifteen percent (15%) of the total bid amount.

In addition, the bidder is required to fill out the following blanks, listing manufacturers from whom it intends to purchase the indicated items and which selections will be considered as binding upon the Bidder, provided that all such selections shall comply with the provisions of the Contract Documents, and may not be changed by the bidder without written approval of the Engineer.

Item	Material	Manufacturer
1.	<hr/> <hr/>	<hr/> <hr/>
2.	<hr/> <hr/>	<hr/> <hr/>
3.	<hr/> <hr/>	<hr/> <hr/>
4.	<hr/> <hr/>	<hr/> <hr/>
5.	<hr/> <hr/>	<hr/> <hr/>
6.	<hr/> <hr/>	<hr/> <hr/>
7.	<hr/> <hr/>	<hr/> <hr/>

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**BID SECURITY FORM**

(Check to accompany bid)

(Note: The following form shall be used when a check accompanies bid in lieu of a bid bond.)

Accompanying this proposal is a \_\_\_\_\_ \*Certified \_\_\_\_\_ \*Cashier's check made payable to the order of HERITAGE RANCH COMMUNITY SERVICES DISTRICT hereinafter referred to as "OWNER," for \_\_\_\_\_ dollars (\$\_\_\_\_\_), this amount being 10 percent of the total amount of the bid. The proceeds of this check shall become the property of said OWNER provided this proposal shall be accepted by the said OWNER through action of its legally constituted contracting authorities and the undersigned shall fail to execute a contract and furnish the required Performance Bond and proof of insurance coverage within the stipulated time; otherwise, the check shall be returned to the undersigned for a period of 60 calendar days from receipt of the award of bid. The proceeds of this check shall also become the property of the OWNER if the undersigned shall withdraw his bid within the period specified in Article 10 of the Instructions to Bidders, unless otherwise required by law, and notwithstanding the award of the Contract to another bidder.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Bidder

\*Delete the inapplicable word

NOTE: If the bidder desires to use a bond instead of check, the Bid Bond form on the following page shall be executed. The sum of this bond shall be not less than 10 percent of the total amount of the bid.

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**BID SECURITY FORM**

**BID BOND**

KNOW ALL MEN BY THESE PRESENTS:

That we, \_\_\_\_\_ as principal and \_\_\_\_\_ as surety, are held and firmly bound unto HERITAGE RANCH COMMUNITY SERVICES DISTRICT hereinafter referred to as "OWNER," for the sum of \_\_\_\_\_dollars, (\$\_\_\_\_\_), the amount being 10 percent at least of the total amount of the bid, to be paid to the said OWNER, its successors, and assigns; for which payment, will and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that if the certain proposal of the above bounden for the completion of the **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1** as specifically set forth in documents entitled Contract Documents and Specifications for the **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1** in accordance with the Specifications and Construction Drawings on file at the office of the Engineer, WALLACE GROUP, 612 Clarion Court, San Luis Obispo, California 93401, or available on the District's website, <https://heritageranchcsd.ca.gov/>, is not withdrawn within the period specified in Article 10 of the Instructions to Bidders, unless otherwise required by law, and notwithstanding the award of the contract to another bidder, and that if said proposal is accepted by the OWNER through action of its legally constituted contracting authorities and if the above bounden his/her heirs, executors, administrators, successors and assigns, shall duly enter into and execute a contract for such construction and shall execute and deliver the required Performance and Payment Bonds and proof of insurance coverage within 15 calendar days (not including holidays) after the date of notification by and from the said OWNER that the said Contract is ready for execution, then this obligation shall become null and void; otherwise it shall be and remain in full force and virtue.

IN WITNESS WHEREOF, we hereunto set our hands and seals this day of

\_\_\_\_\_ 20\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Note: The standard printed bond form of any bonding company acceptable to the OWNER may be used in lieu of the foregoing approved sample bond form provided the security stipulations protecting the OWNER are not in anyway reduced by use of the surety company's printed standard form.

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**ACKNOWLEDGMENT OF INSURANCE REQUIREMENTS**

By signing below, Bidder acknowledges the insurance requirements as listed in the General Conditions, Article 6 – Bonds and Insurance, and Supplementary General Conditions, Article 11 - Insurance. By this acknowledgment, the Bidder and its insurance provider(s) and surety(ies) certify that they have read and understand the insurance and bonding requirements in their entirety, including limits of coverage, additional insureds and endorsements, and bonding requirements, and that the Bidder can provide the insurance coverage and bonds as required in the Contract documents without exception.

Bidder understands that if the insurance coverage provided in these referenced Sections above cannot be provided, its bid is subject to rejection by the Owner as non-responsive.

**BIDDER**

Company Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**INSURANCE PROVIDER/SURETY REPRESENTATIVE**

Insurer/Surety Name: \_\_\_\_\_

Authorized Signature: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Bidder Must Provide This Acknowledgment for Each Insurer or Surety Providing Insurance Coverage or a Bond under this Contract**

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**NON-COLLUSION AFFIDAVIT**

TO BE EXECUTED BY EACH AWARDEE OF A PRINCIPAL CONTRACT, STATE OF CALIFORNIA)

\_\_\_\_\_ ) SS  
\_\_\_\_\_ )

I, \_\_\_\_\_, being first duly sworn, deposes and says that

he/she is \_\_\_\_\_  
(sole owner, a partner, president, secretary, etc.)

of \_\_\_\_\_

the party making the foregoing bid; that such bid is not made in the interest of, or on behalf of any undisclosed person, partnership, company association, organization, or corporation; that such bid is genuine and not collusive or sham; that said bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, nor that anyone shall refrain from bidding; that said bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of said bidder or of any other bidder, not to fix any overhead, profit, or cost element of such bid price, nor of that of any other bidder, nor to secure any advantage against the public body awarding the contract or anyone interested in the proposed contract; that all statements contained in such bid are true; and further, that said bidder has not directly or indirectly, submitted his/her bid price or any breakdown thereof, nor the contents thereof, nor divulged information or data relative thereto, nor paid and will not pay fee in connection therewith to any corporation, partnership, company, association, organization, bid depository, nor to any member or agent thereof, nor to any other individual except to such person or persons as have a partnership or their financial interest with said bidder in his/her general business.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on \_\_\_\_\_ [date], at \_\_\_\_\_ [city], \_\_\_\_\_ [state].”

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

Subscribed and sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

Seal of Notary

Notary Public \_\_\_\_\_

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**CERTIFICATE OF BIDDER REGARDING  
AFFIRMATIVE ACTION PROGRAM**

The Bidder hereby certifies that he or she is in compliance with the Civil Rights Act of 1964, Executive Order No. 11246, the California Fair Employment Practices Act of 1964, Executive Order No. 11246, The California Fair Employment Practices Act, and all other applicable Federal and State laws and regulations relating to equal opportunity employment.

Bidder's Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Name and Title of Signer: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

(The above certification of the Bidder regarding its affirmative action program shall be filled out completely, signed and submitted by each bidder and shall be part of the Contract Documents.)

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**WORKER'S COMPENSATION INSURANCE CERTIFICATE**

Prior to execution of the Contract Agreement, the Contractor shall execute the following form as required by Sections 1860 and 1861 of the California Labor Code:

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of said Code, and I will comply with such provisions before commencing the performance of the Work of this Contract.

Date: \_\_\_\_\_

Contractor \_\_\_\_\_

By \_\_\_\_\_  
(Signature)

Title \_\_\_\_\_

Attest:

By \_\_\_\_\_  
(Signature)

Title \_\_\_\_\_



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**AGREEMENT**

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

This Agreement, made and entered into this \_\_\_\_\_ day of 20\_\_\_\_, at \_\_\_\_\_, California, by and between the HERITAGE RANCH COMMUNITY SERVICES DISTRICT referred to as the "OWNER", and \_\_\_\_\_ hereinafter referred to as the "Contractor."

WHEREAS, the Contractor, as will appear by reference to the records of the Proceedings of the OWNER, was duly awarded the Contract for the Work hereinafter mentioned.

NOW, THEREFORE, IT IS HEREBY AGREED THAT:

ARTICLE 1 - Witness to, that for and in consideration of the payment and agreements hereinafter mentioned, to be made and performed by said OWNER, and under the conditions expressed in the two bonds, bearing even date with these present, and hereunto annexed, said Contractor agrees with said OWNER, at its own cost and expense, to do all the work and furnish all materials, except such as are mentioned in the Contract Documents to be furnished by the OWNER, necessary to construct and complete in good, workmanlike and substantial manner for the below described work in accordance with the Contract Documents as listed herein and are by such reference made a part hereof.

The work generally consists of the following: providing all necessary labor, materials, accessories, equipment, and supervision to provide a 40-foot deep vertical raw water intake facility near the District's existing raw water intake facility at the Nacimiento River. The Work includes drilling of the intake facility, development and completion, disposal of cuttings, management/disposal of development water, and all other work to make the vertical raw water facility complete and functional as specified.

ARTICLE 2 - The said OWNER hereby promises and agrees with the said Contractor to employ, and does hereby employ, the said Contractor to provide the materials and to do the work according to the terms and conditions herein contained and referred to, for the price aforesaid, and hereby contracts to pay the same at the time, in the manner, and upon the conditions above set forth; and the said parties for themselves, their heirs, executors, and administrators.

ARTICLE 3 - The said Contractor agrees to receive and accept the price stated in the preceding Bid Sheet as full compensation for furnishing all materials and for doing all the work contemplated and embraced in this Agreement; also for all loss or damage arising out of the nature of the work aforesaid, or from the action of the elements, or from any unforeseen difficulties or obstructions which may arise or be encountered in the prosecution of the work until its acceptance by the said OWNER and for all expenses incurred by or in consequence of the suspension or discontinuance of the Work; and for well and faithfully completing the Work, and the whole thereof in the manner and according to the requirements of the Contract Documents therefore, and the requirements of the Engineer under their terms, to wit. Refer to Article 4.6 of the Supplementary General Conditions for retention to be withheld from Progress Payments.

ARTICLE 4 - This contract constitutes the entire agreement of the parties. No other agreements, oral or written, pertaining to the work to be performed under this contract exist between the parties. This contract can be modified only by an agreement in writing signed by both parties. It is also expressly agreed by and between the parties hereto that the Contract Documents shall consist of:

- Notice Inviting Bids
- Instructions to Bidders
- Bid Forms including the Bid, Bid Schedule(s), Information Required of Bidder, Bid Bond, Acknowledgment of Insurance Requirements, Designation of Subcontractors, Experience Qualifications, Contractor's Licensing Statement, List of Material/Equipment Suppliers, Non-collusion Affidavit, Certificate of Bidder Regarding Affirmative Action Program, Worker's Compensation Insurance Certificate, and all required certificates and affidavits
- Performance Bond
- Payment Bond
- General Conditions
- Supplementary General Conditions
- Technical Specifications
- Drawings as listed in the List of Drawings
- Addenda numbers \_\_\_\_\_ to \_\_\_\_\_, inclusive
- Change Orders which may be delivered or issued after Effective Date of the Agreement and are not attached hereto

There are no Contract Documents other than those listed in this Article 4. The Contract Documents may only be amended by Change Order as provided in Article 10 of the General Conditions.

ARTICLE 5 - Contractor agrees to commence work pursuant to this Contract on the date specified in the Notice to Proceed, and to diligently prosecute the same to completion within the time stipulated in the INSTRUCTIONS TO BIDDERS, Article 2.

ARTICLE 6 - The Contractor shall defend, indemnify and save harmless the OWNER, its officers, agents and employees from any and all claims, demands, damages, costs, expenses or liability occasioned by the performance or attempted performance of the provisions hereof.

ARTICLE 7 - If either party becomes involved in arbitration or litigation arising out of this contract or the performance of it, the court or tribunal in such arbitration or litigation or in a separate suit shall award reasonable costs and expenses of arbitration and litigation, including expert witness fees and attorney fees, to the prevailing party or parties.

ARTICLE 8 - No assignment by a party hereto of any rights under or interests in the Contract Documents will be binding on another party hereto without the written consent of the party sought to be bound; and specifically but without limitation monies that may become due and monies that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

OWNER and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns and legal representatives in respect of all covenants, agreements and obligations contained in the Contract Documents.

IN WITNESS WHEREOF, OWNER and Contractor have caused this Agreement to be executed the day and year first above written.

HERITAGE RANCH COMMUNITY  
SERVICES DISTRICT  
BOARD PRESIDENT \_\_\_\_\_

CONTRACTOR \_\_\_\_\_  
\_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_  
[CORPORATE SEAL]

Attest \_\_\_\_\_

Attest \_\_\_\_\_

Address for giving notices  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Address for giving notices  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

License No. \_\_\_\_\_

Approved as to Form:  
\_\_\_\_\_  
(Signature)

Agent for service of process: \_\_\_\_\_

\_\_\_\_\_  
(Title)

\_\_\_\_\_

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**PERFORMANCE BOND**

KNOW ALL MEN BY THESE PRESENTS,

That I/we, \_\_\_\_\_ as Principal(s), are firmly bound unto the HERITAGE RANCH COMMUNITY SERVICES DISTRICT in the sum of:

\_\_\_\_\_ dollars, said sum being 100 percent of the amount of the following described contract, to be paid to the said HERITAGE RANCH COMMUNITY SERVICES DISTRICT, its successors and assigns; for which payment, will and truly to be made, we bind ourselves, our heirs, executors and administrators, successors or assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT,

WHEREAS, the Board of Directors of the HERITAGE RANCH COMMUNITY SERVICES DISTRICT , State of California, by formal action on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, awarded to said Principal, a contract for the:

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

in strict conformity with the Contract Documents, and whereas, said Principal, his or her heirs, executors, administrators, successors or assigns shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in the said Contract, and any alteration thereof made and therein provided, on his/her or their part, to be kept and performed at the time and in the manner therein specified and in all respects according to their true intent and meaning, and shall indemnify and save harmless the OWNER, its officers and agents, as therein stipulated, then this obligation shall become null and void; otherwise it shall remain in full force and effect.

And the Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder shall in any way affect its obligations on the bond, and it does hereby waive notice of any change, extension of time, alteration, or addition in terms of the Contract or to the Work.

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Contractor \_\_\_\_\_ Surety \_\_\_\_\_  
By \_\_\_\_\_ By \_\_\_\_\_  
Title \_\_\_\_\_ Title \_\_\_\_\_

(SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY)

NOTE: Signature of person executing for the Surety must be properly acknowledged.

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**PAYMENT BOND**

KNOW ALL MEN BY THESE PRESENTS,

That we, \_\_\_\_\_ hereinafter referred to as "Contractor," as principal, and \_\_\_\_\_ as surety, are held and firmly bound unto OWNER in the sum of: \_\_\_\_\_ dollars (\$\_\_\_\_\_), lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, jointly and severally, firmly by these presents.

THE CONDITION OF THE ABOVE OBLIGATION IS SUCH THAT:

WHEREAS, said Contractor has been awarded and is about to enter into a Contract with said HERITAGE RANCH COMMUNITY SERVICES DISTRICT for the **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1** project as specifically set forth in documents entitled, "Contract Documents and Specifications for HERITAGE RANCH COMMUNITY SERVICES DISTRICT – **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1** and is required under the terms of the Contract to give this bond in connection with the execution of said Contract;

NOW, THEREFORE, if said Contractor, his Subcontractors, his or its heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, provender, equipment or other supplies used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld, and paid over to the Franchise Tax Board from the wages of employees of the Contractor and his Subcontractors pursuant to Section 18806 of the Revenue and Taxation Code with respect to such labor, all as required by the provisions of Title XV, Chapter 7, Sections 3247-3252 inclusive, of the Civil Code of the State of California and acts amendatory therefore, and sections of other codes of the State of California referred to therein and acts amendatory thereof, and provided that the person, companies or corporations so furnishing said materials, provisions, provender, equipment or other supplies, appliances or power used in, upon, for or about performance of the work contracted to be executed or preformed, or any person, company or corporation renting or hiring implements or machinery or power for or contributing to said work to be done, or any person who performs work or labor upon the same, or any person who supplies both work and materials therefore, shall have complied with the provisions of said laws, then said surety will pay the same in an amount not exceeding the sum herein above set forth and also will pay, in case suit is brought upon this bond, a reasonable attorney's fee as shall be fixed by the court. This bond shall insure to the benefit of any and all persons named in Section 3181 of the Civil Code of the State of California so as to give a right of action to them or their assigns in any suit brought upon this bond.

PROVIDED, that any alterations in the work to be done, or the material to be furnished, which may be made pursuant to the terms of said Contract, shall not in any way release either the Contractor or the surety thereunder, nor shall any extensions of time granted under the



provisions of said contract release either the Contractor or the surety, and notice of such alterations or extensions of the Contract is hereby waived by the surety.

WITNESS our hands this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_.

Contractor \_\_\_\_\_ Surety \_\_\_\_\_

By \_\_\_\_\_ By \_\_\_\_\_

Title \_\_\_\_\_ Title \_\_\_\_\_

Signature of person executing for the Surety must be properly acknowledged.

**NOTICE OF AWARD**

Date: \_\_\_\_\_, 20 \_\_\_\_\_

To: \_\_\_\_\_  
(Bidder)

Project: HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1

You are hereby notified that your bid dated \_\_\_\_\_, 20\_\_\_\_\_ for the above Contract has been considered. You are the apparent successful bidder and have been awarded a contract for:

\_\_\_\_\_  
(Indicate "Total Work", alternates, or sections of Work awarded)

The Contract Price of your contract is \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), corresponding to Bid Schedule \_\_\_\_ in the Bid Documents. You must comply with the following conditions within fifteen (15) calendar days of the date of this Notice of Award, that is, by \_\_\_\_\_, 20\_\_\_\_\_.

1. You must deliver to the OWNER three fully executed counterparts of the Agreement including all the Contract Documents.
2. You must deliver with the executed Agreement the Contract Security Bonds as specified in the Instructions to Bidders, ARTICLE 23; GENERAL CONDITIONS, ARTICLE 5.
3. You must also deliver certificates of insurance as specified in the Instructions to Bidders, ARTICLE 24 and 25; GENERAL CONDITIONS, ARTICLE 5; and SUPPLEMENTARY GENERAL CONDITIONS, ARTICLE 11.
4. (List other conditions precedent.)

\_\_\_\_\_  
\_\_\_\_\_

Failure to comply with these conditions within the time specified will entitle the OWNER to consider your bid abandoned, to annul this Notice of Award, and to declare your Bid Security forfeited. Within fifteen (15) calendar days after you comply with these conditions, the OWNER will return to you one fully signed counterpart of the Agreement with the Contract Documents attached.

By \_\_\_\_\_  
SCOTT DUFFIELD, GENERAL MANAGER

Copy to the ENGINEER

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**NOTICE TO PROCEED**

Date: \_\_\_\_\_, 20\_\_\_\_\_

To: \_\_\_\_\_  
(Contractor)

Project: HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1

You are notified that the Contract Time under the above contract will commence to run on \_\_\_\_\_, 20\_\_\_\_\_. By that date, you are to start performing your obligations under the Contract Documents. In accordance with ARTICLE 2 of the Instructions to Bidders, the project is to be completed by \_\_\_\_\_ 20\_\_\_\_\_.

The Contract provides for an assessment of liquidated damages of the sum stipulated in Article 6.1 of the Supplementary General Conditions, for each consecutive calendar day after the above established contract completion date that the work remains incomplete.

Before you may start any Work at the site, you must

(add any applicable requirements)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

HERITAGE RANCH COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
SCOTT DUFFIELD, GENERAL MANAGER

Copy to ENGINEER

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**CHANGE ORDER**

Contract Changer Order No.

Date  
Engineer's No. 0160-0001-06

---

**CONTRACT TITLE: RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

---

CONTRACTOR:

---

DESCRIPTION OF CHANGES	NET CHANGE
<b>NET CHANGE IN CONTRACT PRICE</b>	<b>\$</b>
Original Contract Amount Total Previous Changes Amount of this Change New Contract Total  Change in Contract Time	\$ \$ \$\$

This document will become a supplement to the Contract and all provisions will apply hereto.

\_\_\_\_\_  
Recommended by ENGINEER

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved by CONTRACTOR

\_\_\_\_\_  
Date

\_\_\_\_\_  
Approved by OWNER

\_\_\_\_\_  
Date

## **CHANGE ORDER INSTRUCTIONS:**

- A. General Information: This document was developed to provide a uniform format for handling contract changes that affect Contract Price or Contract Time. Changes that have been initiated by a Work Directive Change must be incorporated into a subsequent Change Order if they affect Contract Price or Contract Time.
- B. Completing the Change Order Form: Engineer initiates the form, including a description of the changes involved and attachments based upon documents and proposals submitted by Contractor, or requests from OWNER, or both.

Once Engineer has completed and signed the form, all copies should be sent to Contractor for approval. After approval by Contractor, all copies should be sent to OWNER for approval. Engineer should make distribution of executed copies after approval by OWNER.

If a change only applies to either price or to time, cross out the part of the tabulation that does not apply.

**WORK DIRECTIVE CHANGE**  
(Instructions on reverse side)

No. \_\_\_\_\_

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

PROJECT: RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1

CONTRACTOR:

ENGINEER: WALLACE GROUP (Project No. 0160-0001-06)

You are directed to proceed promptly with the following change(s):

Description:

Attachments:

---

If a claim is made that the above change(s) have affected Contract Price or Contract Time, any claim for a Change Order based thereon will involve one of the following methods of determining the effect of the change(s).

Method of determining change in Time:

Method of determining Contract Price:

---

RECOMMENDED:

AUTHORIZED:

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_



## **WORK DIRECTIVE CHANGE INSTRUCTIONS**

### **A. GENERAL INFORMATION**

This document was developed for use in situations involving changes in the Work which, if not processed expeditiously, might delay the Project. These changes are often initiated in the field and may affect the Contract Price or the Contract Time. This is not a Change Order, but only a directive to proceed with Work that may be included in a subsequent Change Order.

For supplemental instructions and minor changes not involving a change in the Contract Price or the Contract Time, a Field Order may be used.

### **B. COMPLETING THE WORK DIRECTIVE CHANGE FORM**

The Engineer initiates the form, including a description of the items involved and attachments.

Based on conversations between the Engineer and the Contractor, the Engineer completes the following:

**METHOD OF DETERMINING CHANGE, IF ANY, IN CONTRACT PRICE:** Mark the method to be used in determining the final cost of Work involved and the net effect on the Contract Price. If the change involves an increase in the Contract Price and the estimated amount is approached before the additional or changed Work is completed, another Work Directive change must be issued to change the time or Contractor may stop the changed Work when the estimated time is reached. If the Work Directive Change is not likely to change the Contract Time, the space for estimated increase (decrease) should be marked "Not Applicable."

**METHOD OF DETERMINING CHANGE, IF ANY, IN CONTRACT TIME:** Mark the Method to be used in determining the change in Contract Time and the estimated increase or decrease in Contract Time. If the change involves an increase in the Contract Time and the estimated time is approached before the additional or changed Work is completed, another Work Directive Change must be issued to change the time or Contractor may stop the changed Work when the estimated time is reached. If the Work Directive Change is not likely to change the Contract Price, the space for estimated increase (decrease) should be marked "Not Applicable."

Once the Engineer has completed and signed the form, all copies should be sent to the OWNER for authorization because the Engineer alone does not have authority to authorize changes in Price or Time. Once authorized by the OWNER, a copy should be sent by the Engineer to the Contractor.

Once the Work covered by this directive is completed or final cost and time determined, the Contractor should submit documentation for inclusion in a Change Order.

**THIS IS A DIRECTIVE TO PROCEED WITH A CHANGE THAT MAY AFFECT THE CONTRACT PRICE OR THE CONTRACT TIME. A CHANGE ORDER, IF ANY, SHOULD BE CONSIDERED PROMPTLY.**

**RECORDING REQUESTED BY AND WHEN RECORDED MAIL TO:**  
WALLACE GROUP  
612 Clarion Court  
San Luis Obispo, California 93401

---

**NOTICE OF COMPLETION**

Project Title: **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

Date:

OWNER: \_\_\_\_\_ APN NO. [\_\_\_\_\_]

The Project or portion of The Project completed is: **RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

The location of The Project is: CITY/COUNTY, STATE

The work performed under this contract has been inspected by authorized representatives of the OWNER, the Contractor, and the Engineer, and the Project (or specified part of the Project, as indicated above) is hereby accepted by the OWNER and declared to be substantially completed on the above date.

Completion of the Work shall be the date of such acceptance of the Work by the OWNER, as provided under California Civil Code Section 3086. Completion shall mean substantial performance of the contract as such is defined in Black's Law Dictionary, Revised Fourth Edition, West Publishing Company.

A list of all items remaining to be completed or corrected is appended hereto. All such work shall be completed or corrected to the satisfaction of the OWNER within 30 calendar days, otherwise the Contractor does hereby waive any and all claims to all monies withheld by the OWNER under the Contract to cover the value of such uncompleted or uncorrected items.

**NO TRANSFERORS**

WALLACE GROUP  
Engineer

By \_\_\_\_\_  
Authorized Representative/Date  
STEVEN G. TANAKA

Date: \_\_\_\_\_

The Contractor hereby accepts the above Notice of Completion and agrees to complete and correct all of the items on the appended list within 30 calendar days or waives all rights to any monies withheld therefor.

\_\_\_\_\_  
Contractor

By \_\_\_\_\_  
Authorized Representative/Date  
(PRINTED NAME HERE)

Date: \_\_\_\_\_

The OWNER accepts the project or specified area of the project as substantially completed and will assume full possession of the Project or specified area of the Project at \_\_\_\_\_(time), on \_\_\_\_\_(date). The responsibility for heat, utilities, security, and insurance under the Contract Documents will be assumed by the OWNER after that date.

I, the undersigned say: I am the GENERAL MANAGER of the declarant of the foregoing Notice of Completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

FOR THE OWNER HERITAGE RANCH COMMUNITY SERVICES DISTRICT,  
4870 HERITAGE ROAD, PASO ROBLES, CA 93446

By \_\_\_\_\_  
Authorized Representative/Date  
SCOTT DUFFIELD

REMARKS: The following supplementary sheets listing such items remaining to be completed or corrected are hereby made a part of this document by this reference thereto.

**CONSENT OF SURETY - RETAINAGE  
Request for Adjustment of Retainage**

PROJECT TITLE \_\_\_\_\_ PROJECT NO \_\_\_\_\_

PROJECT MANAGER \_\_\_\_\_ CONTRACT NO. \_\_\_\_\_

RESIDENT PROJECT REPRESENTATIVE \_\_\_\_\_

CONTRACTOR \_\_\_\_\_

The Contractor, \_\_\_\_\_, hereby requests  
that the percentage of progress payment estimates retained by the OWNER under the  
provisions of the Contract

Documents be REDUCED to \_\_\_\_\_% DISCONTINUED.  
(Delete inapplicable term)

by \_\_\_\_\_ Date \_\_\_\_\_  
Contractor Representative

The Surety on the Performance Bond for said Project \_\_\_\_\_  
hereby approves the foregoing request.

Power of Attorney must be attached  
to original copy by \_\_\_\_\_ Date \_\_\_\_\_  
Attorney-in-fact

Approval IS/IS NOT recommended: The percentage of completion of \_\_\_\_\_ 20\_\_\_\_ is  
\_\_\_\_\_ % and the present percentage of elapsed time as of \_\_\_\_\_ 20\_\_\_\_ is  
\_\_\_\_\_ %.

by \_\_\_\_\_ Date \_\_\_\_\_  
Resident Project Representative

Approval IS/IS NOT recommended:

by \_\_\_\_\_ Date \_\_\_\_\_  
Project Manager

APPROVED/DISAPPROVED by \_\_\_\_\_ Date \_\_\_\_\_  
Board President

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**CONSENT OF SURETY - Final Payment**

PROJECT NAME \_\_\_\_\_ PROJECT NO. \_\_\_\_\_

LOCATION \_\_\_\_\_ CONTRACT NO. \_\_\_\_\_

TYPE OF CONTRACT \_\_\_\_\_

AMOUNT OF CONTRACT \_\_\_\_\_

In accordance with the provisions of the above named contract between the OWNER and the Contractor, the following named surety:

\_\_\_\_\_  
\_\_\_\_\_

on the Payment Bond of the following named Contractor:

\_\_\_\_\_  
\_\_\_\_\_

hereby approves of final payment to the Contractor, and further agrees that said final payment to the Contractor shall not relieve the Surety Company named herein of any of its obligations to the OWNER, California, as set forth in said Surety company's bond.

IN WITNESS WHEREOF, the Surety Company has hereunto set its hand and seal this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

\_\_\_\_\_  
(Name of Surety Company)

\_\_\_\_\_  
(Signature of Authorized Representative)

TITLE: \_\_\_\_\_

(Corporate Seal)

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**UNCONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT**

(California Civil Code 3262(d)2)

The undersigned has been paid and has received a final payment in the sum of:

\$ \_\_\_\_\_ for labor, services, equipment, and material furnished to:

\_\_\_\_\_

(Your Customer)

on the job of \_\_\_\_\_

(OWNER)

located at \_\_\_\_\_

(Job Description)

and does hereby waive and release pro tanto\* any mechanic's lien, stop notice, or bond right that the undersigned has on the above referenced job to the following extent. This release covers a progress payment for labor, services, equipment, or material furnished to:

\_\_\_\_\_ through \_\_\_\_\_

only and does not cover any retention or items furnished after that date.

Dated \_\_\_\_\_

\_\_\_\_\_

(Company Name)

By \_\_\_\_\_

(Title)

**NOTICE TO PERSONS SIGNING THIS WAIVER: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.**

\*For so much; for as much as may be; as for as it goes.



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## **PART II**

### **CONDITIONS OF THE CONTRACT**

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## **STANDARD GENERAL CONDITIONS**

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## GENERAL CONDITIONS

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# **SUPPLEMENTARY GENERAL CONDITIONS**



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This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

## STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

Prepared By



Endorsed By



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National Society of Professional Engineers  
1420 King Street, Alexandria, VA 22314-2794  
(703) 684-2882  
[www.nspe.org](http://www.nspe.org)

American Council of Engineering Companies  
1015 15th Street N.W., Washington, DC 20005  
(202) 347-7474  
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# **GUIDELINES FOR USE OF EJCDC® C-700, STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT**

## **1.0 PURPOSE AND INTENDED USE OF THE DOCUMENT**

EJCDC® C-700, Standard General Conditions of the Construction Contract (2018), is the foundation document for the EJCDC Construction Series. The General Conditions define the basic rights, responsibilities, risk allocations, and contractual relationship of the Owner and Contractor, and establish how the Contract is to be administered.

## **2.0 OTHER DOCUMENTS**

EJCDC documents are intended to be used as a system and changes in one EJCDC document may require a corresponding change in other documents. Other EJCDC documents may also serve as a reference to provide insight or guidance for the preparation of this document.

These General Conditions have been prepared for use with either EJCDC® C-520, Agreement Between Owner and Contractor for Construction Contract (Stipulated Price), or EJCDC® C-525, Agreement Between Owner and Contractor for Construction Contract (Cost-Plus-Fee) (2018 Editions). The provisions of the General Conditions and the Agreement are interrelated, and a change in one may necessitate a change in the other.

To prepare supplementary conditions that are coordinated with the General Conditions, use EJCDC® C-800, Supplementary Conditions of the Construction Contract (2018).

The full EJCDC Construction series of documents is discussed in the EJCDC® C-001, Commentary on the 2018 EJCDC Construction Documents (2018).

## **3.0 ORGANIZATION OF INFORMATION**

All parties involved in a construction project benefit significantly from a standardized approach in the location of subject matter throughout the documents. Experience confirms the danger of addressing the same subject matter in more than one location; doing so frequently leads to confusion and unanticipated legal consequences. Careful attention should be given to the guidance provided in EJCDC® N-122/AIA® A521, Uniform Location of Subject Matter (2012 Edition) when preparing documents. EJCDC® N-122/AIA® A521 is available at no charge from the EJCDC website, [www.ejcdc.org](http://www.ejcdc.org), and from the websites of EJCDC's sponsoring organizations.

If CSI MasterFormat™ is used for organizing the Project Manual, consult CSI MasterFormat™ for the appropriate document number (e.g., under 00 11 00, Advertisements and Invitations), and accordingly number the document and its pages.

## **4.0 EDITING THIS DOCUMENT**

Remove these Guidelines for Use. Some users may also prefer to remove the two cover pages.

Although it is permissible to revise the Standard EJCDC Text of C-700 (the content beginning at page 1 and continuing to the end), it is common practice to leave the Standard EJCDC Text of C-700 intact and unaltered, with modifications and supplementation of C-700's provisions set forth in EJCDC® C-800, Supplementary Conditions of the Construction Contract (2018). If the Standard Text itself is revised, the

user must comply with the terms of the License Agreement, Paragraph 4.0, Document-Specific Provisions, concerning the tracking or highlighting of revisions. The following is a summary of the relevant License Agreement provisions:

1. The term “Standard EJCDC Text” for C-700 refers to all text prepared by EJCDC in the main body of the document. Document covers, logos, footers, instructions, or copyright notices are not Standard EJCDC Text for this purpose.
2. During the drafting or negotiating process for C-700, it is important that the two contracting parties are both aware of any changes that have been made to the Standard EJCDC Text. Thus, if a draft or version of C-700 purports to be or appears to be an EJCDC document, the user must plainly show all changes to the Standard EJCDC Text, using “Track Changes” (redline/strikeout), highlighting, or other means of clearly indicating additions and deletions.
3. If C-700 has been revised or altered and is subsequently presented to third parties (such as potential bidders, grant agencies, lenders, or sureties) as an EJCDC document, then the changes to the Standard EJCDC Text must be shown, or the third parties must receive access to a version that shows the changes.
4. Once the document is ready to be finalized (and if applicable executed by the contracting parties), it is no longer necessary to continue to show changes to the Standard EJCDC Text. The user may produce a final version of the document in a format in which all changes are accepted, and the document at that point does not need to include any “Track Changes,” redline/strikeout, highlighting, or other indication of additions and deletions to the Standard EJCDC Text.

## **5.0 LICENSE AGREEMENT**

This document is subject to the terms and conditions of the **License Agreement, 2018 EJCDC® Construction Series Documents**. A copy of the License Agreement was furnished at the time of purchase of this document, and is available for review at [www.ejcdc.org](http://www.ejcdc.org) and the websites of EJCDC’s sponsoring organizations.

# STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

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# STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

## ARTICLE 1—DEFINITIONS AND TERMINOLOGY

### 1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents, a term printed with initial capital letters, including the term's singular and plural forms, will have the meaning indicated in the definitions below. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
  2. *Agreement*—The written instrument, executed by Owner and Contractor, that sets forth the Contract Price and Contract Times, identifies the parties and the Engineer, and designates the specific items that are Contract Documents.
  3. *Application for Payment*—The document prepared by Contractor, in a form acceptable to Engineer, to request progress or final payments, and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
  4. *Bid*—The offer of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
  5. *Bidder*—An individual or entity that submits a Bid to Owner.
  6. *Bidding Documents*—The Bidding Requirements, the proposed Contract Documents, and all Addenda.
  7. *Bidding Requirements*—The Advertisement or invitation to bid, Instructions to Bidders, Bid Bond or other Bid security, if any, the Bid Form, and the Bid with any attachments.
  8. *Change Order*—A document which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, or other revision to the Contract, issued on or after the Effective Date of the Contract.
  9. *Change Proposal*—A written request by Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment in Contract Price or Contract Times; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Contract.
  10. *Claim*
    - a. A demand or assertion by Owner directly to Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment of Contract Price or Contract Times; contesting an initial decision by Engineer concerning the

- requirements of the Contract Documents or the acceptability of Work under the Contract Documents; contesting Engineer's decision regarding a Change Proposal; seeking resolution of a contractual issue that Engineer has declined to address; or seeking other relief with respect to the terms of the Contract.
- b. A demand or assertion by Contractor directly to Owner, duly submitted in compliance with the procedural requirements set forth herein, contesting Engineer's decision regarding a Change Proposal, or seeking resolution of a contractual issue that Engineer has declined to address.
  - c. A demand or assertion by Owner or Contractor, duly submitted in compliance with the procedural requirements set forth herein, made pursuant to Paragraph 12.01.A.4, concerning disputes arising after Engineer has issued a recommendation of final payment.
  - d. A demand for money or services by a third party is not a Claim.
11. *Constituent of Concern*—Asbestos, petroleum, radioactive materials, polychlorinated biphenyls (PCBs), lead-based paint (as defined by the HUD/EPA standard), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to Laws and Regulations regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.
  12. *Contract*—The entire and integrated written contract between Owner and Contractor concerning the Work.
  13. *Contract Documents*—Those items so designated in the Agreement, and which together comprise the Contract.
  14. *Contract Price*—The money that Owner has agreed to pay Contractor for completion of the Work in accordance with the Contract Documents.
  15. *Contract Times*—The number of days or the dates by which Contractor shall: (a) achieve Milestones, if any; (b) achieve Substantial Completion; and (c) complete the Work.
  16. *Contractor*—The individual or entity with which Owner has contracted for performance of the Work.
  17. *Cost of the Work*—See Paragraph 13.01 for definition.
  18. *Drawings*—The part of the Contract that graphically shows the scope, extent, and character of the Work to be performed by Contractor.
  19. *Effective Date of the Contract*—The date, indicated in the Agreement, on which the Contract becomes effective.
  20. *Electronic Document*—Any Project-related correspondence, attachments to correspondence, data, documents, drawings, information, or graphics, including but not limited to Shop Drawings and other Submittals, that are in an electronic or digital format.
  21. *Electronic Means*—Electronic mail (email), upload/download from a secure Project website, or other communications methods that allow: (a) the transmission or communication of Electronic Documents; (b) the documentation of transmissions, including sending and receipt; (c) printing of the transmitted Electronic Document by the

recipient; (d) the storage and archiving of the Electronic Document by sender and recipient; and (e) the use by recipient of the Electronic Document for purposes permitted by this Contract. Electronic Means does not include the use of text messaging, or of Facebook, Twitter, Instagram, or similar social media services for transmission of Electronic Documents.

22. *Engineer*—The individual or entity named as such in the Agreement.
23. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but does not change the Contract Price or the Contract Times.
24. *Hazardous Environmental Condition*—The presence at the Site of Constituents of Concern in such quantities or circumstances that may present a danger to persons or property exposed thereto.
  - a. The presence at the Site of materials that are necessary for the execution of the Work, or that are to be incorporated into the Work, and that are controlled and contained pursuant to industry practices, Laws and Regulations, and the requirements of the Contract, is not a Hazardous Environmental Condition.
  - b. The presence of Constituents of Concern that are to be removed or remediated as part of the Work is not a Hazardous Environmental Condition.
  - c. The presence of Constituents of Concern as part of the routine, anticipated, and obvious working conditions at the Site, is not a Hazardous Environmental Condition.
25. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and binding decrees, resolutions, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
26. *Liens*—Charges, security interests, or encumbrances upon Contract-related funds, real property, or personal property.
27. *Milestone*—A principal event in the performance of the Work that the Contract requires Contractor to achieve by an intermediate completion date, or by a time prior to Substantial Completion of all the Work.
28. *Notice of Award*—The written notice by Owner to a Bidder of Owner’s acceptance of the Bid.
29. *Notice to Proceed*—A written notice by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work.
30. *Owner*—The individual or entity with which Contractor has contracted regarding the Work, and which has agreed to pay Contractor for the performance of the Work, pursuant to the terms of the Contract.
31. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising Contractor’s plan to accomplish the Work within the Contract Times.
32. *Project*—The total undertaking to be accomplished for Owner by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the Work to be performed under the Contract Documents is a part.

33. *Resident Project Representative*—The authorized representative of Engineer assigned to assist Engineer at the Site. As used herein, the term Resident Project Representative (RPR) includes any assistants or field staff of Resident Project Representative.
34. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
35. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements for Engineer’s review of the submittals.
36. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor’s Applications for Payment.
37. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.
38. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements, and such other lands or areas furnished by Owner which are designated for the use of Contractor.
39. *Specifications*—The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.
40. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work.
41. *Submittal*—A written or graphic document, prepared by or for Contractor, which the Contract Documents require Contractor to submit to Engineer, or that is indicated as a Submittal in the Schedule of Submittals accepted by Engineer. Submittals may include Shop Drawings and Samples; schedules; product data; Owner-delegated designs; sustainable design information; information on special procedures; testing plans; results of tests and evaluations, source quality-control testing and inspections, and field or Site quality-control testing and inspections; warranties and certifications; Suppliers’ instructions and reports; records of delivery of spare parts and tools; operations and maintenance data; Project photographic documentation; record documents; and other such documents required by the Contract Documents. Submittals, whether or not approved or accepted by Engineer, are not Contract Documents. Change Proposals, Change Orders, Claims, notices, Applications for Payment, and requests for interpretation or clarification are not Submittals.
42. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion of such Work.

43. *Successful Bidder*—The Bidder to which the Owner makes an award of contract.
44. *Supplementary Conditions*—The part of the Contract that amends or supplements these General Conditions.
45. *Supplier*—A manufacturer, fabricator, supplier, distributor, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.
46. *Technical Data*
- a. Those items expressly identified as Technical Data in the Supplementary Conditions, with respect to either (1) existing subsurface conditions at or adjacent to the Site, or existing physical conditions at or adjacent to the Site including existing surface or subsurface structures (except Underground Facilities) or (2) Hazardous Environmental Conditions at the Site.
  - b. If no such express identifications of Technical Data have been made with respect to conditions at the Site, then Technical Data is defined, with respect to conditions at the Site under Paragraphs 5.03, 5.04, and 5.06, as the data contained in boring logs, recorded measurements of subsurface water levels, assessments of the condition of subsurface facilities, laboratory test results, and other factual, objective information regarding conditions at the Site that are set forth in any geotechnical, environmental, or other Site or facilities conditions report prepared for the Project and made available to Contractor.
  - c. Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as Technical Data, and instead Underground Facilities are shown or indicated on the Drawings.
47. *Underground Facilities*—All active or not-in-service underground lines, pipelines, conduits, ducts, encasements, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or systems at the Site, including but not limited to those facilities or systems that produce, transmit, distribute, or convey telephone or other communications, cable television, fiber optic transmissions, power, electricity, light, heat, gases, oil, crude oil products, liquid petroleum products, water, steam, waste, wastewater, storm water, other liquids or chemicals, or traffic or other control systems. An abandoned facility or system is not an Underground Facility.
48. *Unit Price Work*—Work to be paid for on the basis of unit prices.
49. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning, all as required by the Contract Documents.
50. *Work Change Directive*—A written directive to Contractor issued on or after the Effective Date of the Contract, signed by Owner and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

## 1.02 Terminology

- A. The words and terms discussed in Paragraphs 1.02.B, C, D, and E are not defined terms that require initial capital letters, but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.
- B. *Intent of Certain Terms or Adjectives:* The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Article 10 or any other provision of the Contract Documents.
- C. *Day:* The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.
- D. *Defective:* The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
1. does not conform to the Contract Documents;
  2. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
  3. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 15.03 or Paragraph 15.04).
- E. *Furnish, Install, Perform, Provide*
1. The word “furnish,” when used in connection with services, materials, or equipment, means to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
  2. The word “install,” when used in connection with services, materials, or equipment, means to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
  3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, means to furnish and install said services, materials, or equipment complete and ready for intended use.
  4. If the Contract Documents establish an obligation of Contractor with respect to specific services, materials, or equipment, but do not expressly use any of the four words “furnish,” “install,” “perform,” or “provide,” then Contractor shall furnish and install said services, materials, or equipment complete and ready for intended use.



- F. *Contract Price or Contract Times*: References to a change in “Contract Price or Contract Times” or “Contract Times or Contract Price” or similar, indicate that such change applies to (1) Contract Price, (2) Contract Times, or (3) both Contract Price and Contract Times, as warranted, even if the term “or both” is not expressed.
- G. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

## **ARTICLE 2—PRELIMINARY MATTERS**

### **2.01 *Delivery of Performance and Payment Bonds; Evidence of Insurance***

- A. *Performance and Payment Bonds*: When Contractor delivers the signed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner the performance bond and payment bond (if the Contract requires Contractor to furnish such bonds).
- B. *Evidence of Contractor’s Insurance*: When Contractor delivers the signed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner, with copies to each additional insured (as identified in the Contract), the certificates, endorsements, and other evidence of insurance required to be provided by Contractor in accordance with Article 6, except to the extent the Supplementary Conditions expressly establish other dates for delivery of specific insurance policies.
- C. *Evidence of Owner’s Insurance*: After receipt of the signed counterparts of the Agreement and all required bonds and insurance documentation, Owner shall promptly deliver to Contractor, with copies to each additional insured (as identified in the Contract), the certificates and other evidence of insurance required to be provided by Owner under Article 6.

### **2.02 *Copies of Documents***

- A. Owner shall furnish to Contractor four printed copies of the Contract (including one fully signed counterpart of the Agreement), and one copy in electronic portable document format (PDF). Additional printed copies will be furnished upon request at the cost of reproduction.
- B. Owner shall maintain and safeguard at least one original printed record version of the Contract, including Drawings and Specifications signed and sealed by Engineer and other design professionals. Owner shall make such original printed record version of the Contract available to Contractor for review. Owner may delegate the responsibilities under this provision to Engineer.

### **2.03 *Before Starting Construction***

- A. *Preliminary Schedules*: Within 10 days after the Effective Date of the Contract (or as otherwise required by the Contract Documents), Contractor shall submit to Engineer for timely review:
  - 1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract;
  - 2. a preliminary Schedule of Submittals; and
  - 3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work

into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.04 *Preconstruction Conference; Designation of Authorized Representatives*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work, and to discuss the schedules referred to in Paragraph 2.03.A, procedures for handling Shop Drawings, Samples, and other Submittals, processing Applications for Payment, electronic or digital transmittals, and maintaining required records.
- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit and receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

2.05 *Acceptance of Schedules*

- A. At least 10 days before submission of the first Application for Payment a conference, attended by Contractor, Engineer, and others as appropriate, will be held to review the schedules submitted in accordance with Paragraph 2.03.A. No progress payment will be made to Contractor until acceptable schedules are submitted to Engineer.
  - 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.
  - 2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
  - 3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to the component parts of the Work.
  - 4. If a schedule is not acceptable, Contractor will have an additional 10 days to revise and resubmit the schedule.

2.06 *Electronic Transmittals*

- A. Except as otherwise stated elsewhere in the Contract, the Owner, Engineer, and Contractor may send, and shall accept, Electronic Documents transmitted by Electronic Means.
- B. If the Contract does not establish protocols for Electronic Means, then Owner, Engineer, and Contractor shall jointly develop such protocols.
- C. Subject to any governing protocols for Electronic Means, when transmitting Electronic Documents by Electronic Means, the transmitting party makes no representations as to long-term compatibility, usability, or readability of the Electronic Documents resulting from the recipient's use of software application packages, operating systems, or computer hardware differing from those used in the drafting or transmittal of the Electronic Documents.

## ARTICLE 3—CONTRACT DOCUMENTS: INTENT, REQUIREMENTS, REUSE

### 3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one Contract Document is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents.
- C. Unless otherwise stated in the Contract Documents, if there is a discrepancy between the electronic versions of the Contract Documents (including any printed copies derived from such electronic versions) and the printed record version, the printed record version will govern.
- D. The Contract supersedes prior negotiations, representations, and agreements, whether written or oral.
- E. Engineer will issue clarifications and interpretations of the Contract Documents as provided herein.
- F. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation will be deemed stricken, and all remaining provisions will continue to be valid and binding upon Owner and Contractor, which agree that the Contract Documents will be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- G. Nothing in the Contract Documents creates:
  - 1. any contractual relationship between Owner or Engineer and any Subcontractor, Supplier, or other individual or entity performing or furnishing any of the Work, for the benefit of such Subcontractor, Supplier, or other individual or entity; or
  - 2. any obligation on the part of Owner or Engineer to pay or to see to the payment of any money due any such Subcontractor, Supplier, or other individual or entity, except as may otherwise be required by Laws and Regulations.

### 3.02 *Reference Standards*

- A. *Standards Specifications, Codes, Laws and Regulations*
  - 1. Reference in the Contract Documents to standard specifications, manuals, reference standards, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, means the standard specification, manual, reference standard, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
  - 2. No provision of any such standard specification, manual, reference standard, or code, and no instruction of a Supplier, will be effective to change the duties or responsibilities of Owner, Contractor, or Engineer from those set forth in the part of the Contract Documents prepared by or for Engineer. No such provision or instruction shall be effective to assign to Owner or Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility

inconsistent with the provisions of the part of the Contract Documents prepared by or for Engineer.

### 3.03 *Reporting and Resolving Discrepancies*

#### A. *Reporting Discrepancies*

1. *Contractor's Verification of Figures and Field Measurements:* Before undertaking each part of the Work, Contractor shall carefully study the Contract Documents, and check and verify pertinent figures and dimensions therein, particularly with respect to applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy that Contractor discovers, or has actual knowledge of, and shall not proceed with any Work affected thereby until the conflict, error, ambiguity, or discrepancy is resolved by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.
2. *Contractor's Review of Contract Documents:* If, before or during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) actual field conditions, (c) any standard specification, manual, reference standard, or code, or (d) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 7.15) until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.
3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

#### B. *Resolving Discrepancies*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the part of the Contract Documents prepared by or for Engineer take precedence in resolving any conflict, error, ambiguity, or discrepancy between such provisions of the Contract Documents and:
  - a. the provisions of any standard specification, manual, reference standard, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference as a Contract Document); or
  - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

### 3.04 *Requirements of the Contract Documents*

- A. During the performance of the Work and until final payment, Contractor and Owner shall submit to the Engineer in writing all matters in question concerning the requirements of the Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Contract Documents, as soon as possible after such matters arise. Engineer will be the initial interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work.

- B. Engineer will, with reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Contract Documents. Engineer's written clarification, interpretation, or decision will be final and binding on Contractor, unless it appeals by submitting a Change Proposal, and on Owner, unless it appeals by filing a Claim.
- C. If a submitted matter in question concerns terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work under the Contract Documents, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, then Engineer will promptly notify Owner and Contractor in writing that Engineer is unable to provide a decision or interpretation. If Owner and Contractor are unable to agree on resolution of such a matter in question, either party may pursue resolution as provided in Article 12.

### 3.05 *Reuse of Documents*

- A. Contractor and its Subcontractors and Suppliers shall not:
  - 1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media versions, or reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer; or
  - 2. have or acquire any title or ownership rights in any other Contract Documents, reuse any such Contract Documents for any purpose without Owner's express written consent, or violate any copyrights pertaining to such Contract Documents.
- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein precludes Contractor from retaining copies of the Contract Documents for record purposes.

## **ARTICLE 4—COMMENCEMENT AND PROGRESS OF THE WORK**

### 4.01 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the 30th day after the Effective Date of the Contract or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract. In no event will the Contract Times commence to run later than the 60th day after the day of Bid opening or the 30th day after the Effective Date of the Contract, whichever date is earlier.

### 4.02 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work may be done at the Site prior to such date.

### 4.03 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the

established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

#### 4.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.05 as it may be adjusted from time to time as provided below.
  - 1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.05) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times.
  - 2. Proposed adjustments in the Progress Schedule that will change the Contract Times must be submitted in accordance with the requirements of Article 11.
- B. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work will be delayed or postponed pending resolution of any disputes or disagreements, or during any appeal process, except as permitted by Paragraph 16.04, or as Owner and Contractor may otherwise agree in writing.

#### 4.05 *Delays in Contractor's Progress*

- A. If Owner, Engineer, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times.
- B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor. Delay, disruption, and interference attributable to and within the control of a Subcontractor or Supplier shall be deemed to be within the control of Contractor.
- C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times. Such an adjustment will be Contractor's sole and exclusive remedy for the delays, disruption, and interference described in this paragraph. Causes of delay, disruption, or interference that may give rise to an adjustment in Contract Times under this paragraph include but are not limited to the following:
  - 1. Severe and unavoidable natural catastrophes such as fires, floods, epidemics, and earthquakes;
  - 2. Abnormal weather conditions;
  - 3. Acts or failures to act of third-party utility owners or other third-party entities (other than those third-party utility owners or other third-party entities performing other work at or adjacent to the Site as arranged by or under contract with Owner, as contemplated in Article 8); and
  - 4. Acts of war or terrorism.

- D. Contractor's entitlement to an adjustment of Contract Times or Contract Price is limited as follows:
1. Contractor's entitlement to an adjustment of the Contract Times is conditioned on the delay, disruption, or interference adversely affecting an activity on the critical path to completion of the Work, as of the time of the delay, disruption, or interference.
  2. Contractor shall not be entitled to an adjustment in Contract Price for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor. Such a concurrent delay by Contractor shall not preclude an adjustment of Contract Times to which Contractor is otherwise entitled.
  3. Adjustments of Contract Times or Contract Price are subject to the provisions of Article 11.
- E. Each Contractor request or Change Proposal seeking an increase in Contract Times or Contract Price must be supplemented by supporting data that sets forth in detail the following:
1. The circumstances that form the basis for the requested adjustment;
  2. The date upon which each cause of delay, disruption, or interference began to affect the progress of the Work;
  3. The date upon which each cause of delay, disruption, or interference ceased to affect the progress of the Work;
  4. The number of days' increase in Contract Times claimed as a consequence of each such cause of delay, disruption, or interference; and
  5. The impact on Contract Price, in accordance with the provisions of Paragraph 11.07.
- Contractor shall also furnish such additional supporting documentation as Owner or Engineer may require including, where appropriate, a revised progress schedule indicating all the activities affected by the delay, disruption, or interference, and an explanation of the effect of the delay, disruption, or interference on the critical path to completion of the Work.
- F. Delays, disruption, and interference to the performance or progress of the Work resulting from the existence of a differing subsurface or physical condition, an Underground Facility that was not shown or indicated by the Contract Documents, or not shown or indicated with reasonable accuracy, and those resulting from Hazardous Environmental Conditions, are governed by Article 5, together with the provisions of Paragraphs 4.05.D and 4.05.E.
- G. Paragraph 8.03 addresses delays, disruption, and interference to the performance or progress of the Work resulting from the performance of certain other work at or adjacent to the Site.

## **ARTICLE 5—SITE; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS**

### **5.01 *Availability of Lands***

- A. Owner shall furnish the Site. Owner shall notify Contractor in writing of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work.

- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which permanent improvements are to be made and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

## 5.02 *Use of Site and Other Areas*

### A. *Limitation on Use of Site and Other Areas*

1. Contractor shall confine construction equipment, temporary construction facilities, the storage of materials and equipment, and the operations of workers to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and such other adjacent areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for (a) damage to the Site; (b) damage to any such other adjacent areas used for Contractor's operations; (c) damage to any other adjacent land or areas, or to improvements, structures, utilities, or similar facilities located at such adjacent lands or areas; and (d) for injuries and losses sustained by the owners or occupants of any such land or areas; provided that such damage or injuries result from the performance of the Work or from other actions or conduct of the Contractor or those for which Contractor is responsible.
  2. If a damage or injury claim is made by the owner or occupant of any such land or area because of the performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible, Contractor shall (a) take immediate corrective or remedial action as required by Paragraph 7.13, or otherwise; (b) promptly attempt to settle the claim as to all parties through negotiations with such owner or occupant, or otherwise resolve the claim by arbitration or other dispute resolution proceeding, or in a court of competent jurisdiction; and (c) to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against any such claim, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused directly or indirectly, in whole or in part by, or based upon, Contractor's performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible.
- B. *Removal of Debris During Performance of the Work:* During the progress of the Work the Contractor shall keep the Site and other adjacent areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris will conform to applicable Laws and Regulations.
  - C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment



and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.

- D. *Loading of Structures*: Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent structures or land to stresses or pressures that will endanger them.

### 5.03 *Subsurface and Physical Conditions*

- A. *Reports and Drawings*: The Supplementary Conditions identify:

1. Those reports of explorations and tests of subsurface conditions at or adjacent to the Site that contain Technical Data;
2. Those drawings of existing physical conditions at or adjacent to the Site, including those drawings depicting existing surface or subsurface structures at or adjacent to the Site (except Underground Facilities), that contain Technical Data; and
3. Technical Data contained in such reports and drawings.

- B. *Underground Facilities*: Underground Facilities are shown or indicated on the Drawings, pursuant to Paragraph 5.05, and not in the drawings referred to in Paragraph 5.03.A. Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as Technical Data.

- C. *Reliance by Contractor on Technical Data*: Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely upon the accuracy of the Technical Data as defined in Paragraph 1.01.A.46.b.

- D. *Limitations of Other Data and Documents*: Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto;
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings;
3. the contents of other Site-related documents made available to Contractor, such as record drawings from other projects at or adjacent to the Site, or Owner's archival documents concerning the Site; or
4. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions, or information.

#### 5.04 *Differing Subsurface or Physical Conditions*

- A. *Notice by Contractor:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed at the Site:
1. is of such a nature as to establish that any Technical Data on which Contractor is entitled to rely as provided in Paragraph 5.03 is materially inaccurate;
  2. is of such a nature as to require a change in the Drawings or Specifications;
  3. differs materially from that shown or indicated in the Contract Documents; or
  4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

- B. *Engineer's Review:* After receipt of written notice as required by the preceding paragraph, Engineer will promptly review the subsurface or physical condition in question; determine whether it is necessary for Owner to obtain additional exploration or tests with respect to the condition; conclude whether the condition falls within any one or more of the differing site condition categories in Paragraph 5.04.A; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- C. *Owner's Statement to Contractor Regarding Site Condition:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the subsurface or physical condition in question, addressing the resumption of Work in connection with such condition, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.
- D. *Early Resumption of Work:* If at any time Engineer determines that Work in connection with the subsurface or physical condition in question may resume prior to completion of Engineer's review or Owner's issuance of its statement to Contractor, because the condition in question has been adequately documented, and analyzed on a preliminary basis, then the Engineer may at its discretion instruct Contractor to resume such Work.
- E. *Possible Price and Times Adjustments*
1. Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, to the extent that the existence of a differing subsurface or physical condition, or any related delay, disruption, or interference, causes an increase or decrease in

Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:

- a. Such condition must fall within any one or more of the categories described in Paragraph 5.04.A;
  - b. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03; and,
  - c. Contractor's entitlement to an adjustment of the Contract Times is subject to the provisions of Paragraphs 4.05.D and 4.05.E.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times with respect to a subsurface or physical condition if:
- a. Contractor knew of the existence of such condition at the time Contractor made a commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract, or otherwise;
  - b. The existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas expressly required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such commitment; or
  - c. Contractor failed to give the written notice required by Paragraph 5.04.A.
3. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, then any such adjustment will be set forth in a Change Order.
4. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the subsurface or physical condition in question.
- F. *Underground Facilities; Hazardous Environmental Conditions*: Paragraph 5.05 governs rights and responsibilities regarding the presence or location of Underground Facilities. Paragraph 5.06 governs rights and responsibilities regarding Hazardous Environmental Conditions. The provisions of Paragraphs 5.03 and 5.04 are not applicable to the presence or location of Underground Facilities, or to Hazardous Environmental Conditions.

#### 5.05 *Underground Facilities*

- A. *Contractor's Responsibilities*: Unless it is otherwise expressly provided in the Supplementary Conditions, the cost of all of the following are included in the Contract Price, and Contractor shall have full responsibility for:
1. reviewing and checking all information and data regarding existing Underground Facilities at the Site;
  2. complying with applicable state and local utility damage prevention Laws and Regulations;

3. verifying the actual location of those Underground Facilities shown or indicated in the Contract Documents as being within the area affected by the Work, by exposing such Underground Facilities during the course of construction;
  4. coordination of the Work with the owners (including Owner) of such Underground Facilities, during construction; and
  5. the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.
- B. *Notice by Contractor:* If Contractor believes that an Underground Facility that is uncovered or revealed at the Site was not shown or indicated on the Drawings, or was not shown or indicated on the Drawings with reasonable accuracy, then Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing regarding such Underground Facility.
- C. *Engineer's Review:* Engineer will:
1. promptly review the Underground Facility and conclude whether such Underground Facility was not shown or indicated on the Drawings, or was not shown or indicated with reasonable accuracy;
  2. identify and communicate with the owner of the Underground Facility; prepare recommendations to Owner (and if necessary issue any preliminary instructions to Contractor) regarding the Contractor's resumption of Work in connection with the Underground Facility in question;
  3. obtain any pertinent cost or schedule information from Contractor; determine the extent, if any, to which a change is required in the Drawings or Specifications to reflect and document the consequences of the existence or location of the Underground Facility; and
  4. advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.
- D. *Owner's Statement to Contractor Regarding Underground Facility:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the Underground Facility in question addressing the resumption of Work in connection with such Underground Facility, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations in whole or in part.
- E. *Early Resumption of Work:* If at any time Engineer determines that Work in connection with the Underground Facility may resume prior to completion of Engineer's review or Owner's issuance of its statement to Contractor, because the Underground Facility in question and conditions affected by its presence have been adequately documented, and analyzed on a preliminary basis, then the Engineer may at its discretion instruct Contractor to resume such Work.
- F. *Possible Price and Times Adjustments*
1. Contractor shall be entitled to an equitable adjustment in the Contract Price or Contract Times, to the extent that any existing Underground Facility at the Site that was not shown

or indicated on the Drawings, or was not shown or indicated with reasonable accuracy, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:

- a. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03;
  - b. Contractor's entitlement to an adjustment of the Contract Times is subject to the provisions of Paragraphs 4.05.D and 4.05.E; and
  - c. Contractor gave the notice required in Paragraph 5.05.B.
2. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, then any such adjustment will be set forth in a Change Order.
  3. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the Underground Facility in question.
  4. The information and data shown or indicated on the Drawings with respect to existing Underground Facilities at the Site is based on information and data (a) furnished by the owners of such Underground Facilities, or by others, (b) obtained from available records, or (c) gathered in an investigation conducted in accordance with the current edition of ASCE 38, Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data, by the American Society of Civil Engineers. If such information or data is incorrect or incomplete, Contractor's remedies are limited to those set forth in this Paragraph 5.05.F.

#### 5.06 *Hazardous Environmental Conditions at Site*

A. *Reports and Drawings:* The Supplementary Conditions identify:

1. those reports known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site;
2. drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site; and
3. Technical Data contained in such reports and drawings.

B. *Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely on the accuracy of the Technical Data as defined in Paragraph 1.01.A.46.b. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures

- of construction to be employed by Contractor, and safety precautions and programs incident thereto;
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
  3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for removing or remediating any Hazardous Environmental Condition encountered, uncovered, or revealed at the Site unless such removal or remediation is expressly identified in the Contract Documents to be within the scope of the Work.
- D. Contractor shall be responsible for controlling, containing, and duly removing all Constituents of Concern brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible, and for any associated costs; and for the costs of removing and remediating any Hazardous Environmental Condition created by the presence of any such Constituents of Concern.
- E. If Contractor encounters, uncovers, or reveals a Hazardous Environmental Condition whose removal or remediation is not expressly identified in the Contract Documents as being within the scope of the Work, or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, then Contractor shall immediately: (1) secure or otherwise isolate such condition; (2) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 7.15); and (3) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 5.06.F. If Contractor or anyone for whom Contractor is responsible created the Hazardous Environmental Condition in question, then Owner may remove and remediate the Hazardous Environmental Condition, and impose a set-off against payments to account for the associated costs.
- F. Contractor shall not resume Work in connection with such Hazardous Environmental Condition or in any affected area until after Owner has obtained any required permits related thereto, and delivered written notice to Contractor either (1) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work, or (2) specifying any special conditions under which such Work may be resumed safely.
- G. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, as a result of such Work stoppage, such special conditions under which Work is agreed to be resumed by Contractor, or any costs or expenses incurred in response to the Hazardous Environmental Condition, then within 30 days of Owner's written notice regarding the resumption of Work, Contractor may submit a Change Proposal, or Owner may impose a set-off. Entitlement to any such adjustment is subject to the provisions of Paragraphs 4.05.D, 4.05.E, 11.07, and 11.08.
- H. If, after receipt of such written notice, Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special

conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work, following the contractual change procedures in Article 11. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 8.

- I. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition (1) was not shown or indicated in the Drawings, Specifications, or other Contract Documents, identified as Technical Data entitled to limited reliance pursuant to Paragraph 5.06.B, or identified in the Contract Documents to be included within the scope of the Work, and (2) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.I obligates Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- J. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the failure to control, contain, or remove a Constituent of Concern brought to the Site by Contractor or by anyone for whom Contractor is responsible, or to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.J obligates Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- K. The provisions of Paragraphs 5.03, 5.04, and 5.05 do not apply to the presence of Constituents of Concern or to a Hazardous Environmental Condition uncovered or revealed at the Site.

## **ARTICLE 6—BONDS AND INSURANCE**

### **6.01 *Performance, Payment, and Other Bonds***

- A. Contractor shall furnish a performance bond and a payment bond, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of Contractor's obligations under the Contract. These bonds must remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 15.08, whichever is later, except as provided otherwise by Laws or Regulations, the terms of a prescribed bond form, the Supplementary Conditions, or other provisions of the Contract.
- B. Contractor shall also furnish such other bonds (if any) as are required by the Supplementary Conditions or other provisions of the Contract.
- C. All bonds must be in the form included in the Bidding Documents or otherwise specified by Owner prior to execution of the Contract, except as provided otherwise by Laws or

Regulations, and must be issued and signed by a surety named in “Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies” as published in Department Circular 570 (as amended and supplemented) by the Bureau of the Fiscal Service, U.S. Department of the Treasury. A bond signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual’s authority to bind the surety. The evidence of authority must show that it is effective on the date the agent or attorney-in-fact signed the accompanying bond.

- D. Contractor shall obtain the required bonds from surety companies that are duly licensed or authorized, in the state or jurisdiction in which the Project is located, to issue bonds in the required amounts.
- E. If the surety on a bond furnished by Contractor is declared bankrupt or becomes insolvent, or the surety ceases to meet the requirements above, then Contractor shall promptly notify Owner and Engineer in writing and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which must comply with the bond and surety requirements above.
- F. If Contractor has failed to obtain a required bond, Owner may exclude the Contractor from the Site and exercise Owner’s termination rights under Article 16.
- G. Upon request to Owner from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Owner shall provide a copy of the payment bond to such person or entity.
- H. Upon request to Contractor from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Contractor shall provide a copy of the payment bond to such person or entity.

#### 6.02 *Insurance—General Provisions*

- A. Owner and Contractor shall obtain and maintain insurance as required in this article and in the Supplementary Conditions.
- B. All insurance required by the Contract to be purchased and maintained by Owner or Contractor shall be obtained from insurance companies that are duly licensed or authorized in the state or jurisdiction in which the Project is located to issue insurance policies for the required limits and coverages. Unless a different standard is indicated in the Supplementary Conditions, all companies that provide insurance policies required under this Contract shall have an A.M. Best rating of A-VII or better.
- C. Alternative forms of insurance coverage, including but not limited to self-insurance and “Occupational Accident and Excess Employer’s Indemnity Policies,” are not sufficient to meet the insurance requirements of this Contract, unless expressly allowed in the Supplementary Conditions.
- D. Contractor shall deliver to Owner, with copies to each additional insured identified in the Contract, certificates of insurance and endorsements establishing that Contractor has obtained and is maintaining the policies and coverages required by the Contract. Upon request by Owner or any other insured, Contractor shall also furnish other evidence of such required insurance, including but not limited to copies of policies, documentation of applicable self-insured retentions (if allowed) and deductibles, full disclosure of all relevant exclusions, and evidence of insurance required to be purchased and maintained by



Subcontractors or Suppliers. In any documentation furnished under this provision, Contractor, Subcontractors, and Suppliers may block out (redact) (1) any confidential premium or pricing information and (2) any wording specific to a project or jurisdiction other than those applicable to this Contract.

- E. Owner shall deliver to Contractor, with copies to each additional insured identified in the Contract, certificates of insurance and endorsements establishing that Owner has obtained and is maintaining the policies and coverages required of Owner by the Contract (if any). Upon request by Contractor or any other insured, Owner shall also provide other evidence of such required insurance (if any), including but not limited to copies of policies, documentation of applicable self-insured retentions (if allowed) and deductibles, and full disclosure of all relevant exclusions. In any documentation furnished under this provision, Owner may block out (redact) (1) any confidential premium or pricing information and (2) any wording specific to a project or jurisdiction other than those relevant to this Contract.
- F. Failure of Owner or Contractor to demand such certificates or other evidence of the other party's full compliance with these insurance requirements, or failure of Owner or Contractor to identify a deficiency in compliance from the evidence provided, will not be construed as a waiver of the other party's obligation to obtain and maintain such insurance.
- G. In addition to the liability insurance required to be provided by Contractor, the Owner, at Owner's option, may purchase and maintain Owner's own liability insurance. Owner's liability policies, if any, operate separately and independently from policies required to be provided by Contractor, and Contractor cannot rely upon Owner's liability policies for any of Contractor's obligations to the Owner, Engineer, or third parties.
- H. Contractor shall require:
  - 1. Subcontractors to purchase and maintain worker's compensation, commercial general liability, and other insurance that is appropriate for their participation in the Project, and to name as additional insureds Owner and Engineer (and any other individuals or entities identified in the Supplementary Conditions as additional insureds on Contractor's liability policies) on each Subcontractor's commercial general liability insurance policy; and
  - 2. Suppliers to purchase and maintain insurance that is appropriate for their participation in the Project.
- I. If either party does not purchase or maintain the insurance required of such party by the Contract, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage.
- J. If Contractor has failed to obtain and maintain required insurance, Contractor's entitlement to enter or remain at the Site will end immediately, and Owner may impose an appropriate set-off against payment for any associated costs (including but not limited to the cost of purchasing necessary insurance coverage), and exercise Owner's termination rights under Article 16.
- K. Without prejudice to any other right or remedy, if a party has failed to obtain required insurance, the other party may elect (but is in no way obligated) to obtain equivalent insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and the Contract Price will be adjusted accordingly.

- L. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor or Contractor's interests. Contractor is responsible for determining whether such coverage and limits are adequate to protect its interests, and for obtaining and maintaining any additional insurance that Contractor deems necessary.
- M. The insurance and insurance limits required herein will not be deemed as a limitation on Contractor's liability, or that of its Subcontractors or Suppliers, under the indemnities granted to Owner and other individuals and entities in the Contract or otherwise.
- N. All the policies of insurance required to be purchased and maintained under this Contract will contain a provision or endorsement that the coverage afforded will not be canceled, or renewal refused, until at least 10 days prior written notice has been given to the purchasing policyholder. Within three days of receipt of any such written notice, the purchasing policyholder shall provide a copy of the notice to each other insured and Engineer.

#### 6.03 Contractor's Insurance

- A. *Required Insurance:* Contractor shall purchase and maintain Worker's Compensation, Commercial General Liability, and other insurance pursuant to the specific requirements of the Supplementary Conditions.
- B. *General Provisions:* The policies of insurance required by this Paragraph 6.03 as supplemented must:
  - 1. include at least the specific coverages required;
  - 2. be written for not less than the limits provided, or those required by Laws or Regulations, whichever is greater;
  - 3. remain in effect at least until the Work is complete (as set forth in Paragraph 15.06.D), and longer if expressly required elsewhere in this Contract, and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work as a warranty or correction obligation, or otherwise, or returning to the Site to conduct other tasks arising from the Contract;
  - 4. apply with respect to the performance of the Work, whether such performance is by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable; and
  - 5. include all necessary endorsements to support the stated requirements.
- C. *Additional Insureds:* The Contractor's commercial general liability, automobile liability, employer's liability, umbrella or excess, pollution liability, and unmanned aerial vehicle liability policies, if required by this Contract, must:
  - 1. include and list as additional insureds Owner and Engineer, and any individuals or entities identified as additional insureds in the Supplementary Conditions;
  - 2. include coverage for the respective officers, directors, members, partners, employees, and consultants of all such additional insureds;
  - 3. afford primary coverage to these additional insureds for all claims covered thereby (including as applicable those arising from both ongoing and completed operations);

4. not seek contribution from insurance maintained by the additional insured; and
5. as to commercial general liability insurance, apply to additional insureds with respect to liability caused in whole or in part by Contractor's acts or omissions, or the acts and omissions of those working on Contractor's behalf, in the performance of Contractor's operations.

#### 6.04 *Builder's Risk and Other Property Insurance*

- A. *Builder's Risk*: Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain builder's risk insurance upon the Work on a completed value basis, in the amount of the Work's full insurable replacement cost (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). The specific requirements applicable to the builder's risk insurance are set forth in the Supplementary Conditions.
- B. *Property Insurance for Facilities of Owner Where Work Will Occur*: Owner is responsible for obtaining and maintaining property insurance covering each existing structure, building, or facility in which any part of the Work will occur, or to which any part of the Work will attach or be adjoined. Such property insurance will be written on a special perils (all-risk) form, on a replacement cost basis, providing coverage consistent with that required for the builder's risk insurance, and will be maintained until the Work is complete, as set forth in Paragraph 15.06.D.
- C. *Property Insurance for Substantially Complete Facilities*: Promptly after Substantial Completion, and before actual occupancy or use of the substantially completed Work, Owner will obtain property insurance for such substantially completed Work, and maintain such property insurance at least until the Work is complete, as set forth in Paragraph 15.06.D. Such property insurance will be written on a special perils (all-risk) form, on a replacement cost basis, and provide coverage consistent with that required for the builder's risk insurance. The builder's risk insurance may terminate upon written confirmation of Owner's procurement of such property insurance.
- D. *Partial Occupancy or Use by Owner*: If Owner will occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work, as provided in Paragraph 15.04, then Owner (directly, if it is the purchaser of the builder's risk policy, or through Contractor) will provide advance notice of such occupancy or use to the builder's risk insurer, and obtain an endorsement consenting to the continuation of coverage prior to commencing such partial occupancy or use.
- E. *Insurance of Other Property; Additional Insurance*: If the express insurance provisions of the Contract do not require or address the insurance of a property item or interest, then the entity or individual owning such property item will be responsible for insuring it. If Contractor elects to obtain other special insurance to be included in or supplement the builder's risk or property insurance policies provided under this Paragraph 6.04, it may do so at Contractor's expense.

#### 6.05 *Property Losses; Subrogation*

- A. The builder's risk insurance policy purchased and maintained in accordance with Paragraph 6.04 (or an installation floater policy if authorized by the Supplementary Conditions), will contain provisions to the effect that in the event of payment of any loss or damage the insurer will have no rights of recovery against any insureds thereunder, or against

Engineer or its consultants, or their officers, directors, members, partners, employees, agents, consultants, or subcontractors.

1. Owner and Contractor waive all rights against each other and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils, risks, or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Engineer, its consultants, all individuals or entities identified in the Supplementary Conditions as builder's risk or installation floater insureds, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, under such policies for losses and damages so caused.
  2. None of the above waivers extends to the rights that any party making such waiver may have to the proceeds of insurance held by Owner or Contractor as trustee or fiduciary, or otherwise payable under any policy so issued.
- B. Any property insurance policy maintained by Owner covering any loss, damage, or consequential loss to Owner's existing structures, buildings, or facilities in which any part of the Work will occur, or to which any part of the Work will attach or adjoin; to adjacent structures, buildings, or facilities of Owner; or to part or all of the completed or substantially completed Work, during partial occupancy or use pursuant to Paragraph 15.04, after Substantial Completion pursuant to Paragraph 15.03, or after final payment pursuant to Paragraph 15.06, will contain provisions to the effect that in the event of payment of any loss or damage the insurer will have no rights of recovery against any insureds thereunder, or against Contractor, Subcontractors, or Engineer, or the officers, directors, members, partners, employees, agents, consultants, or subcontractors of each and any of them, and that the insured is allowed to waive the insurer's rights of subrogation in a written contract executed prior to the loss, damage, or consequential loss.
1. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from fire or any of the perils, risks, or causes of loss covered by such policies.
- C. The waivers in this Paragraph 6.05 include the waiver of rights due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other insured peril, risk, or cause of loss.
- D. Contractor shall be responsible for assuring that each Subcontract contains provisions whereby the Subcontractor waives all rights against Owner, Contractor, all individuals or entities identified in the Supplementary Conditions as insureds, the Engineer and its consultants, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, relating to, or resulting from fire or other peril, risk, or cause of loss covered by builder's risk insurance, installation floater, and any other property insurance applicable to the Work.

6.06 *Receipt and Application of Property Insurance Proceeds*

- A. Any insured loss under the builder's risk and other policies of property insurance required by Paragraph 6.04 will be adjusted and settled with the named insured that purchased the policy. Such named insured shall act as fiduciary for the other insureds, and give notice to such other insureds that adjustment and settlement of a claim is in progress. Any other insured may state its position regarding a claim for insured loss in writing within 15 days after notice of such claim.
- B. Proceeds for such insured losses may be made payable by the insurer either jointly to multiple insureds, or to the named insured that purchased the policy in its own right and as fiduciary for other insureds, subject to the requirements of any applicable mortgage clause. A named insured receiving insurance proceeds under the builder's risk and other policies of insurance required by Paragraph 6.04 shall maintain such proceeds in a segregated account, and distribute such proceeds in accordance with such agreement as the parties in interest may reach, or as otherwise required under the dispute resolution provisions of this Contract or applicable Laws and Regulations.
- C. If no other special agreement is reached, Contractor shall repair or replace the damaged Work, using allocated insurance proceeds.

**ARTICLE 7—CONTRACTOR'S RESPONSIBILITIES**

7.01 *Contractor's Means and Methods of Construction*

- A. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.
- B. If the Contract Documents note, or Contractor determines, that professional engineering or other design services are needed to carry out Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures, or for Site safety, then Contractor shall cause such services to be provided by a properly licensed design professional, at Contractor's expense. Such services are not Owner-delegated professional design services under this Contract, and neither Owner nor Engineer has any responsibility with respect to (1) Contractor's determination of the need for such services, (2) the qualifications or licensing of the design professionals retained or employed by Contractor, (3) the performance of such services, or (4) any errors, omissions, or defects in such services.

7.02 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who will not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

7.03 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall maintain good discipline and order at the Site.

- B. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of Contractor's employees; of Suppliers and Subcontractors, and their employees; and of any other individuals or entities performing or furnishing any of the Work, just as Contractor is responsible for Contractor's own acts and omissions.
- C. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site will be performed during regular working hours, Monday through Friday. Contractor will not perform Work on a Saturday, Sunday, or any legal holiday. Contractor may perform Work outside regular working hours or on Saturdays, Sundays, or legal holidays only with Owner's written consent, which will not be unreasonably withheld.

#### 7.04 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.
- B. All materials and equipment incorporated into the Work must be new and of good quality, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications will expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment must be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

#### 7.05 *"Or Equals"*

- A. *Contractor's Request; Governing Criteria:* Whenever an item of equipment or material is specified or described in the Contract Documents by using the names of one or more proprietary items or specific Suppliers, the Contract Price has been based upon Contractor furnishing such item as specified. The specification or description of such an item is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or equal" item is permitted, Contractor may request that Engineer authorize the use of other items of equipment or material, or items from other proposed Suppliers, under the circumstances described below.
  - 1. If Engineer in its sole discretion determines that an item of equipment or material proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, Engineer will deem it an "or equal" item. For the purposes of this paragraph, a proposed item of equipment or material will be considered functionally equal to an item so named if:
    - a. in the exercise of reasonable judgment Engineer determines that the proposed item:
      - 1) is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;

- 2) will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;
  - 3) has a proven record of performance and availability of responsive service; and
  - 4) is not objectionable to Owner.
- b. Contractor certifies that, if the proposed item is approved and incorporated into the Work:
- 1) there will be no increase in cost to the Owner or increase in Contract Times; and
  - 2) the item will conform substantially to the detailed requirements of the item named in the Contract Documents.
- B. *Contractor's Expense*: Contractor shall provide all data in support of any proposed "or equal" item at Contractor's expense.
- C. *Engineer's Evaluation and Determination*: Engineer will be allowed a reasonable time to evaluate each "or-equal" request. Engineer may require Contractor to furnish additional data about the proposed "or-equal" item. Engineer will be the sole judge of acceptability. No "or-equal" item will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an "or-equal," which will be evidenced by an approved Shop Drawing or other written communication. Engineer will advise Contractor in writing of any negative determination.
- D. *Effect of Engineer's Determination*: Neither approval nor denial of an "or-equal" request will result in any change in Contract Price. The Engineer's denial of an "or-equal" request will be final and binding, and may not be reversed through an appeal under any provision of the Contract.
- E. *Treatment as a Substitution Request*: If Engineer determines that an item of equipment or material proposed by Contractor does not qualify as an "or-equal" item, Contractor may request that Engineer consider the item a proposed substitute pursuant to Paragraph 7.06.

#### 7.06 *Substitutes*

- A. *Contractor's Request; Governing Criteria*: Unless the specification or description of an item of equipment or material required to be furnished under the Contract Documents contains or is followed by words reading that no substitution is permitted, Contractor may request that Engineer authorize the use of other items of equipment or material under the circumstances described below. To the extent possible such requests must be made before commencement of related construction at the Site.
1. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is functionally equivalent to that named and an acceptable substitute therefor. Engineer will not accept requests for review of proposed substitute items of equipment or material from anyone other than Contractor.
  2. The requirements for review by Engineer will be as set forth in Paragraph 7.06.B, as supplemented by the Specifications, and as Engineer may decide is appropriate under the circumstances.

3. Contractor shall make written application to Engineer for review of a proposed substitute item of equipment or material that Contractor seeks to furnish or use. The application:
  - a. will certify that the proposed substitute item will:
    - 1) perform adequately the functions and achieve the results called for by the general design;
    - 2) be similar in substance to the item specified; and
    - 3) be suited to the same use as the item specified.
  - b. will state:
    - 1) the extent, if any, to which the use of the proposed substitute item will necessitate a change in Contract Times;
    - 2) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item; and
    - 3) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.
  - c. will identify:
    - 1) all variations of the proposed substitute item from the item specified; and
    - 2) available engineering, sales, maintenance, repair, and replacement services.
  - d. will contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including but not limited to changes in Contract Price, shared savings, costs of redesign, and claims of other contractors affected by any resulting change.
- B. *Engineer's Evaluation and Determination*: Engineer will be allowed a reasonable time to evaluate each substitute request, and to obtain comments and direction from Owner. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No substitute will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an acceptable substitute. Engineer's determination will be evidenced by a Field Order or a proposed Change Order accounting for the substitution itself and all related impacts, including changes in Contract Price or Contract Times. Engineer will advise Contractor in writing of any negative determination.
- C. *Special Guarantee*: Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- D. *Reimbursement of Engineer's Cost*: Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.



- E. *Contractor's Expense*: Contractor shall provide all data in support of any proposed substitute at Contractor's expense.
- F. *Effect of Engineer's Determination*: If Engineer approves the substitution request, Contractor shall execute the proposed Change Order and proceed with the substitution. The Engineer's denial of a substitution request will be final and binding, and may not be reversed through an appeal under any provision of the Contract. Contractor may challenge the scope of reimbursement costs imposed under Paragraph 7.06.D, by timely submittal of a Change Proposal.

7.07 *Concerning Subcontractors and Suppliers*

- A. Contractor may retain Subcontractors and Suppliers for the performance of parts of the Work. Such Subcontractors and Suppliers must be acceptable to Owner. The Contractor's retention of a Subcontractor or Supplier for the performance of parts of the Work will not relieve Contractor's obligation to Owner to perform and complete the Work in accordance with the Contract Documents.
- B. Contractor shall retain specific Subcontractors and Suppliers for the performance of designated parts of the Work if required by the Contract to do so.
- C. Subsequent to the submittal of Contractor's Bid or final negotiation of the terms of the Contract, Owner may not require Contractor to retain any Subcontractor or Supplier to furnish or perform any of the Work against which Contractor has reasonable objection.
- D. Prior to entry into any binding subcontract or purchase order, Contractor shall submit to Owner the identity of the proposed Subcontractor or Supplier (unless Owner has already deemed such proposed Subcontractor or Supplier acceptable during the bidding process or otherwise). Such proposed Subcontractor or Supplier shall be deemed acceptable to Owner unless Owner raises a substantive, reasonable objection within 5 days.
- E. Owner may require the replacement of any Subcontractor or Supplier. Owner also may require Contractor to retain specific replacements; provided, however, that Owner may not require a replacement to which Contractor has a reasonable objection. If Contractor has submitted the identity of certain Subcontractors or Suppliers for acceptance by Owner, and Owner has accepted it (either in writing or by failing to make written objection thereto), then Owner may subsequently revoke the acceptance of any such Subcontractor or Supplier so identified solely on the basis of substantive, reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor or Supplier.
- F. If Owner requires the replacement of any Subcontractor or Supplier retained by Contractor to perform any part of the Work, then Contractor shall be entitled to an adjustment in Contract Price or Contract Times, with respect to the replacement; and Contractor shall initiate a Change Proposal for such adjustment within 30 days of Owner's requirement of replacement.
- G. No acceptance by Owner of any such Subcontractor or Supplier, whether initially or as a replacement, will constitute a waiver of the right of Owner to the completion of the Work in accordance with the Contract Documents.

- H. On a monthly basis, Contractor shall submit to Engineer a complete list of all Subcontractors and Suppliers having a direct contract with Contractor, and of all other Subcontractors and Suppliers known to Contractor at the time of submittal.
- I. Contractor shall be solely responsible for scheduling and coordinating the work of Subcontractors and Suppliers.
- J. The divisions and sections of the Specifications and the identifications of any Drawings do not control Contractor in dividing the Work among Subcontractors or Suppliers, or in delineating the Work to be performed by any specific trade.
- K. All Work performed for Contractor by a Subcontractor or Supplier must be pursuant to an appropriate contractual agreement that specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract for the benefit of Owner and Engineer.
- L. Owner may furnish to any Subcontractor or Supplier, to the extent practicable, information about amounts paid to Contractor for Work performed for Contractor by the Subcontractor or Supplier.
- M. Contractor shall restrict all Subcontractors and Suppliers from communicating with Engineer or Owner, except through Contractor or in case of an emergency, or as otherwise expressly allowed in this Contract.

7.08 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If an invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner or Engineer, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights will be disclosed in the Contract Documents.
- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.
- C. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

#### 7.09 *Permits*

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain and pay for all construction permits, licenses, and certificates of occupancy. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of the submission of Contractor's Bid (or when Contractor became bound under a negotiated contract). Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.

#### 7.10 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

#### 7.11 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work or other action. It is not Contractor's responsibility to make certain that the Work described in the Contract Documents is in accordance with Laws and Regulations, but this does not relieve Contractor of its obligations under Paragraph 3.03.
- C. Owner or Contractor may give written notice to the other party of any changes after the submission of Contractor's Bid (or after the date when Contractor became bound under a negotiated contract) in Laws or Regulations having an effect on the cost or time of performance of the Work, including but not limited to changes in Laws or Regulations having an effect on procuring permits and on sales, use, value-added, consumption, and other similar taxes. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times resulting from such changes, then within 30 days of such written notice Contractor may submit a Change Proposal, or Owner may initiate a Claim.

#### 7.12 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, written interpretations and clarifications, and approved Shop Drawings. Contractor shall keep such record documents in good order and annotate them to show changes made during construction. These record documents, together with all approved Samples, will be available to Engineer for reference. Upon completion of the Work, Contractor shall deliver these record documents to Engineer.

### 7.13 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations.
- B. Contractor shall designate a qualified and experienced safety representative whose duties and responsibilities are the prevention of Work-related accidents and the maintenance and supervision of safety precautions and programs.
- C. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:
  - 1. all persons on the Site or who may be affected by the Work;
  - 2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
  - 3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- D. All damage, injury, or loss to any property referred to in Paragraph 7.13.C.2 or 7.13.C.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor at its expense (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- E. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection.
- F. Contractor shall notify Owner; the owners of adjacent property; the owners of Underground Facilities and other utilities (if the identity of such owners is known to Contractor); and other contractors and utility owners performing work at or adjacent to the Site, in writing, when Contractor knows that prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property or work in progress.
- G. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. Any Owner's safety programs that are applicable to the Work are identified or included in the Supplementary Conditions or Specifications.
- H. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.

- I. Contractor's duties and responsibilities for safety and protection will continue until all the Work is completed, Engineer has issued a written notice to Owner and Contractor in accordance with Paragraph 15.06.C that the Work is acceptable, and Contractor has left the Site (except as otherwise expressly provided in connection with Substantial Completion).
- J. Contractor's duties and responsibilities for safety and protection will resume whenever Contractor or any Subcontractor or Supplier returns to the Site to fulfill warranty or correction obligations, or to conduct other tasks arising from the Contract Documents.

7.14 *Hazard Communication Programs*

- A. Contractor shall be responsible for coordinating any exchange of safety data sheets (formerly known as material safety data sheets) or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

7.15 *Emergencies*

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused by an emergency, or are required as a result of Contractor's response to an emergency. If Engineer determines that a change in the Contract Documents is required because of an emergency or Contractor's response, a Work Change Directive or Change Order will be issued.

7.16 *Submittals*

A. *Shop Drawing and Sample Requirements*

- 1. Before submitting a Shop Drawing or Sample, Contractor shall:
  - a. review and coordinate the Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
  - b. determine and verify:
    - 1) all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect to the Submittal;
    - 2) the suitability of all materials and equipment offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
    - 3) all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto;
  - c. confirm that the Submittal is complete with respect to all related data included in the Submittal.
- 2. Each Shop Drawing or Sample must bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review of that Submittal, and that Contractor approves the Submittal.

3. With each Shop Drawing or Sample, Contractor shall give Engineer specific written notice of any variations that the Submittal may have from the requirements of the Contract Documents. This notice must be set forth in a written communication separate from the Submittal; and, in addition, in the case of a Shop Drawing by a specific notation made on the Shop Drawing itself.
- B. *Submittal Procedures for Shop Drawings and Samples:* Contractor shall label and submit Shop Drawings and Samples to Engineer for review and approval in accordance with the accepted Schedule of Submittals.
1. *Shop Drawings*
    - a. Contractor shall submit the number of copies required in the Specifications.
    - b. Data shown on the Shop Drawings must be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide, and to enable Engineer to review the information for the limited purposes required by Paragraph 7.16.C.
  2. *Samples*
    - a. Contractor shall submit the number of Samples required in the Specifications.
    - b. Contractor shall clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the Submittal for the limited purposes required by Paragraph 7.16.C.
  3. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.
- C. *Engineer's Review of Shop Drawings and Samples*
1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the accepted Schedule of Submittals. Engineer's review and approval will be only to determine if the items covered by the Submittals will, after installation or incorporation in the Work, comply with the requirements of the Contract Documents, and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
  2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction, or to safety precautions or programs incident thereto.
  3. Engineer's review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
  4. Engineer's review and approval of a Shop Drawing or Sample will not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 7.16.A.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer will

document any such approved variation from the requirements of the Contract Documents in a Field Order or other appropriate Contract modification.

5. Engineer's review and approval of a Shop Drawing or Sample will not relieve Contractor from responsibility for complying with the requirements of Paragraphs 7.16.A and B.
6. Engineer's review and approval of a Shop Drawing or Sample, or of a variation from the requirements of the Contract Documents, will not, under any circumstances, change the Contract Times or Contract Price, unless such changes are included in a Change Order.
7. Neither Engineer's receipt, review, acceptance, or approval of a Shop Drawing or Sample will result in such item becoming a Contract Document.
8. Contractor shall perform the Work in compliance with the requirements and commitments set forth in approved Shop Drawings and Samples, subject to the provisions of Paragraph 7.16.C.4.

*D. Resubmittal Procedures for Shop Drawings and Samples*

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous Submittals.
2. Contractor shall furnish required Shop Drawing and Sample submittals with sufficient information and accuracy to obtain required approval of an item with no more than two resubmittals. Engineer will record Engineer's time for reviewing a third or subsequent resubmittal of a Shop Drawing or Sample, and Contractor shall be responsible for Engineer's charges to Owner for such time. Owner may impose a set-off against payments due Contractor to secure reimbursement for such charges.
3. If Contractor requests a change of a previously approved Shop Drawing or Sample, Contractor shall be responsible for Engineer's charges to Owner for its review time, and Owner may impose a set-off against payments due Contractor to secure reimbursement for such charges, unless the need for such change is beyond the control of Contractor.

*E. Submittals Other than Shop Drawings, Samples, and Owner-Delegated Designs*

1. The following provisions apply to all Submittals other than Shop Drawings, Samples, and Owner-delegated designs:
  - a. Contractor shall submit all such Submittals to the Engineer in accordance with the Schedule of Submittals and pursuant to the applicable terms of the Contract Documents.
  - b. Engineer will provide timely review of all such Submittals in accordance with the Schedule of Submittals and return such Submittals with a notation of either Accepted or Not Accepted. Any such Submittal that is not returned within the time established in the Schedule of Submittals will be deemed accepted.
  - c. Engineer's review will be only to determine if the Submittal is acceptable under the requirements of the Contract Documents as to general form and content of the Submittal.

- d. If any such Submittal is not accepted, Contractor shall confer with Engineer regarding the reason for the non-acceptance, and resubmit an acceptable document.
  2. Procedures for the submittal and acceptance of the Progress Schedule, the Schedule of Submittals, and the Schedule of Values are set forth in Paragraphs 2.03, 2.04, and 2.05.
- F. Owner-delegated Designs: Submittals pursuant to Owner-delegated designs are governed by the provisions of Paragraph 7.19.

**7.17 Contractor's General Warranty and Guarantee**

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer is entitled to rely on Contractor's warranty and guarantee.
- B. Owner's rights under this warranty and guarantee are in addition to, and are not limited by, Owner's rights under the correction period provisions of Paragraph 15.08. The time in which Owner may enforce its warranty and guarantee rights under this Paragraph 7.17 is limited only by applicable Laws and Regulations restricting actions to enforce such rights; provided, however, that after the end of the correction period under Paragraph 15.08:
1. Owner shall give Contractor written notice of any defective Work within 60 days of the discovery that such Work is defective; and
  2. Such notice will be deemed the start of an event giving rise to a Claim under Paragraph 12.01.B, such that any related Claim must be brought within 30 days of the notice.
- C. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
1. abuse, or improper modification, maintenance, or operation, by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
  2. normal wear and tear under normal usage.
- D. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents is absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents, a release of Contractor's obligation to perform the Work in accordance with the Contract Documents, or a release of Owner's warranty and guarantee rights under this Paragraph 7.17:
1. Observations by Engineer;
  2. Recommendation by Engineer or payment by Owner of any progress or final payment;
  3. The issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
  4. Use or occupancy of the Work or any part thereof by Owner;
  5. Any review and approval of a Shop Drawing or Sample submittal;
  6. The issuance of a notice of acceptability by Engineer;
  7. The end of the correction period established in Paragraph 15.08;
  8. Any inspection, test, or approval by others; or



9. Any correction of defective Work by Owner.
- E. If the Contract requires the Contractor to accept the assignment of a contract entered into by Owner, then the specific warranties, guarantees, and correction obligations contained in the assigned contract will govern with respect to Contractor's performance obligations to Owner for the Work described in the assigned contract.

7.18 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from losses, damages, costs, and judgments (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising from third-party claims or actions relating to or resulting from the performance or furnishing of the Work, provided that any such claim, action, loss, cost, judgment or damage is attributable to bodily injury, sickness, disease, or death, or to damage to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable.
- B. In any and all claims against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 7.18.A will not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.

7.19 *Delegation of Professional Design Services*

- A. Owner may require Contractor to provide professional design services for a portion of the Work by express delegation in the Contract Documents. Such delegation will specify the performance and design criteria that such services must satisfy, and the Submittals that Contractor must furnish to Engineer with respect to the Owner-delegated design.
- B. Contractor shall cause such Owner-delegated professional design services to be provided pursuant to the professional standard of care by a properly licensed design professional, whose signature and seal must appear on all drawings, calculations, specifications, certifications, and Submittals prepared by such design professional. Such design professional must issue all certifications of design required by Laws and Regulations.
- C. If a Shop Drawing or other Submittal related to the Owner-delegated design is prepared by Contractor, a Subcontractor, or others for submittal to Engineer, then such Shop Drawing or other Submittal must bear the written approval of Contractor's design professional when submitted by Contractor to Engineer.

- D. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy, and completeness of the services, certifications, and approvals performed or provided by the design professionals retained or employed by Contractor under an Owner-delegated design, subject to the professional standard of care and the performance and design criteria stated in the Contract Documents.
- E. Pursuant to this Paragraph 7.19, Engineer's review, approval, and other determinations regarding design drawings, calculations, specifications, certifications, and other Submittals furnished by Contractor pursuant to an Owner-delegated design will be only for the following limited purposes:
  - 1. Checking for conformance with the requirements of this Paragraph 7.19;
  - 2. Confirming that Contractor (through its design professionals) has used the performance and design criteria specified in the Contract Documents; and
  - 3. Establishing that the design furnished by Contractor is consistent with the design concept expressed in the Contract Documents.
- F. Contractor shall not be responsible for the adequacy of performance or design criteria specified by Owner or Engineer.
- G. Contractor is not required to provide professional services in violation of applicable Laws and Regulations.

## **ARTICLE 8—OTHER WORK AT THE SITE**

### **8.01 *Other Work***

- A. In addition to and apart from the Work under the Contract Documents, the Owner may perform other work at or adjacent to the Site. Such other work may be performed by Owner's employees, or through contracts between the Owner and third parties. Owner may also arrange to have third-party utility owners perform work on their utilities and facilities at or adjacent to the Site.
- B. If Owner performs other work at or adjacent to the Site with Owner's employees, or through contracts for such other work, then Owner shall give Contractor written notice thereof prior to starting any such other work. If Owner has advance information regarding the start of any third-party utility work that Owner has arranged to take place at or adjacent to the Site, Owner shall provide such information to Contractor.
- C. Contractor shall afford proper and safe access to the Site to each contractor that performs such other work, each utility owner performing other work, and Owner, if Owner is performing other work with Owner's employees, and provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work.
- D. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected.

- E. If the proper execution or results of any part of Contractor's Work depends upon work performed by others, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.
- F. The provisions of this article are not applicable to work that is performed by third-party utilities or other third-party entities without a contract with Owner, or that is performed without having been arranged by Owner. If such work occurs, then any related delay, disruption, or interference incurred by Contractor is governed by the provisions of Paragraph 4.05.C.3.

#### 8.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, to perform other work at or adjacent to the Site with Owner's employees, or to arrange to have utility owners perform work at or adjacent to the Site, the following will be set forth in the Supplementary Conditions or provided to Contractor prior to the start of any such other work:
  - 1. The identity of the individual or entity that will have authority and responsibility for coordination of the activities among the various contractors;
  - 2. An itemization of the specific matters to be covered by such authority and responsibility; and
  - 3. The extent of such authority and responsibilities.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

#### 8.03 *Legal Relationships*

- A. If, in the course of performing other work for Owner at or adjacent to the Site, the Owner's employees, any other contractor working for Owner, or any utility owner that Owner has arranged to perform work, causes damage to the Work or to the property of Contractor or its Subcontractors, or delays, disrupts, interferes with, or increases the scope or cost of the performance of the Work, through actions or inaction, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times. Contractor must submit any Change Proposal seeking an equitable adjustment in the Contract Price or the Contract Times under this paragraph within 30 days of the damaging, delaying, disrupting, or interfering event. The entitlement to, and extent of, any such equitable adjustment will take into account information (if any) regarding such other work that was provided to Contractor in the Contract Documents prior to the submittal of the Bid or the final negotiation of the terms of the Contract, and any remedies available to Contractor under Laws or Regulations concerning utility action or inaction. When applicable, any such equitable adjustment in Contract Price will be conditioned on Contractor assigning to Owner all Contractor's rights against such other contractor or utility owner with respect to the damage, delay, disruption, or interference that is the subject of the adjustment. Contractor's entitlement to an adjustment of the Contract Times or Contract Price is subject to the provisions of Paragraphs 4.05.D and 4.05.E.

- B. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site.
  - 1. If Contractor fails to take such measures and as a result damages, delays, disrupts, or interferes with the work of any such other contractor or utility owner, then Owner may impose a set-off against payments due Contractor, and assign to such other contractor or utility owner the Owner's contractual rights against Contractor with respect to the breach of the obligations set forth in this Paragraph 8.03.B.
  - 2. When Owner is performing other work at or adjacent to the Site with Owner's employees, Contractor shall be liable to Owner for damage to such other work, and for the reasonable direct delay, disruption, and interference costs incurred by Owner as a result of Contractor's failure to take reasonable and customary measures with respect to Owner's other work. In response to such damage, delay, disruption, or interference, Owner may impose a set-off against payments due Contractor.
- C. If Contractor damages, delays, disrupts, or interferes with the work of any other contractor, or any utility owner performing other work at or adjacent to the Site, through Contractor's failure to take reasonable and customary measures to avoid such impacts, or if any claim arising out of Contractor's actions, inactions, or negligence in performance of the Work at or adjacent to the Site is made by any such other contractor or utility owner against Contractor, Owner, or Engineer, then Contractor shall (1) promptly attempt to settle the claim as to all parties through negotiations with such other contractor or utility owner, or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law, and (2) indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claims, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such damage, delay, disruption, or interference.

## **ARTICLE 9—OWNER'S RESPONSIBILITIES**

### **9.01 *Communications to Contractor***

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

### **9.02 *Replacement of Engineer***

- A. Owner may at its discretion appoint an engineer to replace Engineer, provided Contractor makes no reasonable objection to the replacement engineer. The replacement engineer's status under the Contract Documents will be that of the former Engineer.

### **9.03 *Furnish Data***

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

### **9.04 *Pay When Due***

- A. Owner shall make payments to Contractor when they are due as provided in the Agreement.

- 9.05 *Lands and Easements; Reports, Tests, and Drawings*
- A. Owner's duties with respect to providing lands and easements are set forth in Paragraph 5.01.
  - B. Owner's duties with respect to providing engineering surveys to establish reference points are set forth in Paragraph 4.03.
  - C. Article 5 refers to Owner's identifying and making available to Contractor copies of reports of explorations and tests of conditions at the Site, and drawings of physical conditions relating to existing surface or subsurface structures at the Site.
- 9.06 *Insurance*
- A. Owner's responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 6.
- 9.07 *Change Orders*
- A. Owner's responsibilities with respect to Change Orders are set forth in Article 11.
- 9.08 *Inspections, Tests, and Approvals*
- A. Owner's responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 14.02.B.
- 9.09 *Limitations on Owner's Responsibilities*
- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- 9.10 *Undisclosed Hazardous Environmental Condition*
- A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 5.06.
- 9.11 *Evidence of Financial Arrangements*
- A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract (including obligations under proposed changes in the Work).
- 9.12 *Safety Programs*
- A. While at the Site, Owner's employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed.
  - B. Owner shall furnish copies of any applicable Owner safety programs to Contractor.

## ARTICLE 10—ENGINEER'S STATUS DURING CONSTRUCTION

### 10.01 *Owner's Representative*

- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract.

### 10.02 *Visits to Site*

- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe, as an experienced and qualified design professional, the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.
- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 10.07. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

### 10.03 *Resident Project Representative*

- A. If Owner and Engineer have agreed that Engineer will furnish a Resident Project Representative to represent Engineer at the Site and assist Engineer in observing the progress and quality of the Work, then the authority and responsibilities of any such Resident Project Representative will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in the Supplementary Conditions and in Paragraph 10.07.
- B. If Owner designates an individual or entity who is not Engineer's consultant, agent, or employee to represent Owner at the Site, then the responsibilities and authority of such individual or entity will be as provided in the Supplementary Conditions.

### 10.04 *Engineer's Authority*

- A. Engineer has the authority to reject Work in accordance with Article 14.
- B. Engineer's authority as to Submittals is set forth in Paragraph 7.16.
- C. Engineer's authority as to design drawings, calculations, specifications, certifications and other Submittals from Contractor in response to Owner's delegation (if any) to Contractor of professional design services, is set forth in Paragraph 7.19.
- D. Engineer's authority as to changes in the Work is set forth in Article 11.

E. Engineer's authority as to Applications for Payment is set forth in Article 15.

10.05 *Determinations for Unit Price Work*

A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor as set forth in Paragraph 13.03.

10.06 *Decisions on Requirements of Contract Documents and Acceptability of Work*

A. Engineer will render decisions regarding the requirements of the Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth herein for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

10.07 *Limitations on Engineer's Authority and Responsibilities*

A. Neither Engineer's authority or responsibility under this Article 10 or under any other provision of the Contract, nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer, will create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.

B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.

D. Engineer's review of the final Application for Payment and accompanying documentation, and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Contractor under Paragraph 15.06.A, will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals, that the results certified indicate compliance with the Contract Documents.

E. The limitations upon authority and responsibility set forth in this Paragraph 10.07 also apply to the Resident Project Representative, if any.

10.08 *Compliance with Safety Program*

A. While at the Site, Engineer's employees and representatives will comply with the specific applicable requirements of Owner's and Contractor's safety programs of which Engineer has been informed.

## ARTICLE 11—CHANGES TO THE CONTRACT

### 11.01 *Amending and Supplementing the Contract*

- A. The Contract may be amended or supplemented by a Change Order, a Work Change Directive, or a Field Order.
- B. If an amendment or supplement to the Contract includes a change in the Contract Price or the Contract Times, such amendment or supplement must be set forth in a Change Order.
- C. All changes to the Contract that involve (1) the performance or acceptability of the Work, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, must be supported by Engineer's recommendation. Owner and Contractor may amend other terms and conditions of the Contract without the recommendation of the Engineer.

### 11.02 *Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders covering:
  - 1. Changes in Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
  - 2. Changes in Contract Price resulting from an Owner set-off, unless Contractor has duly contested such set-off;
  - 3. Changes in the Work which are: (a) ordered by Owner pursuant to Paragraph 11.05, (b) required because of Owner's acceptance of defective Work under Paragraph 14.04 or Owner's correction of defective Work under Paragraph 14.07, or (c) agreed to by the parties, subject to the need for Engineer's recommendation if the change in the Work involves the design (as set forth in the Drawings, Specifications, or otherwise) or other engineering or technical matters; and
  - 4. Changes that embody the substance of any final and binding results under: Paragraph 11.03.B, resolving the impact of a Work Change Directive; Paragraph 11.09, concerning Change Proposals; Article 12, Claims; Paragraph 13.02.D, final adjustments resulting from allowances; Paragraph 13.03.D, final adjustments relating to determination of quantities for Unit Price Work; and similar provisions.
- B. If Owner or Contractor refuses to execute a Change Order that is required to be executed under the terms of Paragraph 11.02.A, it will be deemed to be of full force and effect, as if fully executed.

### 11.03 *Work Change Directives*

- A. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the modification ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order, following negotiations by the parties as to the Work Change Directive's effect, if any, on the Contract Price and Contract Times; or, if negotiations are unsuccessful, by a determination under the terms of the Contract Documents governing adjustments, expressly including Paragraph 11.07 regarding change of Contract Price.



- B. If Owner has issued a Work Change Directive and:
  - 1. Contractor believes that an adjustment in Contract Times or Contract Price is necessary, then Contractor shall submit any Change Proposal seeking such an adjustment no later than 30 days after the completion of the Work set out in the Work Change Directive.
  - 2. Owner believes that an adjustment in Contract Times or Contract Price is necessary, then Owner shall submit any Claim seeking such an adjustment no later than 60 days after issuance of the Work Change Directive.

#### 11.04 *Field Orders*

- A. Engineer may authorize minor changes in the Work if the changes do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such changes will be accomplished by a Field Order and will be binding on Owner and also on Contractor, which shall perform the Work involved promptly.
- B. If Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, then before proceeding with the Work at issue, Contractor shall submit a Change Proposal as provided herein.

#### 11.05 *Owner-Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work. Changes involving the design (as set forth in the Drawings, Specifications, or otherwise) or other engineering or technical matters will be supported by Engineer's recommendation.
- B. Such changes in the Work may be accomplished by a Change Order, if Owner and Contractor have agreed as to the effect, if any, of the changes on Contract Times or Contract Price; or by a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved; or, in the case of a deletion in the Work, promptly cease construction activities with respect to such deleted Work. Added or revised Work must be performed under the applicable conditions of the Contract Documents.
- C. Nothing in this Paragraph 11.05 obligates Contractor to undertake work that Contractor reasonably concludes cannot be performed in a manner consistent with Contractor's safety obligations under the Contract Documents or Laws and Regulations.

#### 11.06 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents, as amended, modified, or supplemented, except in the case of an emergency as provided in Paragraph 7.15 or in the case of uncovering Work as provided in Paragraph 14.05.C.2.

#### 11.07 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Price must comply with the provisions of Paragraph 11.09. Any Claim for an adjustment of Contract Price must comply with the provisions of Article 12.
- B. An adjustment in the Contract Price will be determined as follows:

1. Where the Work involved is covered by unit prices contained in the Contract Documents, then by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 13.03);
  2. Where the Work involved is not covered by unit prices contained in the Contract Documents, then by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 11.07.C.2); or
  3. Where the Work involved is not covered by unit prices contained in the Contract Documents and the parties do not reach mutual agreement to a lump sum, then on the basis of the Cost of the Work (determined as provided in Paragraph 13.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 11.07.C).
- C. *Contractor's Fee:* When applicable, the Contractor's fee for overhead and profit will be determined as follows:
1. A mutually acceptable fixed fee; or
  2. If a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
    - a. For costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2, the Contractor's fee will be 15 percent;
    - b. For costs incurred under Paragraph 13.01.B.3, the Contractor's fee will be 5 percent;
    - c. Where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 11.07.C.2.a and 11.07.C.2.b is that the Contractor's fee will be based on: (1) a fee of 15 percent of the costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2 by the Subcontractor that actually performs the Work, at whatever tier, and (2) with respect to Contractor itself and to any Subcontractors of a tier higher than that of the Subcontractor that actually performs the Work, a fee of 5 percent of the amount (fee plus underlying costs incurred) attributable to the next lower tier Subcontractor; provided, however, that for any such subcontracted Work the maximum total fee to be paid by Owner will be no greater than 27 percent of the costs incurred by the Subcontractor that actually performs the Work;
    - d. No fee will be payable on the basis of costs itemized under Paragraphs 13.01.B.4, 13.01.B.5, and 13.01.C;
    - e. The amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in Cost of the Work will be the amount of the actual net decrease in Cost of the Work and a deduction of an additional amount equal to 5 percent of such actual net decrease in Cost of the Work; and
    - f. When both additions and credits are involved in any one change or Change Proposal, the adjustment in Contractor's fee will be computed by determining the sum of the costs in each of the cost categories in Paragraph 13.01.B (specifically, payroll costs, Paragraph 13.01.B.1; incorporated materials and equipment costs, Paragraph 13.01.B.2; Subcontract costs, Paragraph 13.01.B.3; special consultants costs, Paragraph 13.01.B.4; and other costs, Paragraph 13.01.B.5) and applying to each such cost category sum the appropriate fee from Paragraphs 11.07.C.2.a through 11.07.C.2.e, inclusive.

#### 11.08 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Times must comply with the provisions of Paragraph 11.09. Any Claim for an adjustment in the Contract Times must comply with the provisions of Article 12.
- B. Delay, disruption, and interference in the Work, and any related changes in Contract Times, are addressed in and governed by Paragraph 4.05.

#### 11.09 *Change Proposals*

A. *Purpose and Content:* Contractor shall submit a Change Proposal to Engineer to request an adjustment in the Contract Times or Contract Price; contest an initial decision by Engineer concerning the requirements of the Contract Documents or relating to the acceptability of the Work under the Contract Documents; challenge a set-off against payment due; or seek other relief under the Contract. The Change Proposal will specify any proposed change in Contract Times or Contract Price, or other proposed relief, and explain the reason for the proposed change, with citations to any governing or applicable provisions of the Contract Documents. Each Change Proposal will address only one issue, or a set of closely related issues.

#### B. *Change Proposal Procedures*

1. *Submittal:* Contractor shall submit each Change Proposal to Engineer within 30 days after the start of the event giving rise thereto, or after such initial decision.
2. *Supporting Data:* The Contractor shall submit supporting data, including the proposed change in Contract Price or Contract Time (if any), to the Engineer and Owner within 15 days after the submittal of the Change Proposal.
  - a. Change Proposals based on or related to delay, interruption, or interference must comply with the provisions of Paragraphs 4.05.D and 4.05.E.
  - b. Change proposals related to a change of Contract Price must include full and detailed accounts of materials incorporated into the Work and labor and equipment used for the subject Work.

The supporting data must be accompanied by a written statement that the supporting data are accurate and complete, and that any requested time or price adjustment is the entire adjustment to which Contractor believes it is entitled as a result of said event.

3. *Engineer's Initial Review:* Engineer will advise Owner regarding the Change Proposal, and consider any comments or response from Owner regarding the Change Proposal. If in its discretion Engineer concludes that additional supporting data is needed before conducting a full review and making a decision regarding the Change Proposal, then Engineer may request that Contractor submit such additional supporting data by a date specified by Engineer, prior to Engineer beginning its full review of the Change Proposal.
4. *Engineer's Full Review and Action on the Change Proposal:* Upon receipt of Contractor's supporting data (including any additional data requested by Engineer), Engineer will conduct a full review of each Change Proposal and, within 30 days after such receipt of the Contractor's supporting data, either approve the Change Proposal in whole, deny it in whole, or approve it in part and deny it in part. Such actions must be in writing, with a copy provided to Owner and Contractor. If Engineer does not take action on the Change

Proposal within 30 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of Engineer's inaction the Change Proposal is deemed denied, thereby commencing the time for appeal of the denial under Article 12.

5. *Binding Decision*: Engineer's decision is final and binding upon Owner and Contractor, unless Owner or Contractor appeals the decision by filing a Claim under Article 12.
- C. *Resolution of Certain Change Proposals*: If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties in writing that the Engineer is unable to resolve the Change Proposal. For purposes of further resolution of such a Change Proposal, such notice will be deemed a denial, and Contractor may choose to seek resolution under the terms of Article 12.
- D. *Post-Completion*: Contractor shall not submit any Change Proposals after Engineer issues a written recommendation of final payment pursuant to Paragraph 15.06.B.

#### 11.10 *Notification to Surety*

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

### **ARTICLE 12—CLAIMS**

#### 12.01 *Claims*

- A. *Claims Process*: The following disputes between Owner and Contractor are subject to the Claims process set forth in this article:
  1. Appeals by Owner or Contractor of Engineer's decisions regarding Change Proposals;
  2. Owner demands for adjustments in the Contract Price or Contract Times, or other relief under the Contract Documents;
  3. Disputes that Engineer has been unable to address because they do not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters; and
  4. Subject to the waiver provisions of Paragraph 15.07, any dispute arising after Engineer has issued a written recommendation of final payment pursuant to Paragraph 15.06.B.
- B. *Submittal of Claim*: The party submitting a Claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto; in the case of appeals regarding Change Proposals within 30 days of the decision under appeal. The party submitting the Claim shall also furnish a copy to the Engineer, for its information only. The responsibility to substantiate a Claim rests with the party making the Claim. In the case of a Claim by Contractor seeking an increase in the Contract Times or Contract Price, Contractor shall certify that the Claim is made in good faith, that the supporting data are accurate and complete, and that to the best of Contractor's knowledge

and belief the amount of time or money requested accurately reflects the full amount to which Contractor is entitled.

- C. *Review and Resolution*: The party receiving a Claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the Claim through the exchange of information and direct negotiations. The parties may extend the time for resolving the Claim by mutual agreement. All actions taken on a Claim will be stated in writing and submitted to the other party, with a copy to Engineer.
- D. *Mediation*
  - 1. At any time after initiation of a Claim, Owner and Contractor may mutually agree to mediation of the underlying dispute. The agreement to mediate will stay the Claim submittal and response process.
  - 2. If Owner and Contractor agree to mediation, then after 60 days from such agreement, either Owner or Contractor may unilaterally terminate the mediation process, and the Claim submittal and decision process will resume as of the date of the termination. If the mediation proceeds but is unsuccessful in resolving the dispute, the Claim submittal and decision process will resume as of the date of the conclusion of the mediation, as determined by the mediator.
  - 3. Owner and Contractor shall each pay one-half of the mediator's fees and costs.
- E. *Partial Approval*: If the party receiving a Claim approves the Claim in part and denies it in part, such action will be final and binding unless within 30 days of such action the other party invokes the procedure set forth in Article 17 for final resolution of disputes.
- F. *Denial of Claim*: If efforts to resolve a Claim are not successful, the party receiving the Claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the Claim within 90 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of the inaction, the Claim is deemed denied, thereby commencing the time for appeal of the denial. A denial of the Claim will be final and binding unless within 30 days of the denial the other party invokes the procedure set forth in Article 17 for the final resolution of disputes.
- G. *Final and Binding Results*: If the parties reach a mutual agreement regarding a Claim, whether through approval of the Claim, direct negotiations, mediation, or otherwise; or if a Claim is approved in part and denied in part, or denied in full, and such actions become final and binding; then the results of the agreement or action on the Claim will be incorporated in a Change Order or other written document to the extent they affect the Contract, including the Work, the Contract Times, or the Contract Price.

## **ARTICLE 13—COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK**

### **13.01 *Cost of the Work***

- A. *Purposes for Determination of Cost of the Work*: The term Cost of the Work means the sum of all costs necessary for the proper performance of the Work at issue, as further defined below. The provisions of this Paragraph 13.01 are used for two distinct purposes:
  - 1. To determine Cost of the Work when Cost of the Work is a component of the Contract Price, under cost-plus-fee, time-and-materials, or other cost-based terms; or

2. When needed to determine the value of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price. When the value of any such adjustment is determined on the basis of Cost of the Work, Contractor is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.
- B. *Costs Included:* Except as otherwise may be agreed to in writing by Owner, costs included in the Cost of the Work will be in amounts no higher than those commonly incurred in the locality of the Project, will not include any of the costs itemized in Paragraph 13.01.C, and will include only the following items:
1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor in advance of the subject Work. Such employees include, without limitation, superintendents, foremen, safety managers, safety representatives, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work will be apportioned on the basis of their time spent on the Work. Payroll costs include, but are not limited to, salaries and wages plus the cost of fringe benefits, which include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, will be included in the above to the extent authorized by Owner.
  2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts will accrue to Owner. All trade discounts, rebates, and refunds and returns from sale of surplus materials and equipment will accrue to Owner, and Contractor shall make provisions so that they may be obtained.
  3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, which will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee will be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 13.01.
  4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed or retained for services specifically related to the Work.
  5. Other costs consisting of the following:
    - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
    - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, which are

consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.

- 1) In establishing included costs for materials such as scaffolding, plating, or sheeting, consideration will be given to the actual or the estimated life of the material for use on other projects; or rental rates may be established on the basis of purchase or salvage value of such items, whichever is less. Contractor will not be eligible for compensation for such items in an amount that exceeds the purchase cost of such item.

c. *Construction Equipment Rental*

- 1) Rentals of all construction equipment and machinery, and the parts thereof, in accordance with rental agreements approved by Owner as to price (including any surcharge or special rates applicable to overtime use of the construction equipment or machinery), and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs will be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts must cease when the use thereof is no longer necessary for the Work.
- 2) Costs for equipment and machinery owned by Contractor or a Contractor-related entity will be paid at a rate shown for such equipment in the equipment rental rate book specified in the Supplementary Conditions. An hourly rate will be computed by dividing the monthly rates by 176. These computed rates will include all operating costs.
- 3) With respect to Work that is the result of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price ("changed Work"), included costs will be based on the time the equipment or machinery is in use on the changed Work and the costs of transportation, loading, unloading, assembly, dismantling, and removal when directly attributable to the changed Work. The cost of any such equipment or machinery, or parts thereof, must cease to accrue when the use thereof is no longer necessary for the changed Work.

- d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
- e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
- f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of builder's risk or other property insurance established in accordance with Paragraph 6.04), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses will be included in the Cost of the Work for the purpose of determining Contractor's fee.

- g. The cost of utilities, fuel, and sanitary facilities at the Site.
- h. Minor expenses such as communication service at the Site, express and courier services, and similar petty cash items in connection with the Work.
- i. The costs of premiums for all bonds and insurance that Contractor is required by the Contract Documents to purchase and maintain.

C. *Costs Excluded*: The term Cost of the Work does not include any of the following items:

- 1. Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 13.01.B.1 or specifically covered by Paragraph 13.01.B.4. The payroll costs and other compensation excluded here are to be considered administrative costs covered by the Contractor's fee.
- 2. The cost of purchasing, renting, or furnishing small tools and hand tools.
- 3. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
- 4. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
- 5. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
- 6. Expenses incurred in preparing and advancing Claims.
- 7. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 13.01.B.

D. *Contractor's Fee*

- 1. When the Work as a whole is performed on the basis of cost-plus-a-fee, then:
  - a. Contractor's fee for the Work set forth in the Contract Documents as of the Effective Date of the Contract will be determined as set forth in the Agreement.
  - b. for any Work covered by a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price on the basis of Cost of the Work, Contractor's fee will be determined as follows:
    - 1) When the fee for the Work as a whole is a percentage of the Cost of the Work, the fee will automatically adjust as the Cost of the Work changes.
    - 2) When the fee for the Work as a whole is a fixed fee, the fee for any additions or deletions will be determined in accordance with Paragraph 11.07.C.2.
- 2. When the Work as a whole is performed on the basis of a stipulated sum, or any other basis other than cost-plus-a-fee, then Contractor's fee for any Work covered by a Change



Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price on the basis of Cost of the Work will be determined in accordance with Paragraph 11.07.C.2.

- E. *Documentation and Audit*: Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 13, Contractor and pertinent Subcontractors will establish and maintain records of the costs in accordance with generally accepted accounting practices. Subject to prior written notice, Owner will be afforded reasonable access, during normal business hours, to all Contractor's accounts, records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and Contractor's fee. Contractor shall preserve all such documents for a period of three years after the final payment by Owner. Pertinent Subcontractors will afford such access to Owner, and preserve such documents, to the same extent required of Contractor.

### 13.02 Allowances

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. *Cash Allowances*: Contractor agrees that:
1. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
  2. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment for any of the foregoing will be valid.
- C. *Owner's Contingency Allowance*: Contractor agrees that an Owner's contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.
- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor for Work covered by allowances, and the Contract Price will be correspondingly adjusted.

### 13.03 Unit Price Work

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Payments to Contractor for Unit Price Work will be based on actual quantities.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision

thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, and the final adjustment of Contract Price will be set forth in a Change Order, subject to the provisions of the following paragraph.

E. *Adjustments in Unit Price*

1. Contractor or Owner shall be entitled to an adjustment in the unit price with respect to an item of Unit Price Work if:
  - a. the quantity of the item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and
  - b. Contractor's unit costs to perform the item of Unit Price Work have changed materially and significantly as a result of the quantity change.
2. The adjustment in unit price will account for and be coordinated with any related changes in quantities of other items of Work, and in Contractor's costs to perform such other Work, such that the resulting overall change in Contract Price is equitable to Owner and Contractor.
3. Adjusted unit prices will apply to all units of that item.

**ARTICLE 14—TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK**

14.01 *Access to Work*

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and authorities having jurisdiction have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply with such procedures and programs as applicable.

14.02 *Tests, Inspections, and Approvals*

- A. Contractor shall give Engineer timely notice of readiness of the Work (or specific parts thereof) for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- B. Owner shall retain and pay for the services of an independent inspector, testing laboratory, or other qualified individual or entity to perform all inspections and tests expressly required by the Contract Documents to be furnished and paid for by Owner, except that costs incurred in connection with tests or inspections of covered Work will be governed by the provisions of Paragraph 14.05.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.

- D. Contractor shall be responsible for arranging, obtaining, and paying for all inspections and tests required:
1. by the Contract Documents, unless the Contract Documents expressly allocate responsibility for a specific inspection or test to Owner;
  2. to attain Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work;
  3. by manufacturers of equipment furnished under the Contract Documents;
  4. for testing, adjusting, and balancing of mechanical, electrical, and other equipment to be incorporated into the Work; and
  5. for acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work.

Such inspections and tests will be performed by independent inspectors, testing laboratories, or other qualified individuals or entities acceptable to Owner and Engineer.

- E. If the Contract Documents require the Work (or part thereof) to be approved by Owner, Engineer, or another designated individual or entity, then Contractor shall assume full responsibility for arranging and obtaining such approvals.
- F. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation. Such uncovering will be at Contractor's expense unless Contractor had given Engineer timely notice of Contractor's intention to cover the same and Engineer had not acted with reasonable promptness in response to such notice.

#### 14.03 *Defective Work*

- A. *Contractor's Obligation:* It is Contractor's obligation to assure that the Work is not defective.
- B. *Engineer's Authority:* Engineer has the authority to determine whether Work is defective, and to reject defective Work.
- C. *Notice of Defects:* Prompt written notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor.
- D. *Correction, or Removal and Replacement:* Promptly after receipt of written notice of defective Work, Contractor shall correct all such defective Work, whether or not fabricated, installed, or completed, or, if Engineer has rejected the defective Work, remove it from the Project and replace it with Work that is not defective.
- E. *Preservation of Warranties:* When correcting defective Work, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.
- F. *Costs and Damages:* In addition to its correction, removal, and replacement obligations with respect to defective Work, Contractor shall pay all claims, costs, losses, and damages arising out of or relating to defective Work, including but not limited to the cost of the inspection, testing, correction, removal, replacement, or reconstruction of such defective Work, fines levied against Owner by governmental authorities because the Work is defective, and the costs of repair or replacement of work of others resulting from defective Work. Prior to final payment, if Owner and Contractor are unable to agree as to the measure of such claims, costs,

losses, and damages resulting from defective Work, then Owner may impose a reasonable set-off against payments due under Article 15.

#### 14.04 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner prefers to accept it, Owner may do so (subject, if such acceptance occurs prior to final payment, to Engineer's confirmation that such acceptance is in general accord with the design intent and applicable engineering principles, and will not endanger public safety). Contractor shall pay all claims, costs, losses, and damages attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness), and for the diminished value of the Work to the extent not otherwise paid by Contractor. If any such acceptance occurs prior to final payment, the necessary revisions in the Contract Documents with respect to the Work will be incorporated in a Change Order. If the parties are unable to agree as to the decrease in the Contract Price, reflecting the diminished value of Work so accepted, then Owner may impose a reasonable set-off against payments due under Article 15. If the acceptance of defective Work occurs after final payment, Contractor shall pay an appropriate amount to Owner.

#### 14.05 *Uncovering Work*

- A. Engineer has the authority to require additional inspection or testing of the Work, whether or not the Work is fabricated, installed, or completed.
- B. If any Work is covered contrary to the written request of Engineer, then Contractor shall, if requested by Engineer, uncover such Work for Engineer's observation, and then replace the covering, all at Contractor's expense.
- C. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, then Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, and provide all necessary labor, material, and equipment.
  - 1. If it is found that the uncovered Work is defective, Contractor shall be responsible for all claims, costs, losses, and damages arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and pending Contractor's full discharge of this responsibility the Owner shall be entitled to impose a reasonable set-off against payments due under Article 15.
  - 2. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, then Contractor may submit a Change Proposal within 30 days of the determination that the Work is not defective.

#### 14.06 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work,

or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work will not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

**14.07 Owner May Correct Defective Work**

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace defective Work as required by Engineer, then Owner may, after 7 days' written notice to Contractor, correct or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 14.07, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this paragraph.
- C. All claims, costs, losses, and damages incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 14.07 will be charged against Contractor as set-offs against payments due under Article 15. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.
- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 14.07.

**ARTICLE 15—PAYMENTS TO CONTRACTOR; SET-OFFS; COMPLETION; CORRECTION PERIOD**

**15.01 Progress Payments**

- A. *Basis for Progress Payments:* The Schedule of Values established as provided in Article 2 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments for Unit Price Work will be based on the number of units completed during the pay period, as determined under the provisions of Paragraph 13.03. Progress payments for cost-based Work will be based on Cost of the Work completed by Contractor during the pay period.
- B. *Applications for Payments*
  - 1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents.
  - 2. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment must also be accompanied by: (a) a bill of sale, invoice, copies of subcontract or purchase order payments, or other documentation

establishing full payment by Contractor for the materials and equipment; (b) at Owner's request, documentation warranting that Owner has received the materials and equipment free and clear of all Liens; and (c) evidence that the materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.

3. Beginning with the second Application for Payment, each Application must include an affidavit of Contractor stating that all previous progress payments received by Contractor have been applied to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
4. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

C. *Review of Applications*

1. Engineer will, within 10 days after receipt of each Application for Payment, including each resubmittal, either indicate in writing a recommendation of payment and present the Application to Owner, or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design professional, and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:
  - a. the Work has progressed to the point indicated;
  - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 13.03, and any other qualifications stated in the recommendation); and
  - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
  - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract; or
  - b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.

4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
  - a. to supervise, direct, or control the Work;
  - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto;
  - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work;
  - d. to make any examination to ascertain how or for what purposes Contractor has used the money paid by Owner; or
  - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 15.01.C.2.
6. Engineer will recommend reductions in payment (set-offs) necessary in Engineer's opinion to protect Owner from loss because:
  - a. the Work is defective, requiring correction or replacement;
  - b. the Contract Price has been reduced by Change Orders;
  - c. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
  - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible; or
  - e. Engineer has actual knowledge of the occurrence of any of the events that would constitute a default by Contractor and therefore justify termination for cause under the Contract Documents.

**D. *Payment Becomes Due***

1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended (subject to any Owner set-offs) will become due, and when due will be paid by Owner to Contractor.

**E. *Reductions in Payment by Owner***

1. In addition to any reductions in payment (set-offs) recommended by Engineer, Owner is entitled to impose a set-off against payment based on any of the following:
  - a. Claims have been made against Owner based on Contractor's conduct in the performance or furnishing of the Work, or Owner has incurred costs, losses, or damages resulting from Contractor's conduct in the performance or furnishing of the Work, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, non-compliance with Laws and Regulations, and patent infringement;

- b. Contractor has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with other work at or adjacent to the Site;
  - c. Contractor has failed to provide and maintain required bonds or insurance;
  - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;
  - e. Owner has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;
  - f. The Work is defective, requiring correction or replacement;
  - g. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
  - h. The Contract Price has been reduced by Change Orders;
  - i. An event has occurred that would constitute a default by Contractor and therefore justify a termination for cause;
  - j. Liquidated or other damages have accrued as a result of Contractor's failure to achieve Milestones, Substantial Completion, or final completion of the Work;
  - k. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens; or
  - l. Other items entitle Owner to a set-off against the amount recommended.
2. If Owner imposes any set-off against payment, whether based on its own knowledge or on the written recommendations of Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and the specific amount of the reduction, and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, if Contractor remedies the reasons for such action. The reduction imposed will be binding on Contractor unless it duly submits a Change Proposal contesting the reduction.
  3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld will be treated as an amount due as determined by Paragraph 15.01.D.1 and subject to interest as provided in the Agreement.

**15.02 Contractor's Warranty of Title**

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Contract will pass to Owner free and clear of (1) all Liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than 7 days after the time of payment by Owner.

**15.03 Substantial Completion**

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete and request that Engineer issue a certificate of Substantial Completion. Contractor shall at the same time



submit to Owner and Engineer an initial draft of punch list items to be completed or corrected before final payment.

- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a preliminary certificate of Substantial Completion which will fix the date of Substantial Completion. Engineer shall attach to the certificate a punch list of items to be completed or corrected before final payment. Owner shall have 7 days after receipt of the preliminary certificate during which to make written objection to Engineer as to any provisions of the certificate or attached punch list. If, after considering the objections to the provisions of the preliminary certificate, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the preliminary certificate to Owner, notify Contractor in writing that the Work is not substantially complete, stating the reasons therefor. If Owner does not object to the provisions of the certificate, or if despite consideration of Owner's objections Engineer concludes that the Work is substantially complete, then Engineer will, within said 14 days, execute and deliver to Owner and Contractor a final certificate of Substantial Completion (with a revised punch list of items to be completed or corrected) reflecting such changes from the preliminary certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of receipt of the preliminary certificate of Substantial Completion, Owner and Contractor will confer regarding Owner's use or occupancy of the Work following Substantial Completion, review the builder's risk insurance policy with respect to the end of the builder's risk coverage, and confirm the transition to coverage of the Work under a permanent property insurance policy held by Owner. Unless Owner and Contractor agree otherwise in writing, Owner shall bear responsibility for security, operation, protection of the Work, property insurance, maintenance, heat, and utilities upon Owner's use or occupancy of the Work.
- E. After Substantial Completion the Contractor shall promptly begin work on the punch list of items to be completed or corrected prior to final payment. In appropriate cases Contractor may submit monthly Applications for Payment for completed punch list items, following the progress payment procedures set forth above.
- F. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the punch list.

#### 15.04 *Partial Use or Occupancy*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without

significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:

1. At any time, Owner may request in writing that Contractor permit Owner to use or occupy any such part of the Work that Owner believes to be substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor, Owner, and Engineer will follow the procedures of Paragraph 15.03.A through 15.03.E for that part of the Work.
2. At any time, Contractor may notify Owner and Engineer in writing that Contractor considers any such part of the Work substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 15.03 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 6.04 regarding builder's risk or other property insurance.

#### 15.05 *Final Inspection*

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work, or agreed portion thereof, is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

#### 15.06 *Final Payment*

##### A. *Application for Payment*

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, annotated record documents (as provided in Paragraph 7.12), and other documents, Contractor may make application for final payment.
2. The final Application for Payment must be accompanied (except as previously delivered) by:
  - a. all documentation called for in the Contract Documents;
  - b. consent of the surety, if any, to final payment;
  - c. satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to Owner free and clear of any Liens or other title defects, or will so pass upon final payment.

- d. a list of all duly pending Change Proposals and Claims; and
  - e. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of the Work, and of Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 15.06.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (a) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (b) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien, or Owner at its option may issue joint checks payable to Contractor and specified Subcontractors and Suppliers.
- B. *Engineer's Review of Final Application and Recommendation of Payment:* If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract have been fulfilled, Engineer will, within 10 days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of final payment and present the final Application for Payment to Owner for payment. Such recommendation will account for any set-offs against payment that are necessary in Engineer's opinion to protect Owner from loss for the reasons stated above with respect to progress payments. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.
- C. *Notice of Acceptability:* In support of its recommendation of payment of the final Application for Payment, Engineer will also give written notice to Owner and Contractor that the Work is acceptable, subject to stated limitations in the notice and to the provisions of Paragraph 15.07.
- D. *Completion of Work:* The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Engineer's written recommendation of final payment and issuance of notice of the acceptability of the Work.
- E. *Final Payment Becomes Due:* Upon receipt from Engineer of the final Application for Payment and accompanying documentation, Owner shall set off against the amount recommended by Engineer for final payment any further sum to which Owner is entitled, including but not limited to set-offs for liquidated damages and set-offs allowed under the provisions of this Contract with respect to progress payments. Owner shall pay the resulting balance due to Contractor within 30 days of Owner's receipt of the final Application for Payment from Engineer.

#### 15.07 *Waiver of Claims*

- A. By making final payment, Owner waives its claim or right to liquidated damages or other damages for late completion by Contractor, except as set forth in an outstanding Claim,

appeal under the provisions of Article 17, set-off, or express reservation of rights by Owner. Owner reserves all other claims or rights after final payment.

- B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted as a Claim, or appealed under the provisions of Article 17.

#### 15.08 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the Supplementary Conditions or the terms of any applicable special guarantee required by the Contract Documents), Owner gives Contractor written notice that any Work has been found to be defective, or that Contractor's repair of any damages to the Site or adjacent areas has been found to be defective, then after receipt of such notice of defect Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
  - 1. correct the defective repairs to the Site or such adjacent areas;
  - 2. correct such defective Work;
  - 3. remove the defective Work from the Project and replace it with Work that is not defective, if the defective Work has been rejected by Owner, and
  - 4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others, or to other land or areas resulting from the corrective measures.
- B. Owner shall give any such notice of defect within 60 days of the discovery that such Work or repairs is defective. If such notice is given within such 60 days but after the end of the correction period, the notice will be deemed a notice of defective Work under Paragraph 7.17.B.
- C. If, after receipt of a notice of defect within 60 days and within the correction period, Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. Contractor shall pay all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others). Contractor's failure to pay such costs, losses, and damages within 10 days of invoice from Owner will be deemed the start of an event giving rise to a Claim under Paragraph 12.01.B, such that any related Claim must be brought within 30 days of the failure to pay.
- D. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- E. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.

- F. Contractor's obligations under this paragraph are in addition to all other obligations and warranties. The provisions of this paragraph are not to be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

## **ARTICLE 16—SUSPENSION OF WORK AND TERMINATION**

### **16.01 *Owner May Suspend Work***

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times directly attributable to any such suspension. Any Change Proposal seeking such adjustments must be submitted no later than 30 days after the date fixed for resumption of Work.

### **16.02 *Owner May Terminate for Cause***

- A. The occurrence of any one or more of the following events will constitute a default by Contractor and justify termination for cause:
  - 1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment, or failure to adhere to the Progress Schedule);
  - 2. Failure of Contractor to perform or otherwise to comply with a material term of the Contract Documents;
  - 3. Contractor's disregard of Laws or Regulations of any public body having jurisdiction; or
  - 4. Contractor's repeated disregard of the authority of Owner or Engineer.
- B. If one or more of the events identified in Paragraph 16.02.A occurs, then after giving Contractor (and any surety) 10 days' written notice that Owner is considering a declaration that Contractor is in default and termination of the Contract, Owner may proceed to:
  - 1. declare Contractor to be in default, and give Contractor (and any surety) written notice that the Contract is terminated; and
  - 2. enforce the rights available to Owner under any applicable performance bond.
- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within 7 days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects,

attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.

- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond will govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

#### 16.03 *Owner May Terminate for Convenience*

- A. Upon 7 days' written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
  - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
  - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
  - 3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid for any loss of anticipated profits or revenue, post-termination overhead costs, or other economic loss arising out of or resulting from such termination.

#### 16.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (3) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon 7 days' written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the contract and recover from Owner payment on the same terms as provided in Paragraph 16.03.
- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, 7 days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The

provisions of this paragraph are not intended to preclude Contractor from submitting a Change Proposal for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this paragraph.

## **ARTICLE 17—FINAL RESOLUTION OF DISPUTES**

### **17.01 *Methods and Procedures***

- A. *Disputes Subject to Final Resolution:* The following disputed matters are subject to final resolution under the provisions of this article:
1. A timely appeal of an approval in part and denial in part of a Claim, or of a denial in full, pursuant to Article 12; and
  2. Disputes between Owner and Contractor concerning the Work, or obligations under the Contract Documents, that arise after final payment has been made.
- B. *Final Resolution of Disputes:* For any dispute subject to resolution under this article, Owner or Contractor may:
1. elect in writing to invoke the dispute resolution process provided for in the Supplementary Conditions;
  2. agree with the other party to submit the dispute to another dispute resolution process; or
  3. if no dispute resolution process is provided for in the Supplementary Conditions or mutually agreed to, give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction.

## **ARTICLE 18—MISCELLANEOUS**

### **18.01 *Giving Notice***

- A. Whenever any provision of the Contract requires the giving of written notice to Owner, Engineer, or Contractor, it will be deemed to have been validly given only if delivered:
1. in person, by a commercial courier service or otherwise, to the recipient's place of business;
  2. by registered or certified mail, postage prepaid, to the recipient's place of business; or
  3. by e-mail to the recipient, with the words "Formal Notice" or similar in the e-mail's subject line.

### **18.02 *Computation of Times***

- A. When any period of time is referred to in the Contract by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

18.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract. The provisions of this paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

18.04 *Limitation of Damages*

- A. With respect to any and all Change Proposals, Claims, disputes subject to final resolution, and other matters at issue, neither Owner nor Engineer, nor any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project.

18.05 *No Waiver*

- A. A party's non-enforcement of any provision will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remainder of this Contract.

18.06 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract, as well as all continuing obligations indicated in the Contract, will survive final payment, completion, and acceptance of the Work or termination of the Contract or of the services of Contractor.

18.07 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

18.08 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party to this Contract of any rights under or interests in the Contract will be binding on the other party without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract.

18.09 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

18.10 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.



**HERITAGE RANCH COMMUNITY SERVICES DISTRICT**

**RAW WATER VERTICAL INTAKE NO. 1 - PHASE 1**

**SUPPLEMENTARY GENERAL CONDITIONS**

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## **SUPPLEMENTARY GENERAL CONDITIONS**

### **1. SCOPE**

The Work to be performed under this Contract shall consist of furnishing everything necessary for the fulfillment of the Contract in strict accordance with the requirements of the Contract Documents. The Work shall be complete, and anything not expressly shown or called for in the Contract Documents which may be necessary for the complete and proper construction of the Work in good faith shall be accomplished by the Contractor as though originally so indicated in the Contract Documents, at no increase in cost to the OWNER. The Contractor shall obligate him/herself to satisfactorily complete the Work within the time stipulated in Article 2 of the Instructions to Bidders. The date of the Notice to Proceed issued by the OWNER shall constitute the starting date of the Contract. Upon issuance of the Notice to Proceed, the Contractor shall immediately begin and diligently prosecute the work to completion.

### **2. GENERAL**

These Supplementary General Conditions amend or supplement the Standard General Conditions of the Construction Contract and other provisions of the Contract Documents as indicated. All provisions which are not so amended or supplemented remain in full force and effect. These Supplementary General Conditions are cross-referenced to EJCDC General Conditions, 2018 version.

### **3. SUPPLEMENTARY DEFINITIONS**

Wherever in these Contract Documents the following terms are used, the intent and meaning shall be shown herein. All terms not listed in the following amended or supplementary definitions shall have the meanings assigned to them in the Standard General Conditions of the Construction Contract:

3.1 OWNER as referred to in ARTICLE 1 of the STANDARD GENERAL CONDITIONS of the Construction Contract shall be the HERITAGE RANCH COMMUNITY SERVICES DISTRICT. The official address of the OWNER is:

HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
4870 HERITAGE ROAD  
PASO ROBLES, CA 93446

3.2 ENGINEER as referred to in ARTICLE 1 of the STANDARD GENERAL CONDITIONS of the Construction Contract shall be WALLACE GROUP acting either directly or through properly authorized agents acting within the scope of their particular duties delegated to them or when designated in the Contract.

The official address of the Engineer is:

WALLACE GROUP  
612 Clarion Court  
San Luis Obispo, California 93401

- 3.3 SUBSTANTIAL COMPLETION as defined in ARTICLE 1 of the STANDARD GENERAL CONDITIONS of the Construction Contract is hereby clarified with the following additional definition:

Substantial Completion shall exist when there has been no willful departure from the terms of the Contract, and no omission in essential points, and the Contract has been honestly and faithfully performed in its material and substantial particulars, and the only variance from the strict and literal performance consists of technical or unimportant omissions or defects, and that the Work may be utilized for the purposes for which it is intended. Substantial Completion shall mean Completion as evidenced by a certificate of completion filed by the **GOVERNING BODY** pursuant to the requirements of Sections 3086 and 3093 of the California Civil Code. The terms "substantially complete" and "substantially completed" as applied to any Work refer to Substantial Completion thereof.

- 3.4 SUPPLEMENTARY CONDITIONS as defined in ARTICLE 1 are also referred to as these Supplementary General Conditions.

#### **4. AMENDMENTS OR SUPPLEMENTS TO STANDARD GENERAL CONDITIONS**

- 4.1 Nothing herein shall be deemed to require the Owner to indicate the presence of existing service laterals or appurtenances wherever 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; provided, however, that nothing herein shall relieve the Owner from identifying main or trunk lines in the plans and specifications.
- 4.3 If the Contractor, while performing the Contract, discovers utility facilities not identified by the OWNER, he shall immediately notify the OWNER and the utility owner in writing.
- 4.4 The public utility, where they are the owner, 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 at the utility owner's expense.
- 4.5 Partial Payments: The provisions of ARTICLE 15 of the STANDARD GENERAL CONDITIONS of the Construction Contract are hereby amended to include the following provisions.
- 4.6 ARTICLE 15.01 PROGRESS PAYMENTS, PARAGRAPH B.4, RETAINAGE. Retainage shall be as specified in this Article 4.6 of the Supplementary General Conditions. The Contractor shall, once each month, accurately measure and submit in writing, the total amount of the work completed for each line item of the Bid Schedule at the time of such estimate. The OWNER will retain 5 percent of such estimated value of all work done as part security for the fulfillment of this Contract by the Contractor and shall pay monthly to the Contractor, while carrying on the Work, the balance not retained, as aforesaid, after deducting therefrom all previous payments and all sums to be kept or retained, under the

provisions of this Contract. No such estimate or payment will be required to be made when, in the judgment of the Engineer, the Work is not proceeding in accordance with the provisions of this Contract, or when in the Engineer's judgment the total value of the work done since the last estimate amounts to less than \$1000. No partial payment shall be made for materials on hand but not installed.

- 4.7 In order to confirm the amounts due under this paragraph, the Contractor shall file with the Engineer a schedule of values of the work completed, based upon the unit price set forth in the Bid Schedule, in the manner specified in ARTICLE 15.01 of the STANDARD GENERAL CONDITIONS of the Construction Contract provided that where the Schedule of Values is referred to, it shall mean the Bid Sheet.
- 4.8 The retained percentage as specified herein will be held by the OWNER and will be due and payable to the Contractor 35 calendar days after final acceptance of the Work by action of the **GOVERNING BODY**; provided, there have been no Stop Notices served upon the OWNER, as set forth in ARTICLE 4.6 of these SUPPLEMENTARY GENERAL CONDITIONS.

## 5. CONSTRUCTION DRAWINGS

- 5.1 Article 2.02.A of the General Conditions is modified as follows: Owner will furnish to Contractor only a PDF copy of the bid documents. Should Contractor desire hard copy prints, such prints shall be provided for by Contractor.

## 6. LIQUIDATED DAMAGES

- 6.1 General: It is agreed by the Contractor that in case all the Work called for under the Contract in all parts and requirements is not finished or completed within the time specified in the Contract, damages will be sustained by the OWNER, and that it is and will be impracticable and extremely difficult to ascertain and determine the actual damages which the OWNER will sustain in the event of and by reason of such delay; and it is therefore agreed that the Contractor will pay to the OWNER, the sum of \$500 **per day** for each and every working day's delay in finishing the Work in excess of the completion dates prescribed in Article 2 of the Instructions to Bidders. The Contractor agrees to pay said liquidated damages herein provided for, and further agrees that the OWNER may deduct the amount thereof from any monies due or that may become due by the Contractor under the Contract.
- 6.2 It is further agreed that in case the Work called for under the Contract is not finished and completed in all parts and requirements within the completion time specified, the OWNER shall have the right to increase the number of working days or not, as may be deemed best to serve the interest of the OWNER, and if it is deemed to increase the said number of working days, the OWNER shall further have the right to charge the Contractor, its heirs, assigns, or sureties and to deduct from the final payment for the Work or any part, as may be deemed proper, of the actual cost of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to the Contract, and which

accrue during the period of such extension, except that cost of final surveys and preparation of final estimate shall not be included in such charges.

- 6.3 The Contractor will be granted an extension of time and will not be assessed liquidated damages or the cost of engineering and inspection for any portion of the delay in completion of the Work beyond the time named in the Contract for the Completion of the Work caused by Acts of God, or of the public enemy, fire, floods, epidemics, quarantine restrictions, strikes, labor disputes, shortage of materials, and freight embargoes; provided, that the Contractor shall notify the Engineer in writing of the causes of the delay within 15 calendar days from the beginning of any such delay. The Engineer shall ascertain the facts within 5 working days and determine the extent of the delay, and the Engineer's findings thereon shall be final and conclusive.
- 6.4 No extension of time will be granted for a delay caused by a shortage of materials unless the Contractor furnishes to the Engineer documentary proof that he/she has diligently made every effort to obtain such materials from all known sources within reasonable reach of the Work and further proof in the form of supplementary progress schedules, as required for "Contractor's Schedules" in Technical Section entitled "Contractor Submittals," that the inability to obtain such materials when originally planned, did in fact cause delay in final completion of the entire Work which could not be compensated for by revising the sequence of the Contractor's operations. Only the physical shortage of material will be considered under these provisions as a cause for extension of time, and no consideration will be given to any claim that material could not be obtained at a reasonable, practical, or economic cost or price, unless it is shown to the satisfaction of the Engineer that such material could have been obtained only at exorbitant prices entirely out of line with current rates, taking into account the quantities involved and the usual practices in obtaining such quantities.
- 6.5 If the Contractor is delayed in completion of the Work by reason of changes made under the provisions of ARTICLE 11 of the STANDARD GENERAL CONDITIONS of the Construction Contract, or by any act of the Engineer not contemplated in the Contract, an extension of time commensurate with the delay in completion of the Work thus caused will be granted and the Contractor shall be relieved from any claim for liquidated damages, or engineering and inspection charges or other assessments for the period covered by such extension of time; provided further, that the Contractor shall notify the Engineer in writing of the causes of delay within 15 calendar days from the beginning of any such delay. The Engineer will ascertain the facts within 5 working days and determine the extent of the delay, and his or her finding thereon shall be final and conclusive.
- 6.6 The Contractor shall have no claim for damage or compensation for any delay or hindrance whether or not contemplated by the Contract.
- 6.7 The Contractor shall not be relieved of liability for liquidated damages or engineering or inspection charges for any period of delay in completion of the Work in excess of that expressly provided for in this Article.
- 6.8 California Code Requirements: In accordance with the requirements of Paragraph (b) of Section 4215 of the California Government Code, the

Contractor will not be assessed liquidated damages for delay in completing the Work to the extent that such delay is caused by the failure of the Owner or of a utility company, OWNER, or other agency to provide for or accomplish the relocation of an existing utility facility in a street, road, or highway.

## **7. PERMITS AND INSURANCE REQUIRED UNDER SUCH PERMITS**

7.1 ARTICLE 7.09, PERMITS, is modified as follows:

7.1.1 Refer to Section 01 11 00, Summary of Work, for project-specific permitting requirements.

## **8. DELIVERY AND STORAGE OF MATERIALS**

8.1 All packaged manufactured products for use on the Work shall be delivered to the Work site in their original, unopened packages, bearing thereon the manufacturer's name and the brand name of the product.

8.2 Whenever any product or material is selected to be used on the Work, all such products or materials shall be of the same brand and manufacture throughout the Work.

8.3 All materials shall be stored in such a manner that they will be completely protected from weather damage.

## **9. APPLICABLE ORDINANCES AND REGULATIONS**

9.1 The Work is located in Heritage Ranch, San Luis Obispo County, California. In the performance of the Work the Contractor shall comply with all ordinances, regulations, and other lawful requirements of said OWNER and County and of the State, Federal, and other public authorities within their respective jurisdictions governing work on public property. In particular, the Contractor's attention is directed to the fact that all work hereunder shall conform to or exceed all requirements of the Construction Safety Orders of Cal-OSHA.

9.2 Nothing herein shall be construed to entitle the Contractor to the exclusive use of any public street, alleyway, or parking area during the performance of the Work hereunder.

## **10. ADDITIONAL CALIFORNIA CODE REQUIREMENTS**

10.1 Deposit of Securities in Lieu of Retainage: On written request of the Contractor, and at the sole expense of the Contractor, the Contractor may deposit securities in an amount equivalent and in lieu of any monies retained by the OWNER pursuant to the terms of the Contract. Said deposits shall be made pursuant to and in accordance with the terms and provisions of Chapter 13 of the Division 5 of Title I of the Government Code, commencing at Section 4590. The securities may be deposited with the OWNER or with a State or Federally-chartered bank as an escrow agent. If the securities are deposited with a bank, the Contractor shall furnish the OWNER with written proof of said deposit and an executed counterpart of the escrow or deposit instructions. Said instructions must contain

a statement that said securities will not be released to anyone except upon written instructions of an authorized representative of the OWNER, which statement must recite that the purpose for which the deposit was made has been satisfied. Upon satisfactory completion of the Contract, the securities shall be returned to the Contractor.

- 10.2 Securities eligible for deposit under this section shall be those listed in Section 16430 of the Government Code, or bank or savings and loan certificates of deposit.
- 10.3 The Contractor shall be the beneficial owner of any securities substituted for monies retained, and the Contractor shall receive any interest that is paid thereon.
- 10.4 Assignment of Antitrust Claims: The Contractor offers and agrees to assign to the OWNER all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (14 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 commencing with Section 16700 of Part 2 of Division 7 of the California Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this Contract. This assignment shall become effective at the time that the OWNER tenders final payment to the Contractor, without further acknowledgment by the parties. The Contractor shall have the rights set forth in Sections 4553 and 4554 of the California Government Code.
- 10.5 Labor Discrimination: No discrimination shall be made in the employment of persons on the Work by the Contractor or by any subcontractor because of race, religious creed, color, national origin, ancestry, physical disability, medical condition, marital status, mental disability, sexual orientation or sex except as permitted by Section 12940 of the California Government Code.
- 10.6 Fair Employment Practice: In the performance of this Contract, the Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, ancestry, sex, age, national origin, physical disability, mental disability, medical condition or marital status. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated, without regard to their race, color, religion, ancestry, sex, sexual orientation, age, national origin, physical handicap, medical condition, or marital status. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. See Chapter 6 of Part 2.8 of Division 3 of the California Government Code commencing at Section 12940 for further details.
- 10.7 The Contractor shall permit access to its records of employment, employment advertisements, application forms, and other pertinent data and records by the State Fair Employment and Housing Commission, or any other agency of the State of California, for the purposes of investigation to ascertain compliance with the Fair Employment Practices section of this contract.
- 10.8 The OWNER may determine a willful violation of the Fair Employment Practices provision to have occurred upon receipt of a final judgment having that effect



from a court in an action to which the Contractor was a party, or upon receipt of a written notice from the Fair Employment and Housing Commission that it has investigated and determined that the Contractor has violated the Fair Employment and Housing Act and has issued an order, which has become final, or obtained an injunction.

- 10.9 For willful violation of this Fair Employment Practices provision, the OWNER shall have the right to terminate this Contract either in whole or in part, and any loss or damage sustained by the OWNER in securing the goods or services hereunder shall be borne and paid for by the Contractor and by its surety under the Performance Bond, if any, and the OWNER may deduct from any monies due or that thereafter may become due to the Contractor, the difference between the price named in the Contract and the actual cost thereof to the OWNER.
- 10.10 Notice to Labor Unions: The Contractor, and any subcontractors, shall give written notice of their obligation under this Fair Employment Practice section of this Contract and of the applicable sections of the California Fair Employment and Housing Act to the labor organization with which they have a collective bargaining or other agreement. (See California Government Code Section 12990).
- 10.11 Payroll Records: The Contractor and each subcontractor shall keep an accurate payroll record, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice worker, or other employee employed by him or her in connection with the public work. The payroll records shall be certified and shall be available for inspection at all reasonable hours at the principal office of the Contractor in the manner provided in Labor Code Section 1776. In the event of noncompliance with the requirements of this Section, the Contractor shall have 10 calendar days to comply subsequent to receipt of written notice specifying in what respects such Contractor must comply with this Section. Should noncompliance still be evident after such 10-day period, the Contractor shall, as a penalty, forfeit to the OWNER 25 dollars for each worker for each calendar day or portion thereof, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, such penalties shall be withheld from progress payments then due. The responsibility for compliance with this Section is with the Contractor.
- 10.12 Wage Rates: As required under Sections 1770 et seq of the California Labor Code, the Contractor shall pay not less than the prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations (DIR). The Contractor shall post a copy of such determination at each job site. Refer to the Instructions to Bidders, Article 11, for further California Labor Code requirements for Contractor registration with DIR in accordance with California Labor Code Section 1725.5.
- 10.13 In accordance with California Labor Code Section 1813, the Contractor shall, as a penalty to the OWNER, forfeit \$25.00 for each calendar day, or portion thereof, for each worker paid less than the prevailing rates as determined by the Director

for such work or craft in which such worker is employed for any public work done under the Contract by the Contractor or by any subcontractor under it.

- 10.14 Working Hours: The Contractor shall comply with all applicable provisions of Section 1810 to 1815, inclusive of the California Labor Code relating to working hours. The Contractor shall, as a penalty to the OWNER, forfeit \$25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker was required or permitted to work more than 8 hours in any one calendar day and 40 hours in any one calendar week, unless such worker receives compensation for all hours worked in excess of 8 hours at not less than 1-1/2 times the basic rate of pay.
- 10.15 First Aid For Employees: Pursuant to the provisions of the California Labor Code Section 6708, each Contractor and Subcontractor shall maintain or make available adequate emergency first aid treatment for its employees, agents, and representatives. As used herein, the word "adequate" shall be construed to mean sufficient to comply with the Federal Occupational Safety and Health Act (P.L. 91-596 OSHA) and the applicable requirements of Cal-OSHA. (See 29 USCA Section 651 et seq.)
- 10.16 Apprentices on Public Works: The Contractor shall comply with all applicable provisions of Section 1777.5 and 1777.6 of the California Labor Code relating to the employment of apprentices on public works.
- 10.17 Unpaid Claims: If at any time prior to the expiration of the period for service of a Stop Notice, there is served upon the OWNER a Stop Notice as provided in Sections 3170 through 3210 of the California Civil Code, the OWNER shall, until the discharge thereof, withhold the monies under its control so much of said monies due or to income due the Contractor under this Contract which 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 Engineer shall, in its discretion, permit the Contractor to file with the OWNER the Bond referred to in Section 3196 of the California Civil Code, said monies shall not thereafter be withheld on account of such Stop Notice.
- 10.18 Travel and Subsistence Pay: As required under 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 said Section 1773.8.

## 11. INSURANCE

- 11.1 General: In all insurance policies required hereunder, the insurance certificate shall evidence a firm commitment by the insurance company to notify the OWNER and Engineer of the expiration or cancellation of any of the insurance policies required hereunder not less than 30 calendar days before such expiration or cancellation is effective.
- 11.2 Insurance Amounts:

Policy Limits: Each of said policies of insurance shall provide coverage in the following minimum amounts: for personal injury \$1,000,000 each person, \$2,000,000 aggregate limit; property damage \$1,000,000 on account of any one occurrence, \$2,000,000 aggregate limit; except that insurance required to be maintained by Subcontractors above shall provide coverage in the following minimum amounts; for personal injury \$500,000 each person, \$1,000,000 aggregate limit; property damages \$500,000 on account of any one occurrence, \$1,000,000 aggregate limit.

Additional Named Insureds: All such insurance shall include as additional named insureds: the OWNER; the Engineer and its Consultants.

11.3 Article 6.04, Builder's Risk and Other Property Insurance, of the General Conditions, is deleted in its entirety.

## **12. ACCESS TO PROJECT SITE**

12.1 48-Hours Notice: The Contractor shall give the OWNER a minimum of 48 hours notice prior to arriving at the project site at the start of construction.

## **13. INTERRUPTION TO UTILITY SERVICES**

13.1 48-Hour Notice: The Contractor shall give the OWNER a minimum of 48 hours notice prior to the interruption of any utility service.

13.2 The interruption of utility services shall be only made during off-peak hours, with the expressed written permission of the OWNER. Off peak hours are defined as 9:00 p.m. to 5:00 a.m. Monday through Friday.

## **14. MODIFICATIONS; PERFORMANCE; PAYMENT**

(Timely progress payments; legislative intent; payment requests)

14.1 It is the intent of the Legislature in enacting this section to require all local governments to pay their contractors on time so that these contractors can meet their own obligations. In requiring prompt payment by all local governments, the Legislature hereby finds and declares that the prompt payment of outstanding receipts is not merely a municipal affair, but is, instead, a matter of statewide concern.

It is the intent of the Legislature in enacting this article to fully occupy the field of public policy relating to the prompt payment of local payment of local governments' outstanding receipts. The Legislature finds and declares that all government officials, including those in local government, must set a standard of prompt payment that any business in the private sector which may contract for services should look towards for guidance.

14.2 Any local agency which fails to make any progress payment within 30 calendar days after receipt of an undisputed and properly submitted payment request from a contractor on a construction contract shall pay interest to the contractor equivalent to the legal rate set forth in subdivision (a) of Section 685.010 of the Code of Civil Procedure.

- 14.3 Upon receipt of a payment request, each local agency shall act in accordance with both of the following:

Each payment request shall be reviewed by the local agency as soon as possible as practicable after receipt for the purpose of determining that the payment request is a proper payment request.

Any payment request determined not to be a proper payment request suitable for payment shall be returned to the contractor as soon as practicable, but not later than seven calendar days, after receipt. A request returned pursuant to this paragraph shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.

- 14.4 The number of days available to a local agency to make a payment without incurring interest pursuant to this section shall be reduced by the number of days by which a local agency exceeds the seven-day return requirement set forth in paragraph (2) of subdivision (c).

- 14.5 For purposes of this article:

A "local agency" includes, but is not limited to, a city, including a charter city, a county, and a city and county, and is any public entity subject to this part.

A "progress payment" includes all payments due contractors, except that portion of the final payment designated by the contract as retention earnings.

A payment request shall be considered properly executed if funds are available for payment of the payment request, and payment is not delayed due to an audit inquiry by the financial officer of the local agency.

- 14.6 Each local agency shall require that this article, or a summary thereof, be set forth in terms of any contract subject to this article.

- 14.7 Bid Schedule:

All pay line items will be paid for at the unit prices named in the Bid Schedule for the respective items of work. The quantities of work or material stated as unit price items on the Bid Schedule are supplied only to give an indication of the general scope of the Work: The OWNER does not expressly nor by implication agree that the actual amount of work or material will correspond therewith, and reserves the right after award to increase or decrease the quantity of any item of work by an amount up to and including 25 percent of any bid item in its entirety, or to add additional bid items up to and including an aggregate total amount not to exceed 25 percent of the contract price.

Quantity variations in excess of the allowable quantity changes specified herein shall be subject to the provisions of Article 11 of the STANDARD GENERAL CONDITIONS.

**15. DISPUTE RESOLUTION**

15.1 Any question about interpretation or clarification, disagreement, or claim that has been timely referred to the Engineer in accordance with Article 10.05, except any which have been waived by the making or accepting of final payment, shall upon timely demand of either party be subject to resolution under the following provisions:

No demand for arbitration or litigation may be made until the earlier of the following listed times:

The sixty-first day after the date of the Engineer's receipt of a claim or dispute, or for an adjustment of contract terms, or both, if a decision has not been issued by that date.

Pending a resolution of the claim or dispute, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Engineer's decision unless the parties to this contract otherwise agree in writing.

**16. OTHER FUNDING AGENCY REQUIREMENTS – NOT USED**

**END SUPPLEMENTARY GENERAL CONDITIONS**

TECHNICAL SPECIFICATIONS

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**Division 01 – General Requirements**

01 11 00	Summary of Work
01 20 00	Price and Payment Procedures
01 30 00	Administrative Requirements
01 32 16	Construction Progress Schedule
01 33 00	Submittal Procedures
01 35 00	Special Project Procedures
01 50 00	Temporary Facilities and Controls
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**Division 33 – Utilities**

33 24 13	Vertical Raw Water Intake Facility
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SECTION 01 11 00  
SUMMARY OF WORK

PART 1 GENERAL

1.1 WORK INCLUDED

- A. The Work includes providing all necessary labor, materials, accessories, equipment, and supervision to provide a 40-foot deep vertical raw water intake facility near the District's existing raw water intake facility at the Nacimiento River. The Work includes drilling of the intake facility, development and completion, disposal of cuttings, management/disposal of development water, and all other work to make the vertical raw water facility complete and functional as specified.

1.2 ACCESS CONSIDERATIONS

- A. The property where the intake facility will be drilled, is District-owned property. The District will stake and mark pertinent property boundaries around the Work area for reference. Contractor shall work closely with the District with regards to location of the vertical intake facility. Equipment access shall be via the District's access road to the water treatment plant site, off of Blue Gill Drive. Coordinate with the District for access through the Heritage Ranch Development gate.

1.3 ENVIRONMENTAL CONSIDERATIONS

- A. Properly manage/control all materials during construction, including cuttings, drilling muds, development water, sediments, intake facility construction materials, and prevent release of such materials into the environment.
- B. Contractor shall maintain all equipment, vehicles, personnel and other related Work items within the designated Work Zone shown on the exhibits at the end of this Section.

1.4 PERMITS

- A. Refer to Section 33 24 13 for drilling permit requirements.

1.5 WORK NOT INCLUDED

- A. Except for such auxiliary work as is shown or specified or is necessary as a part of the construction, the following work is NOT included in this Contract.
  - 1. Work shown, but marked "NIC" (Not in Contract) or otherwise designated to be performed by others.

1.6 LOCATION OF SITE

- A. The Site is located on the District's property at their water treatment plant site. Refer to the exhibit at the end of this Section.

1.7 SPECIFICATIONS

- A. The Specifications are those bound in the Project Manual. The Project Manual consists of the Noticing Inviting Bids, Instructions to Bidders, General Conditions of the Contract for Construction, Supplementary Conditions, Division 01, and Divisions 02 through 33 technical specifications.

1.8 DRAWINGS

- A. The Drawings consist of exhibits and cross-sections in Section 33 24 13.

1.9 CONTRACTOR'S SETS OF DRAWINGS AND PROJECT MANUALS

- A. Refer to Supplementary General Conditions.

1.10 SEQUENCE OF CONSTRUCTION OPERATIONS

- A. Submit Construction Work Plan at Pre-Construction Meeting, dovetailing sequencing details with Schedule as required in Section 01 32 16, Construction Progress Schedule. District shall approve such plan prior to Contractor starting construction operations. Work Plan shall describe the laydown areas, equipment/drill rig access, overall schedule and order of work for the vertical intake facility installation.
- B. Prior to commencement of Work and within 7 calendar days of Notice to Proceed, verify and confirm, to the Owner's Representative in writing, the existing grades, elevations and conditions of the site. Any discrepancies between existing conditions and the contract documents must be brought to the Owner's attention during that time frame.
- C. Prepare schedules as set forth in Section 01 32 16, Construction Progress Schedule.

1.11 HOURS OF WORK

- A. See Article 6.02, Section 00 70 00, General Conditions. Perform Work of this Contract on normal workdays and within normal work hours; 7:00 am to 5:00 pm, or as specified for night work. After hours work and work on Saturdays, Sundays, and Owner holidays, may be permitted if approval is received from the Owner Engineer at least 3 working days in advance.
- B. Continuously keep existing roadways and work areas clean and free of mud and dirt, obstacles, etc., and protect against damage.
- C. Closeout Timetable. Coordinate with District to establish dates for equipment, testing, acceptance periods, and on-site instructional periods (as required under the Contract). Such dates shall be established not less than one week prior to beginning any of the foregoing items, to allow the District sufficient time to schedule attendance at such activities.
- D. Final Submittals: Prior to requesting final payment, obtain and submit the following items to the Engineer for transmittal to the Owner:
  - 1. Written guarantees, where required.
  - 2. Drilling logs, construction details/as-built conditions.



3. Completed record drawings per Section 01 70 00.

1.12 PROTECTION OF EXISTING STRUCTURES AND UTILITIES

- A. Refer to the General Conditions of the Contract for Construction for Contractor responsibilities.
- B. Damage to existing improvements caused by Contractor's operations, either on-site or on adjacent sites, shall be repaired to restore damaged items to their original condition. Cost of such repair shall be borne entirely by Contractor.
- C. Locate known existing structures and utilities before proceeding with construction. Maintain them in service, except as otherwise specified. Provide protection and repair damage to them caused by the Work at no increase in Contract price.

END OF SECTION

PRICE AND PAYMENT PROCEDURES

PART 1 GENERAL

- 1.1 This Section describes the methods of measurement and payment for the specific bid items. All other provisions of the Contract Documents which relate to measurement and payment are applicable, except that where conflicts occur between this section and other provisions of the technical specifications or reference specifications, this measurement and payment section shall prevail.

PART 2 PRODUCTS

Not Used.

PART 3 EXECUTION

3.1 GENERAL

- A. All work shown, described, or otherwise required by the Contract Documents, shall be included within the given bid items.
- B. Payment for all bid items shall include full compensation for all equipment, materials, labor, tools, trucking, and all other incidental work necessary to construct complete and operational systems which conform to the Contract Documents.

3.2 MEASUREMENT AND PAYMENT FOR BID ITEMS

- A. All lengths shall be measured in a horizontal plane (plan view dimensions), unless otherwise specified. All areas measured shall be based on the specified measurement definition included in each bid item description.
- B. All work shown, described, or otherwise required by the Contract Documents, shall be included within the given bid items.
- C. Basis for the submitted bid shall be on the quantities shown for the items on the Bid Sheet.
- D. Unit definitions of Measurement and Payment
1. "Lump Sum", or "LS", shall mean a single Lump Sum Payment for the identified bid item. Partial payments may be made, based on the Engineer's estimate of the percent completion of the specified item.
  2. "Each" shall mean the actual number of identified bid items provided. Payment for the identified bid item will be based on providing each item, complete and in place in accordance with the contract documents.
  3. Measurable units of quantity expressed in "Linear Feet" or "LF"; "Cubic Yard or CY"; "Ton"; shall mean the number of indicated measurable quantities of the bid

item. Payment for the identified bid item will be based on actual and measured quantities of the bid item installed.

E. Final Pay Quantities.

1. Bid items that are designated a Final Pay Quantity bid item by having the notation (F) or (S-F) shown on the bid sheet or by designation in this Section 01 20 00, Measurement and Payment.
2. The quantity shown on the bid sheet for a Final Pay Quantity shall be the final pay quantity used for the purpose of payments, unless the dimensions of any portion of the item are modified by the Engineer, or the item or any portion of the item is eliminated.
3. If the dimensions of any portion of a Final Pay Quantity bid item are changed, and the changes result in an increase or decrease in the quantity of the item, the final pay quantity will be revised by the change in quantity.
4. If a portion of a Final Pay Quantity item, or the item is eliminated, the final pay quantity will be adjusted by the quantity eliminated.
5. The estimated quantity shown on the bid sheet for a Final Pay Quantity bid item shall be considered as an estimate only and no guarantee is made that a quantity computed based on the details and the plans, will equal the estimated quantity shown on the bid sheet. No allowance is made in the event that a computed quantity does not equal the estimate quantity.
6. In the case of a discrepancy between a quantity shown on the plans, and an estimated quantity shown on the bid sheet for a Final Pay Quantity item, payment will be based on the quantity shown on the bid sheet.

## BASE BID

### Bid Item No. 1 – Well Construction Permit

- A. Units: Lump Sum
- B. Measurement: Partial payments based on Engineer's determination, and per Item C of this Pay Item.
- C. Payment: Payment includes full compensation for all work required to complete the contract requirements for well construction permit.
  1. No payment for well construction permit work will be made until all the listed items have been completed to the satisfaction of the Owner.
- D. Scope of bid item: well construction permit includes, but is not limited to the following:
  1. Obtaining the well construction permit as specified in Section 33 24 13, Vertical Raw Water Intake Facility.
  2. All other incidental work necessary to complete well construction permit in accordance with the Contract Documents.

## **Bid Item No. 2 – Mobilization/Demobilization and Site Cleanup**

- A. Units: Lump Sum
- B. Measurement: Partial payments based on Engineer's determination, and per Item C of this Pay Item.
- C. Payment: Payment includes full compensation for all work required to complete the contract requirements for mobilization/demobilization and site cleanup.
  - 1. No payment for mobilization/demolition and site cleanup work will be made until all the listed items have been completed to the satisfaction of the Owner.
  - 2. Value for this pay item on first progress payment shall not exceed 50% of lump sum value.
  - 3. Intermediate partial payments based on Engineer's determination, and total value approved for payment shall not exceed actual percent complete of Contract Work.
  - 4. Final pay request shall include the remaining 10% of value for this pay item.
- D. Scope of bid item: Mobilization/demobilization and site cleanup includes, but is not limited to the following:
  - 1. Obtaining all required bonds and insurance.
  - 2. Posting all OSHA required notices and establishment of safety programs and injury and illness prevention plan (IIPP).
  - 3. Moving onto the site of all Contractors' equipment required for project operations.
  - 4. Arranging for and erection of Contractor's work and storage yard.
  - 5. Providing and installing temporary utilities, communication facilities.
  - 6. Providing and installing construction water facilities.
  - 7. Providing on-site sanitary facilities.
  - 8. Designation of the Contractor's superintendent who will be present at the job site during drilling and development/installation operations.
  - 9. Submittal of work plan describing the order of Work to ensure proper installation and testing of work, coordination with Owner's staff, local agency coordination, proper management and disposal of construction materials, and other key aspects of the Work.
  - 10. Submittal of the work schedule required in Section 01 32 16, Construction Progress Schedule.
  - 11. Documenting construction progress, including pre- and post-construction photographs, and progress photographs.
  - 12. Preparing and submitting field record drawings.
  - 13. USA notifications, potholing and verifying location of existing utilities and improvements.

14. General construction site management as specified in Section 01 57 19, Construction Site Management.
15. Control of surface of ground and surface waters, sediment and dust control.
16. Removing equipment, personnel, temporary facilities, and other construction resources at job completion.
17. Site cleanup, restoration of work site.
18. All other incidental work as specified in Division 01 of the Specifications, and as necessary to complete mobilization/demobilization and site cleanup in accordance with the Contract Documents.

**Bid Item Nos. 3 through 17 – Raw Water Vertical Intake #1 Construction**

- A. Units: Varies, see Bid Schedule
- B. Measurement: Lump sum and per Each items, partial payments based on Engineer's determination. Unit price items, based on measured quantities in the field as confirmed by Project Inspector (see Section 33 24 13).
- C. Payment: Payment includes full compensation for all work required to complete the contract requirements for raw waster vertical intake #1 construction.
- D. Scope of bid item: raw water vertical intake #1 construction includes, but is not limited to the following:
  1. All work defined in Section 33 24 13, and as shown on the drawings, for the construction of a 40-foot deep raw water vertical intake facility.
  2. All other incidental work necessary to complete raw water vertical intake #1 construction in accordance with the Contract Documents.

**ADDITIVE BID ITEM**

Provide lump sum price in the bid schedule for this additive bid item.

**Bid Item No. 18 - Abandon Test Hole (if initiated by Project Inspector)**

- A. Units: Lump Sum
- B. Measurement: Partial payments based on Engineer's determination, and per Item C of this Pay Item.
- C. Payment includes full compensation for furnishing all labor, materials, tools, equipment, and incidentals, and for doing all work required to abandon test hole complete and in place, abandonment of test hole. in accordance with the contract documents.
- D. Scope of bid item: abandon test hole includes, but is not limited to the following:
  1. All work defined in Section 33 24 13, and as shown on the drawings/exhibits, for the abandonment of test hole for the 40-foot deep test hole.
  2. All other incidental work necessary to complete abandon test hole in accordance with the Contract Documents.

### 3.3 TESTING

A. The Owner will perform, or will contract for the performance of the following tests. The Owner will pay for the costs of the initial tests. Should test results show that any work, construction, materials, or methods is unacceptable, the Contractor shall pay for all costs associated with any necessary retesting before or after corrective measures have been made. Such costs will be deducted from payments due to the Contractor.

1. None.

**END OF SECTION**

SECTION 01 30 00

ADMINISTRATIVE REQUIREMENTS

PART 1 GENERAL

1.1 PROJECT CONTROL

- A. The District will outline and detail communication, correspondence and coordination procedures at the Project pre-construction meeting.
- B. Condition of Work in Place: Inspect and take responsibility for previously prepared or installed work of other contractors before applying subsequent materials or finishes. If work is in unsatisfactory condition, notify the District. Do not proceed until defective work has been corrected.
- C. Coordination:
  - 1. Subletting and Subcontracting Responsibilities: Refer to General Conditions of the Contract for Construction, Article 6.
  - 2. Perform and complete checking and coordination before commencing construction in the affected areas.
  - 3. Coordinate the work to assure efficient and orderly sequence of installation of construction elements, and that Work is coordinated with access requirements of the private property owner.

1.2 LOCATIONS AND LAYOUT OF WORK

- A. Property lines, location ties and dimensions, and well depth/elevations are approximately shown on the Drawings. Prior to drilling the vertical intake facility, location shall be approved by District Engineer.
- B. District will lay out public right of way/private property line delineation as part of above vertical intake facility location approval.

1.3 MEETINGS

- A. Project Meetings: Contractor or his duly appointed representative shall attend project meetings at regular intervals as set by the District. Attendance shall be limited to the Contractor and his immediate subordinates, subcontractors where so specified, the District, and representatives of the Engineer and Consultants, as requested. District/District Engineer will keep minutes of meetings; with copies sent to all who attend. Meetings shall be held at the job site.

1.4 SCHEDULE OF VALUES - NOT USED

**END OF SECTION**

CONSTRUCTION PROGRESS SCHEDULE

PART 1 GENERAL

1.1 DESCRIPTION

This Section covers the specific requirements for the Construction Progress Schedule.

- A. Work Included in This Section. Principal items are:
  - 1. Simple bar chart schedule, with key tasks listed.

1.2 SUBMITTALS

In accordance with Section 01 33 00, Submittal Procedures, provide the following:

- A. Provide three copies of schedule on 8.5 x 11 paper, along with Work Plan (see below) for the Owner's review.
- B. Within 7 calendar days following notice to proceed, or at the pre-construction meeting, whichever occurs first, provide a Work Plan for review by Owner and Engineer, that dovetails with the Schedule in Paragraph 1.02A above, and describes how the Work is anticipated to be conducted. The Work Plan shall include, at a minimum, the following:
  - 1. Sequencing and Order of Work
  - 2. Site Security Plan
  - 3. Materials Management and Disposal Plan
- C. Narratives:
  - 1. Prepare brief narrative statements of assumptions and conditions which provide supportive information for conclusions represented in the schedule submitted.
  - 2. Indicate proposed areas for work and for storage of specific materials, proposed use of equipment, assumptions, and methods which determine durations and sequences represented in specific areas of the schedule. Show Work Zone limits consistent with that shown on the drawings, for protection of the designed wetlands area shown on the map/drawings.

PART 2 PRODUCTS - NOT USED

PART 3 EXECUTION

3.1 INITIAL SUBMITTAL

- A. See Part 1 General, Submittals, of this Section.
- B. Planning and Scheduling: Provide a project schedule as outlined herein.



### 3.2 SCHEDULE UPDATES

- A. Provide input to develop and update project schedule including realistic activity sequences and durations, allocation of labor and materials, processing of shop drawings, and samples and purchase and delivery of products requiring long lead-time procurement. This schedule will be broken down into activities of 2 weeks maximum duration. Each activity shall be explicit in definition and location of work. The schedule shall be updated 1) biweekly, 2) whenever work is behind schedule to an extent greater than 14 days, and 3) to add change order work which impacts schedule.

### 3.3 REVIEW AND APPROVAL

- A. Within 3 working days after receipt of the initial Work Plan, the Owner will meet with the Contractor for joint review, correction or adjustment of the Contractor's proposed approach. Within 3 working days after the joint review, the Contractor shall submit a revised Work Plan as necessary reflecting comments offered during the joint review. The Owner will review this resubmission, and may accept it as submitted. The accepted Work Plan and schedule will constitute the Contractor's project work schedule until it is subsequently revised by the Contractor.
- B. Acceptance of the Work Plan and schedule is not to be construed as concurrence by Owner that schedule is reasonable or achievable. Any omission of project work from the Work Plan and schedule, otherwise required for Contract compliance, shall not excuse the Contractor from completing such work within any applicable completion date as determined by the Owner.

### 3.4 UPDATE

- A. Bi-weekly or as agreed to, a job-site meeting will be held to review the schedule, work progress, and any on-going project issues.
- B. As part of this review, prepare a brief narrative report or written responses relating to the status of construction, submittals, approvals, and procurement, and issues discussed during the bi-weekly meetings. Indicate in the report areas where problems exist and are anticipated and recommend corrective action needed to be taken by the Owner or by the Contractor.

### 3.5 PROGRESS PAYMENT

- A. The Job Progress Report will constitute the basis for monthly payment. Payment will not be made until the Job Progress Report is approved.

### 3.6 PAYMENT FOR PROGRESS SCHEDULE

- A. Include all costs of preparing and updating the Work Plan and schedule as specified herein in the Bid Price for Mobilization, Demobilization and Cleanup, as specified in Section 01 20 00, Price and Payment Procedures.

END OF SECTION

SECTION 01 33 00  
SUBMITTAL PROCEDURES

PART 1 GENERAL

1.01 DESCRIPTION

This Section covers requirements for submittals in addition to those stated in elsewhere in the Contract Documents, and forms a part of all other Specification Sections in which submittals are specified or required. Refer to the specific Sections and Divisions of the Specifications for additional submittal requirements.

- A. Submittal Requirements Included In This Section.
1. Number of submittal copies required.
  2. CPM progress schedule.
  3. Shop drawings.
  4. Samples.
  5. Materials lists and equipment data.
  6. Instruction (operation and maintenance) manuals.
  7. Installation instructions.
  8. Seismic calculations.
  9. Record drawings and specifications.
  10. Certificates.
- B. Submittal Requirements In General Conditions and Other Sections.
1. Applications for payments Section 00700, Article 14.
  2. Section 01 70 00, Execution and Closeout Requirements
  3. Written guarantees and warranties.
  4. Factory test reports.
  5. Manufacturers' certified reports.
  6. System validation test procedures and results.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 SUBMITTAL - GENERAL REQUIREMENTS

All items required to be submitted for review shall be furnished by and at the expense of the Contractor and any work affected by them shall not proceed without such review. Except for

record documents, test plans, and instructional manuals for operation and maintenance, submittal shall be approved before the material or equipment covered by the submittal is delivered to the site.

A. **Number of Submittals.**

1. **General.** Except for manufacturer's instruction manuals and samples, the Owner shall require and retain 4 copies of all submittals, specified or required in this and all other Sections of these Specifications, for Contractor's and Contractor's representatives' use, unless otherwise specifically noted in a specific Specification section. The Contractor shall submit such additional number of copies, not to exceed 3, to be reviewed and returned for Contractor's use. For submitted drawings 11 by 17 inches and larger, submittal of a reproducible copy is preferred and encouraged. The reproducible set will be returned to the Contractor marked to show the required corrections or approval.
2. **Samples.** Provide the number of samples for each material or equipment item in accordance with Paragraph 3.04 herein and as required in the respective section of these Specifications.
3. **Manufacturer's Instruction Manuals.** Provide the number of copies of the submittals in accordance with Paragraph 3.01A above. Upon approval of the preliminary submittals, deliver 3 copies of each manual to the Owner, unless otherwise specified or directed.

B. **Method of Submittal.** Equipment which is specified in one section of the Specifications shall not be combined in a single submittal with equipment specified in other Sections of the Specifications, unless unit responsibility for a package system is required. In each transmittal the Contractor shall state the Owner's Project Number and Name, Name and Address of Contractor, Name and Address of Subcontractor, Manufacturer, Supplier or Distributor as applicable, Plan Reference and Specification Section, Articles, and paragraphs to which the submittal pertains; accompanying data sheets, catalogs, and brochures shall be identified in the same manner. Submittal transmittals shall fully index all items submitted.

C. **Piecemeal Submittals.** Except for reinforcing steel submittals, piecemeal submittals will be returned unreviewed. However, for mechanical equipment and the like, separate submittals for embedded items, embedded metal work and anchors will be accepted for review.

D. **Number of Submittal Re-Reviews.** The Owner will provide required submittal/re-submittal review up to three occurrences per submittal. Contractor shall reimburse the Owner the cost of Owner's, Owner's Representative's, and Engineer's time required for all subsequent reviews beyond three reviews. Such costs for excessive review of incomplete or non-conforming submittals shall be deducted from Contractor's monthly pay requests at the time such charges are incurred.

E. **Engineer's Submittal Review Schedule.** Engineer will review and return submittals within 10 working days from date of receipt from Owner's Representative. Engineer will review and return re-submittals within 5 working days from the date of receipt from Owner's Representative.

### 3.02 CPM PROGRESS SCHEDULE (SEE SECTION 01 32 16)

### 3.03 SHOP DRAWINGS

- A. **Title Block and Identification.** On each shop drawing, provide a space for the Engineer's approval or correction stamp and a title block showing the following:
1. Name and address of Contractor.
  2. Name and address of Subcontractor, manufacturer, supplier, or distributor, as applicable.
  3. Name and address of Owner.
  4. Date, scale of drawings, and identification number.
  5. Contractor's review and approval stamp.
  6. Owner's Project Number (if applicable).
  7. Drawing Reference and Specification Section reference.
  8. Project Name.
- B. **Preparation and Size.** Details and information shall be clearly drawn, dimensioned, noted, and cross referenced. Unless otherwise approved, prepare shop drawings on 8-1/2 by 11 inch sheets or 11 x 17 inch sheets. Refer to Paragraph 3.01.A above regarding use of a reproducible drawing copy.
- C. **Data.** Unless the following data is included in instruction manuals or equipment data submitted prior to or with the shop drawings, submit with the shop drawings complete catalog and technical data for all manufactured products, materials, machinery, and equipment covered by the shop drawing submittal. Include data showing for each item, as applicable, the following information:
1. Manufacturer's specifications and details.
  2. Applicable technical data and performance curves.
  3. Preparation, assembly, and installation instruction with allowable tolerances.
  4. Connection requirements.
  5. Pre-start-up servicing and operating methods.
  6. Other data and information necessary to demonstrate that the proposed items conform to the Contract Documents.
- D. **Information Required.** Shop drawings shall contain details and information fully developing the pertinent Contract Document requirements and such other information as may be specified or required for approval, including but not limited to:
1. Related work with cross references to applicable portions of the Contract Documents.
  2. Dimensions, including variations between indicated dimensions and actual conditions.
  3. Physical configurations with critical dimensions for clearance, access, and servicing.
  4. List of materials, including fasteners and connectors.

5. Structural construction and assemblies, welds shown by AWS symbols, and each fastener and connector shown by type and class.
  6. Grouting work, including grouting space and material.
  7. Concrete foundations and bases for machinery and equipment including joints, joint filler and sealer, and reinforcing.
  8. Anchor bolt details showing type and class, sizes, embedments, projections, and locations measured with respect to permanent structural features. An anchor bolt template shall be shown on the Shop Drawings and shall be furnished unless waived in writing by the Owner.
  9. Protective coatings and factory finishes fully described as to materials, number of coats, plated and metallic coating finishes, treatments, and similar information, all based on specified requirements. The term "as specified" is not acceptable for this purpose.
  10. Machinery and equipment details. Standard catalog items need not be illustrated in detail, but indicate and detail sizes, supports, and connections.
  11. Location of auxiliary items that are parts of machinery and equipment including sight glasses, petcocks, gauges, lubrication fittings and access, and maintenance monitoring devices.
  12. Piping systems and piping including layout, fittings, valves, appurtenances, hangers and supports, and sleeves.
  13. Electrical equipment showing plans, elevations, sections, arrangements, materials, anchor bolts, supports, weights, wiring and circuit diagrams, internal connections, busses, grounding, conduit spaces, layout of instruments, gauges, meters, and other components.
  14. Underground duct banks showing typical details of conduits, joints, spacers, and means of securing conduits in place during concrete placement.
  15. Dielectric connections, and materials and methods to be used to isolate dissimilar materials.
  16. Full-size lettering layouts for data plate and nameplate inscriptions.
  17. Written descriptions fully describing the operation of all control circuits, start-up sequencing, shutdown sequencing, and alarms.
- E. Details and Connections. Satisfactorily detail all connections required to complete the Work, including details necessary to make indicated or specified additions to existing work or to provide connections for future work. Design connections and parts of strength to withstand, without adverse deflection or stress, all loads or pressures to which they may be subjected and to develop the strength of the members or parts connected. In no case shall the connections, parts, or details be inferior to those required by the Contract Documents.
- F. Related Work. The term "by others" is not acceptable for the description of related work shown in the shop drawings. Clearly note by name or description the Contractor, Subcontractor, or trade to provide such related Work; where such name or description is missing, it shall be understood and agreed that the Contractor is to furnish and install such related Work.

- G. Clearances. Do not proceed with any related Work that may be affected by piping, machinery, equipment, or other work therein until shop drawings and data showing all components, with acceptable clearances have been approved.
- H. Composite Shop Drawings with Installation Layouts. Prepare and submit drawings, wherever specified or required, to resolve tight or conflicting field conditions. Show dimensional plans and elevations of the materials or equipment of all trades in the involved area or space, and include complete information as to arrangements, locations, clearances, avoidance of interferences, access, sizes, supports, connections, services, assembly, disassembly, and installation. Composite shop drawings and layouts shall be coordinated in the field by the Contractor and his Subcontractors for proper relationship to the Work of all trades, based on field conditions, and shall be checked and approved by them before submittal. Contractor shall have competent technical personnel readily available for such coordinating and checking.

### 3.04 SAMPLES

- A. Identification. Label or tag each sample or set of samples identifying the manufacturer's name and address, brand name, catalog number, intended use and other data specified in Article 3.01.B herein.
- B. Colors, Patterns, and Textures. For items required to be of selected and approved colors, patterns, textures, or other finish, submit sufficient samples to show the range of shades, tones, values, patterns, textures, or other features corresponding to the instructions and requirements specified.
- C. Field-Applied Paint and Coatings. Submit samples of finishes at least 60 days prior to start of such finishing operations in conformance with requirements specified in Section 09 90 00, Painting and Coatings.
- D. Factory Finish Colors. Colors of material specified to be furnished with a factory finish are subject to approval. Submit duplicate samples of factory finishes showing the full range of available colors for selection and approval when requested by the Owner.

### 3.05 MATERIALS LISTS AND EQUIPMENT DATA

Materials lists and equipment data shall be submitted for all items proposed to be incorporated into the Work. In determining acceptability, consideration will be given to the availability of maintenance and replacement parts and materials, the availability of manufacturer's technical representatives, other factors that relate to the maintenance and repair of installed items without excessive inconvenience to the Owner, guarantees and warranties, as well as determination of conformance with the Contract Documents.

- A. Material Lists. Submittal copies of Material Lists shall be provided where specified in other Sections, and the number of copies submitted shall be as stated in Paragraph 3.01.A herein.
- B. Equipment Data. Submittal copies of equipment data shall be provided in accordance with other Sections and the number of submittals shall be as stated in Paragraph 3.01.A herein. Submittals for equipment incorporating logic circuits shall include a draft of a detailed theory of operation. Data shall be submitted in sets covering complete systems or functioning units.

3.06 INSTRUCTION (OPERATIONS AND MAINTENANCE) MANUALS – NOT USED

3.07 INSTALLATION INSTRUCTIONS – NOT USED

3.08 EARTHQUAKE DESIGN AND RESTRAINT – NOT USED

3.09 OTHER SUBMITTALS

Provide copies of other submittals such as calculations, manufacturer's certified reports, operational demonstration and system validation reports specified in other Sections and Divisions of the Specifications.

3.010 STORAGE INSTRUCTIONS

For each equipment and material item furnished, provide for the Owner's records 2 copies of the manufacturer's recommended instructions for storage of the respective equipment or material. The instructions shall address conditions both before installation and (for mechanical, electrical and instrumentation equipment) after installation but before placing into continuous operation.

Submit manufacturer's storage instructions either prior to delivery of the material/equipment or with the request for payment of materials delivered. Payment for materials delivered will not be approved without submittal of the manufacturer's storage instructions.

3.011 FORM OF APPROVAL

- A. Copies of submittals which are returned to the Contractor and which are subject to approval will be marked with notations A, B, B-R, C, D, or E, in which case the action so indicated shall be taken by the Contractor. These notations are defined as follows:
1. A: No Exceptions Noted (Resubmittal Not Required): Accepted subject to its compatibility with future submissions and additional partial submissions for portions of the work not covered in this submission. Does not constitute approval or deletion of specified or required items not shown in the partial submission.
  2. B: Make Corrections Noted (Resubmittal Not Required): Same as A, except that minor corrections as noted shall be made by the Contractor.
  3. B –R: Make Corrections Noted (Resubmit for Record Purposes): Same as B, except that resubmittal is required.
  4. C: Amend and Resubmit: Rejected because of major inconsistencies or error which shall be resolved or corrected by the Contractor prior to subsequent review by the Design Consultant.
  5. D: Not Acceptable (Resubmit): Submitted material does not conform to Drawings and Specifications in major respect, i.e., wrong size, model, capacity, or material.
  6. E: Received for Record Purposes Only: Applies to submittals which are required but not reviewed, such as shoring submittals.
- B. Returned copies of drawings marked with either notation A, B, or B-R authorize the Contractor to proceed with the fabrication, installation or construction, or any combination thereof, covered by such returned drawings, provided, that such fabrication, installation or construction shall be subject to the comments, if any, shown on such returned copies and to the Contract requirements whether or not specifically referenced. Although fabrication may proceed on a notation B-R, Contractor shall



incorporate the comments, resubmit, and obtain notation A before release for shipment can be granted. Failure to satisfactorily address the review comments, shall result in designation of the resulting as being defective.

- C. Returned copies of drawings marked with notation C or D shall be corrected as necessary and revised drawings shall be submitted in the same manner as before.

### 3.012 RECORD DRAWINGS AND SPECIFICATIONS

- A. Refer to Section 01 70 00, Execution and Closeout Requirements.

### 3.013 CERTIFICATES

Each certificate required under the Contract or in any of the following Sections shall be signed by the individual, office, or agent lawfully authorized to execute the certificate, and such authority shall be cited in the certificate by title, description, or other acceptable evidence. All certificates shall be sworn as to the correctness and validity of the contents. Where specifically required in the respective Section of the Specifications, certificates shall be notarized and duplicate copies of required certificates shall be notarized to be true copies.

END OF SECTION

**SECTION 01 35 00**  
**SPECIAL PROJECT PROCEDURES**

**PART 1 - GENERAL**

1.1 SUMMARY

- A. Section Includes:
  - 1. Protection of improvements
  - 2. Utility potholing
  - 3. Existing utilities
  - 4. Protection of existing pavement
  - 5. Protection of existing hardscape
  - 6. Protection of existing trees
  - 7. Excavation notification.
  - 8. Construction Photographs
  
- B. Related Sections:
  - 1. Section 01 33 00 - Submittal Procedures
  - 2. Section 02 21 00 – Surveys

**PART 2 - PRODUCTS - NOT USED**

**PART 3 - EXECUTION**

- 3.1 Protect all existing utilities and improvements not designated for removal and restore damaged or temporarily relocated utilities and improvements, immediately, to a condition equal to or better than they were prior to such damage or temporary relocation, all in accordance with requirements of the contract documents.
  
- 3.2 Protect all private and public property from damage due to its activities. If any damage does occur to public or private property as a result of the contractor's operation, the contractor shall be responsible for the repair of the property. See Section 01 11 00, Summary of Work, for additional details on the private property and access agreement.
  
- 3.3 POTHOLING/UTILITY LOCATION
  - A. The District will field locate existing utilities in the area of the Work. However, Contractor shall take all precautions necessary to confirm the specific location for drilling is clear of utilities, including hand-augering the first five feet to ascertain the presence (or not) of underground utilities.

### 3.4 EXISTING UTILITIES, WATER, DRAINAGE

- A. General: The Contractor shall protect all above ground and underground utility, water, and drainage improvements that may be impaired during construction operations.
- B. Locations shown: The known existing buried utilities and pipelines are shown on the Drawings in their approximate location, and also may be marked in the field by the utility representatives. The Contractor shall exercise reasonable care in avoiding damage to all utilities, and be held responsible for their repair if buried facilities so located are damaged, whether shown on the drawings or not.
- C. Work by Utilities: During the course of the Contract, work may be performed by the Owner to inspect, operate, relocate, abandon or install facilities. The Contractor shall coordinate with the Owner regarding such work. Such coordination shall be included within the Contract bid and there will be no separate payment therefore.
- D. Right of Access: The right is reserved to the Owner and to the owners of public utilities and franchises to enter at any time upon any public street, alley, right-of-way, or easement for the purpose of making changes in their property made necessary by the work of this Contract.
- E. Approval of Repairs: All repairs to a damaged utility or improvement are subject to inspection and approval by an authorized representative of the utility or improvement owner before being concealed by backfill or other work.
- F. Maintaining Service: All pipelines, power, telephone, communication cable, gas, water, irrigation, and storm drain systems within the work area shall remain continuously in service during all the operations under the Contract, unless specifically shown otherwise in the Contract Documents, or unless other arrangements satisfactory to the Engineer are made (by the Contractor) with the owner of said system.

### 3.5 RESTORATION OF PAVEMENT

- A. General: All paved areas cut or damaged during construction shall be replaced with similar materials and of equal thickness to match the existing adjacent undisturbed areas, except where specific resurfacing requirements have been called for in the Contract Documents.
- B. All temporary and permanent pavement shall conform to the requirements of the affected pavement owner. All pavements that are subject to partial removal shall be neatly saw cut in straight lines.
- C. Pavement markers and markings: The Contractor shall replace all pavement markings and markers that are removed or disturbed by construction activities. Pavement markings and markers shall be in accordance with Owner requirements.

### 3.6 EXISTING HARDSCAPE

- A. General: All concrete or other hardscape areas cut or damaged during construction shall be replaced with similar materials and of equal material and quality to match the existing adjacent undisturbed areas, except where specific resurfacing requirements have been called for in the Contract Documents. All such repairs and replacements shall conform to the requirements of the affected hardscape owner.
- B. Partial removal: All concrete that is subject to partial removal shall be neatly saw cut in straight lines. The saw cut lines shall be extended to align with existing score lines or similar feature so as to provide a uniform appearance.

### 3.7 EXCAVATION NOTIFICATION

- A. Notify Prior to Excavation: Prior to any excavation the Contractor shall notify the respective authorities representing the owners or agencies responsible for such facilities not less than 3 days nor more than 7 days prior to excavation so that a representative of said owners or agencies can be present during such work if they so desire.
- B. Call USA: The Contractor shall also notify Underground Service Alert (USA) at **811** at least 2 working days, but no more than 14 calendar days, prior to such excavation. If a utility owner is not equipped to locate its utility, the Contractor shall locate it.

### 3.8 CONSTRUCTION PHOTOGRAPHS

- A. Provide pre-construction, construction progress, and post-construction photographs as part of the Work. Photographs shall be taken with a minimum 5 megapixel digital camera, and all photos shall be provided to Owner on CDs. Photos shall be arranged in folders on the CDs by date taken and clearly identified by location of Work. Provide further cataloging of photographs as required to clearly identify subject matter, if not self-evident on the photograph (such as utility identification).
- B. Pre-Construction Photographs. Arrange a meeting time with Owner and Engineer, 2 working days prior to taking photographs, to allow Owner and Engineer the opportunity to accompany Contractor on the pre-construction photograph session. Provide pre-construction photographs during this walk-through of the existing project site conditions at locations directed by Owner and Engineer. Submit the CD of pre-construction photographs within 10 working days following the date photographs are taken. Include at a minimum, the following:
  - 1) photographs and documentation of condition of well site, including wetland areas, surface improvements and road conditions, driveways, other improvements in the immediate area of the Work in public right of way and on private property;

1. Post-Construction Photographs. Provide same coverage as required in the pre-construction photographs. Arrange a meeting time with Owner and Engineer, 2 working days prior to taking photographs, to allow Owner and Engineer the opportunity to accompany Contractor on the post-construction photograph session. Submit final photographs as part of close-out submittals specified in Section 01 70 00.
2. Progress Photographs. Provide photographs of the progress of the Work, to be provided to the Owner throughout progress of the Work. Progress photographs shall be taken at a minimum, on a daily basis. Photographs shall be taken at a minimum:
  - a. Progress during drilling, facilities to contain and haul cuttings, barricades, traffic control, drill rig and other equipment, well development activities, management of development water.
  - b. Staging and construction haul routes.

**END OF SECTION**

TEMPORARY FACILITIES AND CONTROLS

PART 1 GENERAL

1.01 SECTION INCLUDES

- A. Furnish and install temporary facilities as hereunder specified, plus other unspecified temporary facilities, including labor, materials, services, utilities, and equipment, as may be required for proper performance of Contract, except as otherwise provided. Temporary facilities shall be approved by the Owner and other authorities having legal jurisdiction. Locate facilities where and as directed, and maintain in safe and sanitary condition at all times until completion of Work.
- B. At completion of work, or sooner when no longer needed, remove all temporary facilities, except where certain facilities are specified to remain or to be relocated for use under future contracts.
- C. All Work required and specified in this Section shall be included in Contractor's price for mobilization, and therefore no separate or additional payment will be made therefore.

1.02 CONSTRUCTION EQUIPMENT

- A. Erect, equip, operate, and maintain construction equipment in strict accordance with applicable statutes, laws, ordinances, rules, and regulations of authorities having jurisdiction.

1.03 SAFETY PRECAUTIONS

- A. Provide and maintain barricades, fencing, and other safety precautions to properly guard against personal injury and property damage as prescribed by the Owner, and to adequately buffer and protect from damage to existing wetland areas.
- B. Maintain such items for duration of Work, and repair, replace, and relocate them as necessary for safe protection.
- C. Provide such additional safety precautions as may be prescribed by the Owner.
- D. Attention is directed to Safety Orders issued by State of California, Division of Industrial Safety. Contractor shall obtain copies of Safety Orders applicable to type of work to be performed, and shall be governed by requirements thereof in construction operations. Also see Supplementary General Conditions Article 6.13.
- E. Fully inform each subcontractor and material supplier as to requirements of applicable Safety Orders.

#### 1.04 ROADS AND ACCESSWAYS

- A. Maintain and protect existing access roads and parking areas in satisfactory condition during Contract time, and repair damages attributable to Work of this Project at intervals as needed. At completion of Contract, roads, parking areas and entrance ways shall be left in condition at least equal to that existing at start of Contract, except as may be otherwise required by Contract documents.
- B. Permanent Improvements: Where Contract calls for permanent sidewalk, road, and other ground improvements, and such permanent improvements are completed, or essentially completed within construction period, Contractor does not have vested right to use such improvements as temporary facilities.
- C. Retain responsibility of permanent improvements pursuant to General Conditions. Use of permanent improvements by Contractor shall be subject to approval by the Owner.

#### 1.05 USE OF OWNER PROPERTY

- A. On-Site Storage and Work Areas: Work closely with Owner to identify suitable locations for staging and storage, equipment access. See Section 01 11 00, Summary of Work.
- B. Make detailed examination of such Owner property at start of work and conditions shall be noted by Contractor and confirmed by Owner.
  - 1. Owner streets and other existing improvements therein adjacent to site, if damaged by this work, shall be repaired by Contractor at intervals as needed. At completion of project, all such items not included in Contract shall be left in condition at least equal to that at start of operations.
- C. Protection of Trees and Shrubs: Existing trees and shrubs to remain shall not be injured during the course of this work.
  - 1. If any tree or shrub during the course of, or as a result of construction operations is injured to extent of causing its permanent disfigurement or death, Contractor shall pay cost of damages to the Owner for each tree or shrub so injured, amount to be agreed upon by the Owner and Contractor.
  - 2. If any tree or shrub during the course of, or as a result of construction operations is injured to extent of causing its permanent disfigurement or death within the one year guarantee period, it is agreed by the parties to this Contract that actual damage to the Owner will be impossible to determine, and in lieu thereof, Contractor shall pay to Owner as fixed, agreed, and Liquidated Damages, for each tree and each shrub so injured.
- D. Protection of Existing Utilities: Protect from damage, existing utility lines not specified to be altered by Work of this Contract; any such features damaged shall be repaired or replaced to condition equal to that existing prior to commencing work of this Contract. Unless otherwise specified, maintain existing utility service at all times during construction. Utility service lines found entering site and not indicated to remain or to be incorporated in new Work, shall be plugged, capped, or otherwise abandoned by Contractor in manner satisfactory to Utility Companies whose services are involved, except as otherwise required.

1.06 CLEAN UP OF WORK AND DISPOSAL OF TRASH

- A. Attention of Contractor is directed to General Conditions, Article 6.11, and Specification Section 01 70 00. Keep work and storage areas clean and free of rubbish and perform protective and clean up work within one day of being so notified by Owner.
- B. Remove and dispose of trash resulting from work in appropriate receptacles provided by Contractor, and dispose of at an approved facility. Do not use existing nearby trash containers for depositing trash and rubbish.

1.07 DUST ABATEMENT

- A. Use water wagons or spray from hoses to control dust created by outdoor work operations in areas on project property during entire period of this Contract as directed by Owner; also, satisfactorily control dust created by operations on property used, other than project property, to satisfaction of all concerned.

1.08 SANITARY FACILITIES

- A. Toilet Facilities: Provide sufficient suitably enclosed chemical toilets, conforming to ANSI Z4.3., with urinal for workmen.
- B. Drinking Water Facilities: Provide clean, sanitary and adequate drinking water.

1.09 TEMPORARY WATER

- A. Make arrangements for raw water required for construction purposes; furnish and install temporary piping or hose to carry raw water to the construction area.

1.010 SECURITY

- A. Contractor shall be responsible for security of Work involved in this Project, during entire time of Contract. Make good all damages to work and loss of materials due to vandalism or theft, within this responsibility.

END OF SECTION



CONSTRUCTION SITE MANAGEMENT

PART 1 GENERAL

1.01 SECTION INCLUDES

- A. Construction site management shall consist of controlling potential sources of water pollution before they come in contact with storm water systems or watercourses. The Contractor shall control material pollution and manage waste and non-storm water existing at the construction site by implementing effective handling, storage, use, and disposal practices.

PART 2 PRODUCTS

Not Used

PART 3 EXECUTION

3.01 GENERAL

- A. Train all employees and subcontractors regarding:
  - 1. Material pollution prevention and control;
  - 2. Waste management;
  - 3. Non-storm water management;
  - 4. Identifying and handling hazardous substances; and
  - 5. Potential dangers to humans and the environment from spills and leaks or exposure to toxic or hazardous substances. Emphasis shall be placed on spill prevention to adjacent Morro Bay waters.
- B. Training shall take place before starting work on this project. New employees shall receive the complete training before starting work on this project. Hold regular meetings to discuss and reinforce spill prevention and control; material delivery, storage, use, and disposal; waste management; and non-storm water management procedures.
- C. Instructions for material and waste handling, storage, and spill reporting and cleanup shall be posted at all times in an open, conspicuous, and accessible location at the construction site.
- D. Nonhazardous construction site waste and excess material shall be recycled when practical or properly disposed of in an offsite location.
- E. Vehicles and equipment at the construction site shall be inspected by the CM on a frequent, predetermined schedule, and by the operator each day of use. Leaks shall be repaired immediately, or the vehicle or equipment shall be removed from the construction site.

### 3.02 SPILL PREVENTION AND CONTROL

- A. Implement spill and leak prevention procedures when chemicals or hazardous substances are stored. Spills of petroleum products; substances listed under CFR Title 40, Parts 110, 117, and 302; and sanitary and septic waste shall be contained and cleaned up as soon as is safe.
- B. Minor spills involve small quantities of oil, gasoline, paint, or other material that can be controlled by the first responder upon discovery of the spill. Cleanup of minor spills includes:
  - 1. Containing the spread of the spill,
  - 2. Recovering the spilled material using absorption,
  - 3. Cleaning the contaminated area, and
  - 4. Disposing of contaminated material promptly and properly.
- C. Semi-significant spills are those that can be controlled by the first responder with the help of other personnel. Cleanup of semi-significant spills shall be immediate. Cleanup of semi-significant spills includes:
  - 1. Containing the spread of the spill;
  - 2. Recovering the spilled material using absorption if the spill occurs on paved or an impermeable surface;
  - 3. Containing the spill with an earthen dike and digging up contaminated soil for disposal if the spill occurs on dirt;
  - 4. Preventing contaminants from reaching storm drain inlets;
  - 5. Covering the spill with plastic or other material to prevent contaminating runoff if the spill occurs during precipitation; and
  - 6. Disposing of contaminated material promptly and properly.
- D. Significant or hazardous spills are those that cannot be controlled by construction personnel. Notifications of these spills shall be immediate. The following steps shall be taken:
  - 1. Construction personnel shall not attempt to cleanup the spill until qualified staff have arrived;
  - 2. Notify the Engineer and follow up with a written report;
  - 3. Obtain the services of a spills contractor or hazardous material team immediately;
  - 4. Notify the local emergency response team by dialing 911 and county officials at the emergency phone numbers kept on the construction site;
  - 5. Notify the Governor's Office of Emergency Services Warning Center at (805) 852-7550;
  - 6. Notify the National Response Center at (800) 424-8802 regarding spills of Federal reportable quantities in conformance with CFR Title 40, Parts 110, 119, and 302;
  - 7. Notify other agencies as appropriate, including:
    - a. Fire Department,
    - b. Public Works Department,
    - c. Coast Guard,
    - d. Owner Police,
    - e. Department of Toxic Substances,
    - f. California Division of Oil and Gas,
    - g. Cal OSHA,
    - h. Regional Water Quality Control Board.

- E. The CM shall oversee and enforce proper spill prevention and control measures. Minor, semi-significant, and significant spills shall be reported to the Contractor's CM who shall notify the Engineer immediately.
- F. Prevent spills from entering storm water runoff before and during cleanup. Spills shall not be buried or washed with water.
- G. Keep material or waste storage areas clean, well organized, and equipped with enough cleanup supplies for the material being stored. Plastic shall be placed under paving equipment when not in use to catch drips.

### 3.03 MATERIAL MANAGEMENT

- A. Material shall be delivered, used, and stored for this contract in a manner that minimizes or prevents discharge of material into the air, storm drain systems, or watercourses.
- B. Implement the practices described in this section when taking delivery of, using, or storing the following materials:
  - 1. Hazardous chemicals including:
    - a. Acids,
    - b. Lime,
    - c. Glues,
    - d. Adhesives,
    - e. Paints,
    - f. Solvents, and
    - g. Curing compounds;
  - 2. Soil stabilizers and binders;
  - 3. Fertilizers;
  - 4. Detergents;
  - 5. Plaster;
  - 6. Petroleum products including:
    - a. Fuel,
    - b. Oil, and
    - c. Grease;
  - 7. Asphalt components and concrete components; and
  - 8. Pesticides and herbicides.
- C. When requested by Engineer or Owner, supply the Material Safety Data Sheets to the for material used or stored. Keep an accurate inventory of material delivered and stored at the construction site.
- D. Employees trained in emergency spill cleanup procedures shall be present when hazardous materials or chemicals are unloaded.
- E. Use recycled or less hazardous products when practical.
- F. Material Storage
  - 1. Store liquids, petroleum products, and substances listed in CFR Title 40, Parts 110, 117, and 302 in containers or drums approved by the United States Environmental Protection Agency, and place them in secondary containment facilities.

2. Secondary containment facilities shall be impervious to the materials stored there for a minimum contact time of 72 hours.
3. Throughout the rainy season secondary containment facilities shall be covered during non-working days and when precipitation is predicted. Secondary containment facilities shall be adequately ventilated.
4. Keep the secondary containment facility free of accumulated rainwater or spills. After precipitation, or in the event of spills or leaks, accumulated liquid shall be collected and placed into drums within 24 hours. These liquids shall be handled as hazardous waste in accordance with the provisions in "Hazardous Waste" of these special provisions, unless testing determines them to be nonhazardous.
5. Incompatible materials, such as chlorine and ammonia, shall not be stored in the same secondary containment facility.
6. Materials shall be stored in the original containers with the original product labels maintained in legible condition. Damaged or illegible labels shall be replaced immediately.
7. The secondary containment facility shall have the capacity to contain precipitation from a 24-hour-long, 25-year storm; and 10 percent of the aggregate volume of all containers, or all of the volume of the largest container within the facility, whichever is greater.
8. Store bagged or boxed material on pallets. Throughout the rainy season, bagged or boxed material shall be protected from wind and rain during non-working days and when precipitation is predicted.
9. Provide sufficient separation between stored containers to allow for spill cleanup or emergency response access. Storage areas shall be kept clean, well organized, and equipped with cleanup supplies appropriate for the materials being stored.
10. Repair or replace perimeter controls, containment structures, covers, and liners as needed. Storage areas shall be inspected before and after precipitation, and at least weekly during other times.

G. Stockpile Management

1. Reduce or eliminate potential air and water pollution from stockpiled material including soil, paving material, or pressure treated wood. Stockpiles shall be located out of floodplains when possible, and at least 50 feet from concentrated flows of storm water, drainage courses, or inlets unless written approval is obtained from the Engineer.
2. Stockpiles shall still be considered active for up to 21 days after discontinuing, adding or removing materials to stockpile.
3. Protect active stockpiles with plastic or geotextile cover, soil stabilization measures, or with linear sediment barrier when precipitation is predicted. Active stockpiles of cold mix asphalt concrete shall be placed on an impervious surface and covered with plastic when precipitation is predicted.
4. Protect inactive soil stockpiles with a plastic or geotextile cover, or with soil stabilization measures at all times during the rainy season. A linear sediment barrier around the perimeter of the stockpile shall also be used. During the non-rainy season soil stockpiles shall be covered and protected with a linear sediment barrier when precipitation is predicted. The Contractor shall control wind erosion during dry weather as provided in Section 10, "Dust Control," of the Standard Specifications.
5. Stockpiles of Portland cement concrete rubble, asphalt concrete (AC), hot mix asphalt (HMA), AC and HMA rubble, aggregate base, or aggregate subbase

- shall be covered with plastic or geotextile, or protected with a linear sediment barrier at all times during the rainy season, and when precipitation is predicted during the non-rainy season.
6. Stockpiles of cold mix asphalt concrete shall be placed on and covered with impermeable material at all times during the rainy season, and when precipitation is predicted during the non-rainy season.
  7. Stockpiles of pressure treated wood shall be covered with impermeable material and placed on pallets at all times during the rainy season, and when precipitation is predicted during the non-rainy season.
  8. Repair or replace linear sediment barriers and covers as needed or as directed by the Engineer to keep them functioning properly. Sediment shall be removed when it accumulates to 1/3 of the linear sediment barrier height.

### 3.04 WASTE MANAGEMENT

#### A. Solid Waste

1. Do not allow litter or debris to accumulate anywhere on the construction site, including storm drain grates, trash racks, and ditch lines. Pick up and remove trash and debris from the construction site at least once a week. The CM will monitor solid waste storage and disposal procedures on the construction site. Provide dumpsters of sufficient size to contain the solid waste generated by the project. Dumpsters shall be emptied when refuse reaches the fill line. Dumpsters shall be watertight. Do not wash out dumpsters on the construction site. Provide additional containers and more frequent pickup during the demolition phase of construction.

#### B. Solid waste includes:

1. Brick,
2. Mortar,
3. Timber,
4. Metal scraps,
5. Sawdust,
6. Pipe,
7. Electrical cuttings,
8. Non-hazardous equipment parts,
9. Styrofoam and other packaging materials,
10. Vegetative material and plant containers from highway planting, and
11. Litter and smoking material, including litter generated randomly by the public.

#### C. Trash receptacles shall be provided and used in the Contractor's yard, field trailers, and locations where workers gather for lunch and breaks.

#### D. Hazardous Waste

1. Implement hazardous waste management practices when waste is generated on the construction site from the following substances:
  - a. Petroleum products,
  - b. Asphalt products,
  - c. Concrete curing compound,
  - d. Pesticides,
  - e. Acids,
  - f. Paints,
  - g. Stains,

- h. Solvents,
  - i. Wood preservatives,
  - j. Roofing tar, and
  - k. Materials classified as hazardous by California Code of Regulations, Title 22, Division 4.5; or listed in CFR Title 40, Parts 110, 117, 261, or 302.
2. Nothing in these special provisions shall relieve the Contractor of the responsibility for compliance with Federal, State, and local laws regarding storage, handling, transportation, and disposal of hazardous wastes.
  3. The CM will oversee and enforce hazardous waste management practices. Production of hazardous materials and hazardous waste on the construction site shall be kept to a minimum. Perimeter controls, containment structures, covers, and liners shall be repaired or replaced when damaged.
  4. Provide a laboratory certified by the California Department of Public Health (CDPH) to sample and test waste when hazardous material levels are unknown to determine safe methods for storage and disposal.
  5. Segregate potentially hazardous waste from nonhazardous waste at the construction site. Hazardous waste shall be handled, stored, and disposed of as required in California Code of Regulations, Title 22, Division 4.5, Section 66262.34; and in CFR Title 49, Parts 261, 262, and 263.
  6. Store hazardous waste in sealed containers constructed and labeled with the contents and date accumulated as required in California Code of Regulations, Title 22, Division 4.5; and in CFR Title 49, Parts 172, 173, 178, and 179. Hazardous waste containers shall be kept in temporary containment facilities conforming to the provisions in "Material Storage" of these special provisions.
  7. There shall be adequate storage volume and containers shall be conveniently located for hazardous waste collection. Containers of hazardous waste shall not be overfilled and hazardous wastes shall not be mixed. Containers of dry waste that are not watertight shall be stored on pallets. Do not allow potentially hazardous waste to accumulate on the ground. Hazardous waste shall be stored away from storm drains, watercourses, moving vehicles, and equipment.
  8. Clean water based or oil based paint from brushes or equipment within a contained area and shall not contaminate soil, watercourses, or storm drain systems. Paints, thinners, solvents, residues, and sludges that cannot be recycled or reused shall be disposed of as hazardous waste. When thoroughly dry, latex paint and paint cans, used brushes, rags, absorbent materials, and drop cloths shall be disposed of as solid waste.
  9. Dispose of hazardous waste within 90 days of being generated. Hazardous waste shall be disposed of by a licensed hazardous waste transporter using uniform hazardous waste manifest forms and taken to a Class I Disposal Site. A copy of the manifest shall be provided to the Engineer.

E. Contaminated Soil

1. Identify contaminated soil from spills or leaks by noticing discoloration, odors, or differences in soil properties. Soil with evidence of contamination shall be sampled and tested by a laboratory certified by CDPH. If levels of contamination are found to be hazardous, the soil shall be handled and disposed of as hazardous waste.
2. Prevent the flow of water, including ground water, from mixing with contaminated soil by using one or a combination of the following measures:
  - a. Berms,
  - b. Cofferdams,

- c. Grout curtains,
    - d. Freeze walls, or
    - e. Concrete seal course.
  - 3. If water mixes with contaminated soil and becomes contaminated, the water shall be sampled and tested by a laboratory certified by the CDPH. If levels of contamination are found to be hazardous, the water shall be handled and disposed of as hazardous waste.
- F. Concrete Waste
- 1. Implement practices to prevent the discharge of portland cement concrete, AC, or HMA waste into storm drain systems or watercourses.
  - 2. Portland cement concrete, AC, or HMA waste shall be collected at the following locations and disposed of:
    - a. Where concrete material, including grout, is used;
    - b. Where concrete dust and debris result from demolition;
    - c. Where sawcutting, coring, grinding, grooving, or hydro-concrete demolition of portland cement concrete, AC, or HMA creates a residue or slurry; or
    - d. Where concrete trucks or other concrete-coated equipment is cleaned at the construction site.
- G. Sanitary and Septic Waste
- 1. Wastewater from sanitary facilities shall not be discharged within the Owner right of way. The CM will inspect sanitary waste storage and monitor disposal procedures at least weekly.
- H. Liquid Waste
- 1. Do not allow construction site liquid waste, including the following, to enter storm drain systems or watercourses:
    - a. Drilling slurries or fluids,
    - b. Grease-free or oil-free wastewater or rinse water,
    - c. Dredgings,
    - d. Liquid waste running off a surface including wash or rinse water, or
    - e. Other non-storm water liquids not covered by separate permits.
  - 2. Hold liquid waste in structurally sound, leak proof containers such as:
    - a. Sediment traps,
    - b. Roll-off bins, or
    - c. Portable tanks.
  - 3. Liquid waste containers shall be of sufficient quantity and volume to prevent spills and leaks. The containers shall be stored at least 50 feet from storm drains, watercourses, moving vehicles, and equipment.
  - 4. Remove and dispose of deposited solids from sediment traps as provided in "Solid Waste" of these special provisions, unless determined infeasible by the Engineer.
  - 5. Liquid waste may require testing to determine hazardous material content before disposal.
  - 6. Drilling fluids and residue shall be disposed of outside the highway right of way. If the Engineer determines that an appropriate location is available, fluids and residue exempt under California Code of Regulations, Title 23, Section 2511(g) may be dried by infiltration and evaporation in a leak proof container. The remaining solid waste may be disposed of as provided in "Solid Waste" of these special provisions.

### 3.05 NON-STORM WATER MANAGEMENT

#### A. Water Control and Conservation

1. Prevent erosion or the discharge of pollutants into storm drain systems or watercourses by managing the water used for construction operations. Obtain the Engineer's approval before washing anything on the construction site with water that could discharge into a storm drain system or watercourse. Discharges shall be reported to the Engineer immediately.
2. Implement water conservation practices when water is used on the construction site. Irrigation areas shall be inspected and watering schedules shall be adjusted to prevent erosion, excess watering, or runoff. The Contractor shall shut off the water source to broken lines, sprinklers, or valves, and they shall be repaired as soon as possible. When possible, water from waterline flushing shall be reused for landscape irrigation. Paved areas shall be swept and vacuumed, not washed with water.
3. Construction water runoff, including water from water line repair, shall be directed to areas to infiltrate into the ground and shall not be allowed to enter storm drain systems or watercourses. Spilled water shall not be allowed to escape water truck filling areas. When possible, the Contractor shall direct water from off-site sources around the construction site, or shall minimize contact with the construction site.

#### B. Illegal Connection and Discharge Detection and Reporting

1. Inspect the construction site and the site perimeter before beginning work for evidence of illegal connections, discharges, or dumping. Subsequently, the construction site and perimeter shall be inspected on a frequent, predetermined schedule.
2. Immediately notify the Engineer when illegal connections, discharges, or dumping are discovered. Do not take further action unless directed by the Engineer. Unlabeled or unidentifiable material shall be assumed to be hazardous.
3. Observe the site for the following evidence of illegal connections, discharges, or dumping:
  - a. Debris or trash piles,
  - b. Staining or discoloration on pavement or soils,
  - c. Pungent odors coming from drainage systems,
  - d. Discoloration or oily sheen on water,
  - e. Stains or residue in ditches, channels or drain boxes,
  - f. Abnormal water flow during dry weather,
  - g. Excessive sediment deposits,
  - h. Nonstandard drainage junction structures, or
  - i. Broken concrete or other disturbances near junction structures.

#### C. Vehicle and Equipment Cleaning

1. Limit vehicle and equipment cleaning or washing on the construction site to that necessary to control vehicle tracking or hazardous waste. Vehicles and equipment shall not be cleaned on the construction site with soap, solvents, or steam until the Engineer has been notified. The resulting waste shall be contained and recycled, or disposed of as provided in "Liquid Waste" or "Hazardous Waste" of these special provisions, whichever is applicable. Do not use diesel to clean vehicles or equipment, and minimize the use of solvents.



2. Clean or wash vehicles and equipment in a structure equipped with disposal facilities. If using a structure is not possible, vehicles and equipment shall be cleaned or washed in an outside area with the following characteristics:
    - a. Located at least 50 feet from storm drainage systems or watercourses,
    - b. Paved with AC, HMA, or portland cement concrete,
    - c. Surrounded by a containment berm, and
    - d. Equipped with a sump to collect and dispose of wash water.
  3. When washing vehicles or equipment with water, use as little water as possible. Hoses shall be equipped with a positive shutoff valve.
  4. Wash racks shall discharge to a recycle system or to another system approved by the Engineer. Sumps shall be inspected regularly, and liquids and sediments shall be removed as needed.
- D. Vehicle and Equipment Fueling and Maintenance
1. Fuel or perform maintenance on vehicles and equipment off the construction site whenever practical. When fueling or maintenance must be done at the construction site, designate a site, or sites, and obtain approval from the Engineer before using. The fueling or maintenance site shall be protected from storm water, shall be on level ground, and shall be located at least 50 feet from drainage inlets or watercourses. The WPCM shall inspect the fueling or maintenance site regularly. Mobile fueling or maintenance shall be kept to a minimum.
  2. Use containment berms or dikes around the fueling and maintenance area. Adequate amounts of absorbent spill cleanup material and spill kits shall be kept in the fueling and maintenance area and on fueling trucks. Spill cleanup material and kits shall be disposed of immediately after use. Drip pans or absorbent pads shall be used during fueling or maintenance unless performed over an impermeable surface.
  3. Fueling or maintenance operations shall not be left unattended. Fueling nozzles shall be equipped with an automatic shutoff control. Vapor recovery fueling nozzles shall be used where required by the Air Quality Management District. Nozzles shall be secured upright when not in use. Fuel tanks shall not be topped-off.
  4. Recycle or properly dispose of used batteries and tires.
- E. Paving, Sealing, Sawcutting, and Grinding Operations
1. Prevent the following material from entering storm drain systems or water courses:
    - a. Cementitious material,
    - b. Asphaltic material,
    - c. Aggregate or screenings,
    - d. Grinding or sawcutting residue,
    - e. Pavement chunks,
    - f. Shoulder backing.
  2. Cover drainage inlets and use linear sediment barriers to protect downhill watercourses until paving, sealing, sawcutting, or grinding operations are completed and excess material has been removed. Drainage inlets and manholes shall be covered during the application of seal coat, tack coat, slurry seal, or fog seal.
  3. During the rainy season or when precipitation is predicted, paving, sawcutting, and grinding operations shall be limited to places where runoff can be captured. Seal coat, tack coat, slurry seal, or fog seal operations shall not begin if

precipitation is predicted for the application or the curing period. The Contractor shall not excavate material from existing roadways during precipitation.

4. Vacuum up slurry from sawcutting operations immediately after the slurry is produced. Slurry shall not be allowed to run onto lanes open to public traffic or off the pavement.
5. Collect residue from portland cement concrete grinding operations with a vacuum attachment on the grinding machine. The residue shall not be left on the pavement or allowed to flow across the pavement.
6. Material excavated from existing roadways may be stockpiled as provided in "Stockpile Management" of these special provisions if approved by the Engineer. AC or HMA chunks used in embankment shall be placed above the water table and covered by at least one foot of material.
7. Substances used to coat asphalt trucks and equipment shall not contain soap, foaming agents, or toxic chemicals.

F. Thermoplastic Striping and Pavement Markers

1. Thermoplastic striping and preheating equipment shutoff valves shall work properly at all times when on the construction site. Do not preheat, transfer, or load thermoplastic within 50 feet of drainage inlets or watercourses. Do not fill the preheating container to more than 6 inches from the top. Truck beds shall be cleaned daily of scraps or melted thermoplastic.
2. Do not unload, transfer, or load bituminous material for pavement markers within 50 feet of drainage inlets or watercourses. All pressure shall be released from melting tanks before removing the lid to fill or service. Melting tanks shall not be filled to more than 6 inches from the top.
3. Collect bituminous material from the roadway after marker removal.

G. Concrete Curing

1. Do not overspray chemical curing compound. Drift shall be minimized by spraying as close to the concrete as possible. Drainage inlets shall be covered before applying curing compound.
2. Minimize the use and discharge of water by using wet blankets or similar methods to maintain moisture when curing concrete.

H. Concrete Finishing

1. Collect and dispose of water and solid waste from high-pressure water blasting. Drainage inlets within 50 feet shall be covered before sandblasting. The nozzle shall be kept as close to the surface of the concrete as possible to minimize drift of dust and blast material. Blast residue may contain hazardous material.
2. Containment structures for concrete finishing operations shall be inspected for damage before each day of use and before predicted precipitation. Liquid and solid waste shall be removed from the containment structure after each work shift.

END OF SECTION

## SECTION 01 70 00

### EXECUTION AND CLOSEOUT REQUIREMENTS

#### PART 1 GENERAL

##### 1.01 REQUIREMENTS INCLUDED

- A. Closeout Procedures.
- B. Project Record Documents.
- C. Operation and Maintenance Data.
- D. Guaranties, Warranties and Bonds.

##### 1.02 CLOSEOUT PROCEDURES

- A. Comply with procedures in this Section, and the General Conditions for inspection and acceptance of the Work, payment and retention procedures.
- B. When Contractor considers Work has reached substantial completion, submit written certification that Work is ready for inspection.

##### 1.03 INSPECTION PROCEDURES

When the Work is in the opinion of the Contractor, substantially complete, the Contractor shall call for a punch list inspection.

- A. Inspection Procedures: On receipt of a written request for inspection, the Owner Representative will schedule the inspection. If in the judgment of the Owner's Representatives the project is not substantially complete, the Owner Representative will so advise the Contractor and discontinue the inspection.
  - 1. The Owner's Representative will repeat inspection when requested and assured that the Work has been completed.
  - 2. Results of the completed inspection will form the basis of requirements for final acceptance of the Work.
- B. Final cleaning shall be completed prior to Owner's inspection and acceptance.

##### 1.04 PROJECT RECORD DOCUMENTS ("AS-BUILTS")

- A. Maintain, on current basis, record drawings showing "as-built" conditions of project; subject to monthly review by Owner Representative. Monthly pay estimates will not be processed without review and approval of record drawings by the Owner. Written confirmation that the as-builts have been properly updated shall be submitted with each pay application request. Final Acceptance of Work will not take place until record drawings are turned over to the Owner's Representative.

- B. Store Project record documents separate from those used for construction. Protect from deterioration and loss in a secure, fire-resistive location; provide access to the Owner's Representatives during normal working hours. In the event of loss of recorded data, use means necessary to again secure the data to the Owner's acceptance; such means shall include, if necessary in the opinion of the Owner, removal and replacement of concealing materials and in such case, replacements shall be to the standards originally specified.
- C. Before commencing backfilling of utilities or any other underground pipes, ducts, conduits, or structures, take photographs showing relationship of below ground utilities to structure(s) or other physical reference point. Photos are to be in compliance with Section 01 35 00, Special Project Procedures, categorized by locations and indicating utilities and progress of Work, as specified. Provide photo(s) of all connections, crossings, stubs, or other critical points. If the Contractor neglects to take such photographs, Contractor shall uncover, at the Contractor's expense, the area(s) so neglected in order to provide the requisite photos.
- D. Record Drawings: Maintain a clean, undamaged bond set of Contract Drawings and Shop Drawings. Mark the set to show the actual installation where the installation varies from the Work as originally shown. Mark whichever drawing is most capable of showing conditions fully and accurately. At time of installation, installed locations of work relating to aboveground and underground utilities, structural, ventilation, plumbing, electrical, and other scopes of work as may be required, shall be recorded on sepia mylar prints by Contractor, and reviewed with Owner's Representative. Timing of entries shall be within 24 hours after receipt of information. Do not conceal work until required information is recorded.
1. Information entered on prints shall be neat, legible, and emphasized by drawing "clouds" around changed items. Mark record sets with red erasable pencil; use other colors to distinguish between variations in separate categories of the work. Date entries.
  2. Mark new information that is important to the Owner, but was not shown on Contract Drawings or Shop Drawings.
  3. At a minimum, the following information shall be inserted and dimensioned on record documents where applicable:
    - a. The exact horizontal and vertical location of all installations in their finished condition, including all electrical, plumbing and mechanical installations;
    - b. All changes in construction, materials and installed equipment;
    - c. Adequate dimensional data, both horizontal and vertical, to allow location of covered installations;
    - d. The identification of changes authorized by Change Order and the number of that Change Order;
    - e. All Requests for information and the number of that Request for Information;
    - f. All Field Clarifications and the number of that Field Clarification;
    - g. All the Engineer's field change directives and the number of such directive where applicable.
  4. Symbols and designations used in preparing record drawings shall match those used in Contract Drawings.
  5. Locate and dimension work, including stubs for future connections, with reference to permanent landmarks or buildings and indicate approximate depth below finish grade.

6. Organize record drawing sheets into manageable sets, bind with durable paper cover sheets, and print suitable titles, dates and other identification on the cover of each set.
- E. Record Specifications: Maintain one complete copy of the Project Specifications, including addenda, and one copy of other written construction documents such as Change Orders and modifications issued in printed form during construction. Mark these documents to show variations in actual work performed in comparison with the text of the Specifications and modifications. Give particular attention to substitutions, selection of options and similar information on elements that are concealed or cannot otherwise be readily discerned later by direct observation. Note related record drawing information and Product Data.
  1. Upon completion of the Work, submit record Specifications to the Owner's Representative for the Owner's records.
- F. Prior to final Acceptance of Work, submit Project record documents with transmittal letter containing date, Project title, Contractor's name and address, list of documents and signature of Contractor.

#### 1.05 OPERATION AND MAINTENANCE DATA

- A. Provide data for Sections as required by the Contract Documents.
- B. Preparation of data shall be by personnel:
  1. Trained and experienced in maintenance and operation of described products.
  2. Familiar with requirements of this Section.
  3. Skilled as technical writer to the extent required to communicate essential data.
  4. Skilled as draftsman competent to prepare required drawings.
- C. Submit 6 sets of operating/maintenance manuals prior to Final Acceptance of Work, bound in 8-1/2" x 11", three ring side binders with durable plastic covers; with identification on, or readable through, front cover stating general nature of manual. Final Acceptance of the Work will not take place until operation/maintenance manuals are approved by Engineer and Owner.
- D. Operation and Maintenance (O&M) Manual shall contain:
  1. Part 1: Directory, listing names, addresses and telephone numbers of Engineer, Owner Inspector and Contractor; and index furnishing complete information as to location in manual of emergency data regarding installation.
  2. Part 2: Operation and maintenance instructions, arranged by system. For each system, give names, addresses and telephone numbers of subcontractors and suppliers; and include the following:
    - a. Appropriate design criteria.
    - b. List of equipment.
    - c. Parts list; including complete nomenclature, current costs, and names and address of nearest vendor of parts.
    - d. Detailed operating instructions in a logical sequence for each procedure. Include proper procedures in event of failure.
    - e. Maintenance instructions, equipment, including routine maintenance cards with time frequency of routine maintenance noted.
    - f. Maintenance instructions, finishes. Provide manufacturer's recommendation for types of cleaning agents and methods, cautions

against agents and methods that are detrimental to the product and a recommended schedule for cleaning and maintenance.

- g. Copy of each Material Safety Data Sheet (MSDS) received with products or materials delivered to the site for incorporation into the Project, for Owner future reference.
  - h. Shop drawings and product data, including changes made during construction. Illustrate relations of component parts of equipment and systems and control and flow diagrams.
  - i. Copies of Guaranties/Warranties. Note instances that might affect validity of warranties or bonds.
- E. Extraneous Data: Where contents of manuals include manufacturers' catalog pages, clearly indicate precise items included in this installation and delete, or otherwise clearly indicate, manufacturer's data with which this installation is not concerned. Include catalog number, size and composition, color and texture designations and information required for re-ordering special manufactured products.
- F. Review contents of manual with Owner representative in full detail to explain all aspects of operations and maintenance in addition to requirements per Section 01 75 00 Starting and Adjusting.

#### 1.06 GUARANTIES, WARRANTIES AND BONDS

- A. Standard Guaranty: Guarantee Work executed under this Contract to be free of defects of workmanship and materials for a period of one year after completion and acceptance by the Owner. Refer to Article 6, General Conditions. Submittal not required for standard one year guaranty for Work of this project.
- B. Additional Guaranties/Warranties: Provide additional guarantees/warranties (in excess of one year) where specifically required by pertinent Specification Sections.
  - 1. Provide duplicate copies. Execute Contractor's submittals and assemble documents executed by subcontractors, suppliers and manufacturers. Provide table of contents and assemble in binder with durable plastic cover.
- C. Submit guaranties/warranties prior to final payment.
  - 1. For equipment put into use with Owner's permission during construction, submit guaranties/warranties within 10 days after first operation.
  - 2. For items of work delayed beyond date of substantial completion, provide updated guaranty/warranty submittal within 10 days after acceptance, listing date of acceptance as start of guaranty/warranty period.

#### 1.07 SPARE PARTS AND MAINTENANCE MATERIALS – NOT USED

#### 1.08 FINAL ACCEPTANCE

- A. Preliminary Procedures: Before requesting certification of final Acceptance of the Work, complete the following:
  - 1. Submit a certified copy of the Owner Representative's list of items to be completed or corrected, stating that each item has been completed or otherwise resolved for acceptance for final inspection.

- B. Final Inspection: The Owner's Representative will re-inspect the work upon receipt of notice that the work, including inspection list items from earlier inspections, "(punch-list)", has been completed, except items whose completion has been delayed because of circumstances acceptable to the Owner.
1. Upon completion of final inspection, the Owner's Representative will prepare and submit to the Owner, a certificate of final acceptance, or advise the Contractor of work that is incomplete or of obligations that have not been fulfilled but are required for final acceptance.
  2. If after the inspection, the Owner determines that the Work is complete, the Owner will accept the Work per Article 14, General Conditions.

**END OF SECTION**

VERTICAL RAW WATER INTAKE FACILITY

PART 1 GENERAL

1.1 WORK INCLUDED

- A. This Section covers the work necessary to provide one 40-foot deep 22" diameter borehole with one 12" diameter vertical intake facility at the location shown on the drawings, and as shown on Figure 2 exhibit attached hereto. The Raw Water Vertical Intake No. 1 technical specification, prepared by Cleath-Harris Geologists (hereinafter referred to as Intake Facility Technical Specifications), is included at the end of this Section and all of the requirements contained therein shall be part of these Contract Documents, unless otherwise modified by this Section.
  
- B. MODIFICATIONS AND CLARIFICATIONS TO THE INTAKE FACILITY TECHNICAL SPECIFICATIONS:
  - 1. Refer to submittal requirements in the Intake Facility Technical Specifications. All submittals shall be provided to the Engineer a minimum of 14 calendar days prior to placing order for materials.
  - 2. Development water. Collect development water, and manage such water per the Intake Facility Technical Specifications.
  - 3. Pump Test Water. Pump test water that has a turbidity of 5 NTU or less, may be discharged to the District's raw water pumping station for District treatment at the Water Treatment Plant. Such discharge of pump test water shall only be allowed if approved by District staff. Contractor shall discharge pump test water to the percolation pit, should the District not take all or a portion of this pump test water.

PART 2 PRODUCTS

2.1 PRODUCTS

- A. See Intake Facility Technical Specifications.

PART 3 EXECUTION

3.1 GENERAL

- A. See Intake Facility Technical Specifications (attached).
  
- B. Refer to Division 01 technical specifications for private property access and notification requirements.

END OF SECTION  
(12 pages follow)



**Technical Specifications  
for  
Raw Water Vertical Intake #1**

**Prepared for:**

**Heritage Ranch Community Services District**

**Prepared by:**

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## 1.0 Introduction

This technical specification applies to the construction and testing of a raw water vertical intake structure. The purpose of this specification is to document the level of effort expected from the drilling contractor. This specification does not, through omission, excuse the contractor from complying with any laws, rules and regulations, or standards governing the work being performed.

## 2.0 Scope of Work

The work includes furnishing all labor, materials, transportation, tools, supplies, equipment, and appurtenances necessary for the complete and satisfactory construction and testing of a raw water intake structure. The site is shown in Figure 1. A preliminary construction diagram is shown in Figure 2. The design and testing parameters are as follows:

### Construction

Drilling site:	On the river, next to the booster facility at the end of a utility road, off Bluegill Drive in the Heritage Ranch Community.	
Total boring depth:	40 feet estimated	
Total depth:	40 feet estimated	
Final borehole size:	22-inch nominal diameter.	
Completion:	Surface to 15 feet depth:	12-inch diameter, 3/8-inch wall, stainless steel 304 blank water well casing.
	15 to 30 feet depth:	12-inch diameter, stainless steel 304 wire-wrap water well casing with 0.040-inch slots.
	30 to 40 feet depth:	12-inch diameter, 3/8-inch wall, stainless steel 304 blank water well casing.
Centralizers:	A set of three, 304 stainless steel, 3/8-inch thick bar stock, set 120 degrees apart at the top and at the bottom of the screened interval.	
Gravel pack:	4508R, 2-2.4 mm, SiLiBead glass water well beads from 10 to 30 feet depth. 3/8-inch pea gravel from 30 to 40 feet depth.	



- Gravel Fill Tube: 3-inch diameter schedule 40 low carbon steel, one foot above ground surface to 12 feet depth.
- Sanitary Seal: Install cement seal in annular space from 10 feet depth to ground surface.
- Intake head: Secure with temporary cover, tack welded to prevent unauthorized access.
- Air development: 2 hour
- Pump development: 4 hour
- Pumping tests: 8-hour constant discharge (assume 100 gpm)
- Development water: Initial 10,000 gallons contained in tank. Remainder to be dispensed into a percolation pit away from the river.
- Pumping test water: Pumped to the percolation pit or clear water less than 5 NTU turbidity may be routed into the HRCSD system (onsite) for treatment.
- Cuttings: Spread on-site per direction of HRCSD.
- Drilling Mud: Removed from site and disposed by contractor.

### **3.0 Permits, Laws, and Standards**

The contractor is responsible for obtaining an application permit prior to drilling and for filing a Well Completion Report at the conclusion of the project. The contractor shall comply with all federal, state, or local laws, ordinances, rules and regulations, and standards relating to the performance of work, including the California Water Well Standards (Dept. of Water Resources Bulletins 74-81 and 74-90) and any applicable noise ordinance.

### **4.0 Submittals**

All records shall be available to HRCSD at all times on the job site. Copies of all records shall be submitted to HRCSD and the Project Inspector. The records to be submitted during the course of work on the project shall include the following:

- 1) Approved well permit application
- 2) Valid US Alert ticket number
- 3) Welders certifications
- 4) Cement/grout delivery tickets used for annular seal



- 5) Bill of Lading and certifications for all well casing materials
- 6) Sieve analyses and weight tickets for the filter pack material
- 7) Daily Drilling Logs (shift reports) including drilling fluid properties and formation log
- 8) Material Safety Data Sheet (MSDS) for any drilling fluid additives used
- 9) Discharge water turbidity records
- 10) Mechanical and pumping development records including results of sand production
- 11) State of California Department of Water Resources Well Completion Report.
- 12) Record drawing for final construction.

Before construction begins, CHG will review materials submittals such as casing, all filter packs and their sieve analyses and drilling fluids.

## **5.0 Underground Service Alert Requirement**

The contractor shall notify Underground Service Alert at least two (2) working days prior to performing any excavation or drilling. No excavation or drilling shall begin unless the contractor has obtained a valid Underground Services Alert ticket.

The network of underground pipelines that serve the existing water diversion gallery must be carefully surveyed and located prior to construction. The intake borehole is in very close proximity to these structures and great care must be taken to avoid damaging them. Locating and flagging these utilities will be the responsibility of HRCSD. Work will not begin until this requirement is filled.

## **6.0 Site Access/Make-up Water**

Any improvements necessary for access should be identified by the contractor during the pre-bid site inspection. The contractor is responsible for ensuring that site access is satisfactory prior to mobilizing equipment on-site. Arranging for, obtaining, and transporting water for drilling shall be arranged by the contractor. Raw water may be provided by HRCSD from the existing system, and is to be determined.

## **7.0 Borehole Drilling**

The borehole shall be drilled to an estimated depth of 40 feet. During borehole drilling, the contractor shall keep the following minimum records:

- 7.1 A descriptive log of the formation materials with depths at which each change in materials occurs.
- 7.2 The penetration rate of each auger pipe section, reported in minutes per joint.



- 7.3 Make available cuttings from the hole, in a general order of depth, for collection by the project inspector.
- 7.4 Record the drilling equipment used (type and size) and any notable events, such as loss of circulation, hole instability, voids, etc.

## **8.0 Mud Program**

A simple mud program is required. Only high-grade products shall be used in the make-up of the drilling fluid. The purpose of the mud program is to stabilize the open hole during excavation with the auger. Once the water table has been reached, mud level must be maintained to this point.

The use of a hole-stabilizing polymer such as PolyBore (or approval equivalent) shall be implemented. Before any drilling, and before the polymer is introduced into the hole the following is required:

- 8.1 Per manufacturer's instructions for PolyBore, 3-10 pounds per 1000 gallons of fresh water are recommended to create the polymer solution.
- 8.2 Viscosity should generally be between 45-50 seconds. Viscosity should only be as high as needed to stabilize the hole. A marsh funnel viscometer is required.

A mud tank with pre-mixed polymer shall be standing by, so that after each length of auger is drilled, the displaced alluvial material can be replaced immediately with the stabilizing solution. For development, PolyBore polymer can be chemically broken down with liquid bleach (5% Sodium Hypochlorite) in a solution of one gallon per 100 gallons of polymer solution. Approximately two to three gallons of liquid bleach are anticipated to be needed to develop the 40-foot, 12-inch diameter intake structure. All concentrated liquid bleach should be kept away from sensitive areas and shall be placed on new plastic sheeting if stored on site.

## **9.0 Final Design**

Significant changes for the final design are not expected, and will be limited to minor changes in the total depth of the vertical intake. No alteration to the length or specification of the stainless steel materials is anticipated. The project inspector will determine the final depth of the structure during borehole drilling and construction may proceed with no delay.



## **10.0 Casing Placement**

Casing installation shall begin as soon as possible after the borehole is completed. A Bill of Lading containing the material specification for the casing supplied to the project, including blank and screened sections, shall be submitted to the project inspector. All casing material delivered to the site will be new.

The casing and screens will be placed in tension, where it is suspended from the top and allowed to hang freely in the borehole at all times during construction, and in the correct position. Casing centralizers will be attached in groups of three, spaced at 120° from each other, on blank casing at the top and at the bottom of the screened interval.

## **11.0 Filter Pack Placement**

The filter pack around the base of the casing assembly, opposite the blank interval from approximately 30-40 feet depth will consist of clean, uniformly sized 3/8-inch diameter pea gravel.

The filter pack opposite the screens will consist of clean water well glass beads, manufactured to the diameter specified in the Scope of Work. A recent sieve analysis, if applicable, of the product being used must be provided to the project inspector. The project inspector has the right to reject a filter pack if the sieve analysis is unsatisfactory. The filter pack shall be protected from contamination during storage. If stored on site, the filter pack shall be placed on new plastic sheeting (visqueen) and covered with new plastic sheeting.

Prior to placement of the gravel pack into the annular space, the drilling fluid shall be thinned with clean water if necessary. The rate of filter pack placement shall not exceed 1.5 feet per minute, and placement of gravel shall proceed without interruption until completion.

## **12.0 Sanitary Seal**

A sanitary annular seal shall be pumped into the annular space to the depth specified in the Scope of Work, in accordance with State of California Water Well Standards and as directed by the County of San Luis Obispo Environmental Health Division. San Luis Obispo County Department of Public Health shall be notified when the seal is going to be placed.

## **13.0 Development**

Initial air-lift development water shall be contained in a minimum 10,000 gallons tank for off-site disposal with vacuum trucks. The vertical intake shall be initially developed by air-lifting opposite the screened section a minimum of three passes.



The contractor shall furnish, install, and operate a pump with sufficient capacity to meet the Scope of Work requirements. A water flow meter is required to measure flow rate. A sampling tap and a Rossum sand tester must be furnished.

Development shall consist of cycles of pumping and surging until the discharged water is clear of sand, silt, and mud and until there is no further increase in specific capacity.

The pump development discharge water shall be routed to a percolation pit (location shown in Figure 1). The percolation pit shall be excavated by the Contractor. The pit shall not be within 100 feet of the active river.

#### **14.0 Pumping Tests**

The contractor shall operate the pump, collect water level data, and monitor discharge rates to conform to the testing program requirements outlined below.

- 14.1 One 8-hour constant rate discharge test is to be performed at an assumed 100 gallons per minute, the final flow rate will be decided upon after development.
- 14.2 Water level readings are to be measured from the top of the intake casing in time intervals specified by the Project Inspector, and forms will be provided.
- 14.3 Over the first two hours of the constant rate discharge test, a Rossum sand test must be conducted. The contractor will furnish the sand testing unit, maintain flow through it at a half gallon per minute.
- 14.4 Discharge rates must be maintained as close to the required gallons per minute as possible. A meter must be furnished with a totalizer.
- 14.5 Discharge will be maintained until a water quality sample is collected, near the conclusion of the test.
- 14.6 When the test is concluded, recovery water level measurements must be taken for at least one hour or until levels return to a static level.

At least one contractor employee must be on-site at all times during testing. There shall be an 8-hour minimum resting period with no pumping prior to the constant discharge test.

Discharge water from *pumping tests* will be pumped into the HRCSD water treatment system. The test will continue for up to 8 hours. Following completion of the pump development and pumping tests, the contractor will clean the casing of any sand, silt, and mud accumulated at the bottom.





### **15.0 Plumbness and Alignment**

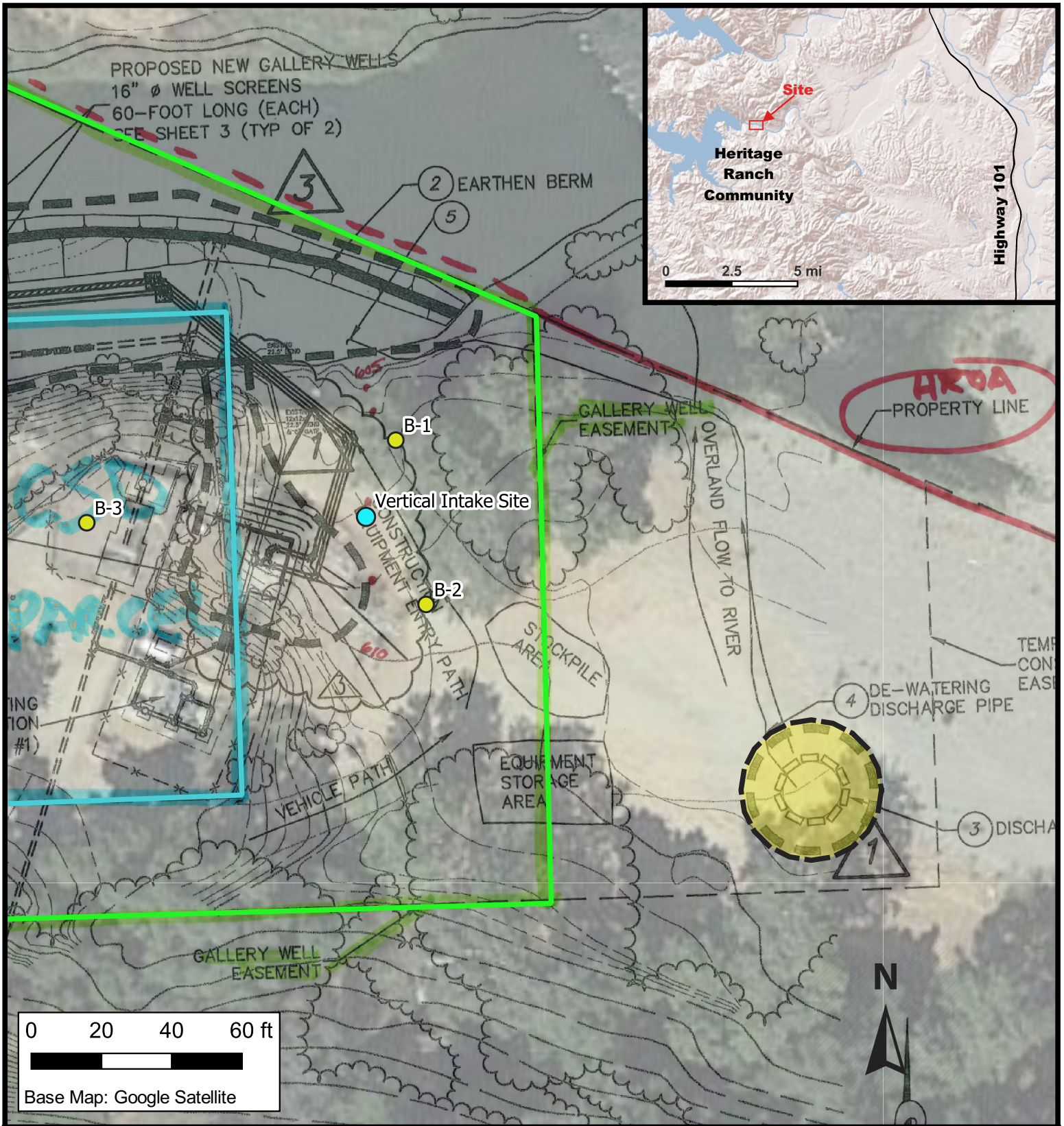
The contractor shall guarantee that the vertical intake, when completed, shall be sufficiently straight and plumb to permit the free installation and operation of submersible pumps regularly built for the installed casing diameter to a depth acceptable to the project inspector.

### **16.0 Site Security**

The site is near a residential area and in close proximity to the Nacimiento River. Site security shall be at contractor's discretion and expense. The work area shall be clearly marked to prevent unauthorized entry and the test hole shall be covered to prevent access when contractor is not present on site.

### **17.0 Site Restoration and Final Inspection**

Upon completion of testing, the construction area, including the percolation pit and any other depressions and berms shall be filled and restored to the original grade. All drilling materials and fluids shall be removed from the site by the contractor. The project inspector will inspect the site and intake head prior to releasing the contractor from the job. All trash, extra materials, and drilling fluids generated by the contractor must be off the site, and the new structure must be properly secured.

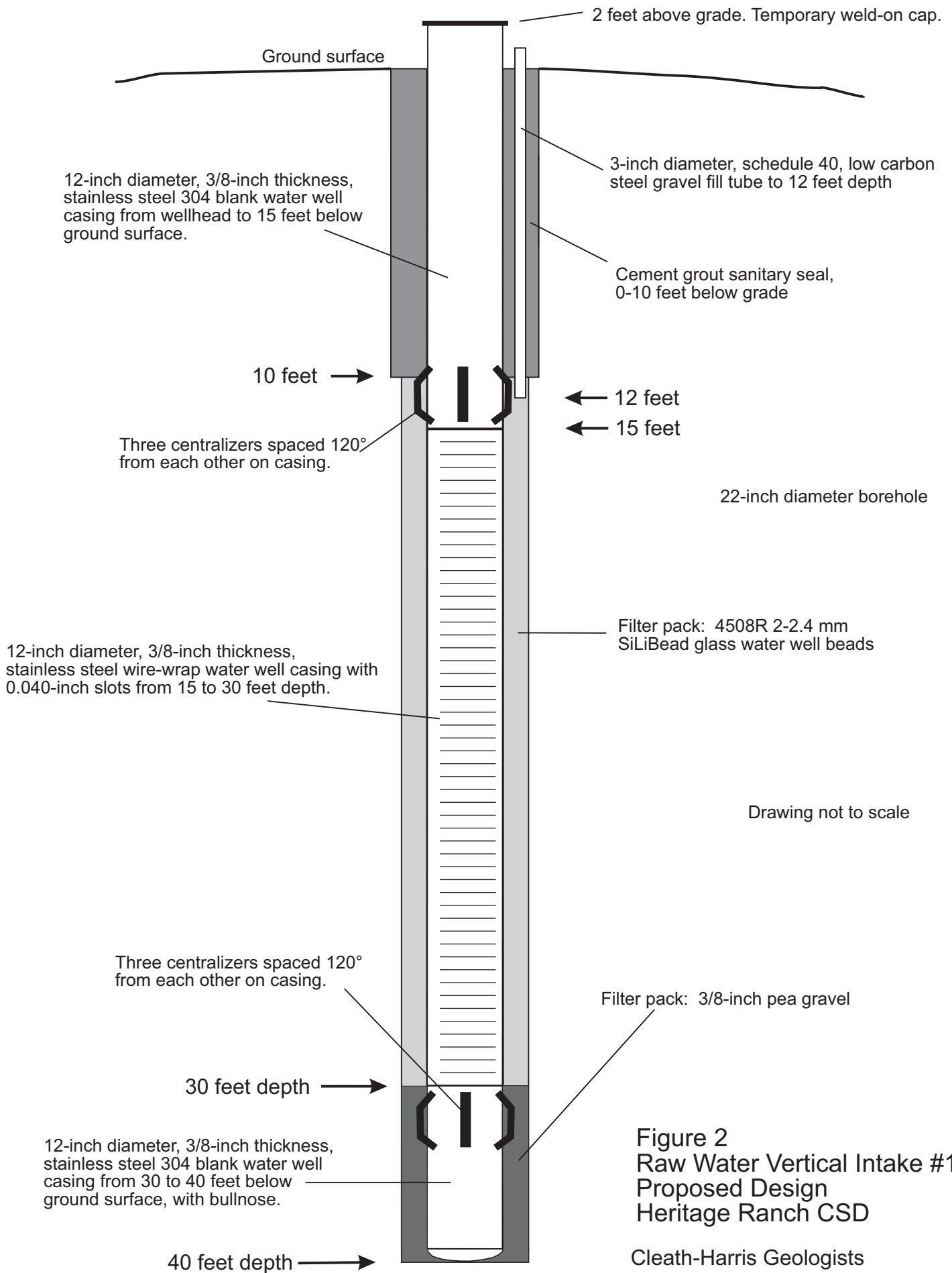


**Explanation**

- Approximate location of proposed site (to be verified in the field)
- Existing Boreholes
- Gallery Easement Boundary
- Fee Parcel Boundary
- Sump Pit Location

Figure 1  
 Proposed Vertical Intake Site  
 Heritage Ranch CSD

Cleath-Harris Geologists



**Figure 2**  
**Raw Water Vertical Intake #1**  
**Proposed Design**  
**Heritage Ranch CSD**

Cleath-Harris Geologists

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### MEMORANDUM

**TO:** Board of Directors

**FROM:** Scott Duffield, General Manager

**DATE:** July 16, 2020

**SUBJECT:** Request to receive and file Photovoltaic System Project updates.

#### **Recommendation**

It is recommended that the Board of Directors receive and file Photovoltaic System Project updates.

#### **Background**

Your Board approved the Photovoltaic System Project (Project) at the January 16, 2020 meeting and selected Stockman's Energy, Inc. as the most qualified proposer. The Notice to Proceed was issued March 3, 2020.

#### **Project Updates**

##### Project Scope

Site work has not commenced, and the contractor is generally working on design, submittals, permits, and procurement items. Project meetings occur weekly. A three-week timeline is used for discussion during these meetings. Listed below are the status of some of the specific work items:

Prior Week (June 29):

- PG&E Interconnection Estimating process continued for WWTP. Still on schedule to be completed 7/8.
- PG&E Interconnection EIT review process continued for WTP.
- Stockman's was in contact and worked with Larry Hoff of PG&E regarding WWTP estimating process and design.
- Stockman's submitted Thoma and District approved 100% Plans to SLO County for permitting. Completed Wednesday 7/1.

Current Week (July 6):

- PG&E Interconnection Estimating process to be completed for WWTP on Wednesday 7/8. PG&E scheduled to present the contract for the Service Upgrade.
- District to review contract with PG&E for Service Upgrade.
- PG&E Interconnection EIT review process continues for WTP.
- Stockman's has been in contact and working with Larry Hoff of PG&E regarding WWTP estimating process and design.
- Stockman's to present District with a quote for 4" of 3/4 rock under the Arrays with underlayment of landscape fabric at the WTP and at WWTP.
- SLO County Permit Review continues.

Next Week (July 13):

- District to return executed contract with PG&E for Service Upgrade.
- PG&E Interconnection Service Upgrade waiting process will begin upon execution of contract with PG&E.
- PG&E Interconnection EIT review process will continue for WTP.
- SLO County Permit Review will continue.

Work changes we are tracking include:

- Land survey work at the WTP site – additive change to price, no change to time
- Revised fencing at WTP site – deductive change to price, no change to time
- Crushed rock under and around arrays – additive change to price, no change to time

Project Schedule

**As of July 1, the percent complete (to Substantial Completion) by time = 52%.**

The project schedule dated 7/7/20 is attached.

The WWTP site is moving through the PG&E process fairly quickly and it is anticipated that the District will execute the interconnection contract with PG&E this week.

The WTP site is having to move through additional PG&E review steps; Supplemental Review, which is now completed, but due to that review it needs to go through “Electrical Independence Test” (EIT). Staff understands that the Supplemental Review process indicates a “pass” or “fail” for many parameters. If there are “fails”, then this additional review is triggered. These “fails” are on the PG&E system upstream from us and could be for many reasons such as not enough line capacity, fuse capacity, etc. to handle the additional load from our system. The contractor and staff are remaining positive that we can deliver the WTP site as designed but it remains to be seen what the impacts are, if any, in order to do that. There is also a chance that we may not be able to deliver the WTP site as designed. This EIT review is 60-days which is essentially an equal delay to the WTP site. The District and the contractor are discussing work arounds to keep moving forward and will continue to update your Board.

Project Budget

**As of July 1, the percent complete (to Final Completion) by cost = 38%**

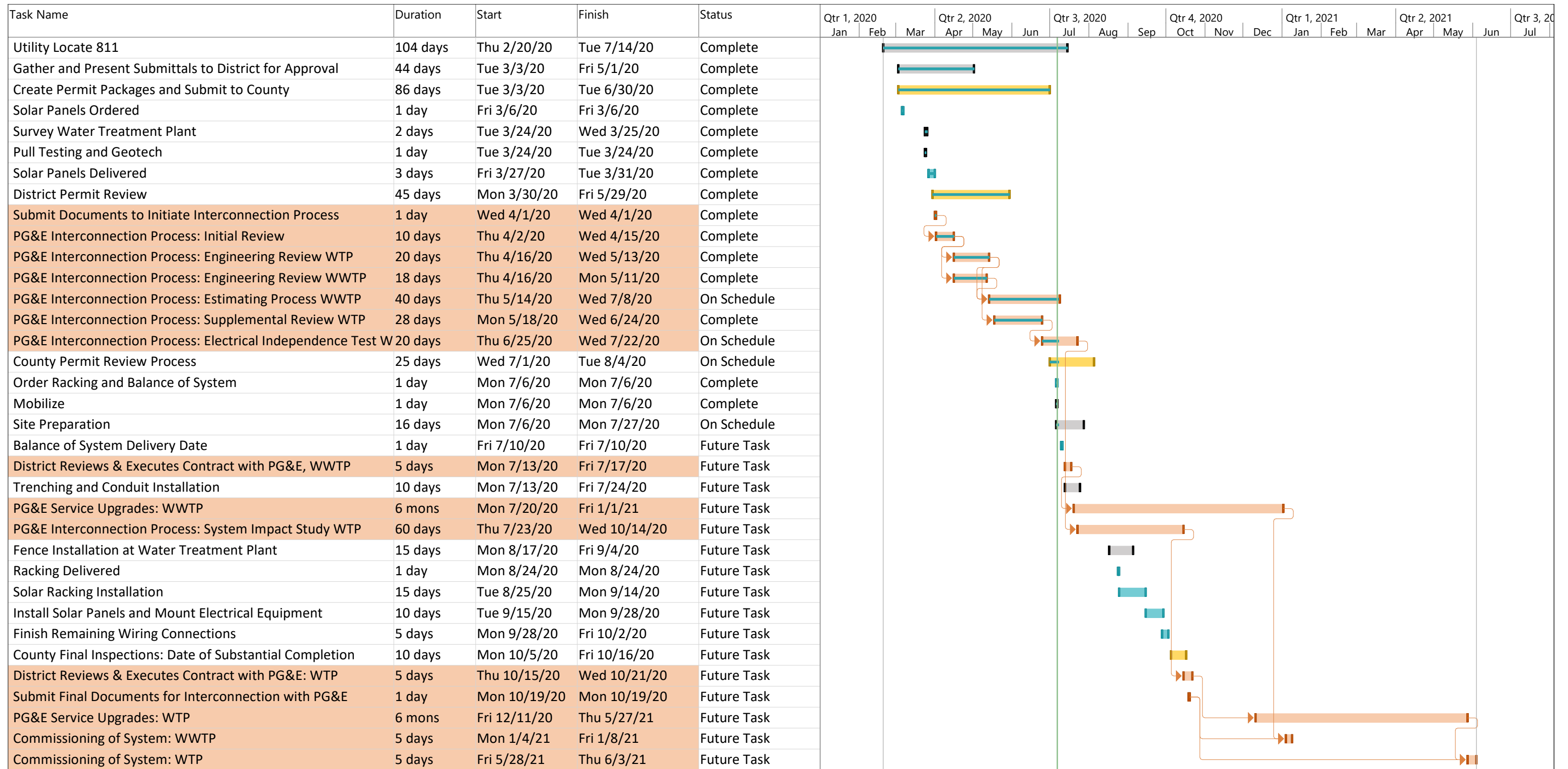
The Project is currently within budget.

PG&E direct costs (separate from construction agreement) include:

- Upgrades for WWTP – Total estimated cost from PG&E = \$66,617.41
- Upgrades for WTP – TBD

Attachments: Project Schedule dated 7/7/20

File: Projects\_PVS



Heritage Ranch CSD Solar Project 2020 Tue 7/7/20	Task		Project Summary		Manual Task		Start-only		Deadline	
	Split		Inactive Task		Duration-only		Finish-only		Progress	
	Milestone		Inactive Milestone		Manual Summary Rollup		External Tasks		Manual Progress	
	Summary		Inactive Summary		Manual Summary		External Milestone			

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### Manager Report For the Month of July 2020

In addition to normal operations and administrative duties, below are updates for several areas of work:

#### Administration

- Corresponded with the County regarding annual extension of the NWP Wheeling Agreement.

#### Operations

- Prepared and submitted the Disinfection Byproduct Monthly Report.
- Prepared and submitted the Water Treatment Plant Monthly Report.
- Submitted the Wastewater Treatment Plant Self-Monitoring Reports.
- Additional updates regarding operations can be found in the Operations Report.

#### Solid Waste

- Nothing significant to report.

#### Reservoir Status

- As reported by Monterey County Water Resources Agency (MCWRA), as of July 9, 2020, the reservoir was at approximately 752.4 feet in elevation, 42% of capacity, or 159,230-acre feet of storage. MCWRA water releases were shown as 360 cfs.

#### Capital Improvement Program

Projects / equipment replacement planned for this fiscal year and their status include:

- PVS: see separate agenda item.
- Vertical Intake: see separate agenda item.
- Wastewater project x design phase: The District's consultant MKN is working on preliminary engineering related to the wastewater system / Time Schedule Order / Waste Discharge Requirements Order. A project will most likely need to be constructed next fiscal year to comply with our regulatory requirements. Staff will update the Board regularly.



- Lift Station 1-5 rehabilitation design phase: Development of contract documents underway by the District Engineer.
- Vehicle / Equipment replacement: Developing purpose and need statements and specifications list.

### Development

- Nothing significant to report.

### Public Relations and Community

- The County OES requested if they could use the District parking lot for a drive-thru COVID-19 testing location. They indicated that the time and day they were targeting is 9:00 am to 12:00 pm July 15<sup>th</sup>. The Manager replied that the parking lot could accommodate that, but that the office is not available to anyone. As of the date of this printing we have not heard if they are doing the testing or not.

### Human Resources

- We currently have open recruitments for one Maintenance Worker Temporary / Seasonal position, and one Treatment Operator Regular / Full Time position.

### Board Member & Staff Information and Learning Opportunities

- The calendar of events for CSDA is published and online. There are many different training opportunities for Directors and Staff including on-demand webinars.

\* \* \*

## HERITAGE RANCH COMMUNITY SERVICES DISTRICT

### Operations Report For the Month of June 2020

In addition to normal operations duties, below are other tasks / updates for several areas of work:

#### Water treatment

- Replaced packing on pump #1 shaft at pump station 1
- Made dose changes to combat heavy powder activated carbon loading on filters during high demand periods.
- Operated 24 hr intervals multiple days in a row to overcome high water demand.
- Added anthracite media to filters 2,3, and 4 to improve filtration rates.
- Replaced powdered activated carbon bag.

#### Water distribution

- Replaced meter registers on water meters with dead batteries on tumbleweed lane and side streets.
- Repaired service line leak on Klamath lane.
- Replaced 1" service line on Eaglepoint lane
- Replaced 1" service line on Chaparral lane
- Repaired 1" poly service line on Meadow lark lane.
- Replaced frozen angle stop valve at marina.
- Flushed multiple locations in distribution system weekly to combat formations of disinfection byproducts
- Made adjustments to pressure reducing valves in system to fine tune flow and pressure rates

#### Wastewater collection

- Conducted monthly checks at all lift stations, amps, volts, etc.
- Filled all standby generator fuel tanks.
- Kevin Bennet excavation performed repairs to sewer gravity main and lateral tie ins on tumbleweed lane
- Lift station #3 voltage unbalance adjustments made to motor saver

#### Wastewater treatment

- Reduced aeration in pond 1 to prevent nitrate formations in effluent
- Drained and cleaned effluent well to prevent algae accumulation in bottom from chlorination procedures

- Super chlorinated sand filters to prevent algae and bacterial growth in under drain area

#### Vehicles and equipment

- Changed oil/filter on Vermeer vac trailer
- Changed oil/filter on service truck
- Replaced battery on forklift.

**HERITAGE RANCH COMMUNITY SERVICES DISTRICT  
JUNE 2020 OFFICE REPORT**

**Water & Sewer**

On July 1<sup>st</sup>, we processed 1,919 bills for a total dollar amount of \$159,653 for water and sewer user fees for the month of June. The number of Automatic Drafts processed was 553 for a total dollar amount of \$43,731. On June 26<sup>th</sup> we processed 236 Late Notices.

**San Miguel Garbage Franchise Fees**

Each month, the District receives franchise fees from the previous month. The breakdown is as follows:

Month of May

Garbage Collection (10%) - \$ 6,257.68

Roll-Off Collection (10%) - \$315.76

Total Franchise Fees Collected - \$ 6,573.44

**Service Orders Completed**

Staff completed a total of 44 service orders for the month of June. Below is a breakdown by job code.

SWAP/PULL METER	9	LEAK	5
SERVICE CHANGE	1	USA	9
OCCUPANT CHANGE	16	CALL OUT	1
HYDRANT METER	2	TURN-OFF ANGLE STOP	1