



Facilities and Operations

900 Union Avenue NE  
Grand Rapids, MI 49503  
616-819-3010

# REQUEST FOR QUALIFICATIONS AND FEE PROPOSAL

## CONSTRUCTION MANAGEMENT SERVICES

UNION HIGH SCHOOL  
UNION HIGH SCHOOL AUDITORIUM (separate bid)  
HARRISON PARK ACADEMY  
CAMPUS ELEMENTARY

GRAND RAPIDS PUBLIC SCHOOLS

(May be Awarded Separately or Together at GRPS Discretion)

PART I – TECHNICAL QUALIFICATION

PART II – FEE PROPOSAL

Issued by:

The GRPS Ad Hoc Committee  
Professional Service Contractor Selection

SUBMISSION DUE DATE:

October 22, 2026 11:00am

Issuing Office:

Grand Rapids Public School District  
Office of Facilities Management & Planning

October 2, 2026

This is a Qualification Based Selection Process. Complete submission of information requested in this document is essential to the selection process. Failure to provide any of the information may result in submission not being considered for the award of a contract.

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## GENERAL INFORMATION

UNION HIGH SCHOOL, 1800 Tremont Blvd. NW, Grand Rapids  
HARRISON PARK ACADEMY, 1440 Davis Ave. NW, Grand Rapids  
CAMPUS ELEMENTARY, 710 Benjamin Ave. SE, Grand Rapids

### A. Purpose

The Grand Rapids Public Schools District (**GRPS**) seeks professional construction management expertise to execute its construction projects. The Construction Manager as Constructor (**CMc**) selected to manage the construction of UNION HIGH SCHOOL, HARRISON PARK ACADEMY & CAMPUS ELEMENTARY (**The Projects**) must provide the full range of construction management capabilities for the entire scope of work. Successful design and construction of our projects may also require the use of specialists in detailed building systems condition assessment, historic building preservation and restoration, building demolition, job site safety and security and environmental remediation. Implementing our construction projects is an important part of our work and we seek the best construction and consulting firms from our region to work collaboratively with our schools, communities and administration.

To obtain the highest quality project within the time and budget allocations, GRPS will select a CMc for The Project through this Qualification-Based Selection (QBS) process. This selection process articulates the district goals, reflects our guiding principles and provides openness and consistency so that all qualified firms receive fair consideration. The remainder of this Request for Qualifications (RFQ) identifies specifics regarding The Project.

### B. Project Scope

GRPS is issuing this RFQ in the process to obtain Pre-Construction and Construction Management Services for The Project. These renovations/additions are a continuation of the 2023 Bond Program “Reimagine GRPS with Us”. The overall GRPS goals for The Project include the following:

- To welcome and stimulate students, staff and visitors
- To provide flexibility in adapting to current educational and future needs
- To function as a 21<sup>st</sup> century School for GRPS and promote community use
- To maintain and enhance the district’s presence and character of the building in the neighborhood
- To balance long-term, short term and operational costs
- To promote environmental stewardship
- To maximize opportunities for local businesses and employment opportunities for Grand Rapids residents
- To meet specific schedule of completion and within construction budget targets

UNION HIGH SCHOOL (Westwood Middle move):

The Union High School currently serves grades 9 through 12 for GRPS and is located at 1800 Tremont Blvd. NW, in Grand Rapids. The building was constructed in 1964 with additions constructed in 1979 and has been renovated numerous times since and is currently 264,800sf.

The most recent scholar count for Union HS shows an enrollment of approximately 720 scholars in a building designed to accommodate more than 1,660. The district intends to relocate the current Westwood Middle School program and scholars, (grades 6 through 8, with enrollment of approximately 144 scholars) into the Union HS facility.

The renovation and improvement program is expected (to be confirmed) to include:

- Creation of separate entry point/administrative office space for the Middle School
- Parking and drop off points
- Classroom reconfigurations

Deferred Maintenance Items and other building upgrades will be determined based upon overall budget constraints:

- Miscellaneous sidewalk and pavement replacement, including the loading dock
- Site lighting replacement/upgrades
- Miscellaneous roof replacements
- Miscellaneous doors/frames/hardware and window replacement
- Miscellaneous flooring replacement
- Wall patching and painting
- HVAC and temperature controls
- Fire alarm and master clock system upgrades

This project will also include upgrades to the Football Field and Track:

- Re-grading and re-seeding of current athletic grass football field
- Irrigation improvements/replacement
- Track surfacing replacement (similar to OHHS)

The selected CMc will be asked to include working with District Academic and Facilities staff to develop and finalize the building program needs as a first step in this process.

Renovation of Union HS is expected in the summer of 2027 and Summer of 2028 and be completed, along with site improvements, for the beginning of the 2028-29 school year. The schedule may continue through the school year if “Proper Separation” is achieved with appropriate safety and security separations in place to allow for contractor and scholar access. If not, construction will take place over multiple summers.

Successful completion of the project includes completion of Punch List items, installation of technology, and staff training as required prior to Owner acceptance.

**The District’s projected total program budget for this project is approximately six million nine hundred eighty-three thousand dollars (\$6,983,000).** This budget is inclusive of all district costs for construction renovations, site improvements, demolition, professional fees, furniture, fixtures and equipment, etc.

**The projected construction budget for this project is approximately five million three hundred twenty-five thousand dollars (\$5,325,000).**

**UNION HIGH SCHOOL – Auditorium:**

The District has already secured Professional Services Contractor (Diekema Hamann) for the design work.

The auditorium renovation and improvement program is expected to include:

- Aisle Lighting Upgrades
- Rigging System Upgrades
- Stage Floor Refinishing
- Seating Replacement

Renovation of Union Auditorium is expected in the summer of 2027 and be fully completed by the end of October 2027.

Successful completion of the project includes completion of Punch List items, installation of technology, and staff training as required prior to Owner acceptance.

**The District's projected total program budget for this project is approximately three million two hundred ninety-three thousand dollars (\$3,293,000).** This budget is inclusive of all district costs for construction renovations, demolition, professional fees, furniture, fixtures and equipment, etc.

**The projected construction budget for this project is approximately two million seventy thousand dollars (\$2,070,000).**

#### **HARRISON PARK ACADEMY:**

The Harrison Park Academy currently serves scholars in grades Pre-K through 8 for GRPS and is located at 1440 Davis Avenue NW, in Grand Rapids. Current projection count is 677 scholars, with capacity for 1,345. The building was constructed in 1923, with a major renovation in 2006 and has been renovated numerous times since and is currently 172,739sf.

The district intends to make minor facility improvements at Harrison Park. The renovation and improvement program is expected to include:

- Cafeteria improvements
- Interior finishes, flooring replacement, painting
- Ceiling replacement
- HVAC replacement and controls (Boilers replaced 2025)
- Lighting and controls
- Playground replacements (TBD separate contract)

Deferred Maintenance Items and other building upgrades will be determined based upon overall budget constraints:

- Parking lot and sidewalk replacement
- Site lighting
- Miscellaneous roof replacement
- Masonry improvements
- Miscellaneous window replacement
- Fire alarm, paging and master clock system upgrades
- Gymnasium sound system
- Generator

Renovation of Harrison Park is expected in the Summer of 2027 and Summer of 2028 and be fully completed for the beginning of the 2028-29 school year. The schedule may continue through the school year if "Proper Separation" is achieved with appropriate safety and security separations in place to allow for contractor and scholar access. If not, construction will take place over multiple summers.

Successful completion of the project includes completion of Punch List items, installation of technology, and staff training as required prior to Owner acceptance.

**The District's projected total program budget for this project is approximately eleven million six hundred forty-one thousand dollars (\$11,641,000).** This budget is inclusive of all district costs for construction renovations, site improvements, demolition, professional fees, furniture, fixtures and equipment, etc.

**The projected construction budget for this project is approximately seven million five hundred fifty thousand dollars (\$7,550,000).**

#### **CAMPUS ELEMENTARY:**

The Campus Elementary currently serves scholars in grades Pre-K through 5 for GRPS and is located at 710 Benjamin Avenue SE, in Grand Rapids. Current projection count is 217 scholars, with capacity for 475. The building was constructed in 1948, with a major renovation in 1994 and has been renovated numerous times since and is currently 48,767sf.

The district intends to make minor facility improvements at Campus. The renovation and improvement program is expected to include:

- Door and Window replacement
- Roofing replacement
- Minor interior reconfigurations, including separation of elementary building and ECC building
- Interior finishes, flooring replacement
- Masonry improvements
- HVAC and controls

Deferred Maintenance Items and other building upgrades will be determined based upon overall budget constraints:

- Miscellaneous sidewalk and south entry stair replacement
- Miscellaneous doors/frames/hardware replacement
- Ceiling and lighting replacement
- Toilet room upgrades
- Fire alarm system upgrades
- Playgrounds (New PreK equipment and surfacing; 5/12 new surfacing)

Renovation of Campus is expected in the Summer of 2028 and Summer of 2029 and be fully completed for the beginning of the 2029-30 school year.

Successful completion of the project includes completion of Punch List items, installation of technology, and staff training as required prior to Owner acceptance.

**The District's projected total program budget for this project is approximately ten million nine hundred eighty-two thousand dollars (\$10,982,000).** This budget is inclusive of all district costs for new construction, site improvements, demolition, professional fees, furniture, fixtures and equipment, etc.

**The projected construction budget for this project is approximately eight million three hundred sixty-five thousand dollars (\$8,365,000).**

#### **ALL PROJECTS:**

Your services are to include pre-construction services to assist GRPS in making necessary adjustments to the program scope of work to meet the budget. Your fee

proposal is to include pre-construction services and all construction services required for the scope of work as defined herein, broken out separately.

The District intends to separately secure the services of Professional Services Contractor (PSC) firm immediately before the final selection of the CMc. The selected CMc firm will be required to work closely with the PSC retained by GRPS during the planning/design phases and to oversee the construction of the project and timely completion. The PSC will provide the CMc progress drawings and specifications on a bi-weekly basis for the CMc to complete and update their cost control work, schedule checks and material lead times.

The PSC firm will be required to develop independent third-party cost estimates at the SD and DD phases, which will be reconciled with the selected CMc firm to improve overall project design-to-budget success.

In addition to typical pre-construction and construction management services, the scope of work includes, but is not limited to, meeting with committees and administrators and participating in town hall meetings during the design phase, maintaining and updating public information regarding the design and construction progress for the District website, and leading construction progress and O-A-CM meetings. The CMc firm will be required to work closely with the AE to estimate and balance scope, budget, and construction phasing options.

The tentative schedule for this work is included as Appendix 'A'. The scope of work for the CMc includes, but is not limited to, meeting with the PSC firm, committees and administration during the design phase. Close collaboration between your firm and the PSC is expected on a weekly basis; during Preconstruction your efforts will include bi-weekly updated opinion of cost, project development schedule, constructability advice, and forecasting any supply chain or lead time issues.

**C. Issuing Office**

This RFQ has been issued by the GRPS Department of Facilities Management & Planning, hereinafter referred to as the Issuing Office. The Director of this department and point of contact for this Request for Qualifications is:

Dale Cammenga  
Director of Facilities Design and Construction  
Grand Rapids Public Schools Service Building  
900 Union Avenue NE  
Grand Rapids, Michigan 49503  
[cammengad@grps.org](mailto:cammengad@grps.org)

**D. Contract Award**

Contract award will be undertaken by GRPS with the Construction Management as Constructor (CMc) whose qualifications and proposal the issuing office determines to be in the District's best interest. AIA Document A121 CM or B133-Modified will be the basis of this agreement. A draft version of the district's model contract is attached as Appendix "E". Respondents must confirm their compliance with the terms of this agreement in Section 2.2 of the **Part II – Fee Proposal**. Any specific exceptions and/or requested modifications will be considered part of the submission evaluation and GRPS will evaluate such modifications relative to its interest and consistency with the project

goals. All exceptions and/or modifications must be submitted with **Part I** submission. Performance and payment bonds for 100% of the Guaranteed Maximum Price will be required. Firms selected to interview for The Projects must review the draft version of this contract prior to interview session.

**E. Submission Requirements**

You are requested to submit a concise, written qualifications and submission of services in the format, sequence, and in accordance with the directions outlined in the

**TECHNICAL QUALIFICATIONS – Part I & FEE PROPOSAL – Part II.**

The submission requirements are:

- Five (5) copies of Part I – Technical Qualifications, in sealed, labeled envelope
- Two (2) copies of Part II – Fee Proposal, in separate, sealed, labeled envelope
- Mail or hand deliver to:  
Grand Rapids Public Schools Service Building  
900 Union Avenue NE  
Grand Rapids, Michigan 49503  
Attention: Dale Cammenga, Director of Design & Construction
- In addition to hard copies, provide an electronic copy of the **Part I** submission to [cammengad@grps.org](mailto:cammengad@grps.org)
- Qualification submittals are due no later than noted in Appendix “A”.

Your submission should be prepared simply and economically, providing a straightforward comprehensive description of the professional’s ability to meet the requirements of the request. Submissions must be signed by an official authorized to bind the professional to its provisions. Submissions shall also include all GRPS forms (signed and notarized).

Your submission will be considered a contract document. Submissions must remain valid for a minimum of sixty [60] days.

**F. Selection Criteria**

GRPS will use a three-step Qualification based selection process to select a CMc for The Projects. The first step of this process will be an objective evaluation of all the **Part I – Technical Qualifications** submittals which meet the submittal requirements identified in Section E – Submission Requirements. An Ad Hoc selection committee comprised of GRPS facility and business administrators will evaluate the submissions. The committee’s criteria for evaluating the Qualifications submissions to include, but not limited to:

1. Clarity of project management approach and related cost / budget and schedule controls
2. Experience with similar projects, for similar clients, with similar contractual relationships
3. Qualifications and experiences of key individuals
4. Logistics plan of consultant team, including daily communications, method, proximity to site, etc.

5. Availability of resources for this project
6. Clarify Pre-Construction Services scope of work and service delivery approach.
7. Client and contractor references
8. Contract exceptions and requested changes to it

The Ad Hoc committee will develop a short-list of firms to move to the second step, the interview phase. GRPS expects no less than two and no more three firms to be recommended for this phase. Firms will be notified no less than one week prior to the start of interviews.

For the interview phase, the Ad Hoc Selection committee will expand to include representatives from District. Firms selected to interview for The Projects are expected to bring the key personnel proposed for this project. The interview format will consist of a brief and specific presentation by each firm on their approach to The Projects. The presentations will be followed by questions from the Ad Hoc committee. During the interview phase, the committee will evaluate the CMc firms on their commitment to the project goals and their communication skills. The committee will reach consensus on the rank order of firms at the conclusion of all interviews.

The third phase of the selection process is the review of **Part II – Fee Proposal**. Fee proposals will not be opened prior to conclusion of the interview phase. Fee proposals for interviewed firms will be evaluated and scored based on their compatibility with the goals of The Project, consistency with the project approach, and the CMc qualifications identified in **Part I – Technical Qualifications**. Any requested changes to the draft contract will be considered in this evaluation.

The relative weights for the items considered for selection of a CM for the projects are as follows:

|                                   |     |
|-----------------------------------|-----|
| Part I – Technical Qualifications | 50% |
| Team Interview                    | 35% |
| Part II – Fee Proposal            | 15% |

At the conclusion of the third phase, the Ad Hoc committee will recommend the selection of the highest scoring firm, deemed to be the most qualified for The Project. This recommendation will be forwarded to the GRPS Administration for presentation and award by its Board of Education.

**G. Rejection of Submissions**

GRPS reserves the right to reject any and all submissions, in whole or in part, received as a result of this Request for Qualifications and Fee Proposal.

**H. Incurring Costs**

GRPS is not liable for any cost incurred by the professional prior to issuance of a contract.

**I. Inquiries**

Questions that arise as a result of this Request for Qualifications must be submitted in writing to the Office of Facilities Management & Planning, attention Director of Design

and Construction. RFI form has been included in Appendix “F”. Refer to Appendix “A” for the last date to submit questions.

Firms must not attempt to contact members of the Ad Hoc committee, GRPS Administration or its Board of Education.

**J. Addenda to the Request for Qualifications**

In the event that it becomes necessary to amend any part of this Request for Qualifications, addenda will be provided via fax and/or email to all firms who receive the Request for Qualifications.

**K. Pre-Submission Meeting**

Voluntary Pre-Submission Meeting to be held at each of The Projects sites per Appendix “A”:

UNION HIGH SCHOOL, 1800 Tremont Blvd. NW, Grand Rapids – 8:30am (door A)

HARRISON PARK ACADEMY, 1440 Davis Ave. NW, Grand Rapids – 10:00am (door A)

CAMPUS ELEMENTARY, 710 Benjamin Ave. SE, Grand Rapids – 1:00pm (door A)

**L. Response Date**

To be considered, submissions must arrive at the Grand Rapids Public Schools Service Building, 900 Union Avenue NE, Grand Rapids, Michigan 49503 on or before date and time noted per project schedule in Appendix “A”. Late submissions will not be reviewed.

**M. Construction Manager as Constructor Service Contract Responsibilities**

The CMc shall be required to assume responsibility for all services offered in the submission whether or not they possess them within their organization, and all support services necessary to provide a full and complete built project. Further, Grand Rapids Public Schools District will consider the professional to be the sole point of contact regarding contractual matters, including payment for any and all charges resulting from the contract.

**N. Owner Responsibilities**

All Environmental Removal work to be contracted by Owner under separate contract.

**P. Project Reimbursements**

**ALLOWABLE REIMBURSEMENTS**

- Building Permit(s) and Fees
- Dumpsters
- Temporary Toilets
- Temporary Power
- Temporary Fencing

**NON-ALLOWABLE REIMBURSEMENT (May be included in CM Base Fees)**

- Temporary Office (Trailer)
- Office Equipment
- Computer Equipment
- Project Management Software Licensing
- Site Network / Internet

- Telephones
- Safety Programs and Supplies
- Tools & Equipment and Storage
- Staff Vehicles
- Warranty Walks (post construction)

## **PART I      TECHNICAL QUALIFICATIONS**

[Submissions must be submitted in the format outlined below]

### **1.1      Executive Summary – One [1] page maximum**

Summarize your strong points and describe how your experience will benefit the Grand Rapids Public School District's Projects.

### **1.2      Business Organization - One [1] page maximum**

State the full name and address of the organization and, if applicable, the branch office, consultants, or other subordinate elements that will provide or assist in providing the service.

Indicate whether you operate as an individual, partnership, or corporation; if as a corporation, include the state in which you are incorporated. State the names of the principles of your firm who are licensed to practice in the State of Michigan.

### **1.3      Statement of the Problem – Two [2] pages maximum**

State in succinct terms your understanding of the major issues of The Projects. Briefly describe your firm's intended process to address the main issues of The Projects. Identify specifically how your firm will meet The Projects goals and GRPS expectations.

### **1.4      Work Plan -Two (2) pages maximum**

Include a time-related chart, show events, tasks, and decision points in your work plan. Discuss how The Projects organization will be coordinated and how you intend to interface with the Grand Rapids Public School District.

### **1.5      Manpower ~ No page limit**

The professional must be able to staff a project team with the qualifications and expertise necessary to undertake a project of this scope. Include the number of executives and professional personnel by skill and qualification that will be employed in the work. Describe their role in the project. Identify key participants, including major consultants, with name, resumes, qualifications and relevant experience. You must indicate a percentage of time which each key participant will allocate to this project and coordinate this information with your fee proposal. Include a listing of their current project responsibilities and the dates that they will be available to begin work on this project. Resumes of qualifications for key individuals must be provided. Include a brief description of three [3] major projects in which each individual has been instrumental. [These may be projects completed for other firms but be certain to identify the firm]. **Maximum One [1] page per individual.**

### **1.6      Diversity and Inclusion Practice / Program – No page limit**

Describe your firm's efforts to promote participation of MBE/WBE/disadvantaged contractors as members of your project team. Share your firm's Diversity and Inclusion plan and indicate your methods to seek disadvantaged firm's participation in the construction of our projects. Indicate the average percentage participation of such firms in the 5 example projects presented in your proposal.

### **1.7      Methods – No page limit**

Describe pertinent methods for project coordination, cost control, scheduling, and verification of constructability. Provide specific information on five (5) recently completed projects of at least the scale of this project including scope, schedule and key contact person from your firm and the project owner.

**1.8 Interface with Design Firm – No page limit**

Describe your preferred method of interface with design firms and the design process. For the five examples provided in Section 1.7 Methods, indicate the pre-construction estimate, contractor's initial pricing, change orders, type of owner/contractor agreement and contractor references for each project.

**1.9 Additional Information and Comments – Two (2) Pages Maximum**

Include any other information that is believed to be pertinent but not specifically asked for elsewhere. Responses to this RFQ must not include any reference to the CM's costs or proposed fees for this work.

**1.10 References**

Provide a minimum of five (5) references in addition to those project references required above. These references may include any combination of clients, contractors, architects, engineers, suppliers, financiers, etc. Provide phone number(s) and address for each reference.

**1.11 Forms**

Provide the required GRPS forms signed and notarized, included in Appendix "F".

**1.12 Contract Exceptions and Requested Modifications**

CMc candidate shall review the sample contract provided in Appendix "E". Provide the list of exceptions and/or modifications as part of the **Part I** submission, which will be reviewed by the selection committee.

## PART II FEE PROPOSAL

[Proposals must be submitted in the format outlined below]

### 2.1 Submission Requirements – Fee Proposal (separate sealed envelope)

You are requested to submit a completed Staffing and Fee excel document on the format provided for the scope of work described above. Your fee proposal must reflect all expected reimbursable and General Conditions charges and the billable hourly rates for your team members assigned to our project. **Be sure to include your fee percentage for Overhead & Profit on the first page where indicated.** All other information will auto-populate from the following workbook tabs for staff and reimbursables. Input staff name, hourly rates, and projected hours per month where indicated on staffing tab. Input rates and units for reimbursables on construction support tab. Be sure to include rates / costs for insurance and bonding.

Any costs you expect to invoice to GRPS beyond your Fee (staff, GCs, support expenses, etc.) must be identified in cost workbook.

**See attached EXCEL Workbooks**

Your services are to include pre-construction services to assist GRPS in making necessary adjustments to the program scope as needed, to meet the program budget. Your fee proposal is to include all services required for the scope of work as defined herein.

Your firm will be working closely with the PSC firm retained by GRPS. Close collaboration between your firm and the AE is expected on a weekly basis. During Preconstruction, your efforts will include weekly updated opinion of cost, project development schedule, constructability advice, and forecasting any supply chain or lead time issues.

### 2.2 Rate Schedule, Reimbursable Expenses & Trade Packages

List the hourly rates for each person identified in the Technical proposal and for any additional project administrative staff, both inside your firm and consultants proposed for this project.

Separately list expected allowable reimbursable pre-construction phase and construction phase general condition expenses, by type for The Projects that have been included in your reimbursable expense estimates.

Separately list and briefly define the expected trade contract bidding packages that you anticipate will be proposed for The Projects.

### 2.3 Fee Proposal

In the format below, identify your total staff hours and associated cost for personnel for each phase of project. Include in a separate column the cost of any consultants. Estimate hours and allowable reimbursable expenses for pre-construction services and all on-site supervisory and administrative personnel and a total for all other general conditions of construction costs. Submit the Construction Management Fee Proposal Form along with individual workbook sheets.

### 2.4 Model Contract Compliance / Exceptions

Note your acceptance of the terms of the draft contract in Appendix “E” or list any specific modifications to these terms. GRPS reserves the right to refuse and may or may not consider modifying its base contract in accordance with its policies and the goals of The Project.

**2.5 Additional Information and Comments**

Include any other information that is believed to be pertinent but not specifically asked for elsewhere.

# CONSTRUCTION MANAGEMENT FEE PROPOSAL FORM

Firm's Full Name:

---

Address:

---

City, State, Zip:

---

Telephone:

---

E-Mail:

---

## OFFER

- A. Having examined the place of the Work and all matters referred to in the Request for Qualifications prepared by the Owner for the Project, we, the undersigned, hereby offer to enter into a Contract to perform the Work at each project for the lump sum price of:

**Union High School Project Pre-Construction Services Fee:**

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dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

**Union High School Project Construction Fee:**

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dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

**Union High Auditorium Project Pre-Construction Services Fee:**

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dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

**Union High Auditorium Project Construction Fee:**

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dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

Harrison Park Academy Project Pre-Construction Services Fee:

---

dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

Harrison Park Academy Project Construction Fee:

---

dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

Campus Elementary Project Pre-Construction Services Fee:

---

dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

Campus Elementary Project Construction Fee:

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dollars (\$\_\_\_\_\_), in lawful money of the United States of America.

## ADDENDA

- A.** We acknowledge receipt of the following Addenda. These addenda have been evaluated and their effect on the cost of the Work has been incorporated into the base bid entered above.

Addendum # \_\_\_\_\_ Dated \_\_\_\_\_

Addendum # \_\_\_\_\_ Dated \_\_\_\_\_

## ACKNOWLEDGEMENTS

The Firm acknowledges:

- a.** That this proposal was developed without any collusion, undertaking, or agreement, either directly or indirectly, with any other firms.
- b.** That this proposal shall not be withdrawn for a period of 60 calendar days after the date on which proposals were opened.
- c.** That all work will be complete on or before the Final Completion date(s) identified in the RFQ documents.

- d. That the following documents, identified in Instructions in the RFQ, have been completed and are attached to this Proposal Form:

1. DTMB Demographics, Statistics and Certification
2. DTMB Certification of a Michigan-Based Business
3. Sworn Statement of Familial Relationship
4. Iran Business Relationship Affidavit
5. Criminal Background Affidavit
6. Non-Collusive Affidavit
7. Debarment and Suspension Certification

SIGNATURE(S)

AUTHORIZED CORPORATE OFFICER

Signature

---

Printed Name

---

Title

---

Date

---

## APPENDIX “A”

### UNION HIGH SCHOOL ~ Preliminary Project Schedule<sup>1</sup> & UNION H.S. PERFORMING ARTS

|                                 |                                                             |
|---------------------------------|-------------------------------------------------------------|
| October 2, 2026                 | Request for Qualifications distributed                      |
| October 19, 2026                | Pre-Submission Meeting – Locations per Gen. Info. – Line K  |
| October 20, 2026                | Last RFI's Due                                              |
| <u>October 22, 2026 11:00am</u> | Submissions Due                                             |
| October 28, 2026                | Short-List Determination                                    |
| November 5, 2026                | Construction Management Services Interviews                 |
| November 13, 2026               | Recommendation to Finance Committee                         |
| December 14, 2026               | Board of Education Approval – AE & CM Professional Services |
| December 17, 2026               | Project Programing Review Session                           |
| January 8, 2027                 | Schematic Design Approval                                   |
| February 5, 2027                | Design Development Approval                                 |
| March 1, 2027                   | Construction Document Approval                              |
| March 3-24, 2027                | Bidding Period                                              |
| April 2-9, 2027                 | Post Bid Interviews – GMP Recommendation                    |
| April 14, 2027                  | Recommendation to Finance Committee                         |
| May 10, 2027                    | Board of Education Approval - Construction                  |
| June 7, 2027                    | Construction Begins – Phase I                               |
| June 5, 2028                    | Construction Begins – Phase II & Performing Arts            |
| August 1, 2027                  | Construction Completed – Phase I                            |
| August 1, 2028                  | Construction Completed – Phase II                           |
| October 1, 2027                 | Construction Completed – Performing Arts                    |
| August 4, 2028                  | Owner Occupancy                                             |
| November 1, 2028                | Closeout Documentation Completed                            |

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<sup>1</sup> This schedule is provided as an overview of the project and is subject to change as the district's needs change or through negotiation with the successful professional(s).

## HARRISON PARK - Preliminary Project Schedule<sup>2</sup>

|                                 |                                                             |
|---------------------------------|-------------------------------------------------------------|
| October 2, 2026                 | Request for Qualifications distributed                      |
| October 19, 2026                | Pre-Submission Meeting – Locations per Gen. Info. – Line K  |
| October 20, 2026                | Last RFI's Due                                              |
| <u>October 22, 2026 11:00am</u> | Submissions Due                                             |
| October 28, 2026                | Short-List Determination                                    |
| November 5, 2026                | Construction Management Services Interviews                 |
| November 13, 2026               | Recommendation to Finance Committee                         |
| December 14, 2026               | Board of Education Approval – AE & CM Professional Services |
| December 17, 2026               | Project Programing Review Session                           |
| January 8, 2027                 | Schematic Design Approval                                   |
| February 5, 2027                | Design Development Approval                                 |
| March 1, 2027                   | Construction Document Approval                              |
| March 3-24, 2027                | Bidding Period                                              |
| April 2, 2027                   | Post Bid Interviews – GMP Recommendation                    |
| April 13, 2027                  | Recommendation to Finance Committee                         |
| May 10, 2027                    | Board of Education Approval - Construction                  |
| June 7, 2027                    | Construction Begins – Phase I                               |
| June 5, 2028                    | Construction Begins – Phase II                              |
| August 1, 2027                  | Construction Completed – Phase I                            |
| August 1, 2028                  | Construction Completed – Phase II                           |
| August 4, 2028                  | Owner Occupancy                                             |
| October 1, 2028                 | Closeout Documentation Completed                            |

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<sup>2</sup> This schedule is provided as an overview of the project and is subject to change as the district's needs change or through negotiation with the successful professional(s).

### CAMPUS ELEMENTARY ~ Preliminary Project Schedule<sup>3</sup>

|                                 |                                                             |
|---------------------------------|-------------------------------------------------------------|
| October 2, 2026                 | Request for Qualifications distributed                      |
| October 19, 2026                | Pre-Submission Meeting – Locations per Gen. Info. – Line K  |
| October 20, 2026                | Last RFI's Due                                              |
| <u>October 22, 2026 11:00am</u> | Submissions Due                                             |
| October 28, 2026                | Short-List Determination                                    |
| November 5, 2026                | Construction Management Services Interviews                 |
| November 13, 2026               | Recommendation to Finance Committee                         |
| December 14, 2026               | Board of Education Approval – AE & CM Professional Services |
| May, 2027                       | Project Programing Review Session                           |
| August, 2027                    | Schematic Design Approval                                   |
| October, 2027                   | Design Development Approval                                 |
| November, 2027                  | Construction Document Approval                              |
| Nov/Dec, 2027                   | Bidding Period                                              |
| January 3-7, 2028               | Post Bid Interviews – GMP Recommendation                    |
| January 12, 2028                | Recommendation to Finance Committee                         |
| February 14, 2028               | Board of Education Approval - Construction                  |
| June, 2028                      | Construction Begins – Phase I                               |
| June, 2029                      | Construction Begins – Phase II                              |
| August 1, 2028                  | Construction Completed – Phase I                            |
| August 1, 2029                  | Construction Completed – Phase II                           |
| August 4, 2029                  | Owner Occupancy                                             |
| October, 2029                   | Closeout Documentation Completed                            |

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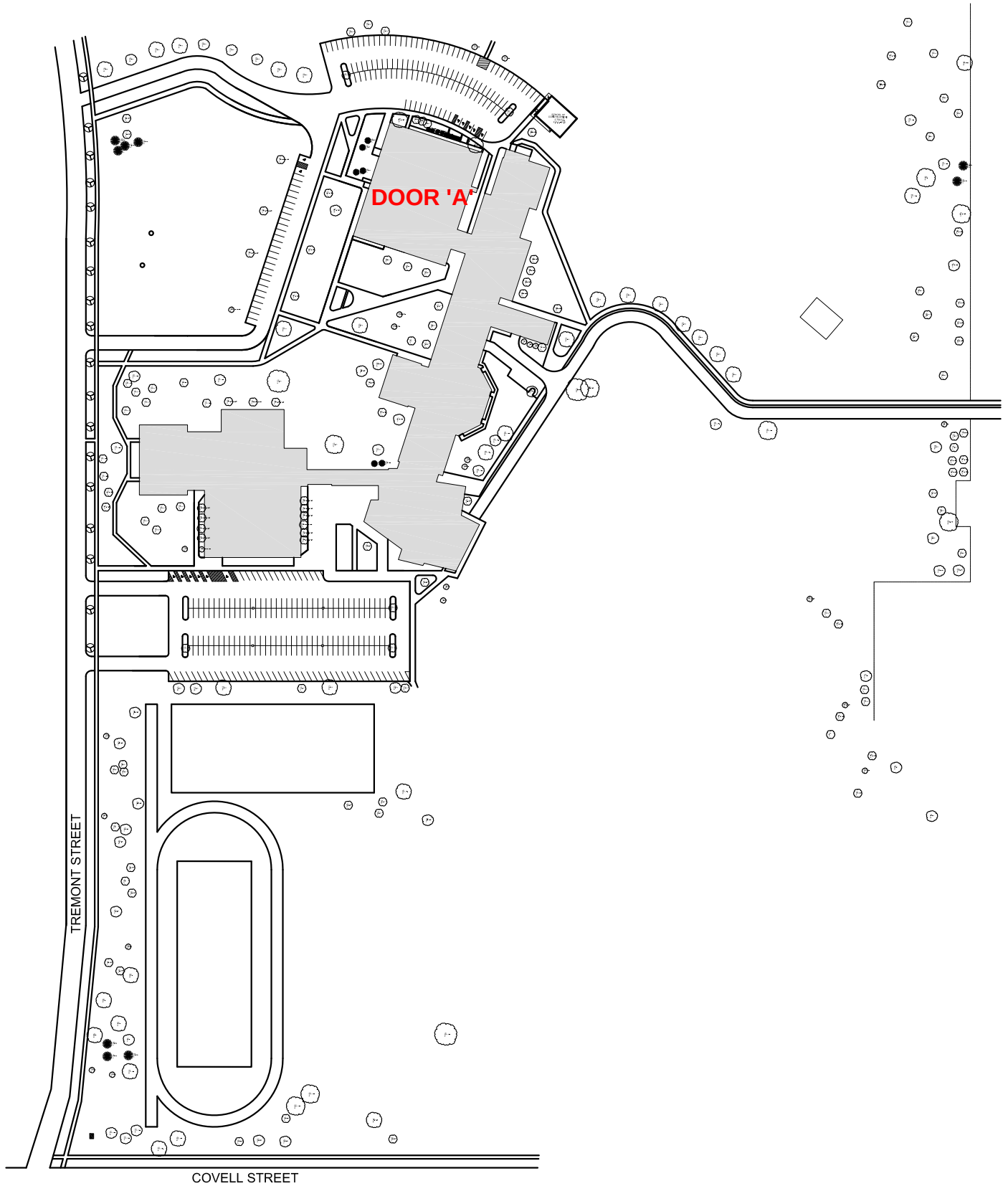
<sup>3</sup> This schedule is provided as an overview of the project and is subject to change as the district's needs change or through negotiation with the successful professional(s).

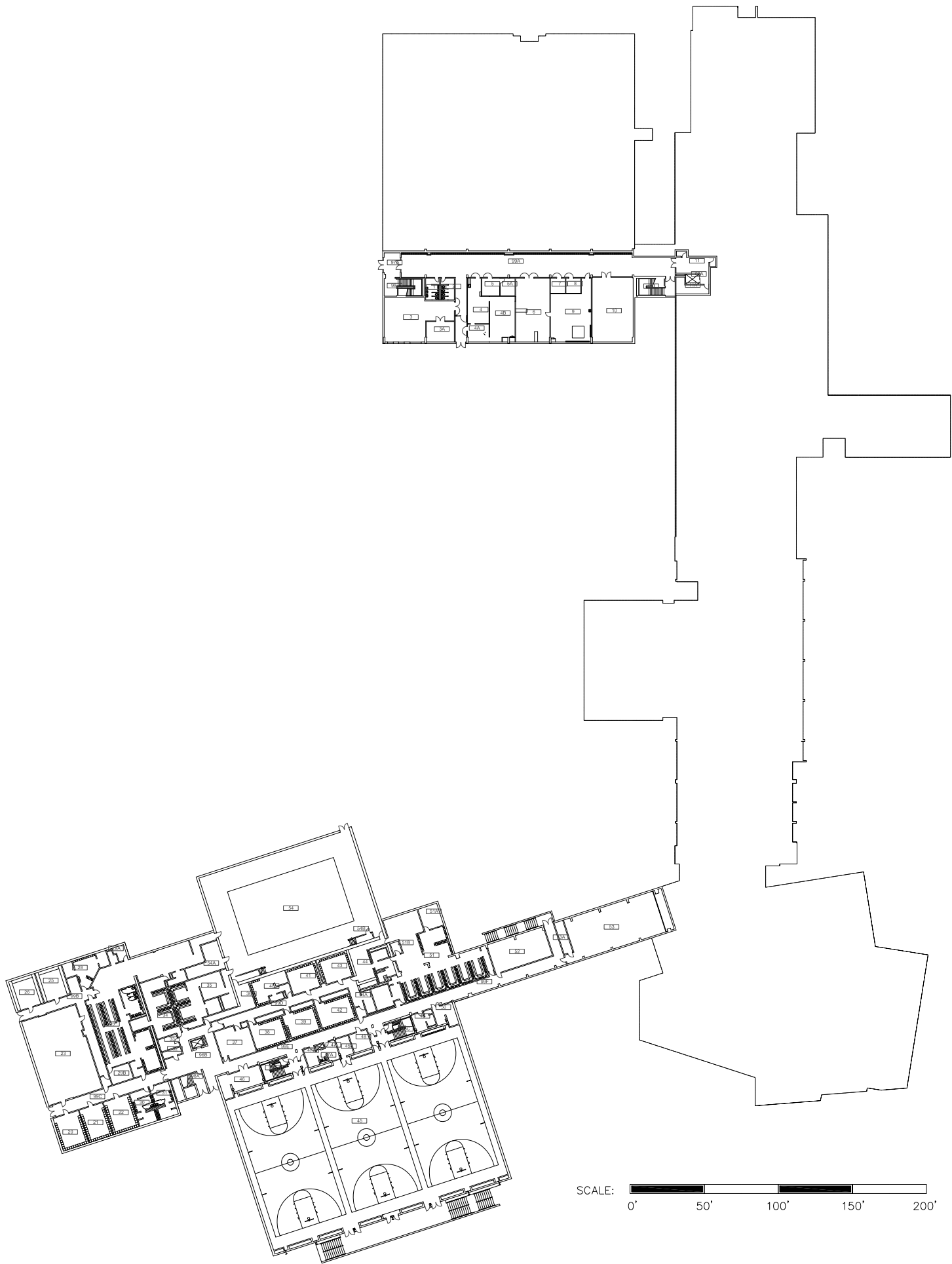
## APPENDIX “B”

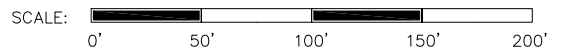
The Project ~ Existing Site and Floor Plans

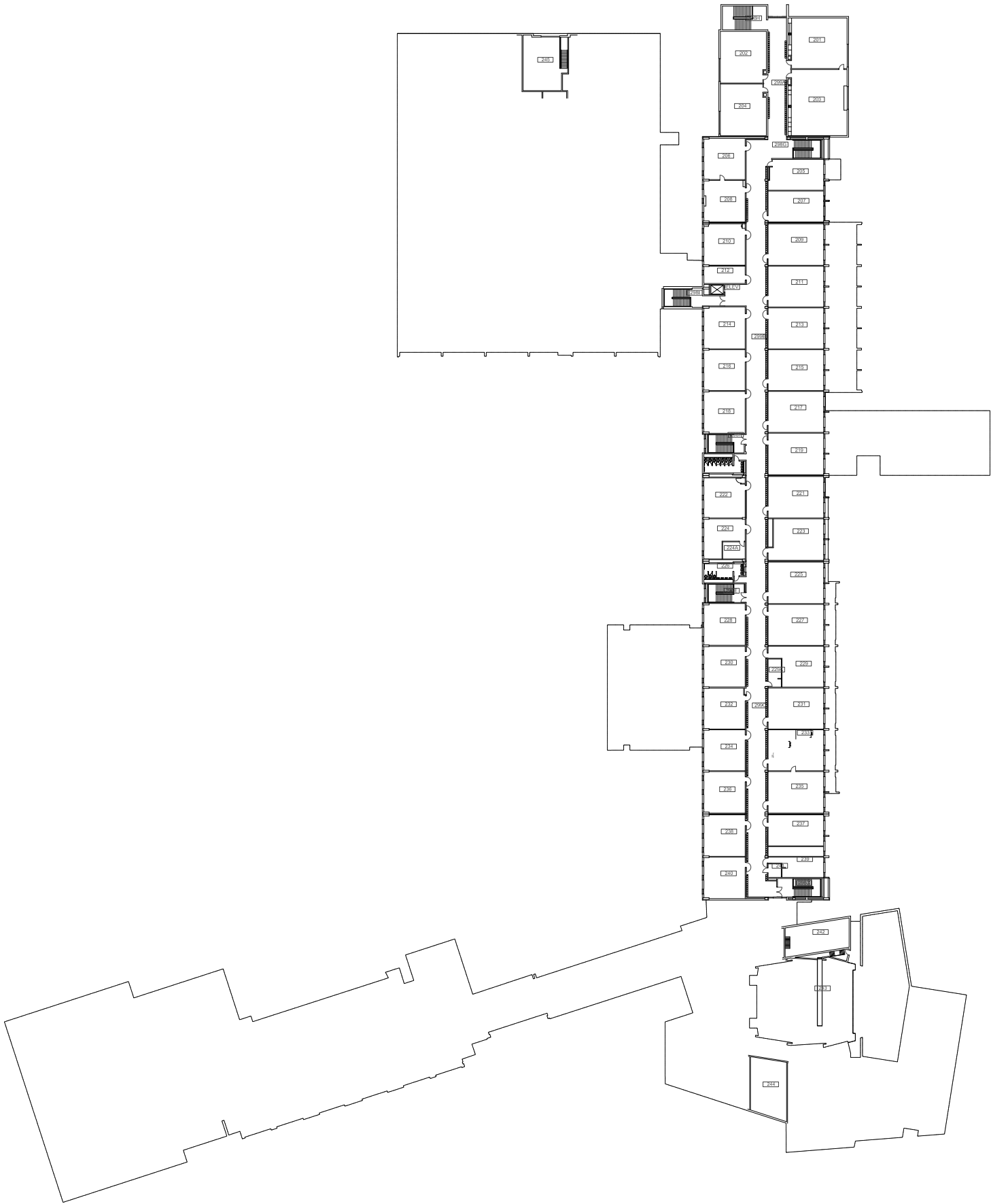
# Union High School



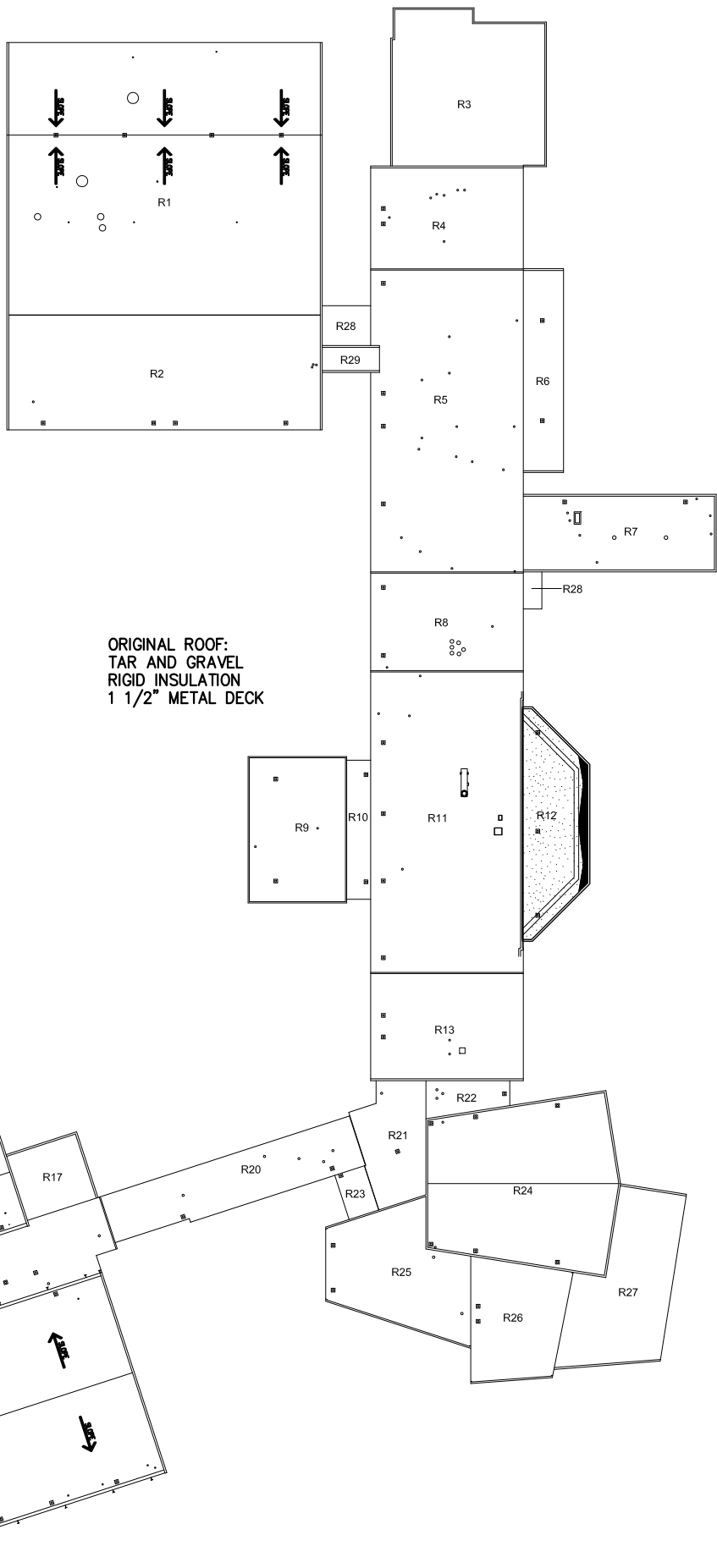








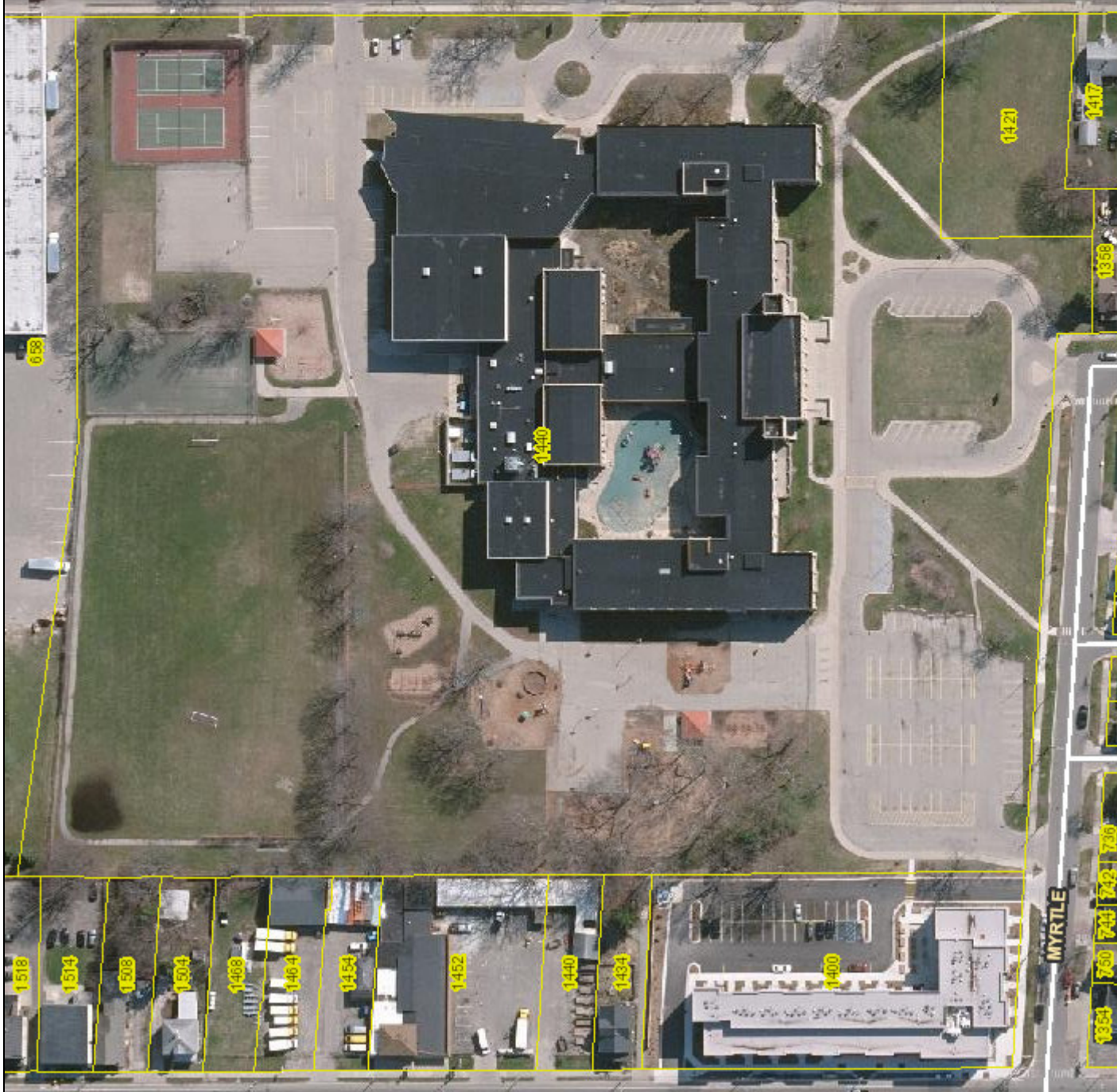
SCALE: 0' 50' 100' 150' 200'



ORIGINAL ROOF:  
TAR AND GRAVEL  
RIGID INSULATION  
1 1/2" METAL DECK

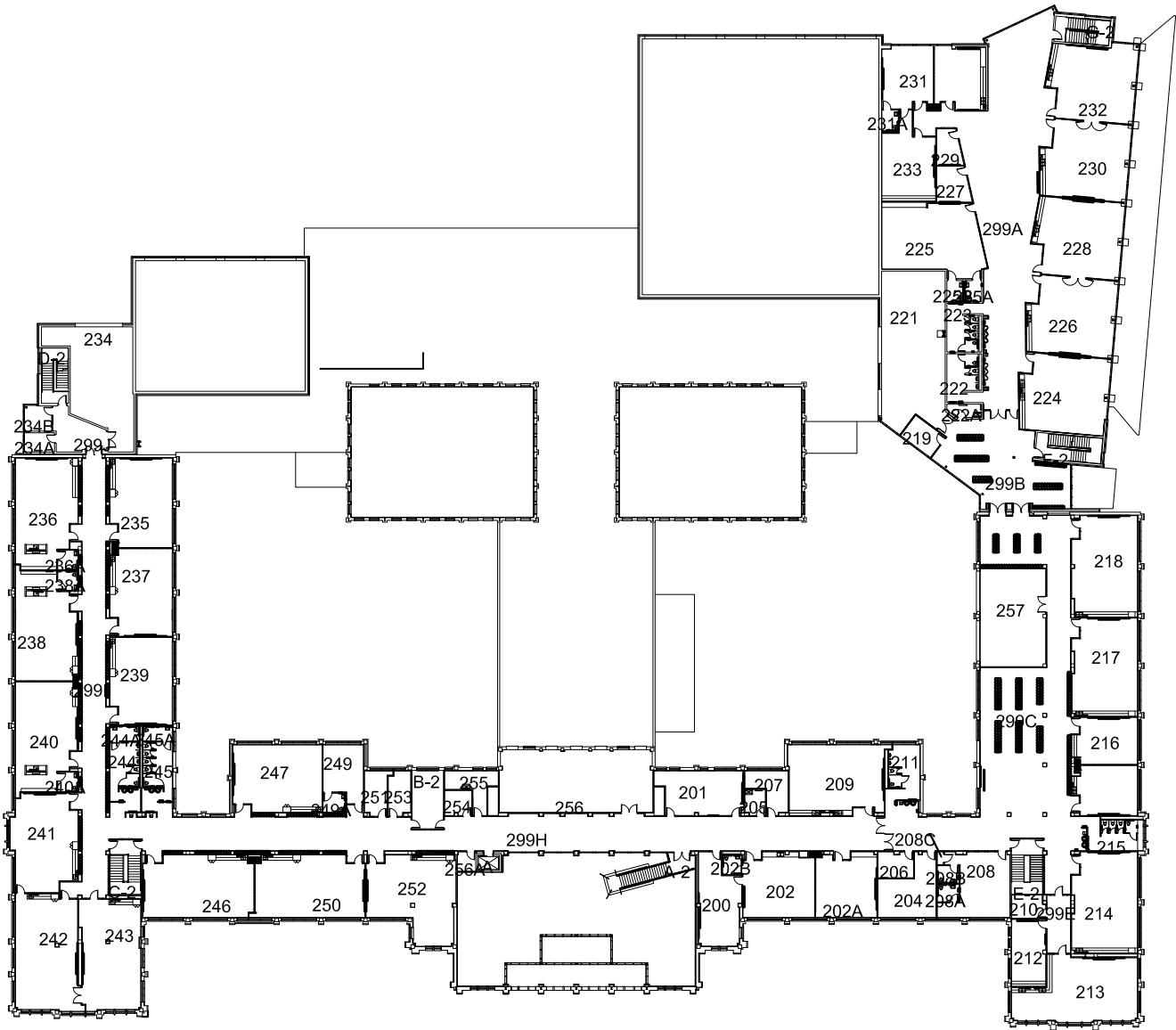


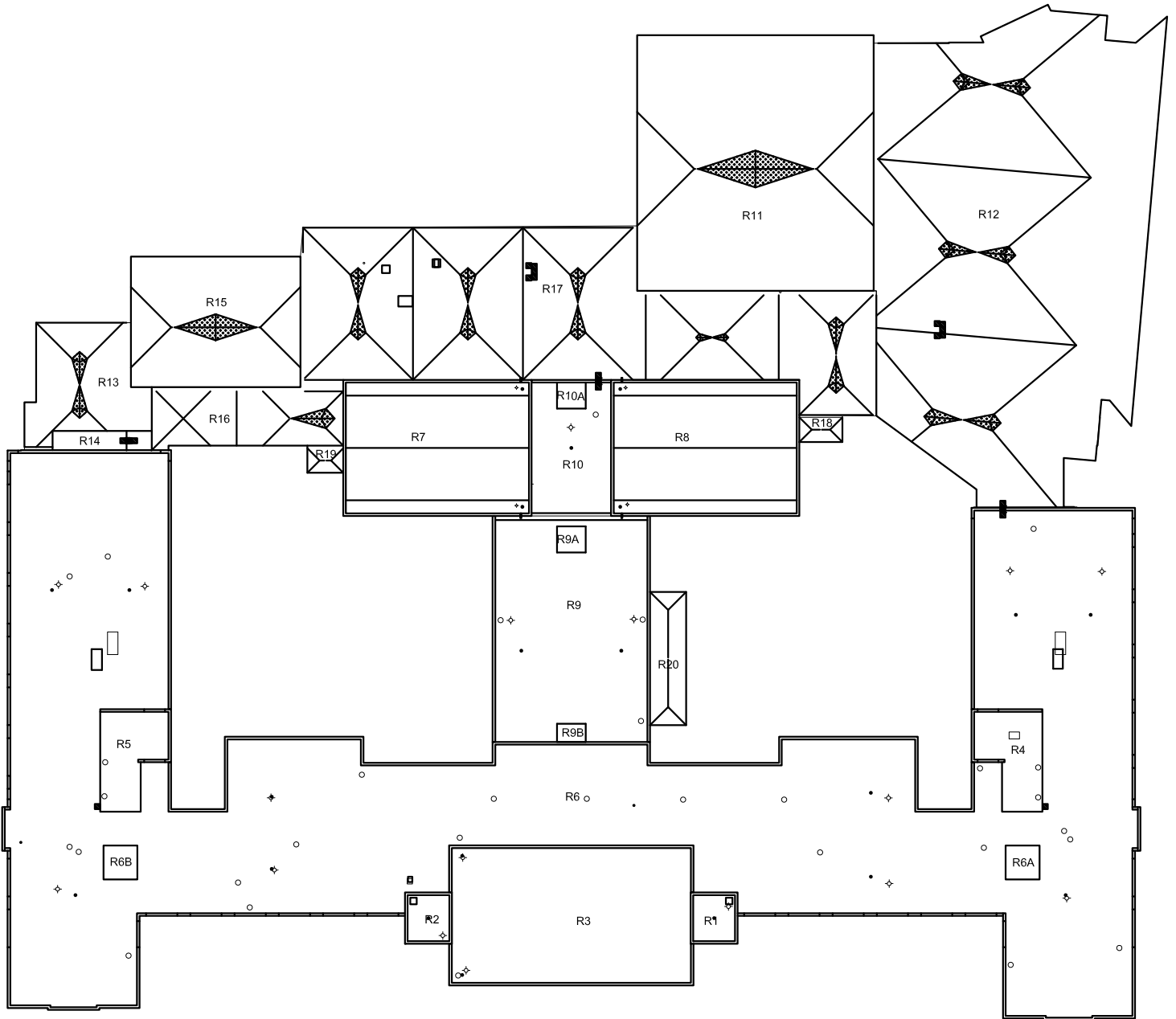
Harrison Park





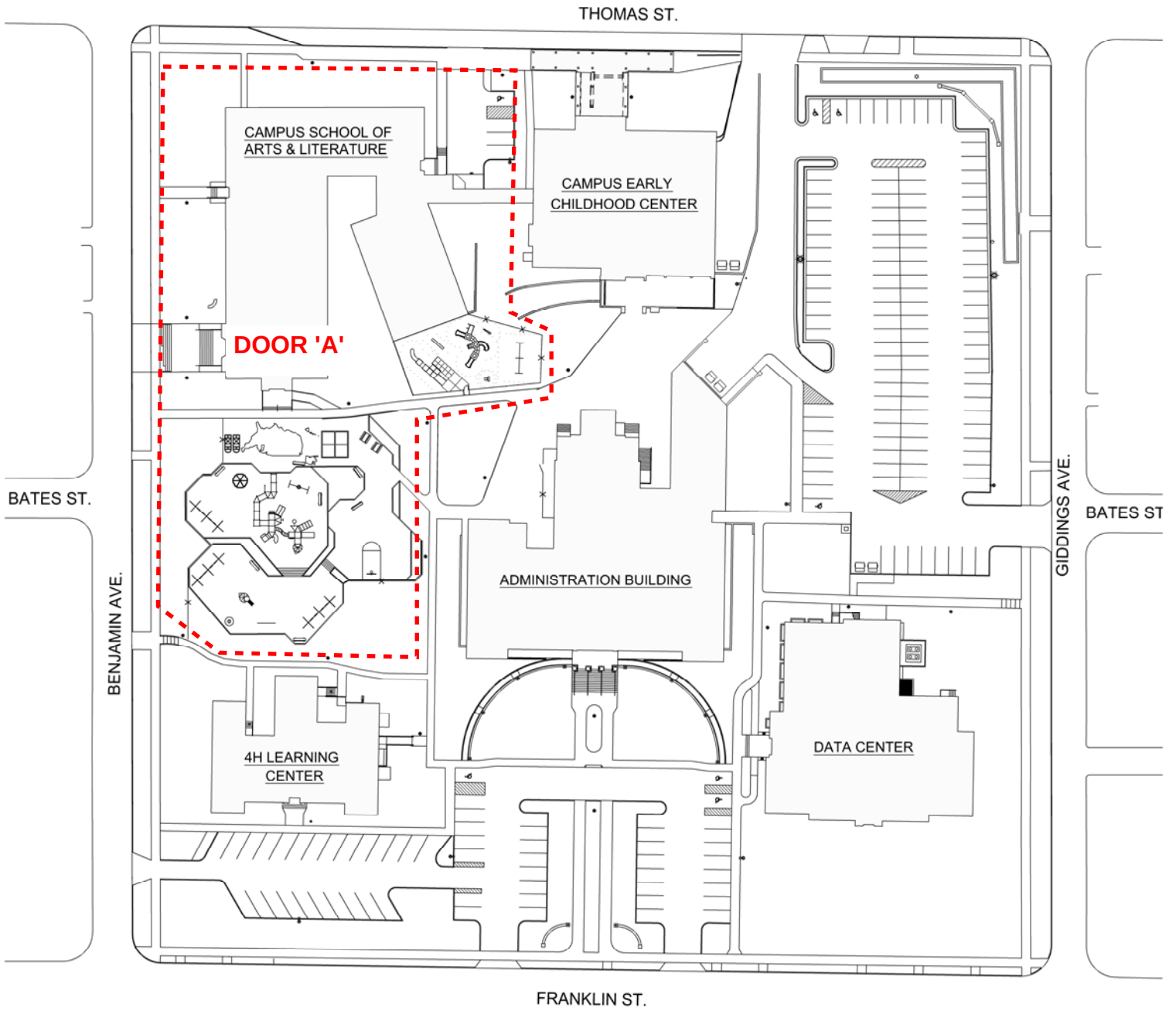






# Campus Elementary





■ Date: \_\_\_\_\_  
 ■ Drawn By: MAB

■ Project # \_\_\_\_\_  
 ■ DWG File #: \_\_\_\_\_

## Traffic Control Diagram

### Franklin Campus

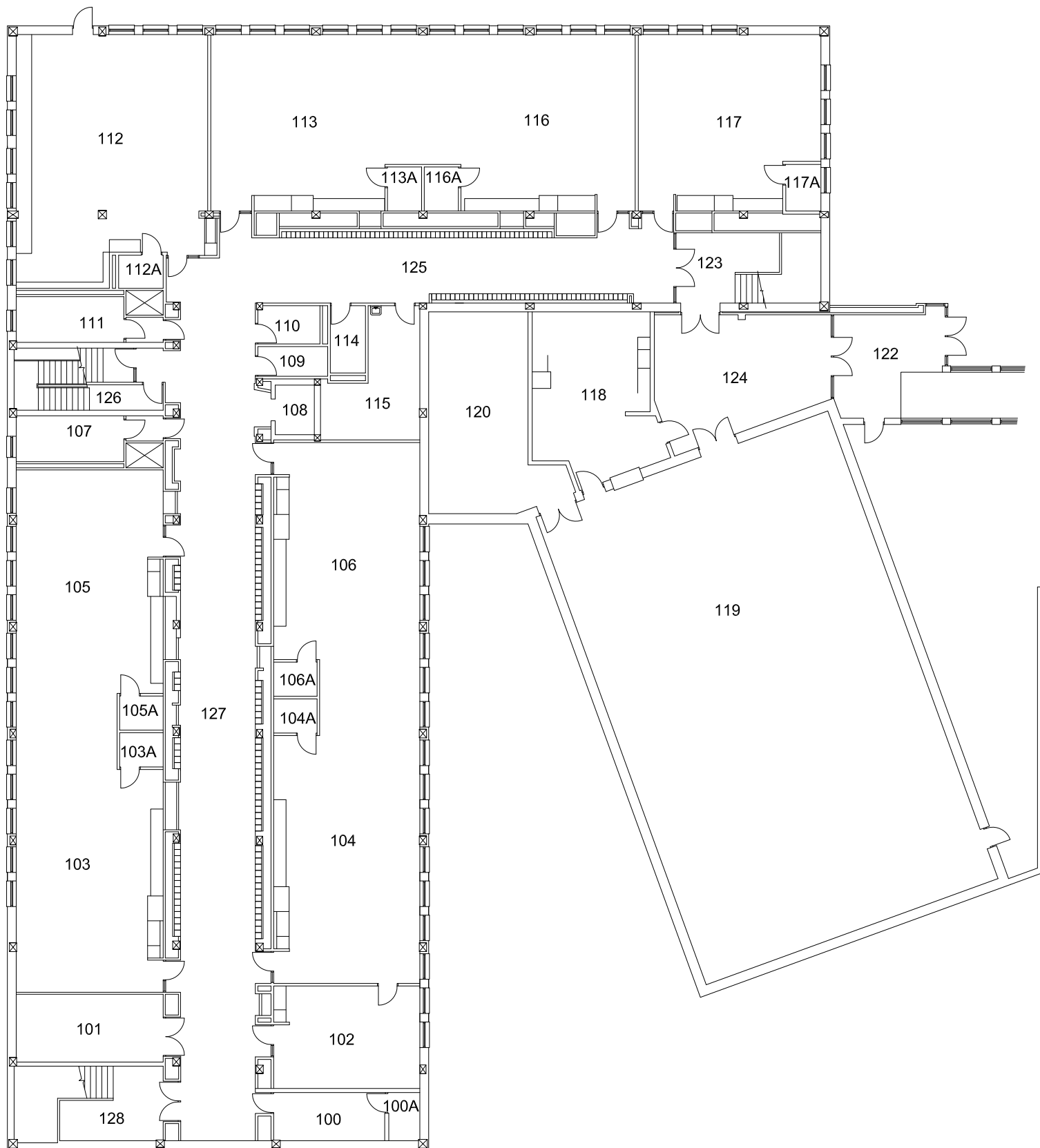
■ Do not scale drawings. Use dimensions shown

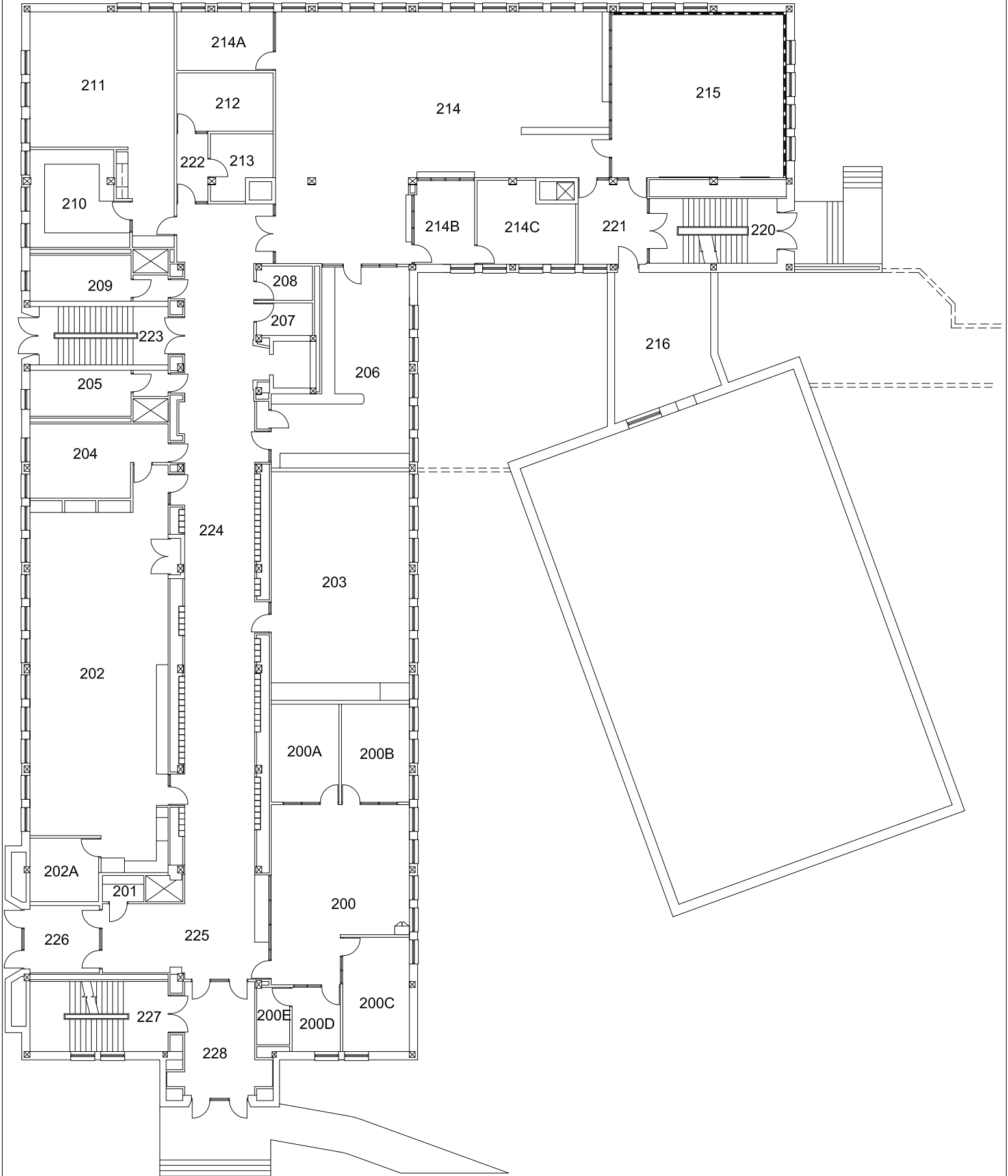


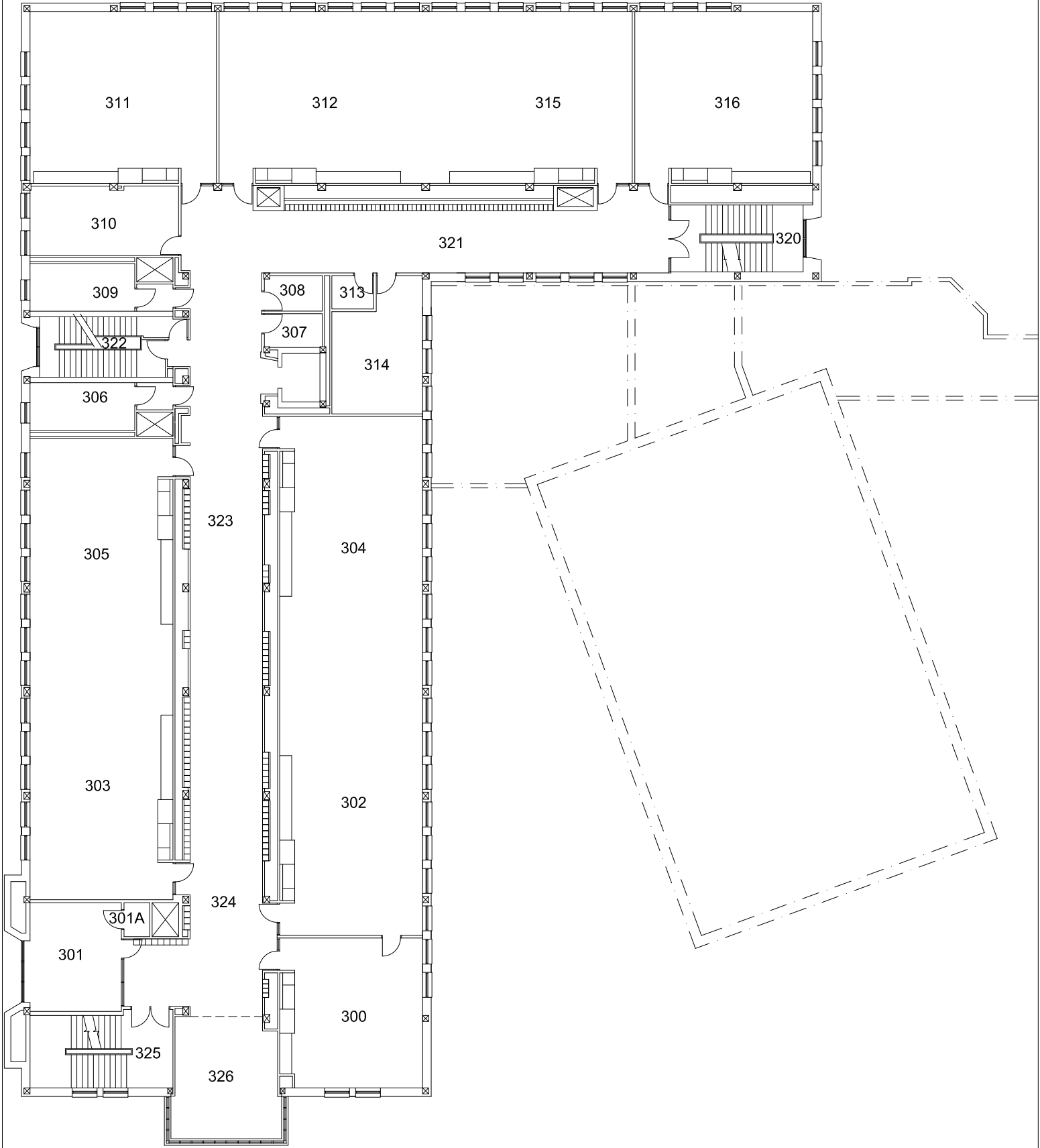
**Grand Rapids  
Public Schools**

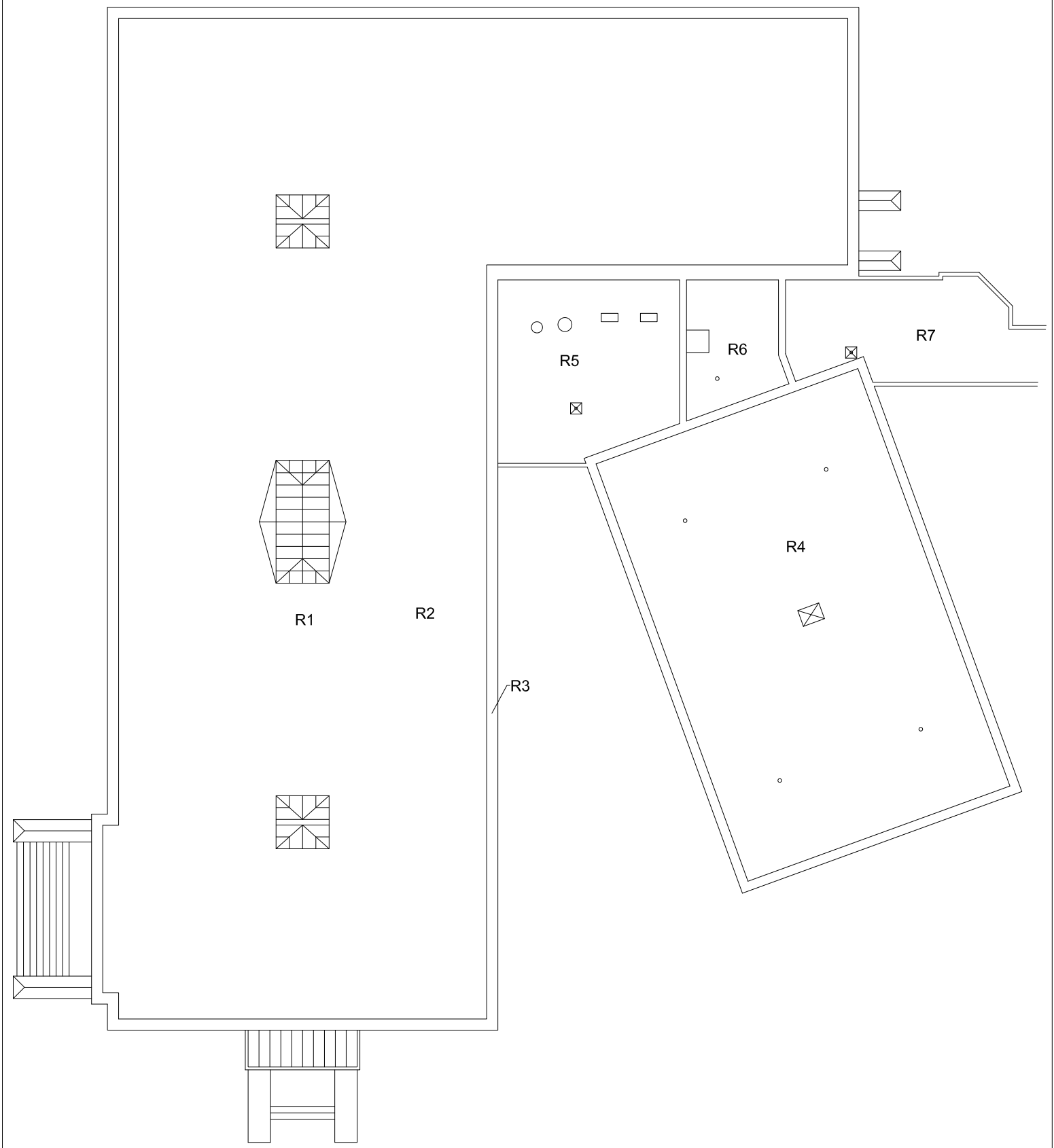
FACILITIES MANAGEMENT DIVISION

SERVICE BUILDING  
900 UNION AVE NE  
GRAND RAPIDS, MI 49503  
PH. (616) 771-3010  
FAX (616) 771-3012









## APPENDIX “C”

### **Project Insurance Requirements (VALIDATE RATES ARE CURRENT)**

The Grand Rapids Public School District must be named as additional insured by endorsement to the Comprehensive General Liability Policy. Certificates of insurance evidence that the consultant has secured all of the foregoing insurance must be provided to the Grand Rapids Public School District. A minimum of thirty [30]-day notice to the GRPS prior to the cancellation of, or change in, any such insurance shall be endorsed on each policy and noted on each certificate.

The following language shall be indicated on all certificates of insurance:

“The Grand Rapids Public School District, its elected or appointed officials, employees and volunteers are included as insured with regards to damages and defense of claims arising from: (a) activities performed by or on behalf of the named insured. (b) products and completed operations or the named insured, or (c) premise owned, leased, or used by the named insured”.

Please review the following pages for project insurance guidelines.

## Guidelines for Contractors/Subcontractors GRPS Bond Projects for Direct Contracts

|                                                                                                                                         | Projects Under<br>\$1M - without<br>structural<br>revisions | Projects<br>\$1M to \$5M<br>without<br>significant<br>structural<br>revisions | Projects<br>over<br>\$5M in<br>value | Comments                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------|
| <b>Professional Liability</b>                                                                                                           |                                                             |                                                                               |                                      |                                                                                                                       |
| Each Claim Made                                                                                                                         | \$1,000,000                                                 | \$1,000,000                                                                   | \$2,000,000                          | Larger exposure (over \$10M) \$2M/\$4M                                                                                |
| Aggregate                                                                                                                               | \$2,000,000                                                 | \$2,000,000                                                                   | \$2,000,000                          |                                                                                                                       |
| Contractors Pollution Liability                                                                                                         | \$1,000,000                                                 | \$1,000,000                                                                   | \$2,000,000                          | Exceptions to this requirement are to be requested and approved in writing to the construction manager and the owner. |
| Examples of Exposures<br>- fuel tanks on site, large fleet/equipment, HVAC work, electronical work, abatement, chemical products onsite | \$2,000,000                                                 | \$2,000,000                                                                   | \$2,000,000                          |                                                                                                                       |
| <b>Commercial General Liability</b>                                                                                                     |                                                             |                                                                               |                                      |                                                                                                                       |
| General Aggregate                                                                                                                       | \$2,000,000                                                 | \$3,000,000                                                                   | \$3,000,000                          |                                                                                                                       |
| Products/Completed Operations Aggregate                                                                                                 | \$2,000,000                                                 | \$3,000,000                                                                   | \$3,000,000                          |                                                                                                                       |
| Each Occurrence Limit                                                                                                                   | \$1,000,000                                                 | \$1,000,000                                                                   | \$1,000,000                          |                                                                                                                       |
| Personal/Advertising Injury                                                                                                             | \$1,000,000                                                 | \$1,000,000                                                                   | \$1,000,000                          |                                                                                                                       |
| <b>Automobile Liability</b>                                                                                                             |                                                             |                                                                               |                                      |                                                                                                                       |
| Bodily Injury/Property Damage (Each Accident)                                                                                           | \$1,000,000                                                 | \$1,000,000                                                                   | \$1,000,000                          | Combined Single Limit                                                                                                 |

Communications concerning this matter, including this email and any attachments, may have been provided for purposes of insurance/risk management consulting. Opinions and advice provided by Gallagher are not intended to be and should not be construed as legal advice.  
Updated: November 2025; GRPS Risk Mgmt. Office

|                                         |             |             |             |                                                                                  |
|-----------------------------------------|-------------|-------------|-------------|----------------------------------------------------------------------------------|
| <b>Workers' Compensation</b>            |             |             |             |                                                                                  |
| Coverage A (Workers' Comp.)             | Statutory   | Statutory   | Statutory   |                                                                                  |
| Coverage B (Employers Liability)        |             |             |             | Include waiver of subrogation endorsement                                        |
| Per Accident                            |             |             |             |                                                                                  |
| Per Disease Policy Limit                | \$1,000,000 | \$1,000,000 | \$1,000,000 |                                                                                  |
| Per Disease per Employee                | \$1,000,000 | \$1,000,000 | \$1,000,000 |                                                                                  |
|                                         | \$1,000,000 | \$1,000,000 | \$1,000,000 |                                                                                  |
| <b>Umbrella Liability</b>               |             |             |             |                                                                                  |
| Each Occurrence Limit                   | \$2,000,000 | \$3,000,000 | \$5,000,000 | Limit suggestions are based on General Aggregate applying on a per project basis |
| General Aggregate Limit                 | \$2,000,000 | \$3,000,000 | \$5,000,000 |                                                                                  |
| Products/Completed Operations Aggregate | \$2,000,000 | \$3,000,000 | \$5,000,000 |                                                                                  |

**Additional Insurance Requirements:**

- (1) All insurance coverage shall be issued by an insurance company authorized to do business in the State and which maintains an A.M. Best rating of A-X or better.
- (2) The Contractor shall maintain the required insurance on an occurrence-basis for at least one year following the date of Substantial Completion and/or on a claims-made basis for at least six years following the date of Substantial Completion.
- (3) Auto Liability Coverage shall be for all owned, non-owned or hired motor vehicles.
- (4) Workers Compensation to include waiver of subrogation - Contractor hereby agrees to waive rights of subrogation, which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Grand Rapids Public Schools its subsidiaries, affiliated entities, their officers, officials, employees, and volunteers for all work performed by the Contractor, its employees, agents and subcontractors.
- (5) Additional Insured Provision for General Liability/Umbrella: To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, and the Construction Manager and the Construction Manager's consultants, CG 20 32 07 04. The Additional Insured status shall apply to the full limits of liability purchased by the Contractor, its Subcontractors and Vendors even if those limits of liability are in excess of those required by this Agreement. In respect to the Subcontractor's and Vendor's Commercial General Liability and Umbrella/Excess Liability policies
- (6) For General Liability/Umbrella - General Aggregate limit must apply on a project/per location aggregate basis. Exceptions to this requirement are to be requested and approved in writing to the construction manager and the owner.
- (7) **General Liability to include a minimum of \$1,000,000 Abuse and Molestation coverage for all projects. No exceptions allowed.**
- (8) Certificates of insurance must contain a clause stating that coverage afforded by the policies will not be canceled or materially altered without at least thirty (30) days' advanced written notice to the Owner and Architect. If requested, Contractor shall provide true and full copies of any and all required insurance policies.
- (9) If there is Drone Exposure also include; Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate.
- (10) If Asbestos Abatement Exposure must include requirements shown in the chart above for Contractor's pollution liability.

## **APPENDIX “D”**

### **Fair Employment Practices Agreement**

#### **Equal Opportunity [Affirmative Action Employer]**

The Grand Rapids Public School District, as an Equal Opportunity/Affirmative Action Employer, complies with federal and state laws prohibiting discrimination, including Title IV and Title VII [with amendments] of the 1964 Civil Rights Act, Title IX of the Educational Amendment of 1972, Section 504 of the Rehabilitation Act of 1973, Veterans Readjustment Act of 1974 as amended 28 USSC 20-12 and the Americans With Disabilities Act of 1990. It is the policy of the School Board that no person, on the basis of race, sex, height, weight, color, religion, national origin, or ancestry, age, marital status, disability, or veteran status, shall be discriminated against in employment, educational programs and activities, or admission.

Inquiries or complaints should be addressed to GRPS Legal or HR Office, 1331 Martin Luther King Jr. St. SE, PO Box 117, Grand Rapids, Michigan 49501-0117.

## **APPENDIX “E”**

### **SAMPLE CONTRACT ~ AIA A121 CM or B133 Modified and AIA A201**

Any and all specific exceptions and/or requested modifications must be submitted with **PART I** submission and will be considered part of the submission evaluation and GRPS will evaluate such modifications relative to its interest and consistency with the project goals.

# DRAFT AIA® Document A133® – 2019

## **Standard Form of Agreement Between Owner and Construction Manager as Constructor** where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price

**AGREEMENT** made as of the « » day of « » in the year «Two Thousand Twenty Six. »  
(In words, indicate day, month, and year.)

**BETWEEN** the Owner:  
(Name, legal status, address, and other information)

«Grand Rapids Public School District  
1331 Martin Luther King Jr. Street SE  
«Grand Rapids, Michigan 49506»

and the Construction Manager:  
(Name, legal status, address, and other information)

To be determined

« »  
« »  
« »

for the following Project:  
(Name, location, and detailed description)

« Grand Rapids Public School District - 2023 Bond Program  
Renovations at the following buildings:  
Union High School located at 1800 Tremont Blvd NW, Grand Rapids, MI 49504;  
Harrison Park Elementary located at 1440 Davis Ave NW, Grand Rapids, MI 49504; and  
Campus Elementary located at 710 Benjamin Ave SE, Grand Rapids, MI 49506, all in  
accordance with the relevant application for preliminary qualification of bonds, the  
relevant election ballot language, Owner-approved plans and specifications, all  
applicable laws, the Owner's fixed budget, and as otherwise approved by the Owner. »

The Architect:  
(Name, legal status, address, and other information)

To be determined

The Owner and Construction Manager agree as follows.

### **ADDITIONS AND DELETIONS:**

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™-2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

**ELECTRONIC COPYING** of any portion of this AIA® Document to another electronic file is prohibited and constitutes a violation of copyright laws as set forth in the footer of this document.

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| 2  | GENERAL PROVISIONS                                           |
| 3  | CONSTRUCTION MANAGER'S RESPONSIBILITIES                      |
| 4  | OWNER'S RESPONSIBILITIES                                     |
| 5  | COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES |
| 6  | COMPENSATION FOR CONSTRUCTION PHASE SERVICES                 |
| 7  | COST OF THE WORK FOR CONSTRUCTION PHASE                      |
| 8  | DISCOUNTS, REBATES, AND REFUNDS                              |
| 9  | SUBCONTRACTS AND OTHER AGREEMENTS                            |
| 10 | ACCOUNTING RECORDS                                           |
| 11 | PAYMENTS FOR CONSTRUCTION PHASE SERVICES                     |
| 12 | DISPUTE RESOLUTION                                           |
| 13 | TERMINATION OR SUSPENSION                                    |
| 14 | MISCELLANEOUS PROVISIONS                                     |
| 15 | SCOPE OF THE AGREEMENT                                       |

## EXHIBIT A GUARANTEED MAXIMUM PRICE AMENDMENT

### ARTICLE 1 INITIAL INFORMATION

**§ 1.1** This Agreement is based on the Initial Information set forth in this Section 1.1.

*(For each item in this section, insert the information or a statement such as "not applicable" or "unknown at time of execution.")*

**§ 1.1.1** The Owner's program for the Project, as described in Section 4.1.1:

*(Insert the Owner's program, identify documentation that establishes the Owner's program, or state the manner in which the program will be developed.)*

«To be determined by the Owner after advice and recommendations from the Architect and any other consultant, individual or entity deemed appropriate by the Owner, in accordance with the applicable ballot language and the Owner's RFP. »

**§ 1.1.2** The Project's physical characteristics:

*(Identify or describe pertinent information about the Project's physical characteristics, such as size; location; dimensions; geotechnical reports; site boundaries; topographic surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site, etc.)*

«To be determined by the Owner after advice and recommendations from the Architect and any other consultant, individual or entity deemed appropriate by the Owner, in accordance with the applicable ballot language and the Owner's RFP. »

**§ 1.1.3** The Owner's budget for the Guaranteed Maximum Price, as defined in Article 6:

*(Provide total and, if known, a line item breakdown.)*

«The Owner's fixed budget for all aspects of the Projects ("fixed Project budget") is as follows:

Union High School Renovations –  
Harrison Park Elementary Renovations –  
Campus Elementary Renovations –

**§ 1.1.4** The Owner's anticipated design and construction milestone dates:

- .1 Design phase milestone dates, if any:  
« To be determined, but in accordance with the RFP »
- .2 Construction commencement date:  
« To be determined, but in accordance with the RFP »
- .3 Substantial Completion date or dates, if not established in this Agreement under Section 3.3.1.3:  
« To be determined, but in accordance with the RFP »
- .4 Other milestone dates:  
« To be determined, but in accordance with the RFP »

**§ 1.1.5** The Owner's requirements for accelerated or fast-track scheduling, or phased construction, are set forth below:  
(Identify any requirements for fast-track scheduling or phased construction.)

«Not applicable. »

**§ 1.1.6** The Owner's anticipated Sustainable Objective for the Project:  
(Identify and describe the Owner's Sustainable Objective for the Project, if any.)

«Not applicable. »

**§ 1.1.6.1 NOT USED**

**§ 1.1.7** Other Project information:

(Identify special characteristics or needs of the Project not provided elsewhere.)

«To be determined by the Owner after advice and recommendations from the Architect and any other consultant, individual or entity deemed appropriate by the Owner, in accordance with applicable ballot language and the Owner's the RFP. »

**§ 1.1.8** The Owner identifies the following representative in accordance with Section 4.2:

(List name, address, and other contact information.)

«Mr. Alex Smart, Executive Director of Facilities and Operations»

«Grand Rapids Public School District

1331 Martin Luther King Jr. Street SE

«Grand Rapids, MI 49506»

« »

«The Owner may change the representative and the representative's authority in its sole discretion. The Owner will notify the Construction Manager of any such changes. »

**§ 1.1.8.1 Owner's Representative Consultant**

The Owner has engaged Plante Moran Realpoint, LLC ("PMR") as an independent Owner's Representative Consultant ("Owner's Representative Consultant"). PMR shall have not authority, express or implied, to enter into agreements on behalf of the Owner, to modify or amend this Agreement, or to otherwise bind the Owner. The Construction Manager shall work cooperatively with PMR and shall keep PMR informed of matters concerning the Project. The following individual shall be the primary contact for the Owner's Representative Consultant, subject to change in the Owner's discretion:

Jenae Kuipers

Plante Moran Realpoint, LLC

634 Front Avenue NW Suite 300

Grand Rapids MI 49504

jenae.kuipers@plantemoran.com; (616) 643-4251

The Owner, Architect, and PMR acknowledge and agree that the Owner's representative identified in Section 1.1.8 and the Owner's Representative Consultant identified in Section 1.1.8.1 are separate and distinct individuals with separate and distinct rights and responsibilities.

**§ 1.1.9** The persons or entities, in addition to the Owner's representative, who are required to review the Construction Manager's submittals to the Owner are as follows:

*(List name, address and other contact information.)*

« State of Michigan, any others deemed advisable by the Owner's board of education, and any others required by law. »

**§ 1.1.10** The Owner shall retain the following consultants and contractors:

*(List name, legal status, address, and other contact information.)*

**.1** Geotechnical Engineer:

« To be determined, if any »« »

« »

« »

« »

« »

**.2** Land Surveyor:

« To be determined, if any »« »

« »

« »

« »

« »

**.3** Other, if any:

*(List any other consultants retained by the Owner, such as a Project or Program Manager.)*

« To be determined if any »

**§ 1.1.11** The Architect's representative:

*(List name, address, and other contact information.)*

« To be determined »

»

**§ 1.1.12** The Construction Manager identifies the following representative in accordance with Article 3:

*(List name, address, and other contact information.)*

« To be determined »

« »

« »

« »

**§ 1.1.13** The Owner's requirements for the Construction Manager's staffing plan for Preconstruction Services, as required under Section 3.1.9:

*(List any Owner-specific requirements to be included in the staffing plan.)*

« To be determined »

**§ 1.1.14** The Owner's requirements for subcontractor procurement for the performance of the Work:

*(List any Owner-specific requirements for subcontractor procurement.)*

«N/A »

**§ 1.1.15** Other Initial Information on which this Agreement is based:

« »

**§ 1.2** The Owner and Construction Manager may rely on the Initial Information. Both parties, however, recognize that such information may materially change and, in that event, the Owner and the Construction Manager may mutually agree in writing to adjust the Project schedule, the Construction Manager's services, and the Construction Manager's compensation, as applicable.

**§ 1.3** Except as set forth in Section 1.1.8, neither the Owner's nor the Construction Manager's representative shall be changed without ten days' prior notice to the other party.

## **ARTICLE 2 GENERAL PROVISIONS**

### **§ 2.1 The Contract Documents**

The Contract Documents consist of this Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of this Agreement, bid requirements, accepted portions of bid responses, other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. Upon the Owner's acceptance of the Construction Manager's Guaranteed Maximum Price proposal, the Contract Documents will also include the documents described in Section 3.2.3 and identified in the Guaranteed Maximum Price Amendment and revisions prepared by the Architect and furnished by the Owner as described in Section 3.2.8. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations or agreements, either written or oral. If anything in the other Contract Documents, other than a Modification, is inconsistent with this Agreement, this Agreement shall govern. An enumeration of the Contract Documents, other than a Modification, appears in Article 15.

### **§ 2.2 Relationship of the Parties**

The Construction Manager accepts the relationship of trust and confidence established by this Agreement and covenants with the Owner to cooperate with the Architect and exercise the Construction Manager's skill and judgment in furthering the interests of the Owner to furnish efficient construction administration, management services, and supervision; to furnish at all times an adequate supply of workers and materials; and to perform the Work in an expeditious and economical manner consistent with, and for the benefit of, the Owner's interests. Using reasonable efforts, the Owner agrees to furnish or approve, in a timely manner, information required by the Construction Manager and to make payments to the Construction Manager in accordance with the requirements of the Contract Documents.

### **§ 2.3 General Conditions**

**§ 2.3.1** For the Preconstruction Phase, AIA Document A201™–2017, General Conditions of the Contract for Construction, as modified, shall apply including with respect to Section 1.5, Ownership and Use of Documents; Section 1.7, Digital Data Use and Transmission; Section 1.8, Building Information Model Use and Reliance; Section 2.2.4, Confidential Information; Section 3.12.10, Professional Services; Section 10.3, Hazardous Materials; Section 13.1, Governing Law. The term "Contractor" as used in A201–2017 shall mean the Construction Manager.

**§ 2.3.2** For the Construction Phase, the general conditions of the contract shall be as set forth in A201–2017, as modified by the Owner, which document is incorporated herein by reference. The term "Contractor" as used in A201–2017 shall mean the Construction Manager. If anything is inconsistent between this Agreement and AIA Document A201–2017, this Agreement shall govern. Otherwise, both shall govern.

## **ARTICLE 3 CONSTRUCTION MANAGER'S RESPONSIBILITIES**

The Construction Manager shall perform the services described in this Agreement and other Contract Documents with competence and the highest standard of care, using the skill and diligence consistent with honesty, integrity, candor and the interests of the Owner (not the interests of the subcontractors) without conflict. The Construction Manager shall assign staff to the Project in accordance with their qualifications, competency, and commensurate with the services to be provided.

The Construction Manager's Preconstruction Phase responsibilities are primarily set forth in Sections 3.1 and 3.2, and in the applicable provisions of A201-2017 referenced in Section 2.3.1. The Construction Manager's Construction Phase responsibilities are primarily set forth in Section 3.3. If applicable, the Owner and Construction Manager may agree, in consultation with the Architect, for the Construction Phase on one project to commence prior to completion of the Preconstruction Phase on another project, in which case, both phases will proceed concurrently. The Construction Manager shall identify a representative authorized to act on behalf of the Construction Manager with respect to the Project.

All services of the Construction Manager, described in this Agreement or the other Contract Documents, shall be deemed Basic Services, unless and to the extent expressly identified as an Additional Service.

### **§ 3.1 Preconstruction Phase**

#### **§ 3.1.1 Extent of Responsibility**

The Construction Manager shall exercise reasonable care in performing its Preconstruction Services. The Owner and Architect shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of services and information furnished by the Construction Manager, except that the Architect shall exercise its professional judgment in relying upon such services and information. The Construction Manager, however, does not warrant or guarantee estimates and schedules except as may be included as part of the Guaranteed Maximum Price. The Construction Manager is not required to ascertain that the Drawings and Specifications are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Construction Manager shall promptly report to the Architect and Owner, in writing, any nonconformity discovered by or made known to the Construction Manager as a request for information in such form as the Architect may require.

**§ 3.1.2** The Construction Manager shall provide a preliminary evaluation of the Owner's program, schedule and construction budget requirements, each in terms of the other.

#### **§ 3.1.3 Consultation**

**§ 3.1.3.1** The Construction Manager shall schedule and conduct meetings with the Architect and Owner to discuss such matters as procedures, progress, coordination, and scheduling of the Work.

**§ 3.1.3.2** The Construction Manager shall advise the Owner and Architect on proposed site use and improvements, selection of materials, building systems, and equipment. The Construction Manager shall also provide recommendations to the Owner and Architect, consistent with the Project requirements, on constructability; availability of materials and labor; time requirements for procurement, installation and construction; prefabrication; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions. The Construction Manager shall consult with the Architect regarding professional services to be provided by the Construction Manager during the Construction Phase.

**§ 3.1.3.3** The Construction Manager may assist the Owner and Architect in establishing building information modeling and digital data protocols for the Project, using AIA Document E203™-2013, Building Information Modeling and Digital Data Exhibit, to establish the protocols for the development, use, transmission, and exchange of digital data.

#### **§ 3.1.4 Project Schedule**

When Project requirements in Section 4.1.1 have been sufficiently identified, the Construction Manager shall prepare and update monthly, or at such other intervals as the Owner and Construction Manager may agree in writing, a Project schedule for the Architect's review and the Owner's acceptance. The Construction Manager shall obtain the Architect's approval for the portion of the Project schedule relating to the performance of the Architect's services. The Project schedule shall coordinate and integrate the Construction Manager's services, the Architect's services, other Owner consultants' services, and the Owner's responsibilities; and identify items that affect the Project's timely completion. The updated Project schedule shall include the following: submission of the Guaranteed Maximum Price proposal; components of the Work; times of commencement and completion required of each Subcontractor; ordering and delivery of products, including those that must be ordered in advance of construction; and the occupancy requirements of the Owner. If preliminary Project schedule updates indicate that previously approved schedules may not be met, the Construction Manager shall make appropriate recommendations to the Owner and Architect.

#### **§ 3.1.5 Phased Construction**

The Construction Manager, in consultation with the Architect, shall provide recommendations with regard to accelerated scheduling, procurement, and sequencing for phased construction, acknowledging the limits imposed by Michigan law. The Construction Manager shall take into consideration cost reductions, cost information, constructability, provisions for temporary facilities, and procurement and construction scheduling issues.

#### **§ 3.1.6 Cost Estimates**

**§ 3.1.6.1** Based on the preliminary design and other design criteria prepared by the Architect, the Construction Manager shall prepare, for the Architect's review and the Owner's approval, preliminary estimates of the Cost of the Work or the

cost of program requirements using area, volume, or similar conceptual estimating techniques. If the Architect or Construction Manager suggests alternative materials and systems, the Construction Manager shall provide cost evaluations of those alternative materials and systems.

**§ 3.1.6.2** As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall prepare and update progress reports in writing, monthly or at other intervals agreed to in writing by the Owner, Construction Manager and Architect, which progress reports shall include estimates of the Cost of the Work and, if applicable, an analysis of cost estimate revisions. The progress reports and cost estimate information shall be of increasing detail and refinement and allow for the further development of the design, price escalation, and market conditions, until such time as the Owner and Construction Manager agree on a Guaranteed Maximum Price for the Work. The estimate shall be provided for the Architect's review and the Owner's approval. As a Basic Service, the Construction Manager shall inform the Owner and Architect in the event that the estimate of the Cost of the Work exceeds the latest approved Project budget, and make recommendations for corrective action to bring the Project back within the Owner's fixed budget.

**§ 3.1.6.3** If a discrepancy exists between the Construction Manager's cost estimates and the Architect's cost estimates, the Construction Manager and the Architect shall work together to reconcile the cost estimates.

**§ 3.1.7** As the Architect progresses with the preparation of the Schematic Design, Design Development and Construction Documents, the Construction Manager shall consult with the Owner and Architect and make recommendations regarding constructability and schedules, for the Architect's review and the Owner's approval.

**§ 3.1.8** The Construction Manager shall provide recommendations and information to the Owner and Architect regarding equipment, materials, services, and temporary Project facilities.

**§ 3.1.9** The Construction Manager shall provide a staffing plan for Preconstruction Phase services for the Owner's review and approval.

**§ 3.1.10 NOT USED**

**§ 3.1.11 Subcontractors and Suppliers**

**§ 3.1.11.1** If the Owner has provided requirements for subcontractor procurement in section 1.1.14, the Construction Manager shall provide a subcontracting plan, addressing the Owner's requirements, for the Owner's review and approval.

**§ 3.1.11.2** The Construction Manager shall develop bidders' interest in the Project and shall furnish to the Owner and the Architect for their information a list of possible subcontractors, including suppliers, from whom proposals will be requested for each portion of the Work. The receipt of that list shall not impose a duty on the Owner to investigate its qualifications of those proposed and shall not waive the right of the Owner or Architect to later object to or reject any proposed subcontractor or supplier.

**§ 3.1.11.3** The processes described in Article 9 shall apply if bid packages will be issued during the Preconstruction Phase.

**§ 3.1.12 Procurement**

The Construction Manager shall prepare, for the Architect's review and the Owner's acceptance, a procurement schedule for items that must be ordered in advance of construction. The Construction Manager shall expedite and coordinate the ordering and delivery of materials that must be ordered in advance of construction. If the Owner agrees to procure any items prior to the establishment of the Guaranteed Maximum Price, the Owner shall procure the items on terms and conditions acceptable to the Construction Manager. Upon the establishment of the Guaranteed Maximum Price, the Owner shall assign all contracts for these items to the Construction Manager and the Construction Manager shall thereafter accept responsibility for them.

**§ 3.1.13 Compliance with Laws**

The Construction Manager shall comply with applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to its performance under this Contract, regarding all aspects of the Project,

including with equal employment opportunity programs, and other programs as may be required by governmental and quasi-governmental authorities.

### § 3.1.14 Other Preconstruction Services

Insert a description of any other Preconstruction Phase services to be provided by the Construction Manager, or reference an exhibit attached to this document.

*(Describe any other Preconstruction Phase services, such as providing cash flow projections, development of a project information management system, early selection or procurement of subcontractors, etc.)*

«As set forth in Exhibit B - Scope of Preconstruction Services. »

### § 3.2 Guaranteed Maximum Price Proposal

§ 3.2.1 At a time to be mutually agreed upon by the Owner and the Construction Manager, the Construction Manager shall prepare a Guaranteed Maximum Price proposal for the Project (or a distinct portion of the Project) for the Owner's and Architect's review, and the Owner's acceptance using current information to update any preliminary cost estimates. The Guaranteed Maximum Price in the proposal shall be the sum of the Construction Manager's estimate of the Cost of the Work, the Construction Manager's contingency described in Section 3.2.4, and the Construction Manager's Fee described in Section 6.1.2. The Guaranteed Maximum Price shall not exceed the Owner's fixed budget, which fixed budget shall be established as a condition precedent to this Agreement.

§ 3.2.2 If and to the extent the Contract Documents are anticipated to require further development, the Guaranteed Maximum Price must expressly state any reserved right of modification associated with further development consistent with the Contract Documents and reasonably inferable therefrom. Such further development does not include changes in scope, systems, kinds and quality of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order.

§ 3.2.3 The Construction Manager shall include with the Guaranteed Maximum Price proposal a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto, and the Conditions of the Contract;
- .2 A list of the clarifications and assumptions made by the Construction Manager in the preparation of the Guaranteed Maximum Price proposal, including assumptions under Section 3.2.2;
- .3 A statement of the proposed Guaranteed Maximum Price, including a statement of the estimated Cost of the Work organized by trade categories or systems, including allowances; the Construction Manager's contingency set forth in Section 3.2.4; and the Construction Manager's Fee;
- .4 The anticipated date of commencement of the Construction Phase of the Work and the anticipated date of Substantial Completion upon which the proposed Guaranteed Maximum Price is based; and
- .5 A date by which the Owner must accept the Guaranteed Maximum Price.

§ 3.2.4 In preparing the Construction Manager's Guaranteed Maximum Price proposal, the Construction Manager shall include a contingency for the Construction Manager's exclusive use to cover those costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order. The Construction Manager's contingency shall equal no more than five percent (5.0%) of the Cost of the Work, as defined in Article 6, before any of the Work has been bid and awarded by the Owner. The amount of the Construction Manager's contingency shall commensurately be reduced with the amount of the Work being awarded by the Owner. When the Guaranteed Maximum Price (GMP) is established, with 90% of the Work being bought out by the Construction Manager, the Construction Manager's contingency shall be reduced as set forth in Section 3.2.4.2 below.

§ 3.2.4.1 The Construction Manager's contingency may only be used for the following purposes: (i) the Cost of Work required by the Owner for the Project that was not included within an awarded subcontract, (ii) additional costs incurred by the Construction Manager (and not reimbursed pursuant to a bid bond claim or otherwise) as a result of a bidder's failure to enter into a subcontract with the Construction Manager after having been awarded the work; (iii) additional costs incurred by the Construction Manager, outside of awarded subcontracts, due to unanticipated market conditions and labor and material conditions, (iv) uninsured casualty losses and related expenses incurred by the Construction Manager in connection with the Work, except and to the extent of the Construction Manager's improper conduct, errors, or omissions; (v) costs arising from the default of an uncollectable Subcontractor (outside of any applicable bond); and (vi) costs related to errors in subcontractor bids, discovered after the award of bid, and for which additional sums may be legally allocated.

**§ 3.2.4.1.1** Notwithstanding anything in Section 3.2.4 to the contrary, the Construction Manager's contingency shall not be used: (i) to cover any cost or expense caused or allowed by the Construction Manager's negligence, intentionally wrongful conduct, or breach of Agreement, (ii) to pay for any of the Construction Manager's responsibilities related to general conditions/construction support items, or (iii) in a manner that is contrary to law.

**§ 3.2.4.1.2** The Construction Manager's contingency shall be the maximum amount available to pay for any costs and expenses identified as an appropriate use of such contingency. Any sums in excess of the contingency shall be the sole responsibility of the Construction Manager.

**§ 3.2.4.1.3** The Construction Manager's contingency may only be used if (i) the Construction Manager submits to the Owner a written request for the use of the Construction Manager's contingency, including the specific amount requested and a justifiable basis for the use; and (ii) the Owner approves the request in writing, prior to the use of any such contingency. Use of contingency shall be reported on the Construction Manager's monthly reports, including a clear description of the cost(s) and item(s) on one of the next two Applications for Payment. The Construction Manager shall forfeit any contingency amount committed or used if it fails to timely report the use and/or to timely submit an Applications for Payment identifying the contingency amount committed or used.

**§ 3.2.4.2** The purpose of Construction Manager's contingency is to cover unanticipated costs described in Section 3.2.4.1. Because incidents of unanticipated costs should reduce as the Project progresses towards completion, the Construction Manager shall return to the Owner portions of such contingency according to the following schedule (unless contingency actually used exceeds the percentages identified below for each milestone):

|                            |                            |
|----------------------------|----------------------------|
| At 50% of Payment Request: | Fifty Percent (50%)        |
| At 75% of Payment Request: | Seventy-Five Percent (75%) |
| At Substantial Completion: | One Hundred Percent (100%) |

**§ 3.2.4.3** The Construction Manager shall return all unused contingency to the Owner upon a mutually agreeable time, but, in the absence of written consent by the Owner, return shall not be later than Substantial Completion of the Project.

**§ 3.2.5** The Construction Manager shall meet with the Owner and Architect to review the Guaranteed Maximum Price proposal. In the event that the Owner or Architect discover any inconsistencies or inaccuracies in the information presented, they shall promptly notify the Construction Manager, who shall make appropriate adjustments to the Guaranteed Maximum Price proposal, its basis, or both.

**§ 3.2.6** If the Owner notifies the Construction Manager that the Owner has accepted the Guaranteed Maximum Price proposal in writing before the date specified in the Guaranteed Maximum Price proposal, the Guaranteed Maximum Price proposal shall be deemed effective without further acceptance from the Construction Manager. Following acceptance of a Guaranteed Maximum Price, the Owner and Construction Manager shall execute the Guaranteed Maximum Price Amendment amending this Agreement, a copy of which the Owner shall provide to the Architect. The Guaranteed Maximum Price Amendment shall set forth the agreed upon Guaranteed Maximum Price with the information and assumptions upon which it is based.

**§ 3.2.7** The Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work prior to the execution of the Guaranteed Maximum Price Amendment, unless the Owner provides prior written authorization for such costs.

**§ 3.2.8** The Owner shall authorize preparation of revisions to the Contract Documents that incorporate the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment. The Owner shall promptly furnish such revised Contract Documents to the Construction Manager. The Construction Manager shall notify the Owner and Architect of any inconsistencies between the agreed-upon assumptions and clarifications contained in the Guaranteed Maximum Price Amendment and the revised Contract Documents.

**§ 3.2.9** The Construction Manager shall include in the Guaranteed Maximum Price all sales, consumer, use and similar taxes for the Work provided by the Construction Manager that are legally enacted, whether or not yet effective, at the time the Guaranteed Maximum Price Amendment is executed.

§ 3.2.10 The Construction Manager's personnel costs, reimbursable costs (see Article 6), and general conditions/construction support costs shall be fixed as not-to-exceed amounts within the Guaranteed Maximum Price.

### § 3.3 Construction Phase

#### § 3.3.1 General

§ 3.3.1.1 For purposes of Section 8.1.2 of A201–2017, the date of commencement of the Work shall mean the date of commencement of the Construction Phase.

§ 3.3.1.2 The Construction Phase shall commence upon the Owner's execution of the Guaranteed Maximum Price Amendment, the Owner's first award of a competitively bid subcontract, or, prior to acceptance of the Guaranteed Maximum Price proposal, by written agreement of the parties, whichever occurs earlier. The written agreement shall set forth a description of the Work to be performed by the Construction Manager, and any insurance and bond requirements for Work performed prior to execution of the Guaranteed Maximum Price Amendment. Prior to commencement of the Construction Phase, the Construction Manager shall not incur any cost to be reimbursed as part of the Cost of the Work.

#### § 3.3.1.3 Substantial Completion

§ 3.3.1.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:

(Check one of the following boxes and complete the necessary information.)

[ « » ] Not later than « » ( « » ) calendar days from the date of commencement of the Work.

[ « » ] By the following date: «as set forth in the Owner's Request for Proposal dated . »

[ « » ] As set forth in the Preliminary Project Milestone Schedule, attached hereto as Exhibit D.

§ 3.3.1.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work

Substantial Completion Date

§ 3.3.1.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section 3.3.1.3, liquidated damages, if any, may be assessed.

#### § 3.3.2 Administration

§ 3.3.2.1 See Section 14.5 through 14.16.

§ 3.3.2.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement. The Construction Manager shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Construction Manager in Article 10.

#### § 3.3.2.3 Monthly Report

The Construction Manager shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by the Owner in writing, the Construction Manager shall submit written progress reports to the Owner and Architect, showing percentages of completion and other information required by the Owner.

#### § 3.3.2.4 Daily Logs

The Construction Manager shall keep, and make available to the Owner and Architect, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the Work, accidents, injuries, and other information required by the Owner.

#### § 3.3.2.5 Cost Control

The Construction Manager shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. The Construction Manager shall identify variances between actual and estimated costs and report the variances to the Owner and Architect, and

shall provide this information in its monthly reports to the Owner and Architect, in accordance with Section 3.3.2.3 above.

#### **ARTICLE 4 OWNER'S RESPONSIBILITIES**

##### **§ 4.1 Information and Services Required of the Owner**

**§ 4.1.1** If requested by the Construction Manager, the Owner shall provide information with specifically and reasonably requested by the Construction Manager regarding the Project, which may include information regarding its written program, the Owner's objectives, constraints, and criteria, including schedule, space requirements and relationships, flexibility and expandability, special equipment, systems, sustainability and site requirements. The parties acknowledge that the Owner is not a construction professional and that the Owner may not know what type or amount of information is required to be provided by this provision.

**§ 4.1.2** Prior to the execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request in writing that the Owner provide reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. After execution of the Guaranteed Maximum Price Amendment, the Construction Manager may request such information as set forth in A201-2017 Section 2.2.

**§ 4.1.3** The Owner shall establish and periodically update the Owner's budget for the Project, including (1) the budget for the Cost of the Work as defined in Article 7, (2) the Owner's other costs, and (3) reasonable contingencies related to all of these costs. If the Owner significantly increases or decreases the Owner's budget for the Cost of the Work, the Owner shall notify the Construction Manager and Architect. The Owner and the Architect, in consultation with the Construction Manager, shall thereafter agree to a corresponding change in the Project's scope and quality. Nothing herein shall be interpreted to limit the applicability and enforceability of the Owner's fixed Project budget.

**§ 4.1.4 Structural and Environmental Tests, Surveys and Reports.** During the Preconstruction Phase, the Owner shall furnish the following information or services with reasonable promptness and with the Construction Manager's reasonable assistance. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness after receiving the Construction Manager's written request for such information or services. The Construction Manager subject to its professional experience and expertise shall be entitled to rely on the accuracy of information and services furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work.

**§ 4.1.4.1** The Owner shall furnish tests, inspections, and reports, required by law as identified by the Architect and/or Construction Manager and as otherwise agreed to by the parties, such as structural, mechanical, and chemical tests, tests for air and water pollution, and tests for hazardous materials, as identified by the Architect and/or the Construction Manager.

**§ 4.1.4.2** The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

**§ 4.1.4.3** The Owner, when such services are requested, shall furnish services of geotechnical engineers, which may include test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, seismic evaluation, ground corrosion tests and resistivity tests, including necessary operations for anticipating subsoil conditions, with written reports and appropriate recommendations.

**§ 4.1.5** During the Construction Phase, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness, acknowledging the Owner's status as a public body. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Construction Manager's performance of the Work with reasonable promptness, acknowledging the Owner's status as a public body, after receiving the Architect's written request for such information or services.

#### § 4.1.6 NOT USED

#### § 4.2 Owner's Designated Representative

The Owner shall identify a representative authorized to act on behalf of the Owner with respect to the Project subject to the Owner's parameters of authority set by the Owner's Board of Education. The Owner's representative shall render decisions promptly and furnish information expeditiously, so as to avoid unreasonable delay in the services or Work of the Construction Manager, subject to the Owner's status as a public body, including being subject to the Open Meetings Act. Except as otherwise provided in Section 4.2.1 of A201–2017, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative to the extent authorized by the Owner's Board of Education. See Section 1.1.8.

**§ 4.2.1 Legal Requirements.** The Owner shall furnish all legal, insurance and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests. Such a duty shall not include services necessary to respond to allegations challenging the performance of the Construction Manager, whether by breach of contract, negligence, intentional misconduct or otherwise, which services shall be provided by the Construction Manager.

#### § 4.3 Architect

The Owner shall retain an Architect to provide services, duties and responsibilities as described in the Agreement Between Owner and Architect. Upon request, the Owner shall provide the Construction Manager with a copy of the scope of services in the executed agreement between the Owner and the Architect, and any further modifications to the Architect's scope of services in the agreement.

### ARTICLE 5 COMPENSATION AND PAYMENTS FOR PRECONSTRUCTION PHASE SERVICES

#### § 5.1 Compensation

**§ 5.1.1** For the Construction Manager's timely and proper performance of Preconstruction Phase services described in Sections 3.1 and 3.2, the Owner shall compensate the Construction Manager as follows: See Section 6.1.2 and 7.7.6. *(Insert amount of, or basis for, compensation and include a list of reimbursable cost items, as applicable.)*

«Based on the Construction Manager's Hourly Rates, a Not-to-Exceed amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_).»

#### § 5.1.2 - 5.1.3 NOT USED

#### § 5.2 Payments

**§ 5.2.1** Unless otherwise agreed, payments for services shall be made monthly in proportion to services performed.

**§ 5.2.2** Undisputed payments are due and payable within thirty (30) days of the Owner's receipt of the Construction Manager's invoice unless and to the extent reasonably disputed in good faith. Undisputed amounts unpaid ~~«thirty»~~ ~~«30»~~ days after the due date shall bear interest at the rate entered below, or in the absence thereof at the legal rate prevailing from time to time at the principal place of business of the Construction Manager.

*(Insert rate of monthly or annual interest agreed upon.)*

«Five percent (5%) « MCL 438.31. »

### ARTICLE 6 COMPENSATION FOR CONSTRUCTION PHASE SERVICES & POST-CONSTRUCTION PHASE SERVICES

#### § 6.1 Contract Sum

**§ 6.1.1** The Owner shall pay the Construction Manager the Contract Sum in current funds for the Construction Manager's timely and proper performance of the Contract after execution of the Guaranteed Maximum Price Amendment. The Contract Sum is the Cost of the Work as defined in Article 7 plus the Construction Manager's Fee.

**§ 6.1.2** The Construction Manager's Fee:

*(State a lump sum, percentage of Cost of the Work or other provision for determining the Construction Manager's Fee.)*

«Based on a percentage of the Cost of the Work, which shall be converted to a Lump Sum amount in a future GMP Amendment.»

**§ 6.1.2.1** The Construction Manager's total compensation package, inclusive of bond costs, insurance, on-site and off-site staffing, general conditions/construction support items, reimbursable expenses, and fee shall be set in a future Guaranteed Maximum Price Amendment.

**§ 6.1.3** The method of adjustment of the Construction Manager's Fee for changes in the Work:

«In the event the Scope of Work materially or substantially changes, the percentage fee for increases and/or reductions in the Project Scope shall be the same percentage rate as in Section 6.1.2 above and as mutually agreed to by the Parties.»

**§ 6.1.4** Limitations, if any, on a Subcontractor's overhead and profit for increases in the cost of its portion of the Work:

«As set forth in the awarded bid and/or the relevant trade contract. If increased payment amounts are not addressed therein, a Subcontractor's overhead and profit shall not exceed ten percent (10%) on the changed work, labor, equipment and material of a primary tier subcontractor or five percent (5%) on the changed work, labor, equipment and material of a lower tier subcontractor. In no event shall the total cost of any change in the work exceed the amount of the required Change Order or Construction Change Directive related to same. »

**§ 6.1.5** Rental rates for Construction Manager-owned equipment shall not exceed the standard rental rate paid at the place of the Project.

**§ 6.1.6** Liquidated damages, if any:

*(Insert terms and conditions for liquidated damages, if any.)*

«See Section 8.4.2 of the AIA Document A201-2017, General Conditions of the Contract for Construction. »

**§ 6.1.7** Other:

*(Insert provisions for bonus, cost savings or other incentives, if any, that might result in a change to the Contract Sum.)*

«Not applicable. »

**§ 6.2 Guaranteed Maximum Price**

The Construction Manager guarantees that the Contract Sum shall not exceed the Guaranteed Maximum Price set forth in the Guaranteed Maximum Price Amendment, subject to material Owner directed changes in writing as provided in the Contract Documents. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the Construction Manager without reimbursement by the Owner.

**§ 6.3 Changes in the Work**

**§ 6.3.1** The Owner may, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions or other revisions. The Owner shall issue such changes in writing. The Owner and Construction Manager may negotiate and agree to an equitable adjustment in the Contract Time as a result of changes in the Work, as provided in Article 7 of AIA Document A201-2017, General Conditions of the Contract for Construction.

**§ 6.3.1.1** The Architect may order minor changes in the Work as provided in Article 7 of AIA Document A201-2017, General Conditions of the Contract for Construction.

**§ 6.3.2** Adjustments to the Guaranteed Maximum Price on account of Owner-directed changes in the Work subsequent to the execution of the Guaranteed Maximum Price Amendment may be determined by any of the methods listed in Article 7 of AIA Document A201-2017, General Conditions of the Contract for Construction.

**§ 6.3.3** Adjustments to subcontracts awarded on the basis of a stipulated sum shall be determined in accordance with Article 7 of A201-2017, as they refer to "cost" and "fee," and not by Articles 6 and 7 of this Agreement. Adjustments to subcontracts awarded with the Owner's prior written consent on the basis of cost plus a fee shall be calculated in accordance with the terms of those subcontracts.

**§ 6.3.4** In calculating adjustments to the Guaranteed Maximum Price, the terms "cost" and "costs" as used in Article 7 of AIA Document A201-2017 shall mean the Cost of the Work as defined in Article 7 of this Agreement and the term "fee" shall mean the Construction Manager's Fee as defined in Section 6.1.2 of this Agreement.

**§ 6.3.5** See Section 14.22.

## **ARTICLE 7 COST OF THE WORK FOR CONSTRUCTION PHASE**

### **§ 7.1 Costs to Be Reimbursed**

**§ 7.1.1** The term Cost of the Work shall mean costs necessarily incurred by the Construction Manager in the proper performance of the Work. The Cost of the Work shall include only the items set forth in Sections 7.1 through 7.7 and shall not exceed the amount provided in the Guaranteed Maximum Price Amendment. Reimbursable expenses provided pursuant to this Agreement shall be included in the periodic cost estimates provided by the Construction Manager.

**§ 7.1.2** Where, pursuant to the Contract Documents, any cost is subject to the Owner's written prior approval, the Construction Manager shall obtain such approval in writing prior to incurring the cost. Failure to do so shall excuse the Owner from responsibility for that cost.

**§ 7.1.3** Costs shall be at rates not higher than the standard rates paid at the place of the Project, except with prior approval of the Owner.

**§ 7.1.4** The parties acknowledge that those aspects of the Project provided by the Owner, (e.g., buses, technology, unused contingency) shall not be considered a Cost of the Work for reimbursement purposes or for calculating the Construction Manager's fee.

### **§ 7.2 Labor Costs**

**§ 7.2.1** With the Owner's prior written approval, and in accordance with applicable laws and this Agreement, wages or salaries of construction workers directly employed by the Construction Manager to perform incidental work at the site outside of the scope of the awarded subcontracts. The parties acknowledge that the Construction Manager shall not be entitled to any of its own labor costs under this section for construction of the Work performed by the Construction Manager's own personnel, except in accordance with a "related party" transaction authorized by the Owner in accordance with this Agreement and/or in accordance with, and as permitted by, Section 14.5.

**§ 7.2.2** Wages or salaries of the Construction Manager's supervisory and administrative personnel when stationed at the site and performing Work, with the Owner's prior written approval, subject to limitations described in Section 3.2.10. See also Section 14.22. The Construction Manager shall provide an hourly rates chart for all approved supervisory and administrative personnel.

**§ 7.2.2.1** With the Owner's prior written approval, wages or salaries of the Construction Manager's supervisory and administrative personnel when performing Work and stationed at a location other than the site, but only for that portion of time required for the Work, and limited to the personnel and activities directly related to the Project.

**§ 7.2.3** All other labor costs are only as provided for in the subcontracts approved by the Owner.

### **§ 7.2.4 NOT USED**

### **§ 7.2.5 NOT USED**

### **§ 7.3 Subcontract Costs**

Payments made by the Construction Manager to Subcontractors in accordance with the subcontracts approved by the Owner, including any applicable change orders, and this Agreement.

### **§ 7.4 Costs of Materials and Equipment Incorporated in the Completed Construction and Not Otherwise Included in Section 7.3**

**§ 7.4.1** With the Owner's prior written approval, costs, including transportation and storage at the site, of materials and equipment incorporated, or to be incorporated in the completed construction. Said material procurement shall be subject to competitive bidding requirements of Michigan law and the Owner's written purchasing policies, shall be approved by the Owner in writing prior to procurement, and shall be only for materials not already included within other subcontracts for the Work.

**§ 7.4.2** The costs and expenses described in Section 7.4 (that are not included within the costs of Section 7.3) shall be billed to the Owner by the Construction Manager, at the Construction Manager's cost and without markup.

**§ 7.5 Costs of Other Materials and Equipment, Temporary Facilities and Related Items and Not Otherwise Included in Section 7.3.**

**§ 7.5.1** Costs of pre-authorized transportation, storage, installation, dismantling, maintenance, and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment, and tools, that are not fully consumed, shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Construction Manager shall mean fair market value. At final completion, the Owner shall have the option of retaining any items purchased for the Project under this Agreement.

**§ 7.5.2** Rental charges for temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers that are provided by the Construction Manager at the site, and the costs of transportation, installation, dismantling, minor repairs, and removal of such temporary facilities, machinery, equipment, and hand tools. Rates and quantities of equipment owned by the Construction Manager, or a related party as defined in Section 7.8, shall be subject to the Owner's prior written approval. The total rental cost of any such equipment may not exceed the purchase price of any comparable item.

**§ 7.5.3** Costs of removal of debris from the site of the Work and its proper and legal disposal.

**§ 7.5.4** To the extent related to field office activities, costs of document reproductions, postage and parcel delivery charges, and telephone service at the site.

**§ 7.5.5** Costs of materials and equipment suitably stored off the site at a mutually acceptable location, subject to the Owner's prior written approval.

**§ 7.5.6** Any costs within Section 7.5 (that are not included within Section 7.3) shall be billed to the Owner by the Construction Manager at the Construction Manager's cost and without markup.

**§ 7.6 Miscellaneous Costs Not Otherwise Included in Section 7.3.**

**§ 7.6.1** Premiums for that portion of insurance and bonds required by the Contract Documents that can be directly attributed to this Contract.

**§ 7.6.1.1** Costs for self-insurance, for either full or partial amounts of the coverages required by the Contract Documents, with the Owner's prior written approval.

**§ 7.6.1.2** Costs for insurance through a captive insurer owned or controlled by the Construction Manager, with the Owner's prior approval.

**§ 7.6.2** Sales, use, or similar taxes, imposed by a governmental authority, that are related to the Work that are not included within competitively bid subcontracts, and for which the Construction Manager is liable. The Construction Manager shall first discuss any such items subject to sales, use, or other similar taxes with the Owner prior to purchase, acknowledging the Owner's tax-exempt status and the potential for purchasing at a reduced cost.

**§ 7.6.3** Fees and assessments for the building permit, and for other permits, licenses, and inspections, for which the Construction Manager is required by the Contract Documents to pay.

**§ 7.6.4** Fees of laboratories for tests required by the Contract Documents; except those related to defective or nonconforming Work for which reimbursement is excluded under Article 13 of AIA Document A201-2017 or by other provisions of the Contract Documents, and which do not fall within the scope of Section 7.7.3.

**§ 7.6.5** Royalties and license fees paid for the use of a particular design, process, or product, required by the Contract Documents.

**§ 7.6.6** Costs for communications services, electronic equipment, and software, directly related to the Work and located at the site, with the Owner's prior approval.

**§ 7.6.7** Costs of document reproductions and delivery charges.

**§ 7.6.8** Deposits lost because of Owner's negligent action or omission..

**§ 7.6.9** With the Owner's prior written permission, legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Construction Manager or those at which the Construction Manager's services are at issue, that are reasonably incurred by the Construction Manager after the execution of this Agreement in the performance of the Work.

**§ 7.6.10** With the Owner's prior and express written permission, items purchased by the Construction Manager on the Owner's behalf for the Project.

**§ 7.6.11** That portion of the reasonable expenses of the Construction Manager's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work, excluding travel between the Project sites and the Construction Manager's office/personal residence.

**§ 7.6.12** Any costs within Section 7.6 (that are not included within Section 7.3) shall be billed to the Owner by the Construction Manager at the Construction Manager's cost and without markup, and shall be included in the definition of the "Cost of the Work" to which the Construction Manager's professional fee applies.

**§ 7.7 Other Costs and Emergencies and Not Otherwise Included in Section 7.3**

**§ 7.7.1** Other costs incurred in the performance of the Work, with the Owner's prior approval.

**§ 7.7.2** Costs incurred in taking action to prevent threatened damage, injury, or loss, in case of an emergency affecting the safety of persons and property, as provided in Article 10 of AIA Document A201–2017.

**§ 7.7.3** Costs of repairing or correcting damaged or nonconforming Work executed by the Construction Manager, Subcontractors, or suppliers, provided that such damaged or nonconforming Work was not caused by the negligence of, or failure to fulfill a responsibility by, the Construction Manager or its subcontractors, and only to the extent that the cost of repair or correction is not recovered by the Construction Manager from insurance, sureties, Subcontractors, suppliers, or others.

**§ 7.7.4** The costs described in Sections 7.1 through 7.7 shall be included in the Cost of the Work, notwithstanding any provision of AIA Document A201–2017 or other Conditions of the Contract which may require the Construction Manager to pay such costs, unless such costs are excluded elsewhere in this Agreement.

**§ 7.7.5** The costs and expenses described in Section 7.7 (that are not included within the costs of Section 7.3) shall be billed to the Owner by the Construction Manager at the Construction Manager's cost and without markup.

**§ 7.8 Related Party Transactions**

**§ 7.8.1** For purposes of this Section 7.8, the term "related party" shall mean (1) a parent, subsidiary, affiliate, or other entity having common ownership of, or sharing common management with, the Construction Manager; (2) any entity in which any stockholder in, or management employee of, the Construction Manager holds an equity interest in excess of ten percent in the aggregate; (3) any entity which has the right to control the business or affairs of the Construction Manager; or (4) any person, or any member of the immediate family of any person, who has the right to control the business or affairs of the Construction Manager.

**§ 7.8.2** If any of the costs to be reimbursed arise from a transaction between the Construction Manager and a related party, the Construction Manager shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction in writing, then the cost incurred shall be included as a cost to be reimbursed, and the Construction Manager shall procure the Work, equipment, goods, or service, from the related party, as a Subcontractor, according to the terms of Article 9. If the Owner fails to authorize the transaction in writing, the Construction Manager shall procure the Work, equipment, goods, or service from some person or entity other than a related party according to the terms of Article 9.

## **§ 7.9 Costs Not To Be Reimbursed**

**§ 7.9.1** The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Construction Manager's personnel stationed at the Construction Manager's principal office or offices other than the site office, except as specifically provided in Section 7.2, or as may be provided in Article 14;
- .2 Bonuses, profit sharing, incentive compensation, and any other discretionary payments, paid to anyone hired by the Construction Manager or paid to any Subcontractor or vendor, unless the Owner has provided prior approval;
- .3 Expenses of the Construction Manager's principal office and offices other than the site office;
- .4 Overhead and general expenses, except as may be expressly included in Sections 7.1 through 7.7;
- .5 The Construction Manager's capital expenses, including interest on the Construction Manager's capital employed for the Work;
- .6 Except as provided in Section 7.7.3 of this Agreement, costs due to the negligence of, or failure to fulfill a responsibility of this Agreement or any other Contract Document by, the Construction Manager, Subcontractors, and suppliers, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable;
- .7 Any cost not specifically and expressly described in Sections 7.1 through 7.7;
- .8 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Guaranteed Maximum Price to be exceeded;
- .9 Costs for services incurred during the Preconstruction Phase;
- .10 All taxes, except for sales or use taxes described in Section 7.6.2, including, but not limited to, Federal, State or Local Business Tax, Franchise Tax, Commercial Activities Tax, or similar taxes. (All such taxes are the sole responsibility of the Construction Manager); and
- .11 Consultants to the Construction Manager not previously approved in writing by the Owner.

## **ARTICLE 8 DISCOUNTS, REBATES, AND REFUNDS**

**§ 8.1** Cash discounts obtained on payments made by the Construction Manager shall accrue to the Owner if (1) before making the payment, the Construction Manager included the amount to be paid, less such discount, in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Construction Manager with which to make payments; otherwise, cash discounts shall accrue to the Construction Manager. Trade discounts, rebates, refunds, and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Construction Manager shall make provisions so that they can be obtained.

**§ 8.2** Amounts that accrue to the Owner in accordance with the provisions of Section 8.1 shall be credited to the Owner as a deduction from the Cost of the Work.

## **ARTICLE 9 SUBCONTRACTS AND OTHER AGREEMENTS**

**§ 9.1** See Sections 14.5 through 14.16.

**§ 9.2** Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement, and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval and compliance with applicable laws.

## **ARTICLE 10 ACCOUNTING RECORDS**

The Construction Manager shall keep full and detailed records and accounts related to the Cost of the Work, and exercise such controls, as may be necessary for proper financial management under this Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Construction Manager's records and accounts, including complete documentation supporting accounting entries, books, job cost reports, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, Subcontractor's invoices, purchase orders, vouchers, memoranda, and other data relating to this Contract. The Construction Manager shall preserve these records for a period of six years after final payment, or for such longer period as may be required by law.

## ARTICLE 11 PAYMENTS FOR CONSTRUCTION PHASE SERVICES

### § 11.1 Progress Payments

§ 11.1.1 Based upon Applications for Payment submitted to the Architect by the Construction Manager, and Certificates for Payment issued by the Architect, the Owner shall make progress payments on account of the Contract Sum, to the Construction Manager, as provided below and elsewhere in the Contract Documents.

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

§ 11.1.3 Provided that an Architect-certified Application for Payment is received by the Owner not later than the «10th» day of a month, the Owner shall make payment of the amount certified to the Construction Manager not later than the «10th» day of the «following» month, unless and to the extent the application or the work performed is reasonably disputed by the Owner in good faith. If an Application for Payment is received by the Owner after the application date fixed above, payment of the amount certified shall be made by the Owner not later than «thirty» («30») days after the Owner receives the Architect-certified Application for Payment, unless and to the extent the application or the work performed is reasonably disputed by the Owner in good faith. The parties acknowledge that the invoice process will be mutually tailored to consider Board of Education meetings and schedules.

*(Federal, state or local laws may require payment within a certain period of time.)*

§ 11.1.4 With each Application for Payment, the Construction Manager shall submit payrolls, petty cash accounts, receipted invoices or invoices with check vouchers attached, and any other evidence required by the Owner or Architect to demonstrate that payments already made by the Construction Manager on account of the Cost of the Work equal or exceed progress payments already received by the Construction Manager, plus labor costs for the period covered by the present Application for Payment, less that portion of the progress payments attributable to the Construction Manager's Fee.

§ 11.1.5 Each Application for Payment shall be based on the most recent schedule of values submitted by the Construction Manager in accordance with the Contract Documents. The schedule of values shall allocate the entire Guaranteed Maximum Price among: (1) the various portions of the Work; (2) any contingency for costs that are included in the Guaranteed Maximum Price but not otherwise allocated to another line item or included in a Change Order; and (3) the Construction Manager's Fee.

§ 11.1.5.1 The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy and equity as the Architect or Owner may require. The schedule of values, unless objected to by the Owner or Architect, shall be used as a basis for reviewing the Construction Manager's Applications for Payment.

§ 11.1.5.2 The allocation of the Guaranteed Maximum Price under this Section 11.1.5 shall not constitute a separate guaranteed maximum price for the Cost of the Work of each individual line item in the schedule of values.

§ 11.1.5.3 When the Construction Manager allocates costs from a contingency to another line item in the schedule of values, the Construction Manager shall submit supporting documentation to the Architect.

§ 11.1.6 Applications for Payment shall show the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment. The percentage of completion shall be the lesser of (1) the percentage of that portion of the Work which has actually been completed, or (2) the percentage obtained by dividing (a) the expense that has actually been incurred by the Construction Manager on account of that portion of the Work and for which the Construction Manager has made payment or intends to make payment prior to the next Application for Payment, by (b) the share of the Guaranteed Maximum Price allocated to that portion of the Work in the schedule of values.

§ 11.1.7 In accordance with AIA Document A201-2017, as modified, and subject to other provisions of the Contract Documents, the amount of each progress payment shall be computed as follows:

§ 11.1.7.1 The amount of each progress payment shall first include:

- .1 That portion of the Guaranteed Maximum Price properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the Guaranteed Maximum Price allocated to that portion of the Work in the most recent schedule of values;

- .2 That portion of the Guaranteed Maximum Price properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction or, if approved in writing in advance by the Owner, suitably stored off the site at a location agreed upon in writing;
- .3 That portion of Construction Change Directives that the Architect determines, in the Architect's professional judgment, to be reasonably justified; and
- .4 The Construction Manager's Fee, computed upon the Cost of the Work described in the preceding Sections 11.1.7.1.1 and 11.1.7.1.2 at the rate stated in Section 6.1.2 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum fee as the Cost of the Work included in Sections 11.1.7.1.1 and 11.1.7.1.2 bears to a reasonable estimate of the probable Cost of the Work upon its completion.

§ 11.1.7.2 The amount of each progress payment shall then be reduced by:

- .1 The aggregate of any amounts previously paid by the Owner;
- .2 The amount, if any, for Work that remains uncorrected and for which the Architect has previously withheld a Certificate for Payment as provided in Article 9 of AIA Document A201–2017;
- .3 Any amount for which the Construction Manager does not intend to pay a Subcontractor or material supplier, unless the Work has been performed by others the Construction Manager intends to pay;
- .4 For Work performed or defects discovered since the last payment application, any amount for which the Architect may withhold payment, or nullify a Certificate of Payment in whole or in part, as provided in Article 9 of AIA Document A201–2017;
- .5 The shortfall, if any, indicated by the Construction Manager in the documentation required by Section 11.1.4 to substantiate prior Applications for Payment, or resulting from errors subsequently discovered by the Owner's auditors in such documentation; and
- .6 Retainage withheld pursuant to Section 11.1.8.

#### § 11.1.8 Retainage

§ 11.1.8.1 For each progress payment made prior to Substantial Completion of the Work, the Owner may withhold the following amount, as retainage, from the payment otherwise due:

*(Insert a percentage or amount to be withheld as retainage from each Application for Payment. The amount of retainage may be limited by governing law.)*

« Ten percent (10%), except that after the Work of a particular Subcontractor is at least fifty percent (50%) complete, the Subcontractor may request the Construction Manager and Owner to reduce retainage to five percent (5%), »

§ 11.1.8.1.1 The following items are not subject to retainage:

*(Insert any items not subject to the withholding of retainage, such as general conditions, insurance, etc.)*

«Not applicable.»

§ 11.1.8.2 Reduction or limitation of retainage, if any, shall be as follows:

*(If the retainage established in Section 11.1.8.1 is to be modified prior to Substantial Completion of the entire Work, insert provisions for such modification.)*

«Not applicable.»

§ 11.1.8.3 Except as set forth in this Section 11.1.8.3, upon Substantial Completion of the Work, the Construction Manager may submit an Application for Payment that includes the retainage withheld from prior Applications for Payment pursuant to this Section 11.1.8.

*(Insert any other conditions for release of retainage, such as upon completion of the Owner's audit and reconciliation, upon Substantial Completion.)*

«Not applicable.»

#### § 11.1.9 NOT USED

§ 11.1.10 Except with the Owner's prior written approval, the Construction Manager shall not make advance payments to suppliers for materials or equipment which have not been delivered and suitably stored at the site.

§ 11.1.11 The Owner and the Construction Manager shall agree upon a mutually acceptable procedure for review and approval of payments to Subcontractors, and the percentage of retainage held on Subcontracts, and the Construction

Manager shall execute subcontracts in accordance with those agreements. Subcontracts shall be awarded and approved by the Owner.

**§ 11.1.12** In taking action on the Construction Manager's Applications for Payment the Architect may review the accuracy and completeness of the information furnished by the Construction Manager, and such action by the Architect on the Construction Manager's Applications for Payment shall not be deemed to be a representation that (1) the Architect has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 11.1.4 or other supporting data; (2) that the Architect has made exhaustive or continuous on-site inspections; or (3) that the Architect has made examinations to ascertain how or for what purposes the Construction Manager has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

## **§ 11.2 Final Payment**

**§ 11.2.1** Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Construction Manager when

- .1 the Construction Manager has fully performed the Contract, except for the Construction Manager's responsibility to correct Work as provided in Article 12 of AIA Document A201-2017, and to satisfy other requirements, if any, which extend beyond final payment;
- .2 the Construction Manager has submitted a final accounting for the Cost of the Work and a final Application for Payment; and
- .3 a final Certificate for Payment has been issued by the Architect in accordance with Section 11.2.2.2.

**§ 11.2.2** Within 30 days of the Owner's receipt of the Construction Manager's final accounting for the Cost of the Work, the Owner may conduct an audit of the Cost of the Work or notify the Architect that it will not conduct an audit.

**§ 11.2.2.1** If the Owner conducts an audit of the Cost of the Work, the Owner shall, within 10 days after completion of the audit, submit a written report based upon the auditors' findings to the Architect.

**§ 11.2.2.2** Within seven (7) days after receipt of the written report described in Section 11.2.2.1, or receipt of notice that the Owner will not conduct an audit, and provided that the other conditions of Section 11.2.1 have been met, the Architect will either issue to the Owner a final Certificate for Payment with a copy to the Construction Manager, or notify the Construction Manager and Owner in writing of the Architect's reasons for withholding a certificate as provided in Article 9 of AIA Document A201-2017. The time periods stated in this Section 11.2.2 supersede those stated in Article 9 of AIA Document A201-2017. The Architect is not responsible for verifying the accuracy of the Construction Manager's final accounting; however, the Construction Manager is responsible for any inaccuracies in its own final accounting.

**§ 11.2.2.3** If the Owner's auditors' report concludes that the Cost of the Work, as substantiated by the Construction Manager's final accounting, is less than claimed by the Construction Manager, the Construction Manager shall be entitled to request mediation of the disputed amount without seeking an initial decision pursuant to Article 15 of AIA Document A201-2017. A request for mediation shall be made by the Construction Manager within 30 days after the Construction Manager's receipt of a copy of the Architect's final Certificate for Payment. Failure to request mediation within this 30-day period shall result in the substantiated amount reported by the Owner's auditors becoming binding on the Construction Manager. Pending a final resolution of the disputed amount, the Owner shall pay the Construction Manager the amount certified in the Architect's final Certificate for Payment.

**§ 11.2.3** The Owner's final payment to the Construction Manager shall be made no later than 30 days after the issuance of the Architect's final Certificate for Payment, unless reasonably disputed by the Owner in good faith.

## **§ 11.2.4 NOT USED**

## **§ 11.3 Interest**

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

*(Insert rate of interest agreed upon, if any.)*

«Five percent (5%)» « See MCL 438.31 »

## ARTICLE 12 DISPUTE RESOLUTION

### § 12.1 Initial Decision Maker

§ 12.1.1 Any Claim between the Owner and Construction Manager shall be resolved in accordance with the provisions set forth in this Article 12 and Article 15 of AIA Document A201–2017. However, for Claims arising from or relating to the Construction Manager’s Preconstruction Phase services, no decision by the Initial Decision Maker shall be required as a condition precedent to mediation or binding dispute resolution, and Section 12.1.2 of this Agreement shall not apply.

During the pendency of any mediation per this Agreement, all applicable limitations provisions shall be tolled.

§ 12.1.2 The Architect will serve as the Initial Decision Maker pursuant to Article 15 of AIA Document A201–2017 for Claims arising from or relating to the Construction Manager’s Construction Phase services, unless the parties appoint below another individual, not a party to the Agreement, to serve as the Initial Decision Maker.

*(If the parties mutually agree, insert the name, address and other contact information of the Initial Decision Maker, if other than the Architect.)*

### § 12.2 Binding Dispute Resolution

For any Claim subject to, but not resolved by mediation pursuant to Article 15 of AIA Document A201–2017, the method of binding dispute resolution shall be as follows:

*(Check the appropriate box.)*

☐ Arbitration pursuant to Article 15 of AIA Document A201–2017

☒ Litigation in a court of competent jurisdiction

☐ Other: *(Specify)* ☐

## ARTICLE 13 TERMINATION OR SUSPENSION

### § 13.1 Termination Prior to Execution of the Guaranteed Maximum Price Amendment

§ 13.1.1 If the Owner and the Construction Manager do not reach an agreement on the Guaranteed Maximum Price, the Owner may terminate this Agreement upon not less than seven days’ written notice to the Construction Manager, and the Construction Manager may terminate this Agreement, upon not less than seven days’ written notice to the Owner.

§ 13.1.2 In the event of termination of this Agreement pursuant to Section 13.1.1, the Construction Manager shall be compensated for Preconstruction Phase services and Work properly performed prior to receipt of a notice of termination in an amount negotiated by the parties. In no event shall the Construction Manager’s compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.3 Prior to the execution of the Guaranteed Maximum Price Amendment, the Owner may terminate this Agreement upon not less than seven days’ written notice to the Construction Manager for the Owner’s convenience and without cause, and the Construction Manager may terminate this Agreement, upon not less than seven days’ written notice to the Owner, for the reasons set forth in Article 14 of A201–2017.

§ 13.1.4 In the event of termination of this Agreement pursuant to Section 13.1.3, the Construction Manager shall be compensated for Preconstruction Phase services and Work properly performed prior to receipt of a notice of termination in an amount negotiated by the parties. In no event shall the Construction Manager’s compensation under this Section exceed the compensation set forth in Section 5.1.

§ 13.1.5 If the Owner terminates the Contract pursuant to Section 13.1.3 after the commencement of the Construction Phase but prior to the execution of the Guaranteed Maximum Price Amendment, the Owner shall pay to the Construction Manager an amount calculated as follows, which amount shall be in addition to any compensation paid to the Construction Manager under Section 13.1.4:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager’s Fee computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager’s Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion; and
- .3 Subtract the aggregate of previous payments made by the Owner for Construction Phase services.

**§ 13.1.6** In the event the Owner terminates the Agreement pursuant to Section 13.1, the Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.1.5.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders. All Subcontracts, purchase orders and rental agreements entered into by the Construction Manager will contain provisions allowing for assignment to the Owner as described above.

**§ 13.1.6.1** If the Owner accepts assignment of subcontracts, purchase orders or rental agreements as described above, the Owner will reimburse the Construction Manager for all costs arising under the subcontract, purchase order or rental agreement, if those costs would have been reimbursable as Cost of the Work if the contract had not been terminated. If the Owner chooses to terminate the Agreement and elects not to accept assignment of any subcontract, purchase order or rental agreement that would have constituted a Cost of the Work had this agreement not been terminated, the Construction Manager will terminate the subcontract, purchase order or rental agreement. In the event the Construction Manager elects to terminate the Agreement the Owner shall not assume any of the costs identified in Sections 13.1.6 and 13.1.6.1.

## **§ 13.2 Termination or Suspension Following Execution of the Guaranteed Maximum Price Amendment**

### **§ 13.2.1 Termination**

The Contract may be terminated by the Owner or the Construction Manager as provided in Article 14 of AIA Document A201–2017.

### **§ 13.2.2 Termination by the Owner for Cause**

**§ 13.2.2.1** If the Owner terminates the Contract for cause as provided in Article 14 of AIA Document A201–2017, the amount, if any, to be paid to the Construction Manager under Article 14 of AIA Document A201–2017 shall not cause the Guaranteed Maximum Price to be exceeded, nor shall it exceed an amount calculated as follows:

- .1 Take the Cost of the Work incurred by the Construction Manager to the date of termination;
- .2 Add the Construction Manager's Fee, computed upon the Cost of the Work to the date of termination at the rate stated in Section 6.1 or, if the Construction Manager's Fee is stated as a fixed sum in that Section, an amount that bears the same ratio to that fixed-sum Fee as the Cost of the Work at the time of termination bears to a reasonable estimate of the probable Cost of the Work upon its completion;
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract the costs and damages incurred, or to be incurred, by the Owner under Article 14 of AIA Document A201–2017.

**§ 13.2.2.2** The Owner shall also pay the Construction Manager fair compensation, either by purchase or rental at the election of the Owner, for any equipment owned by the Construction Manager that the Owner elects to retain and that is not otherwise included in the Cost of the Work under Section 13.2.2.1.1. To the extent that the Owner elects to take legal assignment of subcontracts and purchase orders (including rental agreements), the Construction Manager shall, as a condition of receiving the payments referred to in this Article 13, execute and deliver all such papers and take all such steps, including the legal assignment of such subcontracts and other contractual rights of the Construction Manager, as the Owner may require for the purpose of fully vesting in the Owner the rights and benefits of the Construction Manager under such subcontracts or purchase orders.

### **§ 13.2.3 NOT USED**

## **§ 13.3 Suspension**

The Work may be suspended by the Owner as provided in Article 14 of AIA Document A201–2017; in such case, the Guaranteed Maximum Price and Contract Time shall be adjusted as provided in Article 14 of AIA Document A201–2017, except that the term "profit" shall be understood to mean the Construction Manager's Fee as described in Sections 6.1 and 6.3.5 of this Agreement.

## ARTICLE 14 MISCELLANEOUS PROVISIONS

§ 14.1 Terms in this Agreement shall have the same meaning as those in A201–2017. Where reference is made in this Agreement to a provision of AIA Document A201–2017 or another Contract Document, the reference refers to that provision as amended or supplemented by other provisions of the Contract Documents.

### § 14.2 Successors and Assigns

§ 14.2.1 The Owner and Construction Manager, respectively, bind themselves, their partners, successors, assigns and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 14.2.2 of this Agreement, and in Section 13.2.2 of A201–2017, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 14.2.2 The Owner may, without consent of the Construction Manager, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Construction Manager shall execute all consents reasonably required to facilitate the assignment.

### § 14.3 Insurance and Bonds

#### § 14.3.1 Preconstruction Phase

The Construction Manager shall maintain the insurance as identified in **Attachment A** for the duration of the Preconstruction Services performed under this Agreement. **If any of the requirements set forth in Attachment A exceed the types and limits the Construction Manager normally maintains, the Owner shall reimburse the Construction Manager for any additional cost.**

#### § 14.3.1.1 - § 14.3.1.6 Reserved

§ 14.3.1.7 **Additional Insured Obligations.** Grand Rapids Public School District and Plante Moran Realpoint, LLC, it's Owner's Representative, the Architect, and Architect's consultants must be named as additional insured by endorsement to the Comprehensive General Liability Policy. Certificates of insurance evidencing that the Construction Manager has secured all of the foregoing insurance must be provided to the Owner. A minimum of thirty [30] days' notice to the Owner prior to the cancellation of, or change in, any such insurance shall be endorsed on each policy and noted on each certificate.

§ 14.3.1.8 The Construction Manager shall provide certificates of insurance to the Owner that evidence compliance with the requirements in this Section 14.3.1.

§ 14.3.1.9 Prior to the commencement of any Project, the Construction Manager shall notify the Owner in writing of its proposed insurance coverages and amounts, even if they are the same as identified in this Section 14.3.1.9, which coverages and amounts shall be subject to the Owner's reasonable approval, and such coverages will not be terminated, non-renewed, or reduced without at least 30 days' prior written notice to the Owner.

#### § 14.3.2 Construction Phase

After execution of the Guaranteed Maximum Price Amendment, the Owner and the Construction Manager shall purchase and maintain insurance as set forth in Section 14.3 of this AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, and elsewhere in the Contract Documents.

§ 14.3.2.1 The Construction Manager shall obtain and maintain a performance bond and payment bond with the amount of each bond equal to one hundred percent (100%) of the Contract Sum. The Construction Manager shall provide proof of same to the Owner upon execution of this Agreement. The Construction Manager may determine, in its discretion, whether any subcontractor should provide supplemental performance and payment bonds. If any such supplemental bonds are required or otherwise obtained: (i) they shall be at the sole cost of the Construction Manager (or the subcontractor providing such bond) and without any cost whatsoever to the Owner and without an increase in the Contract Sum or Guaranteed Maximum Price, and (ii) they shall be dual obligee bonds, naming the Owner as an obligee. Notwithstanding the general rule stated above, the Owner may, in its reasonable discretion and after receiving a recommendation from the Construction Manager, determine to require a subcontractor to supply performance and payment bonds in addition to the Construction Manager's bond in one of two scenarios: (1) when (i) the subcontractor's bid including the added cost of the bond is significantly below the next bona fide bid, and (ii) the Construction Manager

has no previous experience or work experience with the subcontractor, and (iii) it is necessary to accept the subcontractor's bid in order to meet the established Guaranteed Maximum Price; and/or (2) in any other compelling circumstance, but only upon the Owner's prior written consent, which may be provided or withheld in its sole discretion. In either of the described scenarios, the Owner will reimburse the Construction Manager for the cost of the bonds.

**§ 14.4** Notice in electronic format, pursuant to Article 1 of AIA Document A201–2017, may be given in accordance with AIA Document E203™–2013, Building Information Modeling and Digital Data Exhibit, if completed, or as otherwise set forth below:

*(If other than in accordance with AIA Document E203–2013, insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission.)*

« »

**§ 14.5 Other provisions:**

**§ 14.5** Bids for the Project work to be done by the various Subcontractors shall be taken by the Owner in accordance with applicable statutes; the Owner shall award contracts or reject bids. Contracts executed pursuant to the Owner's award shall be drafted as required in Section 14.6 and Section 14.7. The awarded contracts shall be assigned to the Construction Manager and executed between the Construction Manager and each subcontractor and shall be in a form approved by the Owner. The parties agree that the Construction Manager (and any related entities) shall not be permitted to submit bids for the Project. It is understood that the Construction Manager, as applicable, will recommend the lowest responsible bidders to the Owner to be awarded any subcontract.

**§ 14.6** All construction shall be performed under subcontracts awarded by the Owner, and the form of subcontracts to be entered into by the Construction Manager and Subcontractor(s), including the general and supplementary conditions to the Construction Contract, shall be in compliance with statutory requirements established by the State of Michigan and contracting policies of Owner, and satisfactory to both the Owner and the Construction Manager. The Construction Manager shall ensure that the subcontracts described herein to conform with the requirements of this Agreement and the agreement between the Owner and Architect, including but not limited to modification concerning dispute resolution procedures.

**§ 14.7** The subcontracts shall identify the Owner as a third party beneficiary. The Construction Manager shall obtain appropriate guarantees and warranties from the Subcontractors running directly to the Owner. Further, such subcontracts shall specify that no Asbestos Containing Building Materials (ACBM) shall be used in the construction of the Project.

**§ 14.8** Along with each Application for Payment, Construction Manager will submit proof of payments made to all current Subcontractors and Suppliers. The Owner, in its discretion, may issue checks payable jointly to Construction Manager and to Subcontractors to cover amounts payable to such Subcontractors.

**§ 14.9** After the award to each subcontract, Construction Manager shall assume full responsibility to Owner for the timely completion of the subcontracts within the price set forth in the subcontracts, subject only to change orders approved by the Owner. Further, the Construction Manager will assume responsibility for payments to all of the Subcontractors' suppliers, sub-subcontractors, and materialmen.

Construction Manager shall be responsible for the workmanlike performance of all construction performed on the Project, and shall be responsible for completion of all work required under the subcontract. In this regard, in addition to the authority of the Architect, Construction Manager shall have the authority to reject non-compliant work and to require Subcontractors to remove and correct all non-compliant work.

**§ 14.10** Construction Manager will (1) implement for the Project a safety program designed to encourage safe work habits and practices and reduce the occurrences of accidents and injuries, and (2) require all Subcontractors and employers on the Project to supplement the safety program supplied by the Construction Manager with a like program developed and put in place by each Subcontractor and employer on the Project. Construction Manager will oversee and supervise the implementation of all safety programs and policies applicable to those activities occurring on the Project. No requirement under this Agreement is intended to diminish or otherwise compromise the obligations for safety and indemnification for which the Subcontractor is responsible.

**§ 14.11** The Construction Manager shall be responsible to the Owner for acts and omissions of its agents, employees, and subcontractors.

**§ 14.12** The obligation of Construction Manager to correct defective workmanship and materials shall continue for at least one (1) year after Substantial Completion. In all bid documents, the Construction Manager shall require, as a mandatory alternate, bidders to provide pricing for a two-year correction warranty and, if accepted by the Owner, the Construction Manager's obligation to correct defective workmanship and materials shall continue for at least two (2) years after Substantial Completion. The designation of the period of one or two years as a warranty period does not relieve Construction Manager or any Subcontractor of obligations to perform the work as required by the Contract Documents. The Construction Manager's obligations under this section are in addition to the Construction Manager's responsibilities to fulfill contract obligations or with respect to other specific warranties.

**§ 14.13** The Construction Manager shall indemnify and hold harmless the Owner, its Board of Education, its board members in their official and individual capacities, administration, its successors, assigns, employees and agents (the "Indemnitees"), from and against any and all claims, costs, expenses, damages, and liabilities, to the extent caused in whole or in part by (i) the negligent acts or omissions of the Construction Manager, its officers, directors and employees, agents or subcontractors; (ii) any breach of the terms of this Agreement by the Construction Manager; or (iii) any breach of any representation or warranty by the Construction Manager under this Agreement. The Construction Manager shall notify the Owner by certified mail, return receipt requested, immediately upon knowledge of any claim, suit, action, or proceeding for which the Owner or one or more of the Indemnitees may be entitled to indemnification under this Agreement. Further, the Owner shall be entitled to recover attorneys' fees and legal fees from the Construction Manager under the following circumstances: (1) the Owner has to defend a third-party claim or action for which the Construction Manager must indemnify the Owner as described above; and (2) the Owner successfully asserts a claim or action against the Construction Manager for professional negligence, breach of contract, and/or defective Work. For purposes of the previous sentence "successfully" means the Owner recovers damages from the Construction Manager, regardless of amount. The Construction Manager shall not be responsible for indemnifying an Indemnitee for the Indemnitee's negligence, but shall remain responsible to the fullest degree of Construction Manager's fault, on a comparative basis.

**§ 14.14** The Construction Manager shall inspect the work of the Subcontractors on the Project as it is being performed until final completion and acceptance of the Project by the Owner to assure that the work performed and the materials furnished are in accordance with the contract documents and that work on the project is progressing on schedule. In the event that the quality control testing should indicate that the work, as installed, does not meet the requirements of this Project, the Architect and/or Owner shall determine the extent of the work that does not meet the requirements and the Construction Manager shall direct the Subcontractor to take appropriate corrective action (or the Construction Manager may take such action itself, with the approval of the Owner, which shall not be unreasonably withheld), and advise the Owner of the corrective action.

**§ 14.15** The Construction Manager shall timely inform both the Owner and the Architect of any observed defects or deficiencies in the quality of workmanship of the various Subcontractors.

**§ 14.16** During the Construction Phase, the Construction Manager shall:

**§ 14.16.1** Provide regular monitoring of the schedule as construction progresses. Identify potential variances between scheduled and probable completion dates. Review schedule for Work not started or incomplete and recommend to the Owner and Subcontractors, adjustments in the schedule to meet the probable completion date. Provide summary reports of each monitoring and document all changes in schedule.

**§ 14.16.2** Determine the adequacy of the Subcontractor's personnel and equipment and the availability of materials and supplies to meet the schedule. Recommend courses of action to the Owner when requirements of a subcontract are not being met.

**§ 14.16.3** Provide all supervision, services, utilities, etc. which are necessary for the completion of the Project in accordance with the contract documents which are not provided through the subcontracts, or by the Owner, or as a reimbursable item.

**§ 14.16.4** Develop and monitor an effective system of Project cost control. Revise and refine the initially approved Project Construction Budget, incorporate approved changes as they occur, and develop cash flow reports and forecasts as needed. Identify variances between actual and budgeted or estimated costs and advise Owner and Architect whenever projected cost exceed budgets or estimates. The parties acknowledge the Owner's fixed budget for this Project which shall not be exceeded under any circumstances without the Owner's prior written approval.

**§ 14.16.5** Develop and implement a system for the preparation, review and processing of Change Orders. Recommend necessary or desirable change to the Owner and the Architect. Review requests for changes and submit recommendations to the Owner and the Architect. The Construction Manager bears the responsibility of preparing change orders. If requested by the Owner, the Construction Manager will provide an explanation of the nature, cause, source, and responsible parties for any such change order.

**§ 14.16.6** Develop and implement a procedure for the review, processing and payment of applications by Subcontractors for progress and final payments.

**§ 14.16.7** Obtain all building permits and special permits for permanent improvements, excluding permits for inspection of temporary facilities required to be obtained directly by the various Subcontractors. The cost of such permits shall be a reimbursable item, unless included within the responsibilities of the subcontractors, the Owner, or the Owner's consultants. Obtain approvals from all the authorities having jurisdiction.

**§ 14.16.8** If required, assist the Owner in selecting and retaining professional services of a surveyor, testing laboratories and special consultants, and coordinate these services, without assuming any responsibility or liability of or for these consultants.

**§ 14.16.9** In collaboration with the Owner and Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples, that include the review and approval of such by the Construction Manager. Incomplete or inadequate drawings and samples shall be returned by the Construction Manager to the submitting subcontractor prior to submission to the Architect.

In collaboration with the Owner and Architect, establish and implement procedures for expediting the processing and approval of requests for information (RFIs).

**§ 14.16.10** Maintain at the Property site, on a current basis: records of all necessary Contracts, Drawings, samples, purchases, materials, equipment, maintenance and operating manuals and instructions and other construction related documents, including all revisions. Obtain data from Subcontractors and maintain a current set of record Drawings, Specifications and operating manuals. At the completion of the Project, deliver all such records organized in a reasonable manner and provided to the Owner.

**§ 14.16.11** With the Owner's maintenance personnel, direct the checkout of utilities, operations systems and equipment for readiness and assist in their initial start-up and testing by the Subcontractors.

**§ 14.16.12** Secure and transmit to the Owner required guarantees, affidavits, releases, bonds and waivers. Turn over to the Owner all keys, manuals, and record drawings.

**§ 14.16.13 Warranty:** The Construction Manager shall warrant that all materials and equipment included in the Work will be new, unless otherwise specified, and that such Work will be of good quality, free from improper workmanship and defective materials and in conformance with the Drawings and Specifications. With respect to the Work, the Construction Manager further agrees to correct all Work defective in material and workmanship for a period of one or two years from the Date of Substantial Completion (as described in Section 14.12 above) or for such longer periods of time as may be set forth with respect to specific warranties contained in the trade sections of the Specifications. The Construction Manager shall collect and deliver to the Owner any specific written warranties given by others.

**§ 14.16.14** Conduct Project meetings with trade contractors as needed for the work to proceed on a timely basis. The Owner shall be allowed to attend same.

**§ 14.17** The Owner reserves the right in its discretion to require consolidation or joinder of any mediation or other legal proceeding relating to this Agreement with another mediation or other legal proceeding involving an independent

contractor or consultant engaged by the Owner in connection with the Project in the event the Owner believes such consolidation or joinder is necessary in order to resolve a dispute or avoid duplication of time, expense or effort.

**§ 14.18** In the event the Owner is involved in a dispute which is not subject to mediation involving a person or entity not a party to this Agreement, the mediation provision of this Article shall be deemed to be void and nonexistent in the event the Owner, in its discretion, determines the Construction Manager should become a party to that dispute by joinder or otherwise.

**§ 14.19** The Owner reserves the right to require any mediation to be held near the Owner's principal place of business.

**§ 14.20** Prior to the commencement of the Work, Construction Manager shall file with the Owner valid Certificates of Insurance and amendatory riders or endorsements to Construction Manager's and subcontractor's insurance policies, all in form and substance satisfactory to the Owner, naming Owner and its officers and employees or other persons or entities with an insurable interest designated by Owner as additional insured thereunder. Said endorsements or amendatory riders shall indicate that as respects said additional insured, there shall be severability of interests under said insurance policies for all coverages provided under said insurance policies. The Certificates and amendatory riders or endorsements shall clearly indicate the specific coverage and shall contain a provision requiring the giving of written notice to Owner until at least thirty (30) days prior to the cancellation, non-renewal or material modification of any such policies as evidenced by return receipt of United States Certified or Registered Mail. Construction Manager shall require all Subcontractors to provide the same insurance in amounts satisfactory to Construction Manager and Owner. Insurances provided on a "claims-made" basis shall be enforceable upon commencement of services and maintained for six years following substantial completion. Insurances provided on an "occurrence" basis shall be enforceable upon commencement of services and maintained for one year following substantial completion.

**§ 14.21** There will be no fee adjustment for changes within original Project budget (including contingency) and Project Schedule. However, if there are significant Owner-directed changes to the Project scope, thereby exceeding the Project budget or affecting the Project schedule, any adjustment in the fee, reimbursables and General Conditions costs to compensate the Construction Manager for his increased expenses, will be as negotiated by the parties.

**§ 14.21.1** The Construction Manager acknowledges and is bound by the Guaranteed Maximum Price and not-to-exceed amount established in this Agreement, and further recognizes that the Owner's total project cost cannot be exceeded. The Construction Manager and the Owner agree to work with the Architect to keep the Project's scope of the work within these fixed costs.

**§ 14.22** In order to keep the Owner and Architect informed of the total project budget, the Construction Manager shall provide the Owner budget reports monthly, or at such other intervals agreed by the Owner and the Construction Manager, indicating the current status of each portion of the Project, showing both budgeted costs and committed costs after trade contractors' bids have been received and reviewed by the Construction Manager.

**§ 14.23** The Construction Manager shall provide full-time on-site supervision of the Project when work is underway. The Owner reserves the right to approve the identity of the Construction Manager's field supervisor(s) and to require the replacement of the field supervisor(s) upon two weeks' notice. The Construction Manager shall propose, and Owner shall approve, the key individuals to provide the services described herein. In the event that an approved individual is discharged, dies, is disabled, is promoted to a substantially different responsibility or the Owner requests their replacement, the Construction Manager shall promptly propose an individual, including qualifications and experience, as a replacement for the Owner's approval.

**§ 14.24** The date of substantial completion for any individual subcontractor's contract will be established jointly by the Construction Manager, the Architect and Owner.

**§ 14.25** During fire marshal visits or Bureau of Construction Codes visits, the Construction Manager will take a pro-active role to make such visits productive and timely.

**§ 14.26** The Construction Manager will provide a pre-punch list prior to the final punch list walkthrough.

**§ 14.27** Costs identified in Article 7 shall not be reimbursed if caused or exacerbated by the Construction Manager's negligent or wrongful actions or inactions.

**§ 14.28** If a hazardous substance is encountered on or below the surface of the Project, the Construction Manager shall promptly notify the Owner of such a discovery.

**§ 14.29** The Construction Manager shall assist the Architect and Owner in the preparation of the necessary bidding information, bidding forms, the Conditions of the Contract, and the form of Agreement between the Owner and Contractor and shall review those documents to coordinate conformance of those documents with the Drawings and Specifications as approved by the Owner.

**§ 14.30** Front-end work on the specifications will be developed and administered by the Construction Manager. The Construction Manager shall assist the Owner in the preparation of the necessary bidding information, bidding forms, the Conditions of the Contract, and the form of Agreement between the Owner and Contractor and shall review those documents to coordinate conformance of those documents with the Drawings and Specifications as approved by the Owner.

**§ 14.31** The Construction Manager shall advise the Owner of any adjustments to previous preliminary estimates of Construction Cost indicated by changes in requirements or general market conditions.

**§ 14.32** On the basis of its regular on-site observations, the Construction Manager will report to the Owner any construction means, methods, techniques, sequences or procedures that do not appear to conform with industry standards and also shall report to the Owner any work that appears not to be in conformance with the contract documents.

**§ 14.33** As a part of Basic Services, the Construction Manager shall conduct a post-occupancy audit six (6) months and eleven (11) months following the Date of Substantial Completion and shall also provide call-back services for the duration of the applicable warranty period (but in no event less than one year following Substantial Completion).

**§ 14.34** The Construction Manager shall be accessible to the Owner, either on-site or via communication media, as is necessary to address issues that arise during the Project.

**§ 14.35** The Construction Manager will, as part of Basic Services, attend the Owner's Board of Education meetings and staff meetings (in person or via communication media) as reasonably requested by the Owner.

**§ 14.36** If at any time the Construction Manager's cost estimates exceed the Guaranteed Maximum Price and/or the Owner's fixed budget, the Construction Manager, in consultation with the Architect and at no additional cost to the Owner, shall make appropriate recommendations to the Owner and provide all related services required to appropriately adjust the Project's size, quality or budget, and the Owner shall reasonably cooperate with the Construction Manager and Architect in making such adjustments.

**§ 14.37** Notwithstanding anything to the contrary herein, or in any other Contract Document, and regardless of applicable statutes of limitation, the parties agree that a claim or cause of action by the Owner is timely filed if filed within six (6) years of Substantial Completion.

**§ 14.38** The Construction Manager will not discriminate against any employee or applicant for employment, to be employed in the performance of this contract, with respect to hire, tenure, conditions or privilege of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, sexual orientation, gender identity or expression, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this contract.

**§ 14.39** The Construction Manager agrees to retain permanent records relating to the services performed under this Agreement for a period of at least six (6) years following final completion of the Project, after which period such records will be offered to the Owner for the Owner's retention.

**§ 14.40** Any waivers hereunder must be in writing. No waiver or right or remedy in the event of default hereunder shall constitute a waiver of such right or remedy in the event of any subsequent default. A waiver of any term, condition, or covenant by a party shall not constitute a waiver of any other term, condition or covenant.

§ 14.41 If any court of competent jurisdiction declares a provision of this Agreement invalid, illegal or otherwise unenforceable, the remaining provisions of the Agreement shall remain in full force and effect.

§ 14.42 As part of Basic Services, the Construction Manager shall work with the Owner's Technology Designer and technology contractors to incorporate the Owner's technology program into the Project.

§ 14.43 The parties agree that the Owner is not waiving any rights its insurer(s) may have to subrogation. To the extent any term in this Agreement or any other Contract Document is contrary to this provision, such term is void and unenforceable.

§ 14.44 The General Conditions of the Contract, AIA Document A201-2017, shall apply as modified by the parties, and all references to AIA Document A201-2017 or the "General Conditions" shall refer to the modified version of the General Conditions of the Contract.

§ 14.45 Without affecting the interpretation of any other heading in this Agreement, it is expressly acknowledged that the headings in Sections 7.4 through 7.7 are deemed part of the parties' substantive agreement.

## ARTICLE 15 SCOPE OF THE AGREEMENT

§ 15.1 This Agreement represents the entire and integrated agreement between the Owner and the Construction Manager and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Construction Manager.

§ 15.2 The following documents comprise the Agreement:

- .1 AIA Document A133™-2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, as modified for the Project;
- .2 AIA Document A133™-2019, Exhibit A, Guaranteed Maximum Price Amendment, as modified for the Project;
- .3 AIA Document A201™-2017, General Conditions of the Contract for Construction, as modified for the Project;
- .4 Other Exhibits:  
Exhibit B – Not Used  
Exhibit C – Scope of Preconstruction Services  
Exhibit D – Preliminary Project Milestone Schedule  
Exhibit E – Construction Manager's Certificate(s) of Insurance and Bonds

[ « » ] Supplementary and other Conditions of the Contract:

| Document | Title | Date | Pages |
|----------|-------|------|-------|
|----------|-------|------|-------|

- .7 Other documents incorporated into this Agreement, listed below:  
*(List here any additional documents that are intended to form part of the Contract Documents. AIA Document A201–2017 provides that the advertisement or invitation to bid, Instructions to Bidders, sample forms, the Construction Manager's bid or proposal, portions of Addenda relating to bidding or proposal requirements, and other information furnished by the Owner in anticipation of receiving bids or proposals, are not part of the Contract Documents unless enumerated in this Agreement. Any such documents should be listed here only if intended to be part of the Contract Documents.)*  
Project Manual  
Owner's Request for Proposal dated \_\_\_\_\_  
Portions of the Construction Manager's Proposal that are accepted by the Owner and not in conflict with the terms of this Agreement

«In the event of any inconsistency or ambiguity between, within, or among any of the documents that constitute the Agreement, the terms most beneficial to the Owner, as determined in the Owner's sole discretion, shall govern.»

*[signatures on following page]*



This Agreement is entered into as of the day and year first written above.

GRAND RAPIDS PUBLIC SCHOOL DISTRICT,

\_\_\_\_\_  
**OWNER** *(Signature)*

«Alex Smart,  
Executive Director of Facilities and Operations »« »  
*(Printed name and title)*

\_\_\_\_\_  
**CONSTRUCTION MANAGER** *(Signature)*

« »« »  
*(Printed name and title)*

## Guidelines for Contractors/Subcontractors – GRPS Bond Projects for Direct Contracts

|                                                                                                                                      | Projects Under \$1MM – without structural revisions | Projects \$1MM to \$5MM without significant structural revisions | Projects over \$5MM in value | Comments                                                                                                               |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|------------------------------------------------------------------|------------------------------|------------------------------------------------------------------------------------------------------------------------|
| <b>Professional Liability</b>                                                                                                        |                                                     |                                                                  |                              |                                                                                                                        |
| Each Claim Made                                                                                                                      | \$ 1,000,000                                        | \$ 1,000,000                                                     | \$ 2,000,000                 | Larger exposure (over \$10M)<br>\$2MM/\$4MM                                                                            |
| Aggregate                                                                                                                            | \$ 2,000,000                                        | \$ 2,000,000                                                     | \$ 2,000,000                 |                                                                                                                        |
| <b>Contractors Pollution Liability</b>                                                                                               | \$1,000,000                                         | \$1,000,000                                                      | \$2,000,000                  | Exceptions for this requirement are to be requested and approved in writing to the construction manager and the owner. |
| Examples of Exposures – fuel tanks on site, large fleet/equipment, HVAC work, electronical work, abatement, chemical products onsite | \$2,000,000                                         | \$2,000,000                                                      | \$2,000,000                  |                                                                                                                        |
| <b>Commercial General Liability</b>                                                                                                  |                                                     |                                                                  |                              |                                                                                                                        |
| General Aggregate                                                                                                                    | \$ 2,000,000                                        | \$ 3,000,000                                                     | \$ 3,000,000                 |                                                                                                                        |
| Products/Completed Operations Aggregate                                                                                              | \$ 2,000,000                                        | \$ 3,000,000                                                     | \$ 3,000,000                 |                                                                                                                        |
| Each Occurrence Limit                                                                                                                | \$ 1,000,000                                        | \$ 1,000,000                                                     | \$ 1,000,000                 |                                                                                                                        |
| Personal/Advertising Injury                                                                                                          | \$ 1,000,000                                        | \$ 1,000,000                                                     | \$ 1,000,000                 |                                                                                                                        |
| <b>Automobile Liability</b>                                                                                                          |                                                     |                                                                  |                              |                                                                                                                        |
| Bodily Injury/Property Damage (Each Accident)                                                                                        | \$ 1,000,000                                        | \$ 1,000,000                                                     | \$ 1,000,000                 | Combined Single Limit                                                                                                  |
| <b>Workers' Compensation</b>                                                                                                         |                                                     |                                                                  |                              |                                                                                                                        |

Communications concerning this matter, including this email and any attachments, may have been provided for purposes of insurance/risk management consulting. Opinions and advice provided by Gallagher are not intended to be, and should not be construed as, legal advice.

|                                         |              |              |              |                                                                                  |
|-----------------------------------------|--------------|--------------|--------------|----------------------------------------------------------------------------------|
| Coverage A (Workers' Compensation)      | Statutory    | Statutory    | Statutory    |                                                                                  |
| Coverage B (Employers Liability)        |              |              |              | Include waiver of subrogation endorsement                                        |
| Per Accident                            | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |                                                                                  |
| Per Disease Policy Limit                | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |                                                                                  |
| Per Disease per Employee                | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |                                                                                  |
| <b>Umbrella Liability</b>               |              |              |              |                                                                                  |
| Each Occurrence Limit                   | \$ 2,000,000 | \$ 3,000,000 | \$ 5,000,000 | Limit suggestions are based on General Aggregate applying on a per project basis |
| General Aggregate Limit                 | \$ 2,000,000 | \$ 3,000,000 | \$ 5,000,000 |                                                                                  |
| Products/Completed Operations Aggregate | \$ 2,000,000 | \$ 3,000,000 | \$ 5,000,000 |                                                                                  |

#### **Additional Insurance Requirements:**

- (1) All insurance coverage is shall be issued by an insurance company authorized to do business in the State and which maintains an A.M. Best rating of A-X or better.
- (2) The Contractor shall maintain the required insurance on an occurrence-basis for at least one year following the date of Substantial Completion and/or on a claims-made basis for at least six years following the date of Substantial Completion.
- (3) Auto Liability Coverage shall be for all owned, non-owned or hired motor vehicles.
- (4) Workers Compensation to include waiver of subrogation - Contractor hereby agrees to waive rights of subrogation, which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Grand Rapids Public Schools its subsidiaries, affiliated entities, their officers, officials, employees, and volunteers for all work performed by the Contractor, its employees, agents and subcontractors.
- (5) Additional Insured Provision for General Liability/Umbrella: To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04, and, with respect to the Architect and the Architect's consultants, and the Construction Manager and the Construction Manager's consultants, CG 20 32 07 04. The Additional Insured status shall apply to the full limits of liability purchased by the Contractor, its Subcontractors and Vendors even if those limits of liability are in excess of those required by this Agreement. In respect to the Subcontractor's and Vendor's Commercial General Liability and Umbrella/Excess Liability policies

Communications concerning this matter, including this email and any attachments, may have been provided for purposes of insurance/risk management consulting. Opinions and advice provided by Gallagher are not intended to be, and should not be construed as, legal advice.

- (6) For General Liability/Umbrella - General Aggregate limit must apply on a per project/per location aggregate basis; Exceptions for this requirement are to be requested and approved in writing to the construction manager and the owner.
- (7) General Liability to include a minimum of \$1,000,000 Abuse and Molestation coverage for all projects. No exceptions allowed.
- (8) Certificates of insurance must contain a clause stating that coverage afforded by the policies will not be canceled or materially altered without at least thirty (30) days' advanced written notice to the Owner and Architect. If requested, Contractor shall provide true and full copies of any or all required insurance policies.
- (9) If there is a Drone Exposure also include : Insurance for the use or operation of manned or unmanned aircraft, if the Work requires such activities, with policy limits of not less than \$1,000,000 per claim and \$1,000,000 in the aggregate.
- (10) If Asbestos Abatement Exposure must include requirements shown in the chart above for Contractors pollution liability.

Updated: November 17, 2025

GRPS Risk Mgmt Office

# DRAFT AIA® Document A201® – 2017

## General Conditions of the Contract for Construction

### for the following PROJECT:

(Name and location or address)

«Grand Rapids Public School District – 2023 Bond Program

Renovations at the following buildings:

Union High School located at 1800 Tremont Blvd NW, Grand Rapids, MI 49504;

Harrison Park Elementary located at 1440 Davis Ave NW, Grand Rapids, MI 49504; and

Campus Elementary located at 710 Benjamin Ave SE, Grand Rapids, MI 49506, all in

accordance with the relevant application for preliminary qualification of bonds, the

relevant election ballot language, Owner-approved plans and specifications, all

applicable laws, the Owner's fixed budget, and as otherwise approved by the Owner. »

### THE OWNER:

(Name, legal status and address)

«Grand Rapids Public School District»« »

1331 Martin Luther King Jr. Street SE

«Grand Rapids, Michigan 49506»

### THE ARCHITECT:

(Name, legal status and address)

To be determined

### THE CONSTRUCTION MANAGER:

To be determined

References to the "Contractor" herein with respect to the Construction Phase or as pertains to actual, physical construction shall be deemed to apply to the Construction Manager, and references to the Owner/Contractor Agreement shall refer to the Owner/Construction Manager Agreement, unless context suggests otherwise.

The inclusion of any reference to or use of the term "Construction Manager" in this document shall in no way be read to limit in any way the applicability of this document as provided in Owner-Construction Manager Agreement Section 1.3.

### ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

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## **ARTICLE 1 GENERAL PROVISIONS**

### **§ 1.1 Basic Definitions**

#### **§ 1.1.1 The Contract Documents**

The Contract Documents are enumerated in the Agreement between the Owner and Contractor (hereinafter the Agreement), which shall be awarded by the Owner and then assigned by the Owner to the Construction Manager after award, and consist of the Agreement, Conditions of the Contract (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to execution of the Contract, other documents listed in the Agreement, and Modifications issued after execution of the Contract. A Modification is (1) a written amendment to the Contract signed by both parties, (2) a Change Order, (3) a Construction Change Directive, or (4) a written order for a minor change in the Work issued by the Architect. Unless specifically enumerated in the Agreement in writing, the Contract Documents also include the advertisement or invitation to bid, Instructions to Bidders, other information furnished by the Owner in anticipation of receiving bids or proposals, accepted portions of the Contractor's bid or proposal, and portions of Addenda relating to bidding or proposal requirements. The Architect's execution of the Owner/Architect Agreement and the Construction Manager's execution of the Owner/Construction Manager Agreement and subcontractor agreements shall constitute their respective acceptance of all provisions of the Drawings, Addenda, and all Contract Documents.

#### **§ 1.1.2 The Contract**

The Contract Documents form the Contract for Construction. The Contract represents the entire and integrated agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind (1) between the Contractor and the Architect or the Architect's consultants, (2) between the Owner and a Subcontractor or a Sub-subcontractor, (3) between the Owner and the Architect or the Architect's consultants, or (4) between any persons or entities other than the Owner and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate the Contractor's performance of its duties.

#### **§ 1.1.3 The Work**

The term "Work" means the construction and services required by the Contract Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided or to be provided by the Contractor to fulfill the Contractor's obligations. The Work may constitute the whole or a part of the Project.

#### **§ 1.1.4 The Project**

The Project is the total construction of which the Work performed under the Contract Documents may be the whole or a part and which may include construction by the Owner and by Separate Contractors.

#### **§ 1.1.5 The Drawings**

The Drawings are the graphic and pictorial portions of the Contract Documents showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules, and diagrams.

#### **§ 1.1.6 The Specifications**

The Specifications are that portion of the Contract Documents consisting of the written requirements for materials, equipment, systems, standards and workmanship for the Work, and performance of related services.

#### **§ 1.1.7 Instruments of Service**

Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Architect and the Architect's consultants under their respective professional services agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

#### **§ 1.1.8 Initial Decision Maker**

The Initial Decision Maker is the person identified in the Agreement to render initial decisions or interpretations, as applicable, on Claims in accordance with Section 15.2. The Initial Decision Maker shall not be liable for results of interpretations or decisions rendered in good faith and without negligence.

**§ 1.1.9** The term "Product(s)" as used in the Contract Documents refers to the materials, systems and equipment provided by the Contractor for use in the work of the Project.

**§ 1.1.10** The terms "Warranty" and "Guarantee" as used in the Contract Documents shall have the same meaning and shall be defined as "legally enforceable assurance of satisfactory performance or quality of a product or Work."

**§ 1.1.11** Where materials, systems and equipment items are referred to in the singular, such reference shall not serve to limit the quantity required. The Contractor shall furnish quantities as required by the Contract Documents to complete the Work.

**§ 1.1.12** Unless specifically limited in the Contract, the words "furnish," "install," and "provide," or any combination thereof, mean to furnish and incorporate into the Work, including all necessary labor, materials, and equipment and other items required to perform the Work indicated.

**§ 1.1.13** The Project Manual is a volume assembled for the Work which may include the bidding requirements, sample forms, Conditions of the Contract and Specifications.

## **§ 1.2 Correlation and Intent of the Contract Documents**

**§ 1.2.1** The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one shall be as binding as if required by all; performance by the Contractor shall be required only to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the indicated results. If the Drawings and Specifications conflict with each other with regard to the quality or quantity of Work required, the better quality and/or the greater quantity shall govern, and shall be provided, unless instructions are otherwise furnished to the Contractor by the Architect in writing with the Owner's consent.

**§ 1.2.1.1** The invalidity of any provision of the Contract Documents shall not invalidate the Contract or its remaining provisions. If it is determined that any provision of the Contract Documents violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case the Contract Documents shall be construed, to the fullest extent permitted by law, to give effect to the parties' intentions and purposes in executing the Contract.

**§ 1.2.2** Organization of the Specifications into divisions, sections and articles, and arrangement of Drawings shall not control the Contractor in dividing the Work among Subcontractors or in establishing the extent of Work to be performed by any trade. Where responsibility for particular Work is required of the Contractor, the Contractor shall not be released from that responsibility by reason of the location of the Specification, Drawing, or other information that establishes the responsibility. Thus, for example, the Contractor shall be responsible for all Work required of it, even though that responsibility may be shown only in that portion of the Contract Documents typically pertaining to another contractor or trade.

**§ 1.2.3** Unless otherwise stated in the Contract Documents, words that have well-known technical or construction industry meanings are used in the Contract Documents in accordance with such recognized meanings.

**§ 1.2.4** If there should be a conflict between two or more of the Contract Documents, the following order of interpretation shall apply.

- .1 Where requirements specifically set forth in the Agreement are in conflict with other Contract Documents, including, but not limited to, these General Conditions, the Agreement shall govern.
- .2 In all other instances, the conflict shall be resolved by complying with the provision that is most favorable to the Owner, as determined in the Owner's sole discretion.
- .3 When a duplicate of material or equipment occurs in the Drawings, the Specifications or other Contract Documents, each Contractor shall be deemed to have bid on the basis of each furnishing such material or equipment. The Contractor will decide which Subcontract(s) shall furnish the same.

**§ 1.2.4.1** Without limiting the applicability of Section 1.2.4, if there should be conflict or ambiguity within any single Contract Document (for example, these General Conditions, as modified), the conflict or ambiguity shall be resolved by complying with the provision that is most favorable to the Owner, as determined in the Owner's sole discretion.

**§ 1.2.5** It is the intent of the Contract Documents to accomplish a complete and first-class installation in which there shall be installed new products of the latest and best design and manufacture, and workmanship shall be thoroughly first class, executed by competent and experienced workmen.

- .1 Details of preparation, construction, installation, and finishing encompassed by the Contract Documents shall conform to the best practices of the respective trades, and that workmanship and construction methods shall be of first class quality so as to accomplish a neat and first class finished job.
- .2 Where specific recognized standards are mentioned in the Specifications, it shall be interpreted that such requirements shall be complied with.

**§ 1.2.6** The Contractor acknowledges that there may be items of the Work that the Contractor is responsible to provide under the Contract Documents that are not drawn or specified in the design but are necessary for the proper execution and completion of the Work, and are consistent with, and reasonably inferable from, the Drawings and Specifications. All such items shall be provided as part of the Work without delay in its progress and without any increase in the Contract Sum or Guaranteed Maximum Price.

### **§ 1.3 Capitalization**

Terms capitalized in these General Conditions include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other documents published by the American Institute of Architects.

### **§ 1.4 Interpretation**

In the interest of brevity the Contract Documents frequently omit modifying words such as "all" and "any" and articles such as "the" and "an," but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

### **§ 1.5 Ownership and Use of Drawings, Specifications, and Other Instruments of Service**

**§ 1.5.1** The Architect and the Architect's consultants shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and unless otherwise indicated in the Contract Documents or the Owner/Architect Agreement, the Architect and the respective consultants will retain all common law, statutory, and other reserved rights in their Instruments of Service, including copyrights. The Contractor, Subcontractors, Sub-subcontractors, and suppliers shall not own or claim a copyright in the Instruments of Service. Submittal or distribution to meet official regulatory requirements or for other purposes in connection with the Project is not to be construed as publication in derogation of the Architect's or Architect's consultants' reserved rights.

**§ 1.5.2** The Contractor, Subcontractors, Sub-subcontractors, and suppliers are authorized to use and reproduce the Instruments of Service, subject to any protocols established pursuant to Sections 1.7 and 1.8, solely and exclusively for execution of the Work. All copies made under this authorization shall bear the copyright notice, if any, shown on the Instruments of Service. The Contractor, Subcontractors, Sub-subcontractors, and suppliers may not use the Instruments of Service on other projects or for additions to the Project outside the scope of the Work without the specific written consent of the Owner, Architect, and the Architect's consultants.

**§ 1.5.3** The Drawings, Specifications, and other documents and all data used in compiling any tests, surveys, or inspections at the Project Site and the results therefrom, as well as all photographs, drawings, specifications, schedules, data processing output, computer-aided design/drafting (CADD) system disks/tapes, computations, studies, audits, reports, models and other items of like kind, and all intellectual property, prepared or created for or in connection with the Project and required by the Owner, the Contractor, or a third party, belong to the Owner. The Contractor may retain one record set. All copies of them, except Contractor's record set, shall be returned or suitably accounted for upon completion of the Work. They are for use solely with respect to the Project. The Contractor shall not, without the prior written consent of the Owner, use or permit anyone to use any Drawings, Specifications, or other documents prepared for or in connection with the Project, or any concepts or ideas developed in connection with the Project, for any purpose other than the Project. The Owner shall at all times have access to and control over the disposition of any Drawings, Specifications, and other documents pertaining to the Project.

### **§ 1.6 Notice**

**§ 1.6.1** Except as otherwise provided in Section 1.6.2, where the Contract Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to an appropriate representative of the party to

whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by registered or certified mail, by courier, or by electronic transmission if an acknowledgment of receipt is received from the recipient or proof of receipt is otherwise established. The parties acknowledge that an appropriate representative of the Owner shall be have authority only to the extent provided by the Owner's Board of Education.

**§ 1.6.2** Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to an appropriate representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery. The parties acknowledge that an appropriate representative of the Owner shall be have authority only to the extent provided by the Owner's Board of Education.

### **§ 1.7 Digital Data Use and Transmission**

The parties may agree upon protocols governing the transmission and use of Instruments of Service or any other information or documentation in digital form.

## **ARTICLE 2 OWNER**

### **§ 2.1 General**

**§ 2.1.1** The Owner is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to matters requiring the Owner's approval or authorization subject to parameters of authority established by the Owner's Board of Education. Except as otherwise provided in Section 4.2.1, the Architect does not have such authority. The term "Owner" means the Owner or the Owner's authorized representative.

### **§ 2.1.2 NOT USED**

### **§ 2.2 Evidence of the Owner's Financial Arrangements**

**§ 2.2.1** Prior to commencement of the Work and upon written request by the Contractor, the Owner shall furnish, as applicable, to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. The Contractor shall have no obligation to commence the Work until the Owner provides such evidence.

**§ 2.2.2** Following commencement of the Work and upon written request by the Contractor, the Owner shall furnish to the Contractor reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Contractor as the Contract Documents require; (2) the Contractor identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. If the Owner fails to provide such evidence, as required, within fourteen days of the Contractor's request, the Contractor may immediately stop the Work and, in that event, shall immediately notify the Owner that the Work has stopped and state with specificity why any evidence provided (or not provided) by the Owner is insufficient. However, if the request is made because a change in the Work materially changes the Contract Sum under (3) above, the Contractor may immediately stop only that portion of the Work affected by the change until reasonable evidence is provided. If the Work is stopped under this Section 2.2.2, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Contract Documents. The parties' disagreement as to the appropriateness of payment for services performed shall not constitute the Owner's failure to make financial arrangements to fulfill the Owner's obligations under the Contract Documents.

**§ 2.2.3** After the Owner furnishes evidence of financial arrangements under this Section 2.2, the Owner shall not materially vary such financial arrangements without prior notice to the Contractor.

**§ 2.2.4** Where information is protected by law and/or the Owner has designated information furnished under this Section 2.2 as "confidential," the Contractor shall keep the information confidential and shall not disclose it to any other person. However, the Contractor may disclose such "confidential" information, after seven (7) days' notice to the Owner, where disclosure is required by law, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or by court or arbitrator(s) order. To the extent permitted by law, the Contractor may also disclose such "confidential" information to its employees, consultants, sureties, Subcontractors and their employees, Sub-subcontractors, and others who need to know the content of such information solely and exclusively for the Project and who agree to maintain the confidentiality of such information.

## **§ 2.3 Information and Services Required of the Owner**

**§ 2.3.1** Except for permits and fees that are the responsibility of the Contractor under the Contract Documents, including, but not limited to, those required under Section 3.7.1, the Owner shall secure and pay for necessary approvals, easements, assessments and charges required for construction, use or occupancy of permanent structures or for permanent changes in existing facilities.

**§ 2.3.2** The Owner shall retain an architect lawfully licensed to practice architecture, or an entity lawfully practicing architecture, in the State of Michigan. That person or entity is identified as the Architect in the Agreement and is referred to throughout the Contract Documents as if singular in number.

**§ 2.3.3** If the employment of the Architect terminates, the Owner shall employ a successor whose status under the Contract Documents shall be that of the Architect.

**§ 2.3.4** The Owner shall furnish surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site. Taking into account the Contractor's experience and expertise, and exercise of professional caution, the Contractor shall be entitled to rely on the accuracy of information furnished by the Owner but shall exercise proper precautions relating to the safe performance of the Work. The Contractor shall not be entitled to additional compensation resulting from its failure to confirm the location of site utilities or existing structures prior to the opening of the Contractor's bid.

**§ 2.3.5** Upon specific written request by the Contractor, the Owner shall furnish information or services required of the Owner by the Contract Documents with reasonable promptness. The Owner shall also furnish any other information or services under the Owner's control and relevant to the Contractor's performance of the Work with reasonable promptness after receiving the Contractor's written request for such information or services. Contracts with other Contractors alone shall not constitute sufficient Owner control for purposes of this Section.

**§ 2.3.6** Unless otherwise provided in the Contract Documents, the Owner shall furnish to the Contractor one copy of the Contract Documents for purposes of making reproductions pursuant to Section 1.5.2.

## **§ 2.4 Owner's Right to Stop the Work**

If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents as required by Section 12.2 or fails to carry out Work in accordance with the Contract Documents, the Owner may issue a written order to the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Contractor or any other person or entity, except to the extent required by Section 6.1.3. This right shall be in addition to and not in limitation of the Owner's rights under any provision of the Contract Documents.

## **§ 2.5 Owner's Right to Carry Out the Work**

If the Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents and fails within a three-day period after receipt of notice from the Owner or the Owner's designee (including, for this purpose, the Architect) to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, including any claim against the Contractor's Performance Bond, correct such default or neglect. In the event the Contractor's default or neglect results in a threat to the safety of persons or property, the Contractor shall immediately commence and continue correction; otherwise, the Owner may undertake the same actions as permitted in the prior sentence. In such case, an appropriate Change Order shall be issued deducting from payments then or thereafter due the Contractor the reasonable cost of correcting such deficiencies, including Owner's expenses, including any and all legal expenses incurred to effectuate and enforce this provision, and compensation for the Architect's and/or other Contractor's additional services made necessary by such default, neglect, or failure. If the Contractor does not agree to a Change Order as described in the preceding sentence, the Owner may nevertheless withhold the reasonable cost of correcting such deficiencies and the expenses identified in the preceding sentence (including, but not limited to, all legal expenses incurred to effectuate and enforce this provision). Exercise of such rights shall in no way limit or jeopardize the Owner's right to any claim against the Performance Bond or Contractor. The Architect may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies, including the aforementioned

Owner's expenses and compensation for the Architect's additional services made necessary by such default, neglect, or failure. If current and future payments are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner. If the Contractor disagrees with the actions of the Owner or the Architect, or the amounts claimed as costs to the Owner, the Contractor may file a Claim pursuant to Article 15. In the event the Owner directs another entity to perform Work pursuant to this Section that otherwise is the obligation of the Contractor, including correction of safety violations, either at the Contractor's request or as a result of the Contractor's failure to perform such Work, the Owner may withhold any payments due Contractor to cover all costs for labor, material, and equipment plus that other entity's administrative, profit, and overhead costs. If payments then or thereafter due the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the Owner.

## **ARTICLE 3 CONTRACTOR**

### **§ 3.1 General**

**§ 3.1.1** The Contractor is the person or entity identified as such in the Agreement and is referred to throughout the Contract Documents as if singular in number. The Contractor shall be lawfully licensed, if required in the jurisdiction where the Project is located. The Contractor shall designate in writing a representative who shall have express authority to bind the Contractor with respect to all matters under this Contract. The term "Contractor" means the Contractor or the Contractor's authorized representative. Because the Project utilizes a Construction Manager as Constructor, the term "Contractor" shall, unless otherwise provided herein, mean the Project's Construction Manager.

**§ 3.1.2** The Contractor shall perform the Work in accordance with the Contract Documents.

**§ 3.1.3** The Contractor shall not be relieved of its obligations to perform the Work in accordance with the Contract Documents either by activities or duties of the Architect in the Architect's administration of the Contract, or by tests, inspections or approvals required or performed by persons or entities other than the Contractor.

**§ 3.1.4** These General Conditions refer to the relationship between the Owner and Contractor. As to the contract between the Contractor and its Subcontractors, the General Conditions shall be read as the Contractor having the position of the Owner and the Subcontractors having the position of the Contractor. The Subcontractors are bound to the Contractor just as the Contractor is bound to the Owner. The Subcontractor shall have all the rights, duties and obligations to the Contractor as the Contractor has rights, duties and obligations to the Owner. The Subcontractors shall agree to and accept the same responsibility to the Owner as the Contractor. In the event any failure of a Subcontractor or the Subcontractor's Subcontractor or supplier, at any tier, causes any type of defective Work, injury, loss or damage to the Owner, direct or indirect, the Contractor shall be jointly and severally liable to the Owner for such injury in addition to any responsibility or liability of the Subcontractor.

### **§ 3.2 Review of Contract Documents and Field Conditions by Contractor**

**§ 3.2.1** Execution of the Contract by the Contractor is a representation that the Contractor has visited the site, become generally familiar with local conditions under which the Work is to be performed, and correlated personal observations with requirements of the Contract Documents. The Contractor and/or its subcontractors shall independently verify all information related to utilities prior to beginning the Work. The Contractor shall make careful investigation to establish the exact location of any such items indicated on the Drawings. The Contractor shall be responsible for all costs arising out of damage to such items or additional construction costs incurred because Contractor failed to verify said information.

**§ 3.2.2** Because the Contract Documents are complementary, the Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner pursuant to Section 2.3.4, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating coordination and construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Architect any errors, inconsistencies or omissions discovered by or made known to the Contractor as a request for information in such form as the Architect may require. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically provided in the Contract Documents.

**§ 3.2.3** The Contractor is not required to ascertain that the Contract Documents are in accordance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, but the Contractor shall promptly report to the Architect any nonconformity discovered by or made known to the Contractor as a request for information in such form as the Architect may require, with a copy of same to be forwarded to the Owner.

**§ 3.2.4** If the Contractor believes that additional cost or time is involved because of clarifications or instructions the Architect issues in response to the Contractor's notices or requests for information pursuant to Sections 3.2.2 or 3.2.3, the Contractor shall submit Claims as provided in Article 15. If the Contractor fails to perform the obligations of Sections 3.2.2 or 3.2.3, the Contractor shall pay such costs and damages to the Owner, as would have been avoided if the Contractor had performed such obligations. If the Contractor performs those obligations, the Contractor shall not be liable to the Owner or Architect for damages resulting from errors, inconsistencies or omissions in the Contract Documents, for differences between field measurements or conditions and the Contract Documents, or for nonconformities of the Contract Documents to applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities.

**§ 3.2.5** Prior to submitting its bid, the Contractor and/or its subcontractors shall have studied and compared the Contract Documents and shall have reported to the Architect any error, inconsistency or omission in the Contract Documents. It will be presumed that all bids and the Contract Sum include the cost of correcting any such error, inconsistency or omission, which could have been discovered by the exercise of reasonable diligence. Unless the Contractor establishes that such error, inconsistency or omission could not have been discovered by the exercise of reasonable diligence, the Contractor will make such corrections without additional compensation so that the Work is fully functional.

### **§ 3.3 Supervision and Construction Procedures**

**§ 3.3.1** The Contractor shall supervise and direct the Work, using the Contractor's best skill and attention. The Contractor shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Work under the Contract. If the Contract Documents give specific instructions concerning construction means, methods, techniques, sequences, or procedures, the Contractor shall evaluate the jobsite safety thereof and shall be solely responsible for the jobsite safety of such means, methods, techniques, sequences, or procedures. If the Contractor determines that such means, methods, techniques, sequences or procedures may not be safe, the Contractor shall give timely written notice to the Owner and Architect, and shall propose alternative means, methods, techniques, sequences, or procedures. The Architect shall evaluate the proposed alternative solely for conformance with the design intent for the completed construction. Unless the Architect objects to the Contractor's proposed alternative, the Contractor shall perform the Work using its alternative means, methods, techniques, sequences, or procedures. The Contractor shall immediately notify the Architect of delays of any other Contractors that could impact timely coordination and completion of the Work.

**§ 3.3.2** The Contractor shall be responsible to the Owner for acts and omissions of the Contractor's employees, Subcontractors and their agents and employees, and other persons or entities performing portions of the Work for, or on behalf of, the Contractor or any of its Subcontractors.

**§ 3.3.3** The Contractor shall be responsible for inspection of portions of Work already performed to determine that such portions are in proper condition to receive subsequent Work. The Contractor shall be deemed to have accepted prior work when it commences provision of subsequent Work and shall be responsible for the cost of repair, replacement, or reconstruction if the prior work is found to be improper.

### **§ 3.4 Labor and Materials and Utilities**

**§ 3.4.1** Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services necessary for proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work. Such provision of labor and materials shall occur in sufficient time to satisfy the existing Project schedule. The Contractor bears the risk of any failure to timely provide such labor and materials for any reason. The Contractor agrees to execute the appropriate UCC forms to effectuate the Owner's ownership of the material and equipment furnished pursuant to this Agreement.

**§ 3.4.2** Except in the case of minor changes in the Work approved by the Architect in accordance with Section 3.12.8 or ordered by the Architect in accordance with Section 7.4, the Contractor may make substitutions only with the consent of the Owner, after evaluation by the Architect and in accordance with a Change Order or Construction Change Directive.

**§ 3.4.3** The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

**§ 3.4.4** The Contractor agrees that neither it nor its Subcontractors will discriminate against any employee or applicant for employment, to be employed in the performance of this Contract, with respect to hire, tenure conditions or privilege of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, sexual orientation, gender identity or expression, height, weight, or marital status. Breach of this covenant may be regarded as a material breach of this Contract.

**§ 3.4.5** Immediately after "award of the Contract," the Contractor shall provide the Architect a list showing the name of the manufacturer proposed to be used for each of the product(s) identified in the Specifications and, where applicable, the name of the installing Subcontractor.

**§ 3.4.6** The Architect will reply in writing to the Contractor stating whether the Owner or the Architect, after due investigation, has reasonable objection to any such proposal. If adequate data on any proposed manufacturer or installer is not available, the Architect may state that action will be deferred until the Contractor provides further data.

**§ 3.4.7** In all cases involving utilities, unless the Contract Documents specifically provide otherwise, it shall be the Contractor's responsibility to coordinate the Work with the owners of such utilities for the protection of such utilities and for the safety associated with working with or in the vicinity of such utilities. The Contractor shall coordinate any work required by private and/or public utility companies to provide utilities to the Work and/or shall coordinate relocation of utilities as required by the Work. Any reference to the Owner being responsible for the coordination of, the paying for, or the relocation of any utility or associated equipment, which it does not own or control, requires only reasonable efforts by the Owner to coordinate such activity.

#### **§ 3.4.8 Asbestos-Free Product Installation**

**§ 3.4.8.1** It is hereby understood and agreed that no product and/or material containing asbestos, including chrysotile, amosite, crocidolite, tremolite asbestos, anthophyllite asbestos, actinolite asbestos and any combination of these materials that have been chemically treated and/or altered shall be installed or introduced into the Work by the Contractor or its employees, agents, Subcontractors, or other individuals or entities over whom the Contractor has control. The Contractor shall be required to provide a signed certification statement ensuring that all products or materials installed or introduced into the Work will be asbestos-free.

**§ 3.4.8.2** The Contractor also shall be required to furnish certified statements from the manufacturers of supplied materials used during construction verifying their products to be asbestos-free in accordance with the requirements of Section 3.4.8.1.

**§ 3.4.8.3** The Contractor shall complete and submit to the Owner a certification evidencing asbestos-free product installation prior to issuance of the final Certificate for Payment in a form acceptable to the Owner.

**§ 3.4.9** Asbestos may be present within the construction areas. Contractors are to become aware of Owner's hazardous material report prior to construction. Work is not to disturb any in-place hazardous materials. The Contractor and any Subcontractors must immediately stop all Work and notify the Owner if they reasonably suspect the presence of unknown hazardous materials and/or have disturbed any materials reasonably suspected to be hazardous materials.

#### **§ 3.5 Warranty**

**§ 3.5.1** In addition to any other warranties, guarantees, or obligations set forth in the Contract Documents or applicable as a matter of law, and not in limitation of the terms of the Contract Documents, the Contractor warrants and guarantees that:

- .1 The Owner will have good title to the Work and all materials and equipment incorporated into the Work and, unless otherwise expressly provided in the Contract Documents, will be new.
- .2 The Work and all materials and equipment incorporated into the Work will be free from all defects, including any defects in workmanship or materials.
- .3 The Work and all equipment incorporated into the Work will be fit for the purposes for which they are intended.
- .4 The Work and all materials and equipment incorporated into the Work will be merchantable.
- .5 The Work and all materials and equipment incorporated into the Work will conform in all respects to the Contract Documents.

Upon notice of the breach of any of the foregoing warranties or guarantees or any other warranties or guarantees under the Contract Documents, the Contractor, in addition to any other requirements in the Contract Documents, will commence to correct such breach within 72 hours after written notice thereof and thereafter will use its best efforts to correct such breach to the satisfaction of the Owner; provided that if such notice is given after final payment hereunder, such 72 hour period shall be extended to seven (7) days. The foregoing warranties and obligations of the Contractor shall survive the final payment and/or termination of the Contract.

The Contractor shall, at the time of final completion of the Work and as a condition precedent to final payment to the Contractor, assign to the Owner all manufacturers' warranties related to the materials and labor used in the Work. The Contractor further agrees to perform the Work in such manner as to preserve any and all such manufacturers' warranties and deliver to the Architect the warranties, project manuals, operating procedures, and other materials related to each of the building systems and materials included in the Contractor's Work and as required by the Specifications.

**§ 3.5.2** All material, equipment, or other special warranties required by the Contract Documents shall be issued in the name of the Owner, or shall be transferable to the Owner, and shall commence in accordance with Section 9.8.4.

### **§ 3.6 Taxes**

The Contractor shall pay sales, consumer, use and similar taxes for the Work provided by the Contractor that are legally enacted when bids are received or negotiations concluded, whether or not yet effective or merely scheduled to go into effect. The Contractor shall pay all local, state and federal taxes levied on its business, income or property and shall make all contributions for social security and other wage or payroll taxes. The Contractor shall be solely responsible for such payments and shall indemnify the Owner and hold it harmless from same.

### **§ 3.7 Permits, Fees, Notices and Compliance with Laws**

**§ 3.7.1** The Contractor shall secure and pay for the building permit as well as for other permits, fees, licenses, and inspections by government agencies necessary for proper execution and completion of the Work that are customarily secured after execution of the Contract and legally required at the time bids are received or negotiations concluded.

**§ 3.7.2** The Contractor shall comply with and give notices required by applicable laws, statutes, ordinances, codes, rules and regulations, and lawful orders of public authorities applicable to performance of the Work.

**§ 3.7.3** If the Contractor performs Work contrary to applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities, the Contractor shall assume appropriate responsibility for such Work and shall bear the costs attributable to correction.

### **§ 3.7.4 Concealed or Unknown Conditions**

If the Contractor encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents, the Contractor shall promptly provide written and dated notice to the Owner and the Architect before conditions are disturbed and in no event later than 14 days after first observance of the conditions. The Architect will promptly investigate such conditions and, if the Owner and Architect determines that they differ materially and cause an increase or decrease in the Contractor's cost of, or time required for, performance of any part of the Work, they will recommend that an equitable adjustment be made in the Contract Sum or Contract Time, or both. If the Owner and Architect determine that the conditions at the site are not materially different from those indicated in the Contract Documents and that no change in the terms

of the Contract is justified, the Architect shall promptly notify the Contractor in writing, stating the reasons. If Contractor disputes the determination or recommendation, the Contractor shall submit a Claim as provided in Article 15. The requirements of Section 2 of 1998 PA 57, as amended, are hereby incorporated into this document. The Contractor shall be alert to any indication or evidence of existing underground or concealed utilities or structures not shown on the Contract Documents and shall immediately notify the Owner of discovery of such evidence. If the Contractor encounters such utilities or structures, it shall cease operations immediately to minimize damage and shall notify the Owner and Architect. The Contractor shall bear the cost of damage resulting from its failure to exercise reasonable care in its construction activity or from continuing operations without notifying the Owner.

**§ 3.7.4.1** The Contractor bidding on the Work is responsible for visiting the site and determining all local conditions that may in any way affect its Work.

**§ 3.7.5** If, in the course of the Work, the Contractor encounters human remains or recognizes the existence of burial markers, archaeological sites or wetlands not indicated in the Contract Documents, the Contractor shall immediately suspend any operations that would affect them and shall provide written and dated notification to the Owner and Architect. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Contractor shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features shall be made, as needed, as provided in Article 15.

### **§ 3.8 Allowances**

**§ 3.8.1** The Contractor shall include in the Contract Sum all allowances stated in the Contract Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct, but the Contractor shall not be required to employ persons or entities to whom the Contractor has reasonable objection.

**§ 3.8.2** Unless otherwise provided in the Contract Documents,

- .1** allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
- .2** Contractor's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance amounts shall be included in the Contract Sum but not in the allowances; and
- .3** whenever costs are less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 3.8.2.1 and (2) changes in Contractor's costs under Section 3.8.2.2.

**§ 3.8.3** Materials and equipment under an allowance shall be selected by the Owner with reasonable promptness.

### **§ 3.9 Superintendent**

**§ 3.9.1** The Contractor shall employ a competent superintendent and necessary assistants who shall be in attendance at the Project site during performance of the Work. The superintendent shall represent the Contractor, and communications given to the superintendent shall be as binding as if given to the Contractor. The superintendent shall be satisfactory to the Owner in all respects, and the Owner shall have the right to require the Contractor to remove any superintendent from the Project whose performance is not satisfactory to the Owner and to replace such superintendent with a superintendent who is satisfactory to the Owner.

**§ 3.9.2** The Contractor, as soon as practicable after award of the Contract, shall notify the Owner and Architect of the name and qualifications of a proposed superintendent. Within 14 days of receipt of the information, the Owner and/or the Architect may notify the Contractor, stating whether the Owner and/or the Architect (1) has reasonable objection to the proposed superintendent or (2) requires additional time for review.

**§ 3.9.3** The Contractor shall not employ a proposed superintendent to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not change the superintendent without the Owner's consent, except with a superintendent who is satisfactory to the Owner.

### **§ 3.10 Contractor's Construction and Submittal Schedules**

**§ 3.10.1** The Contractor, promptly after being awarded the Contract, shall prepare and submit for the Owner's and Architect's information a Contractor's construction schedule for the Work. The schedule shall contain detail appropriate for the Project, including (1) the date of commencement of the Work, interim schedule milestone dates, and the date of Substantial Completion; (2) an apportionment of the Work by construction activity; and (3) the time required for completion of each portion of the Work. The schedule shall provide for the orderly progression of the Work to completion and shall not exceed time limits required under the Contract Documents or any scheduling updates issued by the Architect or Owner. The schedule shall be revised at appropriate intervals as required by the conditions of the Work and Project. In no event shall the Contractor's Construction Schedule be extended due to action or inaction of the Contractor, except with prior written approval of the Owner within the Owner's sole discretion.

The Contractor shall cooperate with the Architect and Owner in scheduling and performing the Contractor's Work to avoid conflict with, and as to cause no delay in, the work or activities of other contractors or the construction or operations of the Owner's own forces. The Contractor acknowledges and understands that the work schedule will be modified from time-to-time with the Owner's approval to coordinate with the work of others and that such schedule changes do not give rise to a claim for damages or additional compensation by the Contractor for delay or otherwise. The Contractor shall be required to conform to the most recent Owner-approved schedule and acknowledges that fact was taken into account when it agreed to the Contract Sum and entered into this Contract.

**§ 3.10.2** The Contractor, promptly after being awarded the Contract and thereafter as necessary to maintain a current submittal schedule, shall submit a submittal schedule for the Owner's and Architect's approval. The Owner's and the Architect's approvals shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Contractor's construction schedule, (2) allow for a reasonable amount of time to review submittals, and (3) shall provide for expeditious and practical execution of the Work. If the Contractor fails to submit a submittal schedule, or fails to provide submittals in accordance with the approved submittal schedule, the Contractor shall not be entitled to any increase in Contract Sum or extension of Contract Time based on the time required for review of submittals.

**§ 3.10.3** The Contractor shall perform the Work in general accordance with the most recent approved Project schedules and the most recent Work schedule submitted to the Owner and Architect consistent therewith.

### **§ 3.10.4 NOT USED**

**§ 3.10.5** Progress Meetings: Meetings of representatives of the various Contractors may be held for the purpose of coordination and furthering the progress of the Work. Contractor and Subcontractor attendance is mandatory. Meetings shall be held at regular intervals as provided in the General Requirements; special meetings may be held if deemed necessary by the Owner and/or Architect.

**§ 3.10.6** The Contractor shall proceed strictly (not substantially) in accordance with the critical path set forth in the Construction Schedule. The Contractor shall monitor the progress of the Work for conformance with the requirements of the Construction Schedule and shall promptly advise the Owner of any delays or potential delays. If any progress report indicates any delays, the Architect shall propose an affirmative plan to correct the delay, including overtime and/or additional labor, if necessary. In no event shall any progress report constitute an adjustment of the Contract Time or any Milestone Date or the Contractor's Guaranteed Maximum Price unless any such adjustment is agreed to by the Owner and authorized pursuant to a Change Order.

### **§ 3.11 Documents and Samples at the Site**

The Contractor shall make available, at the Project site, the Contract Documents, including Change Orders, Construction Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during construction, and the approved Shop Drawings, Product Data, Samples, and similar required submittals. These shall be in electronic form or paper copy, available to the Architect and Owner, and delivered to the Architect for submittal to the Owner upon completion of the Work as a record of the Work as constructed.

### **§ 3.12 Shop Drawings, Product Data and Samples**

**§ 3.12.1** Shop Drawings are drawings, diagrams, schedules, and other data specially prepared for the Work by the Contractor or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor for submittal to and review by the Architect to illustrate some portion of the Work.

**§ 3.12.2** Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor for submittal to and review by the Architect to illustrate materials or equipment for some portion of the Work. All Work shall be furnished and installed in accordance with the Drawings, Specifications, and as additionally required by the manufacturer's printed instructions. The Contractor shall review the manufacturer's instructions, and where conflict occurs between the Drawings or Specifications and the manufacturer's instructions, the Contractor shall request clarification from the Architect prior to commencing the Work.

**§ 3.12.3** Samples are physical examples for submittal to and review by the Architect that illustrate materials, equipment, or workmanship, and establish standards by which the Work will be judged.

**§ 3.12.4** Shop Drawings, Product Data, Samples, and similar submittals are not Contract Documents. Their purpose is to demonstrate how the Contractor proposes to conform to the information given and the design concept expressed in the Contract Documents for those portions of the Work for which the Contract Documents require submittals. Review by the Architect is subject to the limitations of Section 4.2.7. Informational submittals upon which the Architect is not expected to take responsive action may be so identified in the Contract Documents. Submittals that are not required by the Contract Documents may be returned by the Architect without action.

**§ 3.12.5** The Contractor shall review for compliance with the Contract Documents, approve, and submit to the Architect, Shop Drawings, Product Data, Samples, and similar submittals required by the Contract Documents, in accordance with the submittal schedule approved by the Architect or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of Separate Contractors.

**§ 3.12.6** By submitting Shop Drawings, Product Data, Samples, and similar submittals, the Contractor represents to the Owner and Architect that the Contractor has (1) reviewed and approved them, (2) determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Work and of the Contract Documents.

**§ 3.12.7** The Contractor shall perform no portion of the Work for which the Contract Documents require submittal and review of Shop Drawings, Product Data, Samples, or similar submittals, until the respective submittal has been approved by the Architect.

**§ 3.12.8** The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from the requirements of the Contract Documents by the Architect's review and approval of Shop Drawings, Product Data, Samples, or similar submittals, unless the Contractor has specifically notified the Architect in detailed writing of such deviation at the time of submittal and (1) the Architect has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Construction Change Directive has been issued authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals, by the Architect's approval thereof.

**§ 3.12.9** The Contractor shall direct specific attention, in writing or on resubmitted Shop Drawings, Product Data, Samples, or similar submittals, to revisions other than those requested by the Architect on previous submittals. In the absence of such notice, the Architect's approval of a resubmission shall not apply to such revisions.

**§ 3.12.10** The Contractor shall not be required to provide professional services that constitute the practice of architecture or engineering unless such services are specifically required by the Contract Documents for a portion of the Work or unless the Contractor needs to provide such services in order to carry out the Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures. The Contractor shall not be required to provide professional services in violation of applicable law.

**§ 3.12.10.1** If professional design services or certifications by a design professional related to systems, materials, or equipment are specifically required of the Contractor by the Contract Documents, the Owner and the Architect will specify all performance and design criteria that such services must satisfy. Subject to its professional skill and expertise, the Contractor shall be entitled to rely upon the adequacy and accuracy of the performance and design criteria provided in the Contract Documents. The Contractor shall cause such services or certifications to be provided by an appropriately licensed design professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings, and other submittals prepared by such professional. Shop Drawings, and other submittals related to the Work, designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to the Architect. The Owner and the Architect shall be entitled to rely upon the adequacy and accuracy of the services, certifications, and approvals performed or provided by such design professionals, provided the Owner and Architect have specified to the Contractor the performance and design criteria that such services must satisfy. Pursuant to this Section 3.12.10, the Architect will review and approve or take other appropriate action on submittals only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents.

**§ 3.12.10.2** If the Contract Documents require the Contractor's design professional to certify that the Work has been performed in accordance with the design criteria, the Contractor shall furnish such certifications to the Architect at the time and in the form specified by the Architect.

### **§ 3.13 Use of Site**

**§ 3.13.1** The Contractor shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Contract Documents and shall not unreasonably encumber the site with materials or equipment.

**§ 3.13.2** Anything contained in the Contract Documents to the contrary notwithstanding, no one except the Owner shall be permitted to disrupt the operation of any building system or any other services without the Owner's prior written consent. Any request to perform such work shall be in writing, received by the Owner no less than five (5) days prior to the commencement of the requested disruption, and shall detail (i) the exact nature and duration of such interruption, (ii) the area affected, and (iii) any impact upon the Construction Schedule caused by such proposed temporary disruption. Unless otherwise approved by the Owner, all work shall be performed during the hours and on the days set forth in the Specifications, in accordance with the most-recent project schedule, and/or as directed by the Owner or Architect. The Contractor's failure to comply with the notice provisions of this section shall constitute a waiver by the Contractor of any right it may have to an adjustment of the Contract Time, on account of any postponement, rescheduling, or other delays ordered by the Owner in connection with any Work for which appropriate notice was not furnished.

**§ 3.13.3** The Contractor will consult with the Owner and the Architect concerning any necessary operations at the Project site, including staging area limits, office or storage trailer locations, dumpster operations, equipment and material deliveries, hoisting areas and any other construction impacts on the Owner's grounds.

### **§ 3.14 Cutting and Patching**

**§ 3.14.1** The Contractor shall be responsible for cutting, fitting, or patching required to complete the Work or to make its parts fit together properly. All areas requiring cutting, fitting, or patching shall be restored to the condition existing prior to the cutting, fitting, or patching, unless otherwise required by the Contract Documents.

**§ 3.14.2** The Contractor shall not damage or endanger a portion of the Work or fully or partially completed construction of the Owner or Separate Contractors by cutting, patching, or otherwise altering such construction, or by excavation. The Contractor shall not cut or otherwise alter construction by the Owner or a Separate Contractor except with written consent of the Owner and of the Separate Contractor. Consent shall not be unreasonably withheld. The Contractor shall not unreasonably withhold, from the Owner or a Separate Contractor, its consent to cutting or otherwise altering the Work.

### **§ 3.15 Cleaning Up**

**§ 3.15.1** The Contractor and its Subcontractors, under the Contractor's direction, shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At

completion of the Work, the Contractor shall remove waste materials, rubbish, the Contractor's tools, construction equipment, machinery, and surplus materials from and about the Project.

**§ 3.15.2** If the Contractor fails to clean up as provided in the Contract Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Contractor.

**§ 3.15.3** Any areas and/or concurrently occupied space both occupied by the Owner and used in the progress of the Work, both within the limits of the construction site and the adjacent areas leading to it, shall be maintained, opened to travel and kept in a clean condition. Failure by the Contractor to maintain said areas will result in the Owner's cleaning of same, at the expense of the Contractor.

**§ 3.15.4** In addition to removal of rubbish, the Contractor and its Subcontractors, under the Contractor's direction, shall replace any broken glass, remove stains, spots, marks, and dirt from decorated work, clean hardware, and/or remove spots and smears from all surfaces which were affected by the Work.

### **§ 3.16 Access to Work**

The Contractor shall provide the Owner and Architect with access to the Work in preparation and progress wherever located.

### **§ 3.17 Royalties, Patents and Copyrights**

The Contractor shall pay all royalties and license fees. The Contractor shall defend suits or claims for infringement of copyrights and patent rights and shall indemnify and hold harmless the Owner and Architect from any and all cost, damages, or loss on account thereof, including, but not limited to, actual attorneys' fees, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Contract Documents, or where the copyright violations are contained in Drawings, Specifications, or other documents prepared by the Owner or Architect. However, if an infringement of a copyright or patent is discovered by, or made known to, the Contractor, the Contractor shall be responsible for the loss unless the information is promptly furnished to the Architect. The review by the Owner or Architect of any method of construction, invention, appliance, process, article, device or materials of any kind shall be for its adequacy in the Work and shall not be an approval for the use thereof by the Contractor in violation of any patent or other rights of any third person.

### **§ 3.18 Indemnification**

**§ 3.18.1** To the fullest extent permitted by law, the Contractor shall indemnify and hold harmless the Owner, Architect, Architect's consultants, and agents and employees of any of them from and against claims, damages, losses, and expenses (including but not limited to attorneys' fees) arising out of or resulting from performance of, or the failure to perform, the Work or the duties or obligations of the Contractor under the Owner/Contractor Agreement, these General Conditions, or the failure of the Contractor or the Work to conform with the Contract Documents, caused in whole or in part by the Contractor's breach of the Contract Documents or any negligent or wrongful acts or omissions of the Contractor, a Subcontractor, or anyone directly or indirectly employed by them or anyone for whose acts of any of them may be liable, to the fullest degree of Contractor's fault, on a comparative basis (or the fault of any others for whom the Contractor is responsible). The Contractor shall be responsible to the Owner, Architect, Architect's consultants, and agents and employees of any of them for all amounts such parties may be required to pay in attorney fees in order to pursue enforcement of this provision against the Contractor or otherwise obtain indemnification from the Contractor provided under the terms of this Section 3.18. Such obligation shall not be construed to negate, abridge or reduce any other rights or obligations of indemnity which would otherwise exist as to any party or person set forth in this section. To the fullest extent permitted by law, the Contractor shall indemnify the Owner and hold the Owner harmless against all loss by fines, penalties or corrective measures resulting from acts of the Contractor or omissions by the Contractor, its Subcontractors, agents, employees or assigns, with respect to the violation of safety requirements of this Contract, including reasonable attorney fees.

**§ 3.18.2** In addition to and not in limitation of the Contractor's other indemnity obligations, the Contractor hereby accepts and assumes exclusive liability for and shall indemnify, protect, and hold harmless the Owner and Architect from and against the payment of the following:

- .1** all contributions, taxes, or premiums (including interest and penalties thereof) which may be payable under the unemployment insurance law of any state, the federal Social Security Act, federal, state, county, and/or municipal tax withholding laws, or any other law, measured upon the payroll of or

- required to be withheld from employees by whomsoever employed, engaged in the Work to be performed and furnished under this Contract;
- 2 all sales, use, personal property and other taxes (including interest and penalties thereof) required by any federal, state, county, municipal, or other law to be paid or collected by the Contractor or any of its Subcontractors or vendors or any other person or persons acting for, through or under it or any of them, by reason of the performance of the Work or the acquisition, ownership, furnishing, or use of any materials, equipment, supplies, labor, services, or other items for or in connection with the Work; and
  - 3 all pension, welfare, vacation, annuity, and other benefit contributions payable under or in connection with respect to all persons by whomsoever employed, engaged in the Work to be performed and furnished under this Contract.

The Contractor shall indemnify, defend, and hold the Owner harmless from any claim, damage, loss or expense, including, but not limited to, actual attorney fees, incurred by the Owner related to any hazardous material, condition, or waste, toxic substance, pollution, or contamination brought into the Project site or caused or exacerbated by the Contractor or used, handled, transported, stored, removed, remediated, disturbed, or dispersed of by Contractor.

**§ 3.18.3** In the event that any claim is made or asserted, or lawsuit filed for damages or injury arising out of or resulting from the performance of the Work, whether or not the Owner or Architect is named as a party, the Contractor shall immediately advise the Owner and Architect, in writing, of such claim or lawsuit and shall provide a full and complete copy of any documents or pleadings thereto, as well as a full and accurate report of the facts involved.

## **ARTICLE 4 ARCHITECT**

### **§ 4.1 General**

**§ 4.1.1** The Architect is the person or entity retained by the Owner pursuant to Section 2.3.2 and identified as such in the Agreement. The Term "Architect," "Architect/Engineer," "Engineer," or "Design Professional" as used herein means the Architect or the Architect's authorized representative.

**§ 4.1.2** Duties, responsibilities, and limitations of authority of the Architect as set forth in the Contract Documents shall not be restricted, modified, or extended without written consent of the Owner and Architect.

### **§ 4.2 Administration of the Contract**

**§ 4.2.1** The Architect will provide administration of the Contract as described in the Contract Documents and will be an Owner's representative during construction until the date the Architect issues the final Certificate for Payment and with the Owner's written concurrence during the correction period. The Architect will have authority to act on behalf of the Owner only to the extent provided in the Contract Documents.

**§ 4.2.2** The Architect will visit the site at intervals appropriate to the stage of construction, or more frequently as agreed with the Owner or required by law, to become familiar with the progress and quality of the portion of the Work completed, and to determine if the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. Except as otherwise set forth herein or in the Owner/Architect Agreement, the Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents. The Architect shall provide all services and duties that may be performed by an "Architect" or "Engineer" in 1937 PA 306 and 1980 PA 299.

**§ 4.2.3** On the basis of the site visits, the Architect will keep the Owner informed about the progress and quality of the portion of the Work completed, will guard the Owner against defects and deficiencies in the Work, and promptly report to the Owner (1) known deviations from the Contract Documents, (2) known deviations from the most recent construction schedule submitted by the Contractor, and (3) defects and deficiencies observed in the Work. Except as required by the agreement between Owner and Architect or this document, the Architect will not be responsible for the Contractor's failure to perform the Work in accordance with the requirements of the Contract Documents. The Architect will not have control over or charge of, and, except as provided in the agreement between Owner and Architect or this document, will not be responsible for acts or omissions of, the Contractor, Subcontractors, or their

agents or employees, or any other persons or entities performing portions of the Work. The Architect shall provide all services and duties that may be performed by an "Architect" or "Engineer" in 1937 PA 306 and 1980 PA 299.

#### **§ 4.2.4 Communications**

The Owner and Contractor shall endeavor to include the Architect in all communications that relate to or affect the Architect's services or professional responsibilities. The Owner shall promptly notify the Architect of the substance of any direct communications between the Owner and the Contractor otherwise materially affecting the Project. Communications by and with the Architect's consultants shall be through the Architect. Communications by and with Subcontractors and suppliers shall be through the Contractor. Communications by and with Separate Contractors shall be through the Owner. The Contract Documents may specify other communication protocols.

**§ 4.2.5** Based on the Architect's evaluations of the Contractor's Applications for Payment, the Architect will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

**§ 4.2.6** The Architect has authority to reject Work that does not conform to the Contract Documents. Whenever the Architect considers it necessary or advisable, the Architect will have authority to require inspection or testing of the Work in accordance with Sections 13.4.2 and 13.4.3, whether or not the Work is fabricated, installed or completed. However, neither this authority of the Architect nor a decision made in good faith either to exercise or not to exercise such authority shall give rise to a duty or responsibility of the Architect to the Contractor, Subcontractors, suppliers, their agents or employees, or other persons or entities performing portions of the Work.

**§ 4.2.7** The Architect will review and approve, or take other appropriate action upon, the Contractor's submittals such as Shop Drawings, Product Data, and Samples, but only for the limited purpose of checking for conformance with information given and the design concept expressed in the Contract Documents. The Architect's action will be taken in accordance with the submittal schedule approved by the Owner and Architect or, in the absence of an approved submittal schedule, with reasonable promptness as to cause no delay in the Work while allowing sufficient time in the Architect's professional judgment to permit adequate review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Contractor as required by the Contract Documents. The Architect's review of the Contractor's submittals shall not relieve the Contractor of the obligations under Sections 3.3, 3.5, and 3.12. The Architect's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Architect's approval of a specific item shall not indicate approval of an assembly of which the item is a component. However, should the Architect discover during the course of such review any inaccuracies, incompleteness, or other irregularities, the Architect shall immediately notify the Owner of the same to determine an appropriate corrective course of action or notify the Contractor of the same to correct the irregularities.

**§ 4.2.8** The Architect will prepare Change Orders and Construction Change Directives, and may order minor changes in the Work as provided in Section 7.4. The Architect will investigate and make determinations and recommendations regarding concealed and unknown conditions as provided in Section 3.7.4.

**§ 4.2.9** The Architect will conduct inspections to determine, with the Owner's concurrence, the date or dates of Substantial Completion and the date of final completion; issue Certificates of Substantial Completion pursuant to Section 9.8; receive and forward to the Owner, for the Owner's review and records, written warranties and related documents required by the Contract and assembled by the Contractor pursuant to Section 9.10; and issue a final Certificate for Payment pursuant to Section 9.10.

**§ 4.2.10** If the Owner and Architect agree, the Architect will provide one or more Project representatives to assist in carrying out the Architect's responsibilities at the site.

**§ 4.2.11** The Architect will interpret matters concerning performance under, and requirements of, the Contract Documents on written request of either the Owner or Contractor. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness given the particular circumstances.

**§ 4.2.12** Interpretations of the Architect will be consistent with the intent of, and reasonably inferable from, the Contract Documents and will be in writing or in the form of drawings. When making such interpretations, the

Architect will endeavor to secure faithful performance by Contractor, and will not be liable for results of interpretations or decisions rendered in good faith and without negligence.

**§ 4.2.13** The Architect's interpretations on matters relating to aesthetic effect will be final if consistent with the intent expressed in the Contract Documents.

**§ 4.2.14** The Architect will review and respond to requests for information about the Contract Documents. The Architect's response to such requests will be made in writing within any time limits agreed upon or otherwise with reasonable promptness given the particular circumstances. If appropriate, the Architect will prepare and issue supplemental Drawings and Specifications in response to the requests for information.

## **ARTICLE 5 SUBCONTRACTORS**

### **§ 5.1 Definitions**

**§ 5.1.1** A Subcontractor is a person or entity who has a direct contract with the Contractor to perform a portion of the Work at the site. A Subcontractor expressly includes a trade contractor awarded work by the Owner pursuant to competitive bidding (or, if competitive bidding is not required, by any other process allowed by law), when such work is assigned to the Construction Manager in accordance with the Owner/Construction Manager Agreement. The term "Subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Subcontractor or an authorized representative of the Subcontractor. The term "Subcontractor" does not include a Separate Contractor or the subcontractors of a Separate Contractor. The term "Subcontractor" shall also include Sub-subcontractors at any tier and material and equipment suppliers. Each and every subcontract shall be understood to have the Owner as a third-party beneficiary, and the Owner shall enjoy all third-party beneficiary rights permitted by law.

**§ 5.1.2** A Sub-subcontractor is a person or entity who has a direct or indirect contract with a Subcontractor to perform a portion of the Work at the site. The term "Sub-subcontractor" is referred to throughout the Contract Documents as if singular in number and means a Sub-subcontractor or an authorized representative of the Sub-subcontractor.

### **§ 5.2 Award of Subcontracts and Other Contracts for Portions of the Work**

**§ 5.2.1** Unless otherwise stated in the Contract Documents or the bidding requirements, the Contractor, as soon as practicable after award of the Contract by Owner as required by law, shall notify the Owner and Architect in writing of the persons or entities proposed for each principal portion of the Work, including those who are to furnish materials or equipment fabricated to a special design. Within 14 days of receipt of the information, the Architect may notify the Contractor whether the Owner or the Architect (1) has reasonable objection to any such proposed person or entity or (2) requires additional time for review. All contractual agreements with additional persons or entities serving as a Subcontractor or supplier shall expressly identify the Owner as a third-party beneficiary, and the Owner shall enjoy all third-party beneficiary rights not prohibited by law.

**§ 5.2.2** The Contractor shall not contract with a proposed person or entity to whom the Owner or Architect has made reasonable and timely objection. The Contractor shall not be required to contract with anyone to whom the Contractor has made reasonable objection.

**§ 5.2.3** If the Owner or Architect has reasonable objection to a person or entity proposed by the Contractor, the Contractor shall propose another to whom the Owner or Architect has no reasonable objection. If the proposed but rejected Subcontractor was reasonably capable of performing the Work, despite the Architect's or Owner's reasonable objection, the Contract Sum and Contract Time shall be increased or decreased by the difference, if any, occasioned by such change, and an appropriate Change Order shall be issued before commencement of the substitute Subcontractor's Work. However, no increase in the Contract Sum or Contract Time shall be allowed for such change unless the Contractor has acted promptly and responsively in submitting names as required.

**§ 5.2.4** The Contractor shall not substitute a Subcontractor, person, or entity for one previously selected if the Owner or Architect makes reasonable objection to such substitution. The Contractor shall notify the Owner and Architect of any proposed substitution a minimum of ten (10) days prior to such proposed change.

### **§ 5.3 Subcontractual Relations**

By appropriate written agreement, the Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound to the Contractor by terms of the Contract Documents, and to assume toward the Contractor all the obligations and responsibilities, including the responsibility for safety of the Subcontractor's Work that the Contractor, by these Contract Documents, assumes toward the Owner and Architect. Each subcontract agreement shall preserve and protect the rights of the Owner and Architect under the Contract Documents with respect to the Work to be performed by the Subcontractor so that subcontracting thereof will not prejudice such rights, and shall allow to the Subcontractor, unless specifically provided otherwise in the subcontract agreement, the benefit of all rights, remedies, and redress against the Contractor that the Contractor, by the Contract Documents, has against the Owner. Where appropriate, the Contractor shall require each Subcontractor to enter into similar agreements with Sub-subcontractors. The Contractor shall make available to each proposed Subcontractor, prior to the execution of the subcontract agreement, copies of the Contract Documents to which the Subcontractor will be bound, and, upon written request of the Subcontractor, identify to the Subcontractor terms and conditions of the proposed subcontract agreement that may be at variance with the Contract Documents. Subcontractors will similarly make copies of applicable portions of such documents available to their respective proposed Sub-subcontractors. Without limiting the breadth of this Section 5.3, the Contractor shall ensure that all Subcontractors have provided insurance required by the Contract Documents and shall provide copies of certificates of insurance or the full insurance policies upon the Owner's reasonable request.

### **§ 5.4 Contingent Assignment of Subcontracts**

**§ 5.4.1** Each subcontract agreement for a portion of the Work is assigned by the Contractor to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Section 14.2 and only for those subcontract agreements that the Owner accepts by notifying the Subcontractor and Contractor in writing; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of a subcontract agreement, the Owner assumes the Contractor's rights and obligations under the subcontract.

**§ 5.4.2** Upon such assignment, if the Work has been suspended for more than 30 days, the Subcontractor's compensation may be adjusted as negotiated by the parties.

**§ 5.4.3** Upon assignment to the Owner under this Section 5.4, the Owner may further assign the subcontract to a successor contractor or other entity.

## **ARTICLE 6 CONSTRUCTION BY OWNER OR BY SEPARATE CONTRACTORS**

### **§ 6.1 Owner's Right to Perform Construction and to Award Separate Contracts**

**§ 6.1.1** The term "Separate Contractor(s)" shall mean other contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under Conditions of the Contract substantially similar to those of this Contract, including those provisions of the Conditions of the Contract related to insurance. The Contractor shall be responsible for coordinating the Work and with the work of other Contractors, including the Owner's own forces or Separate Contractors, so as to complete the Work in accordance with the Project time schedule.

**§ 6.1.2** When separate contracts are awarded for different portions of the Project or other construction or operations on the site, the term "Contractor" in the Contract Documents in each case shall mean the Contractor who executes each separate Owner-Contractor Agreement.

**§ 6.1.3** The Owner shall provide for coordination of the activities of the Owner's own forces and of each Separate Contractor with the Work of the Contractor, who shall cooperate with them. The Contractor shall participate with any Separate Contractors and the Owner in reviewing their construction schedules. The Contractor shall make any revisions to its construction schedule deemed necessary after a joint review and mutual agreement. The construction schedules shall then constitute the schedules to be used by the Contractor, Separate Contractors, and the Owner until subsequently revised.

## **§ 6.1.4 NOT USED**

### **§ 6.2 Mutual Responsibility**

**§ 6.2.1** The Contractor shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations with theirs as required by the Contract Documents.

**§ 6.2.2** If part of the Contractor's Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Contractor shall, prior to proceeding with that portion of the Work, promptly notify the Architect of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Contractor's Work. Failure of the Contractor to notify the Architect of apparent discrepancies or defects prior to proceeding with the Work shall constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction is fit and proper to receive the Contractor's Work. The Contractor shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor that are not reasonably discoverable.

**§ 6.2.3** The Contractor shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Contractor's delays, improperly timed activities or defective construction.

**§ 6.2.4** The Contractor shall promptly remedy damage that the Contractor causes to completed or partially completed construction or to property of the Owner or Separate Contractor as provided in Section 10.2.5.

**§ 6.2.5** The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching as are described for the Contractor in Section 3.14.

### **§ 6.3 Owner's Right to Clean Up**

If a dispute arises among the Contractor, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and allocate the cost among those responsible. The Owner's right to clean up shall in no event be deemed a duty, and should the Owner choose not to pursue this remedy, the Contractor necessitating such action shall remain fully responsible for the same.

## **ARTICLE 7 CHANGES IN THE WORK**

### **§ 7.1 General**

**§ 7.1.1** Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, only by Change Order, Construction Change Directive, written contract amendment, or order for a minor change in the Work, subject to the limitations stated in this Article 7 and elsewhere in the Contract Documents.

**§ 7.1.2** A Change Order shall be based upon agreement among the Owner, Contractor, and Architect. A Construction Change Directive may be issued by the Owner and Architect and may or may not be agreed to by the Contractor. An order for a minor change in the Work may be issued by the Architect alone.

**§ 7.1.3** Changes in the Work shall be performed under applicable provisions of the Contract Documents. The Contractor shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order, Construction Change Directive, or order for a minor change in the Work.

### **§ 7.2 Change Orders**

**§ 7.2.1** A Change Order is a written instrument prepared by the Architect and signed by the Owner, Contractor, and Architect stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum; and
- .3 The extent of the adjustment, if any, in the Contract Time.

**§ 7.2.2** Unless expressly stated otherwise in the Change Order, an agreement on any Change Order shall constitute the Contractor's final position on all matters relating to the change in the work that is subject to the Change Order,

including, but not limited to, all direct and indirect costs associated with such change and any and all adjustments to the Contract Sum and the Contract Time.

### **§ 7.3 Construction Change Directives**

**§ 7.3.1** A Construction Change Directive is a written order prepared by the Architect and signed by the Owner and Architect, directing a change in the Work prior to agreement on adjustment, if any, in the Contract Sum or Contract Time, or both. The Owner may by Construction Change Directive, without invalidating the Contract, order changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions, the Contract Sum and Contract Time being adjusted accordingly.

**§ 7.3.2** A Construction Change Directive shall be used in the absence of total agreement on the terms of a Change Order.

**§ 7.3.3** If the Construction Change Directive provides for an adjustment to the Contract Sum, the adjustment shall be based on one or more of the following methods:

- .1** Mutual acceptance of a lump sum properly itemized and supported by sufficient substantiating data to permit evaluation;
- .2** Unit prices stated in the Contract Documents or subsequently agreed upon;
- .3** Cost to be determined in a manner agreed upon by the parties and a mutually acceptable fixed or percentage fee; or
- .4** As provided in Section 7.3.4.

However, the Contract Time shall be adjusted only if the Contractor demonstrates to the Owner that the changes in the Work required by the Construction Change Directive adversely affect the critical path of the Work.

**§ 7.3.4** If the Contractor does not respond promptly or disagrees with the method for adjustment in the Contract Sum, the Architect shall determine, with the Owner's approval, the adjustment on the basis of reasonable expenditures and savings of those performing the Work attributable to the change, including, in case of an increase in the Contract Sum, an amount for overhead and profit as set forth in the Agreement, or if no such amount is set forth in the Agreement, a reasonable amount. In such case, and also under Section 7.3.3.3, the Contractor shall keep and present, in such form as the Architect may prescribe, an itemized accounting together with appropriate supporting data. Unless otherwise provided in the Contract Documents, costs for the purposes of this Section 7.3.4 shall be limited to a reasonable amount of the following that are actually incurred by the Contractor:

- .1** Costs of labor, including applicable payroll taxes, fringe benefits required by agreement or custom, workers' compensation insurance, and other employee costs approved by the Architect;
- .2** Costs of materials, supplies, and equipment, including cost of transportation, whether incorporated or consumed;
- .3** Rental costs of machinery and equipment, exclusive of hand tools, whether rented from the Contractor or others;
- .4** Costs of premiums for all bonds and insurance, permit fees, and sales, use, or similar taxes, directly related to the change; and
- .5** Costs of supervision and field office personnel directly attributable to the change.

**§ 7.3.5** If the Contractor disagrees with the adjustment in the Contract Time, the Contractor may make a Claim in accordance with applicable provisions of Article 15.

**§ 7.3.6** Upon receipt of a Construction Change Directive, the Contractor shall promptly proceed with the change in the Work involved and advise the Architect of the Contractor's agreement or disagreement with the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time. Contractor agreements to a Construction Change Directive shall require a follow-up writing or signature as contemplated in Section 7.3.7.

**§ 7.3.7** A Construction Change Directive signed by the Contractor indicates the Contractor's agreement therewith, including adjustment in Contract Sum and Contract Time or the method for determining them. Such agreement shall be effective immediately and shall be recorded as a Change Order.

**§ 7.3.8** The amount of credit to be allowed by the Contractor to the Owner for a deletion or change that results in a net decrease in the Contract Sum shall be actual net cost as confirmed by the Architect. When both additions and credits covering related Work or substitutions are involved in a change, the allowance for overhead and profit shall be figured on the basis of net increase, if any, with respect to that change.

**§ 7.3.9** Pending final determination of the total cost of a Construction Change Directive to the Owner, the Contractor may request payment for undisputed Work completed under the Construction Change Directive in Applications for Payment. For those undisputed portions, the Architect will make an interim determination for purposes of monthly certification for payment for those costs and certify for payment the amount that the Architect determines, in the Architect's professional judgment, to be reasonably justified. The Architect's interim determination of cost, if agreed to by the Owner in writing, shall adjust the Contract Sum on the same basis as a Change Order, subject to the right of the Contractor to disagree and assert a Claim in accordance with Article 15.

**§ 7.3.10** When the Owner and Contractor agree in writing with a determination made by the Architect concerning the adjustments in the Contract Sum and Contract Time, or otherwise reach agreement upon the adjustments in writing, such agreement shall be effective immediately and the Architect will prepare a Change Order. Change Orders may be issued for all or any part of a Construction Change Directive.

**§ 7.3.11** In no event shall the Contractor be entitled to receive, and the contractor hereby waives the right to receive, any payment or any extension of time for additional or changed work, whether partially or fully completed or simply proposed, unless such additional work is authorized by a written Change Order or Construction Change Directive signed by the Owner, nor shall the Contractor be obligated to proceed with any such work. Only the Owner shall have the right to issue a written Change Order or Constructive Change Directive to the Contractor authorizing an addition, deletion or other revision in the scope of the Work and/or an adjustment in the Contract Sum or the Construction Schedule.

#### **§ 7.4 Minor Changes in the Work**

The Architect may order minor changes in the Work that are consistent with the intent of the Contract Documents and do not involve an adjustment in the Contract Sum or an extension of the Contract Time. The Architect's order for minor changes shall be in writing. If the Contractor believes that the proposed minor change in the Work will affect the Contract Sum or Contract Time, the Contractor shall either (i) file a Claim in accordance with Article 15 and continue to implement the change in the Work, or (ii) notify the Owner and the Architect in writing and shall not proceed to implement the change in the Work. Without limiting other restrictions on payment, if the Contractor performs the Work set forth in the Architect's order for a minor change without prior notice to the Architect that such change will affect the Contract Sum or Contract Time, the Contractor waives any adjustment to the Contract Sum or extension of the Contract Time.

### **ARTICLE 8 TIME**

#### **§ 8.1 Definitions**

**§ 8.1.1** Unless otherwise provided, Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work.

**§ 8.1.2** The date of commencement of the Work is the date established in the Agreement.

**§ 8.1.3** The date of Substantial Completion is the date certified by the Architect in accordance with Section 9.8.

**§ 8.1.4** The term "day" as used in the Contract Documents shall mean calendar day unless otherwise specifically defined.

#### **§ 8.2 Progress and Completion**

**§ 8.2.1** Time limits stated in the Contract Documents are of the essence of the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for obtaining all supplies, materials, tools and equipment necessary to perform the Work and for properly performing the Work.

**§ 8.2.2** The Contractor shall not knowingly, except by agreement or instruction of the Owner in writing, commence the Work prior to the effective date of insurance required to be furnished by the Contractor and Owner.

**§ 8.2.3** The Contractor shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time. All work shall be completed in sufficient time to allow for clean-up and preparation for Owner move-in prior to the Date of Substantial Completion.

**§ 8.2.4** Without altering the applicability and obligations of Section 8.2.3, the Contractor shall prosecute the Work undertaken in a prompt and diligent manner wherever such Work, or any part of it, becomes available, or at such other times as the Owner and/or Architect may direct so as to promote the general progress of the entire construction. The Contractor shall not, by delay or otherwise, interfere with or hinder the Work of a Separate Contractor, the Owner, or the Architect. Any supplies, materials, tools and/or equipment that are to be furnished by the Contractor hereunder shall be furnished in sufficient time to enable the Contractor to perform and complete its Work within the time or times provided for herein. If the Contractor, through its negligence or failure, including the negligence or failure of its Subcontractors or suppliers, fails to furnish the necessary labor and/or supplies, materials, tools and/or equipment to meet construction needs in accordance with the established schedule, then it shall increase its forces or work such overtime as may be required, at its own expense, to bring its part of the Work up to the proper schedule. In the event the Contractor fails to take such action necessary to bring its part of the Work up to schedule within twenty-four (24) hours of receiving notice from the Owner or Architect, then the Owner, at its sole option, may supplement the Contractor's forces, materials and/or equipment or remove the Contractor from the Project, and the Owner may complete part or all of the remainder of the Contractor's Work, either utilizing in the Owner's sole discretion its own forces, new contractors chosen by the Owner or any Subcontractor or supplier of the Contractor, which may include fixed price supplemental work time and materials supplemental work, or any combination thereof, which in Owner's sole discretion will most quickly and completely cure the failure of the Contractor. The Contractor shall be responsible for any and all costs of performing or completing the Work that are incurred by the Owner or any Separate Contractor, Subcontractor, supplier, or other entity on the Owner's behalf. The Owner may withhold such costs from the subsequent payments due the Contractor. To the extent such withholdings are insufficient to cover the costs, the Contractor shall pay the difference within ten (10) days of receiving an invoice for the same. Exercise of such rights shall in no way limit or jeopardize the Owner's right to any other remedy, including, but not limited to, a claim against the Performance Bond of the Contractor.

### **§ 8.3 Delays and Extensions of Time**

**§ 8.3.1** Provided the Contractor submits a written request for an extension not more than fourteen (14) days after the occurrence that gives rise to the delay, if the Contractor is delayed at any time in the commencement or progress of the Work by (1) an act or neglect of the Owner or Architect, of an employee of either, or of a Separate Contractor; (2) by changes ordered in the Work; (3) by fire, unavoidable casualties, significant and unusual adverse weather conditions documented in accordance with Section 15.1.6.2, or other causes beyond the Contractor's control; (4) by delay authorized by the Owner pending litigation, mediation, arbitration or binding dispute resolution, as applicable; or (5) by other causes that the Contractor asserts, and the Architect determines, justify delay, then the Contract Time shall be extended for such reasonable time as the Architect may determine and with which the Owner agrees. Failure of the Contractor to submit a timely request for an extension shall irrevocably waive the Contractor's right to such an extension of time. If the Contract Time is subject to extension pursuant to this subparagraph, such extension shall be the exclusive remedy of the Contractor and the Contractor shall not be entitled to recover damages from the Owner.

**§ 8.3.2** Claims relating to time shall be made in accordance with applicable provisions of Article 15.

**§ 8.3.3** This Section 8.3 precludes recovery of damages for delay by the Contractor under other provisions of the Contract Documents. Under no circumstances may the Contractor assert a Claim, cause of action, or other relief against the Owner for delay damages.

### **§ 8.4 Delay Damage Claims**

**§ 8.4.1** If the Contractor fails to complete its Work on time resulting in loss or damage to the Owner, whether or not liquidated damages are called for in the Contract Documents, the Owner shall be entitled to recover any damages caused by the Contractor's breach, including overhead, profit, extended general conditions, actual attorney fees, etc.

**§ 8.4.2 Liquidated Damages:** The Owner and Contractor recognize that time is of the essence of the Contract and that the Owner will suffer financial loss if the Work is not Substantially Complete and approved for occupancy within the time limits specified, plus any extensions of time as allowed by the General Conditions. They also recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the Owner if

the Work is not Substantially Complete on time due to several factors, including the unique position of the Owner as a public school. Accordingly, instead of requiring any such proof, the Owner and Contractor agree that as liquidated damages for delay (but not as penalty) caused by the Contractor, the Contractor shall pay the Owner \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) for each day that expires after the date of Substantial Completion for the Project until the Work is Substantially Complete. Liquidated Damages charges shall be deducted from the payments owed to the Contractor. The Owner reserves the right to demand legal proceedings should the actual loss be reasonably known to exceed the damages provided herein. Any allegation of damages for delay asserted by the Contractor against the Owner shall be governed by Section 8.3.3, Section 8.4.3, and Section 8.4.4 contained herein.

**§ 8.4.3** In the event the Contractor is hindered in the commencement or progress of the Work by someone other than the Owner, and in the event the Contractor claims damages as a direct and proximate consequence thereof (including, but not limited to, extended general conditions, overhead, profit, overtime, interest, supervision or other costs or profits whatsoever), then the Contractor shall not assert such claims against the Owner, and as to the Owner, the Contractor's claims of delay damages are hereby waived. The Contractor's sole and exclusive remedy regarding such claims for such delay damages shall be to pursue such claims directly against the individual or entity which caused the delay.

For any delay claims raised against the Owner, the Contractor's sole and exclusive remedy is an extension of time to perform the Work not to exceed the time frame of any proven delay. Under no circumstances is the Contractor entitled to monetary delay damages from the Owner.

**§ 8.4.4** In the event of any delay in the completion of the Contractor's Work or scheduling of the Contractor's Work, including the sequence of that Work which is attributable to the Owner, and if it is determined by a court of competent jurisdiction that the Owner is liable for such delay despite the other terms of this Contract barring any Owner liability for damages for delay, then the Owner shall be liable to the Contractor for liquidated damages in the amount of not to exceed One Hundred Dollars (\$100) per day, maximum, which shall include all of the Contractor's claims, including by way of example, delays, compressions of schedule, lost productivity, lost profits, lost opportunities, out of sequence work, overhead, crowding, tools, equipment, rentals, etc.

## **ARTICLE 9 PAYMENTS AND COMPLETION**

### **§ 9.1 Contract Sum**

**§ 9.1.1** The Contract Sum is stated in the Agreement and, including authorized adjustments, is the total amount payable by the Owner to the Contractor for performance of the Work under the Contract Documents.

**§ 9.1.2** If unit prices are stated in the Contract Documents or subsequently agreed upon, and if quantities originally contemplated are materially changed so that application of such unit prices to the actual quantities causes substantial inequity to the Owner or Contractor, the applicable unit prices shall be equitably adjusted.

### **§ 9.2 Schedule of Values**

The Contractor shall submit a schedule of values to the Architect before the first Application for Payment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Architect. This schedule, unless objected to by the Architect, shall be used as a basis for reviewing the Contractor's Applications for Payment. Any changes to the schedule of values shall be submitted to the Architect and supported by such data to substantiate its accuracy as the Architect may require, and unless objected to by the Owner or Architect, shall be used as a basis for reviewing the Contractor's subsequent Applications for Payment.

**§ 9.2.1** The schedule of values shall be prepared in such manner that the value associated for each major item of work and each subcontracted item of work is shown with materials and labor indicated separately on AIA Document G702 - Application and Certificate of Payment, and AIA Document G703 - Continuation Sheet, or otherwise.

### **§ 9.3 Applications for Payment**

**§ 9.3.1** At least fifteen (15) days before the date established for each progress payment, the Contractor shall submit to the Architect an itemized Application for Payment prepared in accordance with the schedule of values for completed portions of the Work. The application shall be notarized, if required, and supported by all data substantiating the Contractor's right to payment that the Owner or Architect require, such as copies of requisitions, and releases and waivers of liens from Subcontractors and suppliers, and shall reflect retainage if provided for in the Contract

Documents. The form of Application and Certificate for Payment shall be AIA Document G702, Application and Certification for Payment, supported by AIA Document G703, Continuation Sheet, unless otherwise agreed by the Owner. Applications for Payment are due to the office of the Architect by the designated day of the month. Applications for Payment that are received after the specified date will not be processed until the following month.

**§ 9.3.1.1** As provided in Section 7.3.9, such applications may include requests for payment on account of changes in the Work that have been properly authorized by Construction Change Directives, or by interim determinations of the Architect, but not yet included in Change Orders. A request for payment of sums related to work regarding Construction Change Directives shall, unless qualified in writing at the time of request, constitute full and complete consent to the Construction Change Directive(s) and to the issuance of a Change Order.

**§ 9.3.1.2** Applications for Payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay a Subcontractor or supplier, unless such Work has been performed by others whom the Contractor intends to pay.

**§ 9.3.1.3** The Contractor shall submit with each monthly Application for Payment (1) an Affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the previous application was submitted and for which the Owner might in any way be responsible have been paid or otherwise satisfied, and (2) a release or waiver of liens arising out of the Contract from each Contractor and/or Subcontractor, materialman, supplier and laborer for the Contractor addressing all previous Applications for Payment submitted for the Project.

**§ 9.3.1.4** The Contractor must provide copies of the insurance certificates, bonds, and the same for all of the Subcontractors prior to submitting the first Application for Payment.

**§ 9.3.2** Unless otherwise provided in the Contract Documents, payments shall be made on account of materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Contractor with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site. Payment to Contractor for materials stored off site is discouraged. When circumstances indicate that the Owner's best interest is served by off-site storage, the Contractor shall make written request to the Owner for approval to include such material costs in the next progress payment. The Contractor's request shall include the following information:

1. A list of the fabricated materials consigned to the Project (which shall be clearly identified, giving the place of storage, together with copies of invoices and reasons why materials cannot be delivered to the site.
2. Certification that items have been tagged for delivery to the Project and that they will not be used for another purpose.
3. A letter from the Contractor's Surety indicating agreement to the arrangements and that payment to the Contractor shall not relieve either party of their responsibility to complete the Work.
4. Evidence of adequate insurance covering the material in storage, which shall name the Owner as additionally insured.
5. Costs incurred by the Architect to inspect material in off-site storage shall be paid by the Contractor.
6. Subsequent pay requests shall itemize the materials and their cost which were approved on previous pay requests and remain in off-site storage.
7. When a partial payment is allowed on account of material delivered on the site of the Work or in the vicinity thereof or under possession and control of the Contractor, but not yet incorporated therein, such material shall become the property of the Owner, but if such material is stolen, destroyed or damaged by casualty before being used, the Contractor will be required to replace it at its own expense.

**§ 9.3.3** The Contractor warrants that title to all Work covered by an Application for Payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an Application for Payment all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Contractor's knowledge, information, and belief, be free and clear of liens, claims,

security interests, or encumbrances, in favor of the Contractor, Subcontractors, suppliers, or other persons or entities that provided labor, materials, and equipment relating to the Work.

#### **§ 9.4 Certificates for Payment**

**§ 9.4.1** The Architect will, within seven days after receipt of the Contractor's Application for Payment, either (1) issue to the Owner a Certificate for Payment in the full amount of the Application for Payment, with a copy to the Contractor; or (2) issue to the Owner a Certificate for Payment for such amount as the Architect determines is properly due, and notify the Contractor and Owner of the Architect's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Contractor and Owner of the Architect's reason for withholding certification in whole as provided in Section 9.5.1.

**§ 9.4.2** The issuance of a Certificate for Payment will constitute a representation by the Architect to the Owner, based on the Architect's evaluation of the Work and the data in the Application for Payment, that, to the best of the Architect's knowledge, information, and belief, the Work has progressed to the point indicated, the quality of the Work is in accordance with the Contract Documents, and that the Contractor is entitled to payment in the amount certified. The foregoing representations are subject to an evaluation of the Work for conformance with the Contract Documents upon Substantial Completion, to results of subsequent tests and inspections, to correction of minor deviations from the Contract Documents prior to completion, and to specific qualifications expressed by the Architect, in writing, together with the certification to which it pertains. However, the issuance of a Certificate for Payment will not be a representation that the Architect has (1) made exhaustive or continuous on-site inspections to check the quality or quantity of the Work; (2) reviewed, unless otherwise required by the Agreement between the Owner and the Architect or applicable law, construction means, methods, techniques, sequences, or procedures; (3) reviewed copies of requisitions received from Subcontractors and suppliers and other data requested by the Owner to substantiate the Contractor's right to payment; or (4) made examination to ascertain how or for what purpose the Contractor has used money previously paid on account of the Contract Sum.

#### **§ 9.5 Decisions to Withhold Certification**

**§ 9.5.1** The Architect may withhold a Certificate for Payment in whole or in part, to the extent reasonably necessary to protect the Owner, if in the Architect's opinion the representations to the Owner required by Section 9.4.2 cannot be made. If the Architect is unable to certify payment in the amount of the Application, the Architect will notify the Contractor and Owner as provided in Section 9.4.1. If the Contractor and Architect cannot agree on a revised amount, the Architect will promptly issue a Certificate for Payment for the amount for which the Architect is able to make such representations to the Owner. The Architect may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued, to such extent as may be necessary in the Architect's opinion to protect the Owner from loss for which the Contractor is responsible, including loss resulting from acts and omissions described in Section 3.3.2, because of

- .1 defective Work not remedied, or the Contractor is in default on the Agreement;
- .2 third party claims filed or reasonable evidence indicating probable filing of such claims, unless security acceptable to the Owner is provided by the Contractor;
- .3 failure of the Contractor to make payments properly to Subcontractors or suppliers for labor, materials or equipment;
- .4 reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum;
- .5 damage to the Owner or a Separate Contractor;
- .6 reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
- .7 failure to carry out the Work in accordance with the Contract Documents;
- .8 the Work not having progressed to the extent set forth in the Application for Payment;
- .9 representations of the Contractor are untrue;
- .10 failing to conform to Project Schedule;
- .11 default in the performance of any obligation to the Owner under another contract; or
- .12 failure to provide sufficiently skilled workers.

**§ 9.5.2** When the Contractor disputes the Architect's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, the Contractor may submit a Claim in accordance with Article 15.

**§ 9.5.3** When the reasons for withholding certification are removed, certification will be made for amounts previously withheld.

**§ 9.5.4** If the Architect withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Contractor and to any Subcontractor or supplier to whom the Contractor failed to make payment for Work properly performed or material or equipment suitably delivered. If the Owner makes payments by joint check, the Owner shall notify the Architect and the Contractor shall reflect such payment on its next Application for Payment.

**§ 9.5.5** If the Contractor disputes any determination by the Owner or Architect with regard to any Certificate for Payment, the Contractor shall nevertheless continue to expeditiously perform the Work and such dispute shall provide no basis for any manner of suspension of the Contractor's performance of the Work.

**§ 9.5.6** Notwithstanding anything herein to the contrary, the Owner has no obligation to pay the Contractor absent receipt of a Certificate for Payment for the requested amount, and neither the Architect's failure to issue a Certificate for Payment nor the Architect's failure to notify the Contractor and/or Owner of a withheld Certificate for Payment creates an obligation on the Owner to pay the Contractor. The foregoing sentence shall not operate to limit the right of the Owner to dispute amounts requested by the Contractor or to withhold payments from the Contractor as provided in the Contract Documents.

## **§ 9.6 Progress Payments**

**§ 9.6.1** After the Architect has issued a Certificate for Payment, the Owner shall make payment in the manner and within the time provided in the Contract Documents, and shall so notify the Architect.

**§ 9.6.2** The Contractor shall pay each Subcontractor, no later than seven days after receipt of payment from the Owner, the amount to which the Subcontractor is entitled, reflecting percentages actually retained from payments to the Contractor on account of the Subcontractor's portion of the Work. The Contractor shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.

**§ 9.6.3** The Architect will, on request, furnish to a Subcontractor, if practicable, information regarding percentages of completion or amounts applied for by the Contractor and action taken thereon by the Architect and Owner on account of portions of the Work done by such Subcontractor.

**§ 9.6.4** The Owner has the right to request written evidence from the Contractor that the Contractor has properly paid Subcontractors and suppliers amounts paid by the Owner to the Contractor for subcontracted Work. If the Contractor fails to furnish such evidence within seven days, the Owner shall have the right to contact Subcontractors and suppliers to ascertain whether they have been properly paid. Neither the Owner nor Architect shall have an obligation to pay, or to see to the payment of money to, a Subcontractor or supplier, except as may otherwise be required by law.

**§ 9.6.5** The Owner may, in its sole discretion, after providing Contractor with ten (10) days prior written notice, make direct payments to the Contractor's Subcontractors, suppliers, laborers or claimants relating to labor or material provided to the Contractor for which the Contractor has not provided a waiver of lien, in the event the Subcontractors, suppliers, laborers or claimants threaten to or actually cease providing labor and/or materials for the Project such that, in the Owner's determination, progress of the Project and the Project's Schedule are jeopardized. All payments made pursuant to this section shall be considered the same as if paid directly to the Contractor and shall constitute partial payment of the Contract Sum. In the event the Contractor disagrees with the amount proposed to be paid to one or more Subcontractors, suppliers, laborers or claimants, the Contractor shall provide a bond in the amount the Contractor believes the Owner will overpay, within ten (10) days of receipt of notice, or be barred from making any claim that the amount of the direct payment was incorrect. Payment under this provision shall not jeopardize any other remedy available to the Owner.

**§ 9.6.6** A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall not constitute acceptance of Work not in accordance with the Contract Documents.

**§ 9.6.7** Unless the Contractor provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Contractor for Work properly performed by Subcontractors or provided by suppliers shall be held by the Contractor for those Subcontractors or suppliers who performed Work or furnished materials, or both,

under contract with the Contractor for which payment was made by the Owner. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Contractor, create any fiduciary liability or tort liability on the part of the Contractor for breach of trust, or entitle any person or entity to an award of punitive damages against the Contractor for breach of the requirements of this provision.

**§ 9.6.8** The Contractor shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Subcontractor or supplier of any tier. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Contractor. If approved by the applicable court, when required, the Contractor may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

**§ 9.6.9** Subject to applicable law, if a petition in bankruptcy or any other arrangement or proceeding regarding insolvency, assignment for the benefit of creditors, trust, chattel mortgage, or similar state or federal proceeding, whether voluntary or involuntary, shall be filed with respect to the Contractor, the Owner may withhold the final balance, or any other payments, whether or not an application for progress payment has been properly filed, until expiration of the period of any guarantees or warranties required for the Contractor, and the Owner may pay out such funds the amount necessary to satisfy any claims or costs that otherwise would have been covered by such guarantees or warranties.

### **§ 9.7 Failure of Payment**

If without justifiable basis under the Contract Documents, including these General Conditions the Owner does not pay the Contractor within seven days after the date established in the Contract Documents the undisputed amount asserted by the Contractor in its Application for Payment or awarded by a court, then the Contractor may, upon twenty-one (21) additional days' written notice to the Owner and Architect, stop the Work until payment of the undisputed amount owing has been received. The Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Contractor's reasonable costs of shutdown, delay and start-up, plus interest as provided for in the Contract Documents. The Contractor acknowledges the Owner's right to dispute in good faith any amount requested by the Contractor, and, irrespective of the Architect's issuance of a Certificate for Payment, the Owner's right to withhold payments from the Contractor, including, without limitation, to correct Work that fails to conform with the Contract Documents or as an offset or recoupment to recover the cost of damages incurred by the Owner due to the Contractor's breach of the Contract or a wrongful or negligent act or omission of the Contractor.

### **§ 9.8 Substantial Completion**

**§ 9.8.1** Substantial Completion is the stage in the progress of the Work when the Work or designated portion thereof is sufficiently complete in accordance with the Contract Documents and when all required occupancy permits, if any, have been issued, so that the Owner can occupy or utilize the Work for its intended use.

**§ 9.8.2** When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected prior to final payment. Failure to include an item on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

**§ 9.8.3** Upon receipt of the Contractor's list, the Architect will make an inspection to determine whether the Work or designated portion thereof is substantially complete. If the Architect's inspection discloses any item, whether or not included on the Contractor's list, which is not sufficiently complete in accordance with the Contract Documents so that the Owner can occupy or utilize the Work or designated portion thereof for its intended use, the Contractor shall, before issuance of the Certificate of Substantial Completion, complete or correct such item immediately. In such case, the Contractor shall then submit a request for another inspection by the Architect to determine Substantial Completion.

**§ 9.8.4** When the Work or designated portion thereof is substantially complete, the Architect will prepare a Certificate of Substantial Completion that shall establish the date of Substantial Completion; establish responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance; and fix the time within which the Contractor shall finish all items on the list accompanying the Certificate. Warranties required by the Contract Documents shall commence on the date of Substantial Completion of the Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

**§ 9.8.5** The Certificate of Substantial Completion shall be submitted to the Owner and Contractor for their written acceptance of responsibilities assigned to them in the Certificate. Upon such acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof. Such payment shall be adjusted for Work that is incomplete or not in accordance with the requirements of the Contract Documents.

**§ 9.8.6** Notwithstanding Sections 9.8.1 and 9.8.2, as a condition precedent to establishing the date of Substantial Completion, the Contractor shall prepare and submit to the Architect a comprehensive list of items to be completed or corrected (a "punch list"). The Contractor shall respond immediately to correct Work deficiencies and/or punch list items. Should the Contractor fail to make corrections in a timely fashion, but not later than fifteen (15) calendar days from the date of Substantial Completion or notification of the required corrections, whichever is earlier, such Work may be corrected by the Owner at the Contractor's sole expense, and any remaining payments due the Contractor shall be withheld by the Owner.

**§ 9.8.7** The Contractor shall promptly notify the Architect, in writing, when the Work deficiencies and/or punch list items are completed. Upon the review of the Work by the Architect after such notification by the Contractor, if Work deficiencies and/or punch list items shall continue to exist, the Contractor shall reimburse the Owner its cost plus ten percent (10%) overhead and profit on any cost incurred by the Owner, including the Architect's fees for re-inspection of the Work. Failure to pay such costs within ten (10) days of receipt of a demand regarding the same shall permit the Owner to pay such costs out of retainage held by the Owner on the Contractor's contract.

#### **§ 9.9 Partial Occupancy or Use**

**§ 9.9.1** The Owner may occupy or use any completed or partially completed portion of the Work at any stage when such portion is designated by separate agreement with the Contractor, provided such occupancy or use is consented to by the insurer and authorized by public authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete. The Contractor shall proceed with the Work in such a manner as reasonably directed and shall cooperate with the Owner to limit interruptions.

**§ 9.9.2** Immediately prior to such partial occupancy or use, the Owner, Contractor, and Architect shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work.

**§ 9.9.3** Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Contract Documents.

**§ 9.9.4** Any agreement as to the acceptance of non-conforming Work not complying with the requirements of the Contract Documents shall be in writing in the form of a Change Order, acceptable to the Owner's authorized representative and signed by all parties.

#### **§ 9.10 Final Completion and Final Payment**

**§ 9.10.1** Upon receipt of the Contractor's written notice that the Work is ready for final inspection and acceptance and upon receipt of a final Application for Payment, the Architect will promptly make such inspection. When the Architect finds the Work acceptable under the Contract Documents and the Contract fully performed, the Architect will promptly issue a final Certificate for Payment stating that to the best of the Architect's knowledge, information and belief, and on the basis of the Architect's on-site visits and inspections, the Work has been completed in accordance with the Contract Documents and that the entire balance found to be due the Contractor and noted in the final Certificate is due and payable. The Architect's final Certificate for Payment will constitute a further representation that conditions listed in Section 9.10.2 as precedent to the Contractor's being entitled to final payment have been fulfilled.

**§ 9.10.2** Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Work for which the Owner or the Owner's property might be responsible or encumbered (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect, (3) a written statement that the Contractor knows of no reason that the insurance will not be renewable to cover the period required by the Contract Documents, (4) consent of surety, if any, to final payment, (5) documentation of any special warranties, such as

manufacturers' warranties or specific Subcontractor warranties, (6) an affidavit that states the Work is fully completed and performed in accordance with the Contract Documents, (7) in the event of Contractor bankruptcy, at the Owner's option, an order entered by the court having jurisdiction of the Contractor's insolvency proceeding authorizing such payment, (8) a general release executed by the Contractor on a form provided by the Owner, (9) all close-out documents, (10) all warranties collected and provided in an acceptable manner, and (11) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts and releases and waivers of liens, claims, security interests, or encumbrances arising out of the Contract, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien, claim, security interest, or encumbrance. If a lien, claim, security interest, or encumbrance remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging the lien, claim, security interest, or encumbrance, including all costs and actual attorneys' fees.

**§ 9.10.3** If, after Substantial Completion of the Work, final completion thereof is materially delayed through no fault of the Contractor or by issuance of Change Orders affecting final completion, and the Architect so confirms, the Owner shall, upon application by the Contractor and certification by the Architect, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed, corrected, and accepted. If the remaining balance for Work not fully completed or corrected is less than retainage stipulated in the Contract Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by the Contractor to the Architect prior to certification of such payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

**§ 9.10.4** The making of final payment shall not constitute a waiver of Claims by the Owner.

**§ 9.10.5** Acceptance of final payment by the Contractor, a Subcontractor, or a supplier, shall constitute a waiver of all claims of the Contractor except those previously made by the Contractor in writing and identified by the Contractor as unsettled at the time of final Application for Payment and specifically referenced as being an exception to the waiver contained in this section.

## **ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY**

### **§ 10.1 Safety Precautions and Programs**

The Contractor shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Contract.

**§ 10.1.1** The Contractor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Contract. The Contractor shall continuously maintain adequate protection of all Work from damage and shall protect the Owner's property from injury or loss. The Contractor shall make good any such damage, injury or loss at no cost to the Owner, except to the extent directly caused by agents or employees of the Owner. The Contractor shall adequately protect the Work and adjacent property as required by law, the Contract Documents, or as otherwise required, to cause no damage to the Work and adjacent property during the execution of the Work. This requirement shall also apply to structures above and below ground as conditions of the site require. The Contractor shall also provide recommendations and information to the Owner regarding (a) the assignment of responsibilities for safety precautions and programs by the Subcontractors and responsibilities for safety precautions and programs by the Subcontractors and the Owner for the safety of Owner, and the general public; (b) temporary facilities; and (c) equipment, materials and services for common use of Subcontractors. The Contractor shall verify that the requirements and assignment of responsibilities are included in the proposed Contract Documents.

**§ 10.1.2** The Contractor is solely responsible to the Owner for health and safety at the Project site and, accordingly, shall be solely responsible for initiating, monitoring, maintaining and supervising all safety precautions and programs in connection with the performance of the Work. The foregoing does not relieve the Subcontractors of their responsibility to the Contractor for the safe performance of their Work in accordance with all applicable laws.

**§ 10.1.3** The Contractor shall develop and implement a health and safety plan that complies with all applicable laws covering all activities on the Project Site except those activities performed solely by the Owner. The Contractor shall

provide the Owner a copy of such health and safety plan prior to commencement of Work. The Owner shall have no duty to review the plan and shall assume no duty by doing so.

## **§ 10.2 Safety of Persons and Property**

**§ 10.2.1** The Contractor shall take every reasonable precaution for safety of, and shall provide reasonable protection to prevent damage, injury, or loss to

- .1 employees on the Work and other persons who may be affected thereby;
- .2 the Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Contractor, a Subcontractor, or a Sub-subcontractor; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

**§ 10.2.2** The Contractor shall take all reasonable safety precautions with respect to its Work and work of others, shall comply with all standard industry safety measures and shall comply with all applicable laws, ordinances, rules, regulations and orders of any public authority and all other requirements of the Contract Documents, including those applicable to the safety of persons or property. The Contractor shall be responsible for the safety of all of the Contractor's employees and the safety of all of the Contractor's Subcontractors, suppliers, and their employees. The Contractor shall report in writing to the Architect any injury to any of Contractor's or its Subcontractor's employees at the site within one (1) day after the occurrence of such injury.

**§ 10.2.3** The Contractor shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable, necessary and appropriate safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

**§ 10.2.4** When use or storage of explosives or other hazardous materials or equipment, or unusual methods are necessary for execution of the Work, the Contractor shall exercise utmost care and carry on such activities under supervision of properly qualified personnel. The Contractor shall be solely and fully responsible for any and all damage claims and for defense of all actions against the Owner relating to such explosives, hazardous materials and/or unusual methods.

**§ 10.2.5** The Contractor shall promptly remedy damage and loss to property referred to in Sections 10.2.1.2 and 10.2.1.3 caused in whole or in part by the Contractor, a Subcontractor, a Sub-subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible under Sections 10.2.1.2 and 10.2.1.3. The Contractor may make a Claim for the cost to remedy the damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner or Architect or anyone directly or indirectly employed by either of them, or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 3.18.

**§ 10.2.6** The Contractor shall designate a responsible member of the Contractor's organization at the site whose duty shall be the prevention of accidents. This person shall be the Contractor's superintendent unless otherwise designated by the Contractor in writing to the Owner and Architect.

**§ 10.2.7** The Contractor shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

## **§ 10.2.8 Injury or Damage to Person or Property**

If the Contractor suffers injury or damage to person or property because of an act or omission of the Owner, or of others for whose acts the Owner is legally responsible, written notice of the injury or damage, whether or not insured, shall be given to the Owner within a reasonable time not exceeding 21 days after discovery. The notice shall provide sufficient detail to enable the Owner to investigate the matter. This provision shall be for investigative purposes only and shall not eliminate or reduce a party's obligation to pursue Claims. The Contractor's failure to do so shall be an irrevocable waiver of any Claim arising out of such injury or damage. Injury or damage to persons or property suffered by the Owner because of an act or omission of the Contractor, or others for whose acts the Contractor is legally responsible, shall be subject to the limitation periods established by Michigan law.

**§ 10.2.8.1** The Contractor causing damage to the Work of another shall be responsible for the repair and replacement of such damaged Work. Back charges shall be made against the Contract Sum of the damaging Contractor when corrections are not made promptly.

**§ 10.2.8.2** If the Contractor or any Subcontractor chooses to use any systems, equipment, facilities, or services which have been incorporated in the Project as a permanent part thereof by any other, the Contractor shall assume full responsibility for damages caused to said systems, equipment, facilities or services, and have damages repaired as required, so that in no case will the performance of the used systems, equipment, facilities or services be diminished from the specified criteria as a result of such use.

**§ 10.2.9** The Contractor acknowledges that the safety of the Owner's students, employees and guests is of the utmost importance. The Contractor will take no action which would jeopardize the safety of the Owner's students, employees and guests and, without the Owner's written approval, shall take no action which would interfere with the Owner's activities. Without limiting the foregoing sentence, the Contractor shall comply with all laws applicable to student and/or school safety.

### **§ 10.3 Hazardous Materials and Substances**

**§ 10.3.1** The Contractor is responsible for compliance with any requirements included in the Contract Documents regarding hazardous materials or substances. If the Contractor encounters a hazardous material or substance not addressed in the Contract Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Contractor, the Contractor shall, upon recognizing the condition, immediately stop Work in the affected area and notify the Owner and Architect in writing of the condition.

**§ 10.3.2** Upon receipt of the Contractor's written notice, the Owner, in its discretion, shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Contractor and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Contract Documents, the Owner shall, as a courtesy, furnish in writing to the Contractor and Architect the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. When the material or substance has been rendered harmless, Work in the affected area shall resume upon written agreement of the Owner and Contractor. By Change Order, the Contract Time shall be extended appropriately to address shutdown, delay, and start-up.

### **§ 10.3.3 NOT USED**

**§ 10.3.4** The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Contractor brings to the site. To the extent the Contract Documents require the removal, transport and disposal of hazardous materials, the Contractor agrees that it assumes responsibility for said tasks as part of the Contract.

**§ 10.3.5** The Contractor shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Contractor brings to the site and negligently handles, or (2) where the Contractor fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

### **§ 10.3.6 NOT USED**

### **§ 10.4 Emergencies**

In an emergency affecting safety of persons or property, the Contractor shall act, at the Contractor's reasonable discretion, to prevent threatened damage, injury, or loss. Additional compensation or extension of time claimed by the Contractor on account of an emergency shall be determined as provided in Article 15 and Article 7. Nothing in this paragraph will be construed as relieving Contractor from the cost and responsibilities for emergencies covered hereby.

### **§ 10.5 Notification of Utility Companies**

**§ 10.5.1** At least five (5) working days prior to the start of work in areas which may involve existing utility lines, the Contractor shall notify the MISS DIG notification system, as legally required and, if applicable, any Registered Utility Protection Service of the utility company possibly affected by the planned work by certified mail with return receipt requested.

**§ 10.5.2** The utility company should, upon receipt of notice, stake, mark or otherwise designate the location (and depth) of their lines, or temporarily move the line(s). The Contractor shall wait for the applicable utility to stake and/or mark its utility lines before commencing the relevant Work

**§ 10.5.3** The Contractor shall immediately report to the respective utility company any break or leak in its lines, or any dent, gouge, groove or other damage to the utility line or to its coating or cathodic protection made or discovered in the course of the Work.

**§ 10.5.4** The Contractor shall immediately alert the Owner, Architect and occupants of nearby premises of any and all emergencies caused or discovered in the utility line(s) in the course of the Work.

## **§ 10.6 Security**

**§ 10.6.1** All construction participants, including the Contractor, Architect, Subcontractors, etc., shall cooperate with the Owner's security personnel and shall comply with all of the Owner's security requirements. Such requirements shall include, without limitation, if requested by the Owner, delivering to the Owner's security personnel, prior to the commencement of the Work on each day, a list of all personnel who will be permitted access to the Work. The foregoing, however, shall not relieve the Contractor of any obligation to provide a safe and secure workplace for all parties entering the Project Site. The Contractor shall be responsible to implement commercially reasonable data security protection measures to protect the Owner's networks and data when performing technology-related Work.

## **§ 10.7 Fire Protection**

**§ 10.7.1** The Contractor shall maintain free access to the building areas for firefighting equipment and shall at no time block off main roadways or fire aisles without providing adequate auxiliary roadways and means of entrance for firefighting equipment, including heavy fire department trucks, where applicable.

**§ 10.7.2** The Contractor shall at all times cooperate with the Owner and kept the municipal fire department informed of the means of entrance and changes to the roadways or fire aisles as needed to provide fire department access to or around the Project Site.

**§ 10.7.3** The Contractor shall, during the entire construction period and until the completion of the Work, provide and maintain all material, equipment, and services necessary for an adequate fire protection system, which shall meet the approval of the Owner and/or the Architect. The system shall, at a minimum, meet the requirements set forth in the Contract Documents and of applicable laws. These requirements shall be augmented and/or the installations relocated, as may be necessary to meet, at all time, the demands of adequate protection in all areas and shall not be reduced prior to the completion of the Work with the written approval of the Owner and/or the Architect.

## **§ 10.8 Environmental Statement and Responsibility of Contractors and Sub-Contractors**

**§ 10.8.1** It shall be the responsibility of the Contractor to pay any and all costs incurred in any way related to clean up related to any environmental hazard created by means of release, spill, leak or any other means of contamination caused by accident or negligence that is the responsibility of Contractor or its subcontractors or other agents.

**§ 10.8.2** It shall be the responsibility of the Contractor to dispose of any product(s) and/or material in strict compliance with applicable federal, state, and local laws (e.g., Environmental Protection Agency, Michigan Department of Natural Resources, etc.).

## **ARTICLE 11 INSURANCE AND BONDS**

### **§ 11.1 Contractor's Insurance and Bonds**

**§ 11.1.1** The Contractor shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as required by law and as otherwise described in the Agreement or elsewhere in the Contract Documents. The Contractor shall purchase and maintain the required

insurance from an insurance company or insurance companies rated A- or better by A.M. Best Company and lawfully authorized to issue insurance in the jurisdiction where the Project is located.

**§ 11.1.2** The Owner hereby requires the Contractor to furnish bonds covering faithful performance of the Contract and payment of obligations arising thereunder, each in the penal sum of 100% of the Contract Sum and in accordance with applicable law, on the date of execution of the Contract. The Owner may also require, through the Contract Documents or otherwise, that any contract valued at \$50,000 or less shall also include payment and performance bonds each in the penal sum of up to 100% of the Contract Sum. The Contractor shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located. The Contractor shall obtain and provide to the Owner copies of any and all bonds required by the Contract prior to Contractor beginning performance pursuant to the Contract. The Contractor's obligation to provide such bonds shall not be waived in any fashion, including any failure to secure such bonds prior to Contractor beginning performance pursuant to the Agreement.

**§ 11.1.2.1** The Contractor's liability insurance shall as identified in Attachment A of the Agreement.

**§ 11.1.2.1.1 - § 11.1.2.1.6 Reserved**

**§ 11.1.2.1.7 Additional Insured Obligations.** Grand Rapids Public School District and Plante Moran Realpoint, LLC, it's Owner's Representative, the Architect, and Architect's consultants must be named as additional insured by endorsement to the Comprehensive General Liability Policy. Certificates of insurance evidencing that the Contractor has secured all of the foregoing insurance must be provided to the Owner. A minimum of thirty [30] days' notice to the Owner prior to the cancellation of, or change in, any such insurance shall be endorsed on each policy and noted on each certificate.

**§ 11.1.3** Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract, the Contractor shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

**§ 11.1.4** For all insurances where the Contractor is obligated to have its insurance company name the Owner, Owner's Representative Consultant, Architect and Architect's consultants as additional insureds, the Contractor shall require such insurance company to add to the policy the following clause: "The insurance afforded to the Additional Insured is primary insurance. If the Additional Insureds have other insurance which is applicable to the loss on an excess or contingent basis, the amount of the insurance company's liability under this policy shall not be reduced by the existence of such other insurance." Should the Contractor's insurance costs increase due to adding the Architect and/or Architect's Consultants as additional insureds, and should such costs be passed on to the Owner, the Architect and Architect's Consultants, as applicable, shall reimburse the Owner for such additional costs.

**§ 11.1.5 Notice of Cancellation or Expiration of Contractor's Required Insurance.** Immediately after the Contractor becomes aware of an impending or actual cancellation or expiration of any insurance required by the Contract Documents, but in no event less than the sooner of three (3) days after becoming aware or the coverage actually lapsing, the Contractor shall provide notice to the Owner of such impending or actual cancellation or expiration, including the Contractor's plan to immediately procure replacement insurance as required by the Contract Documents to avoid any lapse in coverage. Contractor's failure to do so is a material breach of this Agreement, shall entitle the Owner to purchase replacement insurance at Contractor's sole cost, and shall subject the Contractor to any and all damages related to its failure to comply with its required insurance obligations. Further, upon receipt of notice from the Contractor, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right, but not the obligation, to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Contractor. The furnishing of notice by the Contractor shall not relieve the Contractor of any contractual obligation to provide any required coverage.

## **§ 11.2 Owner's Insurance**

**§ 11.2.1** The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in the Agreement or elsewhere in the Contract Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. This policy will exclude any tools, equipment, scaffolding, glass breakage, etc., owned or rented by the Contractor or Subcontractors and materials stored on the site, but not incorporated into the Project. The Contractor shall be responsible for

protecting all product until the Date of Final Completion is established by the Architect/Engineer. The Contractor shall replace any Work if damaged before Final Completion. The Contractor may assume the risk itself or obtain insurance in amounts it deems sufficient.

**§ 11.2.2 Failure to Purchase Required Property Insurance.** If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in the Agreement or elsewhere in the Contract Documents, the Owner shall inform the Contractor in writing prior to commencement of the Work. Upon receipt of notice from the Owner, the Contractor may obtain insurance of reasonable type and coverage amount that will protect the interests of the Contractor, Subcontractors, and Sub-Subcontractors in the Work and the parties shall negotiate an adjustment to the Contract Sum and Contract Time. Property Insurance provided by the Owner will cover only Work incorporated into the construction and will not cover tools, equipment, or other property owned, leased, rented, or borrowed by the Contractor, Subcontractor, Sub-Subcontractor, or others.

**§ 11.2.3 Notice of Cancellation or Expiration of Owner's Required Property Insurance.** Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Contract Documents, the Owner shall provide notice to the Contractor of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Contractor: (1) the Contractor, upon receipt of notice from the Owner, shall have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Contractor and (2) the Contract Time and Contract Sum shall be negotiated. If the Contractor purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

### **§ 11.3 Waivers of Subrogation**

**§ 11.3.1** Superior to any other provision herein or elsewhere in the Contract Documents, any references to "waiver of subrogation" or such similar provisions are hereby deleted and shall be declared to have no effect.

### **§ 11.3.2 NOT USED**

### **§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance**

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss.

### **§ 11.5 Adjustment and Settlement of Insured Loss**

**§ 11.5.1** A loss insured under the property insurance required by the Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Architect and Contractor their just shares of insurance proceeds received by the Owner, and by appropriate agreements the Architect and Contractor shall make payments to their consultants and Subcontractors in similar manner. The Owner shall use its best efforts, with consultation of the Architect, to reach a quick and fair settlement for all interested parties, with the insurance companies after a loss.

**§ 11.5.2** Prior to settlement of an insured loss, the Owner shall notify the Contractor of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Contractor shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Contractor does not object, the Owner shall settle the loss and the Contractor shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Contract for convenience, the Owner and Contractor shall execute a Change Order for reconstruction of the damaged or destroyed Work in the amount allocated for that purpose. If the Contractor timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Contractor arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15 if the Contractor timely and properly files a claim under Article 15. Pending resolution of any dispute, the Owner may issue a Construction Change Directive for the reconstruction of the damaged or destroyed Work.

## **ARTICLE 12 UNCOVERING AND CORRECTION OF WORK**

### **§ 12.1 Uncovering of Work**

**§ 12.1.1** If a portion of the Work is covered contrary to the Architect's request or to requirements specifically expressed in the Contract Documents, it must, if requested in writing by the Architect, be uncovered for the Architect's examination and be replaced at the Contractor's expense without change in the Contract Time or Contract Sum.

**§ 12.1.2** If a portion of the Work has been covered that the Architect has not specifically requested to examine prior to its being covered, the Architect may request with the Owner's consent to see such Work and it shall be uncovered by the Contractor. If such Work is in accordance with the Contract Documents, the Contractor shall be entitled to a negotiated adjustment to the Contract Sum and Contract Time as may be appropriate. At the time the Owner's consent is sought as described herein, the Architect shall notify the Owner that additional costs may apply if the Work is in accordance with the Contract Documents. If such Work is not in accordance with the Contract Documents, the costs of uncovering the Work, and the cost of correction, shall be at the Contractor's expense.

### **§ 12.2 Correction of Work**

It is understood that the correction of work, either before or after Substantial Completion, shall occur without extension of the Contract Time, without increase in the Contract Sum, and without use of any contingency.

#### **§ 12.2.1 Before Substantial Completion**

The Contractor shall promptly correct Work rejected by the Architect or failing to conform to the requirements of the Contract Documents, discovered before Substantial Completion and whether or not fabricated, installed or completed. Costs of correcting such rejected Work, including work of other Contractors and Subcontractors, compensation of consultants, any delay or related damages, attorneys' fees incurred by the Owner, additional testing and inspections, the cost of uncovering and replacement, and compensation for the Architect's services and expenses made necessary thereby, shall be at the Contractor's expense. The Owner shall have the right to charge the Contractor for any such costs and expenses and to deduct such amounts from any future payments due the Contractor.

#### **§ 12.2.2 After Substantial Completion**

**§ 12.2.2.1** In addition to the Contractor's obligations under Section 3.5, if, within two years after the date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of notice from the Owner to do so, unless the Owner has previously given the Contractor a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. If the Contractor fails to correct nonconforming Work within a reasonable time during that period after receipt of notice from the Owner or Architect, the Owner may correct it in accordance with Section 2.5.

**§ 12.2.2.2** The two-year period for correction of Work shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Work.

**§ 12.2.2.3** The two-year period for correction of Work shall not be extended by corrective Work performed by the Contractor pursuant to this Section 12.2.

**§ 12.2.3** The Contractor shall remove from the site portions of the Work that are not in accordance with the requirements of the Contract Documents and are neither corrected by the Contractor nor accepted by the Owner.

**§ 12.2.4** The Contractor shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Contractor's correction or removal of Work that is not in accordance with the requirements of the Contract Documents.

**§ 12.2.5** Nothing contained in this Section 12.2 or other provisions of the Contract Documents establishing a "correction warranty" or other similar concept shall be construed to establish a period of limitation with respect to other obligations the Contractor has under the Contract Documents, including, without limitation, Section 3.5. Establishment of the two-year period for correction of Work as described in Section 12.2.2 relates only to the

specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

**§ 12.2.6** The Contractor shall respond immediately to correct Work deficiencies and/or punch list items. Failure to correct Work deficiencies and/or punch list items in a timely fashion shall be a substantial breach, and the Owner may terminate the Contract immediately. The Owner's right of termination in this Section 12.2.6 is separate and distinct from the right of termination in Section 14.2. Whether or not the Contract is terminated, if the Contractor fails to make corrections in a timely fashion, such Work may be corrected by the Owner, in its sole discretion, at the Contractor's expense and the Contract Sum may be adjusted by back charge and/or withholding future payments due the Contractor accordingly. The Contractor shall promptly notify the Architect in writing when Work deficiencies and/or punch list items are completed. If upon review of the Work by the Architect, after such notification by the Contractor, Work deficiencies and/or punch list items shall continue to exist, the Contractor shall reimburse the Owner for any costs incurred by the Owner, plus ten percent (10%) overhead and profit, as well as the Architect's fees for reinspections of the Work.

### **§ 12.3 Acceptance of Nonconforming Work**

If the Owner prefers to accept Work that is not in accordance with the requirements of the Contract Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made. The acceptance of nonconforming Work by the Owner shall be by written Change Order signed by the Owner's authorized representative. Acceptance of nonconforming Work may only occur pursuant to such written Change Order.

## **ARTICLE 13 MISCELLANEOUS PROVISIONS**

### **§ 13.1 Governing Law**

The Contract shall be governed by the law of the State of Michigan in all respects, except that Claims and causes of action brought by the Owner shall not be deemed untimely if filed within six (6) years of Substantial Completion of the entire Project.

### **§ 13.2 Successors and Assigns**

**§ 13.2.1** The Owner and Contractor respectively bind themselves, their partners, successors, assigns, and legal representatives to covenants, agreements, and obligations contained in the Contract Documents. Except as provided in Section 13.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

**§ 13.2.2** The Owner may, without consent of the Contractor, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Contract Documents. The Contractor shall execute all consents reasonably required to facilitate the assignment.

### **§ 13.3 Rights and Remedies**

**§ 13.3.1** Duties and obligations imposed by the Contract Documents and rights and remedies available thereunder shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

**§ 13.3.2** No action or failure to act by the Owner, Architect, or Contractor shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

### **§ 13.4 Tests and Inspections**

**§ 13.4.1** Tests, inspections, and approvals of portions of the Work shall be made as required by the Contract Documents and by applicable laws, statutes, ordinances, codes, rules, and regulations or lawful orders of public authorities. Unless otherwise provided, the Contractor shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals. The Contractor shall give the Architect

timely notice of when and where tests and inspections are to be made so that the Architect may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after bids are received or negotiations concluded. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or applicable laws or regulations so require.

**§ 13.4.2** If the Architect, Owner, or public authorities having jurisdiction determine that portions of the Work require additional testing, inspection, or approval not included under Section 13.4.1, the Architect will, upon written authorization from the Owner, instruct the Contractor to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Contractor shall give timely notice to the Architect of when and where tests and inspections are to be made so that the Architect may be present for such procedures. Such costs, except as provided in Section 13.4.3, shall be at the Owner's expense.

**§ 13.4.3** If procedures for testing, inspection, or approval under Sections 13.4.1 and 13.4.2 reveal failure of the portions of the Work to comply with requirements established by the Contract Documents or applicable law, all costs made necessary by such failure, including those of repeated procedures and compensation for the Architect's services and expenses, shall be at the Contractor's expense.

**§ 13.4.4** Required certificates of testing, inspection, or approval shall, unless otherwise required by the Contract Documents, be secured by the Contractor and promptly delivered to the Architect.

**§ 13.4.5** If the Architect is to observe tests, inspections, or approvals required by the Contract Documents, the Architect will do so promptly and, where practicable, at the normal place of testing.

**§ 13.4.6** Tests or inspections conducted pursuant to the Contract Documents shall be made promptly to avoid delay in the Work.

### **§ 13.5 Interest**

Payments due and unpaid under the Contract Documents shall bear interest from the date payment is due at the rate the parties agree upon in writing or, in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located. For any late payments by the Owner, the interest rate shall not exceed five percent (5%) per annum (see MCL 438.31).

## **ARTICLE 14 TERMINATION OR SUSPENSION OF THE CONTRACT**

### **§ 14.1 Termination by the Contractor**

**§ 14.1.1** The Contractor may terminate the Contract if the Work is stopped for a period of 30 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency, that requires all Work to be stopped;
- .3 Because the Owner has not made payment on an undisputed Certificate for Payment within the time stated in the Contract Documents, subject to justifiable withholding of payment as described herein or in the Contract Documents; or
- .4 The Owner has failed to furnish to the Contractor reasonable evidence as required by Section 2.2.

**§ 14.1.2** The Contractor may terminate the Contract if, through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, their agents or employees, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

**§ 14.1.3** If one of the reasons described in Section 14.1.1 or 14.1.2 exists, the Contractor may, upon seven days' written notice to the Owner and Architect, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, and costs incurred by reason of such termination.

**§ 14.1.4** If the Work is stopped for a period of 60 consecutive days through no act or fault of the Contractor, a Subcontractor, a Sub-subcontractor, or their agents or employees or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Contract Documents with respect to matters important to the progress of the Work, the Contractor may, upon seven additional days' written notice to the Owner and the Architect, terminate the Contract and recover from the Owner as provided in Section 14.1.3.

## **§ 14.2 Termination by the Owner for Cause**

**§ 14.2.1** The Owner may terminate the Contract if the Contractor

- .1 refuses or fails to supply enough properly skilled workers or proper materials to the point of negatively impacting the Project and/or the related schedule;
- .2 fails to make payment to Subcontractors or suppliers in accordance with the respective agreements between the Contractor and the Subcontractors or suppliers;
- .3 disregards applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of a public authority;
- .4 otherwise is guilty of substantial breach of a provision of the Contract Documents; or
- .5 the Contractor fails to prosecute the Work or any part thereof with promptness and diligence or fails to perform any provisions of the Contract, or goes into bankruptcy, liquidation, makes an assignment for the benefit of creditors, enters into a composition with its creditors, or becomes insolvent.

**§ 14.2.2** When any of the reasons described in Section 14.2.1 exist, and upon certification by the Architect that sufficient cause exists to justify such action, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Contractor and the Contractor's surety, if any, three (3) days' notice, terminate the Contractor's right to proceed with the Work, or such part of the Work as to which such defaults have occurred, and may take any one or more of the following actions:

- .1 Exclude the Contractor from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon owned by the Contractor;
- .2 Accept assignment of subcontracts pursuant to Section 5.4; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Contractor, the Owner shall furnish to the Contractor a detailed accounting of the costs incurred by the Owner in finishing the Work.

In the event the Contractor's surety bond requires notice of intent to declare a default of the Contractor and if such bond notice is provided by the Owner, such notice shall be adequate to satisfy the three (3) day written notice described above in this Section.

The three (3) day notice period identified in this Section does not give rise to an opportunity for the Contractor to cure the cause for termination. Further, the Owner's failure to properly follow the termination procedure shall not be a substantial or material breach of the Contract or the Owner's obligations.

**§ 14.2.3** When the Owner terminates the Contract for one of the reasons stated in Section 14.2.1, the Contractor shall not be entitled to receive further payment until the Work is finished.

**§ 14.2.4** If the unpaid balance of the Contract Sum exceeds costs of finishing the Work, including compensation for the Architect's services and expenses made necessary thereby, and other damages incurred by the Owner in pursuing termination and completion of the Work, including actual attorney and legal fees and costs, and not expressly waived, such excess shall be paid to the Contractor. If such costs and damages exceed the unpaid balance, the Contractor shall pay the difference to the Owner. The amount to be paid to the Contractor or Owner, as the case may be, shall be certified by the Initial Decision Maker, upon application, and this obligation for payment shall survive termination of the Contract.

## **§ 14.3 Suspension by the Owner for Convenience**

**§ 14.3.1** The Owner may, without cause, order the Contractor in writing to suspend, delay or interrupt the Work, in whole or in part for such period of time as the Owner may determine.

**§ 14.3.2** The Contract Sum and Contract Time shall be adjusted for increases in the cost and time caused by suspension, delay, or interruption under Section 14.3.1. Adjustment of the Contract Sum shall include profit. No adjustment shall be made to the extent

- .1 that performance is, was, or would have been, so suspended, delayed, or interrupted, by another cause for which the Contractor is responsible; or
- .2 that an equitable adjustment is made or denied under another provision of the Contract.

#### **§ 14.4 Termination by the Owner for Convenience**

**§ 14.4.1** The Owner may, at any time, terminate the Contract for the Owner's convenience and without cause.

**§ 14.4.2** Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Contractor shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

**§ 14.4.3** In case of such termination for the Owner's convenience, the Owner shall pay the Contractor for Work properly executed and costs incurred by reason of the termination.

### **ARTICLE 15 CLAIMS AND DISPUTES**

#### **§ 15.1 Claims**

##### **§ 15.1.1 Definition**

A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract, including, but not limited to, additional sums, additional time for performance, or damages for delay. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents. The Contractor shall not knowingly (as "knowingly" is defined in the Federal False Claims Act, 31 USC 3729, *et seq.*) present or cause to be presented a false or fraudulent Claim. As a condition precedent to making a Claim by the Contractor, the Claim shall be accompanied by an affidavit sworn to before a notary public or other person authorized to administer oaths in the State of Michigan and executed by an authorized representative of the Contractor, which states that, "The Claim which is submitted herewith complies with subparagraph 15.1.1 of the General Conditions, as amended, which provides that the Contractor shall not knowingly present or cause to be presented a false or fraudulent claim." Claims of the Owner shall be governed by the relevant Michigan statutory limitations period.

##### **§ 15.1.2 Time Limits on Claims**

The Owner and Contractor shall commence all Claims as set forth herein and shall pursue all causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in the Agreement and within the period specified by applicable law, but in any case not more than 10 years after the date of Substantial Completion of the Work. The Owner and Contractor waive all Claims and causes of action not commenced in accordance with this Section 15.1.2. The Owner shall commence all claims and causes of action in accordance with Section 13.1 and Section 15.1.2.1, regardless of any other time frames identified in the Contract Documents. The Contractor shall commence all Claims and causes of action in accordance with Section 15.1.2 and Section 15.1.3, other provisions of the Contract, and in accordance with Michigan law.

**§ 15.1.2.1** Regardless of any provisions to the contrary, the limitations period with respect to any Claim or cause of action by the Owner with respect to defective or nonconforming Work shall not commence until the discovery of such defective or nonconforming Work by the Owner. See also Section 13.1.

##### **§ 15.1.2.2 Surety Notice and Prior Approval**

Except where otherwise expressly required by the terms of the Agreement or the General Conditions, exercise by the Owner of any contractual or legal right or remedy without prior notice to or approval by the Contractor's surety shall

in no way prohibit the Owner's ability to pursue such right or remedy. Further, pursuit of such a right or remedy without prior notice to or approval of surety shall in no way compromise, limit or bar any claim by the Owner against a surety bond of the Contractor.

### **§ 15.1.3 Notice of Claims**

**§ 15.1.3.1** Claims by the Contractor shall be initiated by notice to the Owner and to the Initial Decision Maker with a copy sent to the Architect, if the Architect is not serving as the Initial Decision Maker. Claims by the Contractor shall be initiated within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the Contractor first recognizes the condition giving rise to the Claim, whichever is later. The Contractor's failure to timely and properly initiate a Claim shall be an absolute and irrevocable waiver of such Claim and any cause of action. Claims and causes of action by the Owner shall be governed by the applicable statute of limitations period, except when a provision of the Contract Documents provides a longer period. The parties acknowledge, understand, and agree that the Contractor's required prompt filing of a Claim is critical to the Project, as Contractor Claims often affect the Project schedule and/or Project budget, and that the deadline and waiver applicable to Contractor Claims is a material inducement to the Owner entering into an agreement with the Contractor.

### **§ 15.1.3.2 NOT USED**

### **§ 15.1.4 Continuing Contract Performance**

**§ 15.1.4.1** Pending final resolution of a Claim or cause of action, including mediation, arbitration and/or litigation, as applicable, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make undisputed payments in accordance with the Contract Documents.

### **§ 15.1.4.2 NOT USED**

### **§ 15.1.5 Claims for Additional Cost**

If the Contractor wishes to make a Claim for an increase in the Contract Sum, written notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Failure to provide such notice shall serve as an absolute bar against a Claim or cause of action for such an increase in the Contract Sum. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4. A Project delay shall not be a basis for a Claim or cause of action for additional cost by the Contractor. Delays may be remedied only through an extension of time per Sections 8.3.4 and 15.1.6.

### **§ 15.1.6 Claims for Additional Time**

**§ 15.1.6.1** If the Contractor wishes to make a Claim for an increase in the Contract Time, written notice as provided in Section 15.1.3 shall be given. Failure to give such notice shall be an absolute and irrevocable waiver of a Claim or cause of action for additional time. The Contractor's Claim shall include an estimate of probable effect of delay on progress of the Work due to the increase in Contract Time sought. In the case of a continuing delay, only one Claim is necessary.

**§ 15.1.6.2** If adverse weather conditions are the basis for a Claim for additional time, such Claim shall be documented by data substantiating that weather conditions were abnormal for the period of time, could not have been reasonably anticipated, and had an adverse effect on the scheduled construction.

### **§ 15.1.7 Waiver of Claims for Consequential Damages**

The Contractor waives Claims and/or causes of action against the Owner for consequential damages arising out of or relating to this Contract. This waiver includes, without limitation:

- .1 damages incurred by the Contractor for principal office expenses including the compensation of personnel stationed there, for losses of financing, business and reputation, and for loss of profit, except anticipated profit arising directly from the Work.

This waiver is applicable, without limitation, to all consequential damages due to either party's termination. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

## **§ 15.2 Initial Decision**

**§ 15.2.1** Claims of the Contractor shall, and Claims of the Owner may, be referred to the Initial Decision Maker for initial interpretation. The Architect will serve as the Initial Decision Maker. Except for those Claims excluded by this Section 15.2.1, an initial interpretation shall be required as a condition precedent to mediation, arbitration and/or litigation of any Claim brought by the Contractor against the Owner. If an initial interpretation has not been rendered within 30 days after a Contractor-required or Owner-requested Claim has been referred to the Initial Decision Maker, the party asserting the Claim may demand mediation and binding dispute resolution without an interpretation having been rendered. Unless the Initial Decision Maker and all affected parties agree, the Initial Decision Maker will not decide disputes between the Contractor and persons or entities other than the Owner.

**§ 15.2.2** The Initial Decision Maker will review Claims and within ten days of the receipt of a Claim take one or more of the following actions: (1) request additional supporting data from the claimant or a response with supporting data from the other party, (2) reject the Claim in whole or in part, (3) approve the Claim, (4) suggest a compromise, or (5) advise the parties that the Initial Decision Maker is unable to resolve the Claim if the Initial Decision Maker lacks sufficient information to evaluate the merits of the Claim or if the Initial Decision Maker concludes that, in the Initial Decision Maker's sole discretion, it would be inappropriate for the Initial Decision Maker to interpret the Claim. Within ten (10) days of a written request, the Contractor shall make available to the Owner or its representative all of its books, records, or other documents in its possession or to which it has access relating to a Claim and shall require its Subcontractors, regardless of tier, and suppliers to do the same.

**§ 15.2.3** In evaluating Claims, the Initial Decision Maker may, but shall not be obligated to, consult with or seek information from either party or from persons with special knowledge or expertise who may assist the Initial Decision Maker in rendering an interpretation. The Initial Decision Maker may request the Owner to authorize retention of such persons at the Owner's expense.

**§ 15.2.4** If the Initial Decision Maker requests a party to provide a response to a Claim or to furnish additional supporting data, such party shall respond, within ten days after receipt of the request, and shall either (1) provide a response on the requested supporting data, (2) advise the Initial Decision Maker when the response or supporting data will be furnished, or (3) advise the Initial Decision Maker that no supporting data will be furnished. Upon receipt of the response or supporting data, if any, the Initial Decision Maker will, based on its interpretation, either reject or approve the Claim in whole or in part.

**§ 15.2.5** The Initial Decision Maker will render an initial interpretation approving or rejecting the Claim, or indicating that the Initial Decision Maker is unable to resolve the Claim. This initial interpretation shall (1) be in writing; (2) state the reasons therefor; and (3) notify the parties and the Architect, if the Architect is not serving as the Initial Decision Maker, of any recommended change in the Contract Sum or Contract Time or both. If the Claim is timely and properly asserted, the initial interpretation shall be subject to the parties' agreed-upon dispute resolution process.

## **§ 15.2.6 NOT USED**

**§ 15.2.7** In the event of a Claim against the Contractor, the Owner, Architect or Initial Decision Maker may, but is not obligated to, notify the surety, if any, of the nature and amount of the Claim. If the Claim relates to a possibility of a Contractor's default, the Owner, Architect or Initial Decision Maker may, but is not obligated to, notify the surety and request the surety's assistance in resolving the controversy.

## **§ 15.3 Mediation**

**§ 15.3.1** Except as stated in this Agreement or otherwise agreed in writing by the parties, Claims, disputes, or other matters in controversy arising out of or related to the Contract, except those waived as provided for in Sections 9.10.4 and 9.10.5, shall be subject to mediation as a condition precedent to the parties' agreed-upon dispute resolution process.

**§ 15.3.2** The parties shall endeavor to resolve their Claims by mediation which, unless the parties mutually agree otherwise, shall be administered by the American Arbitration Association in accordance with its Construction Industry Mediation Procedures in effect on the date of the Agreement. A request for mediation shall be made in writing, delivered to the other party to the Contract, and filed with the person or entity administering the mediation. The request may be made concurrently with the commencement of the parties-agreed-upon dispute resolution

proceedings but, in such event, mediation shall proceed in advance of such proceedings, which shall be stayed pending mediation for a period of sixty (60) days from the date of filing, unless stayed for a longer period by agreement of the parties or court order. All limitations periods shall be tolled during the mediation process.

### **§ 15.3.3 NOT USED**

**§ 15.3.4** The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in the place where the Project is located, unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

### **§ 15.4.4 Consolidation or Joinder**

The Contractor further agrees to include similar dispute resolution provisions in all agreements with the Subcontractors, suppliers, and independent contractors and consultants retained for the Project and to require them to include a similar dispute resolution provision in all agreements with Subcontractors, all subconsultants, suppliers or fabricators so retained, thereby providing for a consistent method of dispute resolution between the parties to those agreements. Subject to the other limitations periods identified in these General Conditions which are understood to govern over this sentence, no demand for mediation or arbitration shall be made after the date when the applicable statutes of limitation would bar legal or equitable proceedings. During the pendency of any mediation or arbitration, all applicable limitations periods shall be tolled until the conclusion of that process.

With the exception of matters solely dealing with the Contract, the Owner reserves the right in its discretion to require consolidation or joinder of any mediation or arbitration arising out of or relating to this Agreement with another mediation or arbitration involving a person or entity not a party to this Agreement in any event the Owner believes such consolidation or joinder is necessary in order to resolve a dispute or avoid duplication of time, expense or effort. With the exception of matters solely dealing with the Contract, in the event the Owner is involved in a dispute which is not subject to mediation or arbitration involving a person or entity not a party to this Agreement, the mediation and arbitration provisions of this article shall be deemed to be void and nonexistent in the event Owner, in its discretion, determines the Contractor should become a party to that dispute by joinder or otherwise. Any mediation or arbitration hearing shall be held in the general location where the Project is located, unless another location is mutually agreed upon.

***[end of AIA A201-2017, General Conditions of the Contract for Construction]***

Modified: 05/03/20; 9:04am

# DRAFT AIA® Document A133® – 2019

## Exhibit A

### Guaranteed Maximum Price Amendment

This [First] Guaranteed Maximum Price Amendment dated the « » day of « » in the year «Two Thousand Twenty » (this "First Amendment"), is incorporated into the accompanying AIA Document A133™–2019, Standard Form of Agreement Between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price ("GMP") dated the « » day of « » in the year «Two Thousand Twenty » (the "Agreement").

(In words, indicate day, month, and year.)

for the following **PROJECT**:

(Name and address or location)

«Grand Rapids Public School District – 2023 Bond Program

Renovations at the following buildings:

Union High School located at 1800 Tremont Blvd NW, Grand Rapids, MI 49504;

Harrison Park Elementary located at 1440 Davis Ave NW, Grand Rapids, MI 49504; and

Campus Elementary located at 710 Benjamin Ave SE, Grand Rapids, MI 49506, all in

accordance with the relevant application for preliminary qualification of bonds, the

relevant election ballot language, Owner-approved plans and specifications, all

applicable laws, the Owner's fixed budget, and as otherwise approved by the Owner.

#### THE OWNER:

(Name, legal status, and address)

«Grand Rapids Public School District

1331 Martin Luther King Jr. Street SE

«Grand Rapids, Michigan 49506»

#### THE CONSTRUCTION MANAGER:

(Name, legal status, and address)

To be determined.

« »

#### THE ARCHITECT:

(Name, legal status, and address)

To be determined.

#### ADDITIONS AND DELETIONS:

The author of this document has added information needed for its completion. The author may also have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes added information as well as revisions to the standard form text is available from the author and should be reviewed.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

AIA Document A201™–2017, General Conditions of the Contract for Construction, is adopted in this document by reference. Do not use with other general conditions unless this document is modified.

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- A.5 THIS AMENDMENT

### ARTICLE A.1 GUARANTEED MAXIMUM PRICE

#### § A.1.1 Guaranteed Maximum Price

Pursuant to Section 3.2.6 of the Agreement, the Owner and Construction Manager hereby amend the Agreement to establish a Guaranteed Maximum Price. As agreed by the Owner and Construction Manager, the Guaranteed Maximum Price is an amount that the Contract Sum shall not exceed. The Contract Sum consists of the Construction Manager's Fee plus the Cost of the Work, as those terms are defined in Articles 6 and 7 of the Agreement respectively.

§ A.1.1.1 The Contract Sum is guaranteed by the Construction Manager not to exceed « » (\$ « »), subject to additions and deductions by Change Order as provided in the Contract Documents. The total Compensation under this Agreement, including the Construction Manager's compensation for its Preconstruction Services, shall not exceed « » (\$ « »).

§ A.1.1.2 **Itemized Statement of the Guaranteed Maximum Price.** Provided below is an itemized statement of the total compensation authorized under the Agreement and the Guaranteed Line Items comprising the Guaranteed Maximum Price. A detailed breakdown of the Guaranteed Maximum Price organized by trade categories, including allowances; the Construction Manager's contingency; alternates; the Construction Manager's Fee; and other items that comprise the Guaranteed Maximum Price as defined in Section 3.2.1 and 6.2 of the Agreement is provided in Attachment A to this Amendment.

| 1. Preconstruction Phase Services Compensation                                                                                        |                                                                                                                                                                             |    |   |
|---------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|---|
| a. Total compensation authorized for Preconstruction Services <sup>1</sup> :                                                          | Fixed Sum                                                                                                                                                                   | \$ | - |
| 2. Construction Phase Services Compensation                                                                                           |                                                                                                                                                                             |    |   |
| a. The Guaranteed Maximum Price of the Contract Sum is:                                                                               | Not-To-Exceed                                                                                                                                                               | \$ | - |
| The Guaranteed Maximum Price for the Contract Sum is comprised of the Cost of the Work and the Construction Manager's Fee as follows: |                                                                                                                                                                             |    |   |
| i. Cost of Work <sup>2</sup> :                                                                                                        |                                                                                                                                                                             |    |   |
| A. 'Hard Costs' (as set forth in §6.2.1.3 of the Agreement) <sup>3</sup>                                                              | Not-To-Exceed                                                                                                                                                               | \$ | - |
| B. 'CM Direct Costs' (as set forth in §6.2.1.1 of the Agreement) <sup>3</sup>                                                         | Not-To-Exceed                                                                                                                                                               | \$ | - |
| C. 'Personnel Costs' (as set forth in §6.2.1.2 of the Agreement) <sup>3</sup>                                                         | Not-To-Exceed                                                                                                                                                               | \$ | - |
| D. Construction Manager's Contingency                                                                                                 | 0.00% of the rest of the Cost the Work                                                                                                                                      | \$ | - |
| ii. Construction Manager's Fee                                                                                                        | 0.00% of the Cost of the Work                                                                                                                                               | \$ | - |
| 3. Total Possible Compensation Authorized                                                                                             |                                                                                                                                                                             |    |   |
| a. Total possible compensation authorized By the Agreement is:                                                                        | (Contract Sum GMP + Precon)                                                                                                                                                 | \$ | - |
| 4. Notes                                                                                                                              |                                                                                                                                                                             |    |   |
| <sup>1</sup>                                                                                                                          | The value shown is inclusive of any and all costs for the Construction Manager's Preconstruction Services whether previously authorized or authorized under this Amendment. |    |   |
| <sup>2</sup>                                                                                                                          | The values shown are inclusive of any and all costs for the Work as set forth in the Contract Documents whether previously authorized or authorized under this Amendment.   |    |   |
| <sup>3</sup>                                                                                                                          | The value shown is a Guaranteed Line Item as set forth in §6.2                                                                                                              |    |   |

§ A.1.1.4 The method of adjustment of the Construction Manager's Fee for changes in the Work is set forth in Section 6.1.3 of the Agreement.

#### § A.1.1.5 Alternates

§ A.1.1.5.1 Alternates, if any, included in the Guaranteed Maximum Price and accepted by the Owner are enumerated in Attachment A to this Amendment and described in the Contract Documents:

§ A.1.1.5.2 The Guaranteed Maximum Price does not include the alternates enumerated in Attachment B to this Amendment, which are described in the Contract Documents and may be accepted by the Owner in writing. Unless otherwise specified by the Owner in writing, the Construction Manager may, with no less than fourteen (14) days' prior written notice, establish in writing a date upon which any of these alternates must be accepted by the Owner in order for the Construction Manager to perform the Work covered by such alternates for the price set forth in Attachment B and without any adjustment to the Contract Time.

§ A.1.1.6 Unit prices, if any, included in the Guaranteed Maximum Price and accepted by the Owner are enumerated in Attachment C to this Amendment.

### ARTICLE A.2 DATE OF COMMENCEMENT AND SUBSTANTIAL COMPLETION

§ A.2.1 The date of commencement of the Work shall be:

☐ The date of [execution] of this Amendment.

☐ Established as follows:  
(Insert a date or a means to determine the date of commencement of the Work.)

☐ Work shall commence on [Date]

☐ Work commenced on [Date]

If a date of commencement of the Work is not selected, then the date of commencement shall be the date of execution of this Amendment.

§ A.2.2 Unless otherwise provided, the Contract Time is the period of time, including authorized adjustments, allotted in the Contract Documents for Substantial Completion of the Work. The Contract Time shall be measured from the date of commencement of the Work.

#### § A.2.3 Substantial Completion

§ A.2.3.1 Subject to adjustments of the Contract Time as provided in the Contract Documents, the Construction Manager shall achieve Substantial Completion of the entire Work:

☐ Not later than << >> ( << >> ) calendar days from the date of commencement of the Work.

☐ By the following date: << >>

§ A.2.3.2 Subject to adjustments of the Contract Time as provided in the Contract Documents, if portions of the Work are to be completed prior to Substantial Completion of the entire Work, the Construction Manager shall achieve Substantial Completion of such portions by the following dates:

Portion of Work

Substantial Completion Date

§ A.2.3.3 If the Construction Manager fails to achieve Substantial Completion as provided in this Section A.2.3, liquidated damages, if any, shall be assessed as set forth in Section 6.1.6 of the Agreement.

### ARTICLE A.3 INFORMATION UPON WHICH AMENDMENT IS BASED

§ A.3.1 The Guaranteed Maximum Price and Contract Time set forth in this Amendment are based on the Contract Documents which include, but are not limited to, the following:

§ A.3.1.1 The Supplementary and other Conditions of the Contract enumerated in Attachment D to this Amendment, which are incorporated herein in full by reference.

§ A.3.1.2 The Specifications enumerated in Attachment E to this Amendment, which are incorporated herein in full by reference.

§ A.3.1.3 The Drawings enumerated in Attachment F to this Amendment, which are incorporated herein in full by reference.

**§ A.3.1.4**

Any and all fully signed Change Orders dated as of the Effective Date of this GMP Amendment, which are incorporated herein in full by reference.

§ A.3.1.5 Allowances, if any, included in the Guaranteed Maximum Price are as set forth in Attachment B to this Amendment.

§ A.3.1.6 Construction Change Directives and requests for change orders, if any, enumerated in Attachment G, which are incorporated herein in full by reference.

§ A.3.1.7 Assumptions and clarifications, if any, upon which the Guaranteed Maximum Price is based are set forth in Attachment H to this Amendment.

**ARTICLE A.4 CONSTRUCTION MANAGER'S CONSULTANTS, CONTRACTORS, DESIGN PROFESSIONALS, AND SUPPLIERS**

§ A.4.1 The Construction Manager shall retain the consultants, contractors, design professionals, and suppliers, identified below, the cost of which are included in the Guaranteed Maximum Price:

« »

**ARTICLE A.5 THIS AMENDMENT**

§ A.5.1 The following document form an integral part of this Amendment:

Attachment A – Detailed Schedule of Values of the Cost of the Work and Contract Sum  
Attachment B – Optional Alternates  
Attachment C – Unit Prices  
Attachment D – Supplemental Conditions of the Contract  
Attachment E – Specifications  
Attachment F – Drawings  
Attachment G – Construction Change Directives and Change Requests  
Attachment H – Assumptions

This Amendment to the Agreement entered into as of the day and year first written above.

**GRAND RAPIDS PUBLIC SCHOOL DISTRICT,**

**OWNER** *(Signature)*

«Alex Smart,  
Executive Director of Facilities and Operations »« »  
*(Printed name and title)*

**CONSTRUCTION MANAGER** *(Signature)*

« »« »  
*(Printed name and title)*

**Architect's Certification.**

The Architect is not a party to the Agreement or this Amendment. By acknowledging below, the Architect certifies that it has reviewed this Amendment and the Contract Documents set forth herein and that, in accordance with the Architect's obligations under its Agreement with the Owner, the Contract Documents as set forth herein are complete and fully describe the Work as designed by the Architect.

---

**ARCHITECT** *(Signature)*

« »« »

*(Printed name and title)*



Initials

Owner: \_\_\_\_\_

Construction Manager: \_\_\_\_\_

## **Scope of Preconstruction Services**

---

### **General**

The Construction Manager's Preconstruction Services shall include construction cost estimating, construction budget control, review of design for constructability, value engineering, and life-cycle costing, influence the methods and sequence of construction, scoping of Bid Packages and Work Categories, soliciting bids from subcontractor and vendors, and tabulating bids received, review and recommend bid awards, and buying out trades. Prior to the commencement of Construction Phase services, the Construction Manager shall propose, for acceptance by the Owner, a Guaranteed Maximum Price (GMP) for all Construction Phase services. Preconstruction Services for this Program will carry through the completion of the Contract Documents and bidding of all Phases of Work for the entire Program. The Owner reserves the right to make reasonable changes to this schedule as Project requirements dictate.

### **A. Schedules**

The Construction Manager shall prepare and submit to the Owner a CPM schedule for the permitting, bidding and award of trades and all activities Construction Phases of the Project. This schedule shall be updated with each estimate and shall reflect any revisions in the estimates, which affect the construction duration. Activity detail on the schedules must directly correspond to the detail of the budget line items. The schedule should include time for Owner-provided work and FFE installation. The strategy of phasing the construction of the Project should be identified from start through completion on the overall schedule. The phasing plan should be developed in coordination with the Owner, Owner's Representative Consultant, and Architect during the Design Development phase of the Project. The schedule will place significant emphasis on the phasing and logistics planning of the Project. It will take into careful consideration areas of the existing and adjacent facilities and site that must remain open during construction. The phasing should be clearly delineated.

### **B. Document Review**

1. The Construction Managers shall timely and continuously review the Design Documents to be familiar with the proposed Work throughout the design process.
2. Design/Preconstruction Services review meetings may be held as required through the Design Phase of the Project.
3. The Construction Manager shall develop and maintain a Request for Information (RFI) Log and/or an Issues and Answers Log to aid in the prompt transfer of information between all members of the Project Team. The log will be monitored and updated on a continual basis and addressed at the review meetings. Unresolved issues are to be identified in each review meeting with follow-up responsibilities and response dates being assigned to the appropriate Project Team members, including the Construction Manager.
4. The Construction Manager shall provide the members of the Project Team continual input addressing constructability, availability of materials and qualified trades for specialized systems, comparative cost/benefit analyses for various building systems, and budget/schedule impact as specific phases of the overall design are developed in order to ensure the development and completion of Contract Documents within the budget and schedule limitations.
5. If necessary in order for the Construction Manager to provide accurate information, it shall, at no additional cost to the Owner, involve the services of outside consultants and/or subcontractors in the review and budgeting of specialized systems such as structural, skin/curtain-wall, equipment, elevators, furnishings, plumbing, fire suppression, mechanical, electrical, utility service connections, pneumatic tube, food service, low voltage, and life safety.

### **C. Design Estimates**

The Construction Manager shall prepare and submit four (4) formal estimates for the Project and/or each sub-component of the Project during the Preconstruction Services Phase. The Construction Manager will also provide periodic opinions of cost during the Design Phase as needed for drawing development in order for the team to make informed decisions and continue with design. Throughout estimating process, the Construction Manager will closely collaborate with the Architect.

1. First estimate shall be based on the conceptual planning and design plans and outline specifications. This first estimate shall be square footage based using historical and benchmark cost data for constructed projects of similar scope to validate the initial Project budget set forth by the Owner and the Owner's representatives.
2. The Construction Manager shall prepare and present to the Owner and the Project Team a second formal Project estimate at the conclusion of Schematic Design. This second estimate shall be divided into the 16 CSI Divisions, and allows the Owner to rely upon it as a "maximum target price" of the Project. This estimate should be reviewed with the Architect prior to presentation for reconciliation of finish levels, design intent, etc. Line items for design and contractor contingency shall be clearly called out.
3. The Construction Manager shall prepare and present to the Owner and the Project Team a third formal Project estimate at the conclusion of Design Development. This third estimate shall be a "full take-off estimate" of sufficient substance and detail so the Owner will be able to rely upon as an initial Guaranteed Maximum Price (GMP) and to use the estimate to secure financing of the Project or for each sub-component of the Project. The Construction Manager shall fully engage the Architect and other design team members to ensure that the scope, quality, and costs of the Project are aligned, not compromised, and within the initial GMP. Line items for design and contractor contingency shall be clearly called out. The Construction Manager should also provide detail behind their personnel costs and direct costs for review.
4. The Construction Manager shall prepare and submit a fourth estimate after 70%/90% of the Project and/or each sub-component of the Project has been bid and bought out. This estimate shall establish and represent the final GMP of the Project and/or each sub-component of the Project. Unless otherwise agreed to by the Owner, if the final GMP exceeds the initial GMP by 3%, the Construction Manager shall, without compromising Project scope, design elements/features, quality, and/or schedule, deliver the Project within the initial GMP. If it becomes necessary for the Architect to redesign or redraw any plans and/or specifications in order to align costs to the initial GMP, the Construction Manager shall bear the costs for such necessary redesign or redraw by the Architect. ~~The Construction Manager shall prepare and submit a fourth estimate after each sub component of the Project has been bid and bought out. This estimate shall establish and represent the final GMP of the Project and/or each sub component of the Project.~~

### **D. Constructability Review**

The Construction Manager shall prepare and submit a constructability review at the Design Development and 50% Construction Document portion of the Project. This review should be of sufficient detail to match the development of the Construction Documents. The Construction Manager shall review the interface of various systems; at a minimum, the following should be addressed: a) Foundations/ Structural b) Building Envelope c) Interior Architectural, d) MEP, and e) Sitework. The constructability review should focus on items that may impact Cost, Time, and/or quality of the Project.

### **E. Value (Planning) Engineering**

Concurrent with the submission of each estimate, the Construction Manager shall submit a detailed list of value engineering options developed with the Architect and potential suppliers/subcontractors with the associated estimated costs. As necessary to achieve the Owner's objectives, the Construction Manager shall meet and work with the members of the Project Team in the evaluation of the various options and incorporate selected options into the estimates. The Construction Manager shall participate as a Project Team member in maximizing the Project value for the Owner.

### **F. Equipment Review and Coordination of Direct Owner Contracts**

1. The Construction Manager shall assist the Owner and the Owner's consultant's in reviewing and budgeting the Owner Furnished Equipment and Furnishings material and installation costs or other items potentially affecting the Work, and shall include these budgets or allowances to the extent they are reasonably known, in each estimate to ensure that all costs are accounted for.

2. When required, the Construction Manager will work with the Owner's consultant's during the Preconstruction Services Phase of the Project to assist the Owner in receiving bids and placing purchase orders for long lead equipment, material, etc. as designated in the schedule.

#### **G. Cash Flow Analysis**

Concurrent with the submission of each Project estimate the Construction Manager shall submit a cash flow analysis for the overall construction duration of the Project. This analysis should be derived from cost loading the construction schedule as developed and revised by the Construction Manager, showing projected monthly billings for "Completed Work in Place". The analysis shall list individual monthly billings, accumulated billings to date, and percentages of completion on a monthly basis. Should the Construction Manager be successful in receiving the actual construction contract, the Construction Manager will be required to maintain the cash flow analysis throughout the duration of the Project.

#### **H. Scoping of Bid Packages and Work Categories (For Each Project)**

Bid Packages are defined as those portions of the overall Project scope that are released for competitive bidding at planned bid dates. Bid Packaging identifies opportunities for phased construction in order to accelerate the Construction Schedule to accommodate Project constraints. The main intent in developing Bid Packages and Work Categories is to account for every item of work in the overall Project and identify the trade or Construction Manager responsible for performing the Work. Additionally, the development of Bid Packages and Work Categories is to overcome scope overlaps or omissions between trades. The Construction Manager, with assistance of the members of the Project Team, shall define and prepare Scopes of Work for various bid packages and Work Categories as required ensuring the Master design and construction schedule is maintained and ensuring all required Work shall be included.

The Construction Manager shall identify during the Design Phase items which due to long lead, scarcity, market fluctuations may be recommended to purchase early in the process. The list along with approximate value of award shall be presented to the Owner to allow sufficient time to approve the development of the Bid Packages with the Architect. If required by the Owner, the Construction Manager shall develop Bid Packages to encourage Minority Owned Business, Women Owned Business, and Disadvantaged Business participation.

#### **I. Subcontractor/Vendor Promotion**

1. The Construction Manager shall proactively promote and generate interest of local and regional bidders and develop a master list of Vendors and Subcontractors, which have shown interest in submitting Bid Proposals for the Project. This list should include Vendors and Subcontractors for all categories of Work included in the total Project. The Construction Manager is required to report the percentage of the total Cost of Work that the local firms represent.
2. This list should include only companies that are responsible, qualified and financially capable.

#### **J. Construction Staging and Site Management Planning**

The Construction Manager, with input from the members of the Project Team, shall develop a proposed site management plan for staging construction operations. This plan will test the site to ensure all functionality described in the design is working. At minimum, the plan shall include such particulars as primary access roads to and from the construction site, construction parking, on-site entrances, construction personnel entrances and traffic patterns, location of temporary facilities, location of hoists, cranes and other stationary equipment if site accessibility is critical and dictates specific placement, locations of barricades and construction fences, emergency egress locations, etc. so that Owner's use of existing site or facility can be minimally disrupted or inconvenienced.

## **K. Bidding and Construction Phase**

1. Work Packaging & Bidding
  - a. The Construction Manager shall create a labor analysis, to include types and quantities of labor required for the Project. Review the requirements in light of the marketplace and make any recommendations necessary to assure the availability of an adequate labor force.
  - b. The Construction Manager shall develop Work-packaging recommendations and create package bidding schedule and procedure.
  - c. The Construction Manager shall analyze the bid market, notify potential bidders, publish bid calendar, and publish all required notices.
2. During the Bidding Process, the Construction Manager shall:
  - a. Manage, facilitate, and coordinate the bid phase.
  - b. Assemble and distribute Contract Document Work packages for bidding, confirm that all requirements have been made, and all Scope items covered.
  - c. Maintain a list of all potential bidders, subcontractors, and vendors that intend to bid the Work.
  - d. Receive bids, analyze and reconcile, and present bid results arrayed against the estimate for each individual Work Package for the Owner's approval. The Construction Manager shall hold all construction contracts for the Project.
  - e. Establish and conduct pre-award meetings.

***[END OF EXHIBIT C]***

## **APPENDIX “F”**

### **Grand Rapids Public School District Forms – Submit with PART I**

**All forms below are to be submitted with PART I of the RFQ Package. Any forms requiring notarization must be fully completed or could result in firms’ submission being disqualified.**

DTMB - DEMOGRAPHICS, STATISTICS AND CERTIFICATION

DTMB - Certification of a Michigan-Based Business

SWORN STATEMENT OF FAMILIAL RELATIONSHIP

IRAN BUSINESS RELATIONSHIP AFFIDAVIT

CRIMINAL BACKGROUND AFFIDAVIT

NON-COLLUSIVE AFFIDAVIT

DEBARMENT AND SUSPENSION CERTIFICATION

REQUEST FOR INFORMATION (RFI)



## DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET

### Facilities and Business Services Administration

### Design & Construction Division

### DEMOGRAPHICS, STATISTICS AND CERTIFICATION

1. Company Name: \_\_\_\_\_
2. Company Address: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
3. Principal Place of Business: \_\_\_\_\_  
 \_\_\_\_\_
4. Year of Establishment: \_\_\_\_\_

### Woman-, Minority-, or Veteran-Owned Small Business Representation (For Statistical Use Only)

#### DEFINITIONS:

“Woman-owned business” means a small business that is at least 51% owned by a woman or women who are US citizens and who control and operate the business.

The vendor represents that it ☐ IS ☐ IS NOT a woman-owned small business.

“Minority-owned business” means a small business that is at least 51% owned by a minority or minorities who are US citizens and who control and operate the business.

The vendor represents that it ☐ IS ☐ IS NOT a minority-owned small business.

- ☐ African-American    ☐ Arab-American    ☐ Asian-American    ☐ Hispanic  
☐ American Indian    ☐ Eskimo

“Qualified Disabled Veteran” means a business entity that is 51% or more owned by one or more with a service-connected disability.

The vendor represents that it ☐ IS ☐ IS NOT qualified disabled.

“Veteran -owned business” means a small business that is at least 51% owned by a veteran or veterans who are U.S. citizens and who control and operate the business.

The vendor represents that it ☐ IS ☐ IS NOT a veteran-owned small business.

The Constructor represents and warrants that the company meets the above (when checked) and can provide supportive documentation upon request.

Authorized Agent Name (print or type) \_\_\_\_\_

Authorized Agent Signature \_\_\_\_\_



**Certification of a Michigan-Based Business**  
 (Information Required Prior to Contract Award  
 for Application of State Preference/Reciprocity Provisions)

DEFINITION: To qualify as a Michigan business, vendor must have, during the 12 months immediately preceding this bid deadline, or if the business is newly established, for the period the business has been in existence, it has (check all that apply):

Bidder shall also indicate one of the following:

- ☐ Bidder qualifies as a Michigan business (provide zip code): \_\_\_\_\_
- ☐ Filed a Michigan single business tax return showing a portion or all of the income tax base allocated or apportioned to the State of Michigan pursuant to the Michigan Single Business Tax Act, 1975 PA 228, MCL ~208.1 – 208.145; or,
- ☐ Filed a Michigan income tax return showing income generated in or attributed to the State of Michigan; or,
- ☐ Withheld Michigan income tax form compensation paid to the bidder's owners and remitted the tax to the Department of Treasury

I certify that **I have personal knowledge** of such filing or withholding, that it was more than a nominal filing for the purpose of gaining the status of a Michigan business, and that it indicates a significant business presence in the state, considering the size of the business and the nature of its activities.

I authorize the Michigan Department of Treasury to verify that the business has or has not met the criteria for a Michigan business indicated above and to disclose the verifying information to the procuring agency.

- ☐ Bidder does not qualify as a Michigan business (provide name of State): \_\_\_\_\_
- ☐ Principal place of business is outside the State of Michigan, however service/commodity provided by a location within the State of Michigan (provide zip code): \_\_\_\_\_

Authorized Agent Name (print or type) \_\_\_\_\_

Authorized Agent Signature \_\_\_\_\_

Fraudulent Certification as a Michigan business is prohibited by MCL 18.1268 §268. A BUSINESS THAT PURPOSELY OR WILLFULLY SUBMITS A FALSE CERTIFICATION THAT IT IS A MICHIGAN BUSINESS OR FALSELY INDICATES THE STATE IN WHICH IT HAS ITS PRINCIPAL PLACE OF BUSINESS IS GUILTY OF A FELONY, PUNISHABLE BY A FINE OF NOT LESS THAN \$25,000 and subject to debarment under MCL 18.1264

## SWORN STATEMENT OF FAMILIAL RELATIONSHIP

As required by Section 1267 of the Revised School Code – MCL 380.1267

STATE OF MICHIGAN

COUNTY OF \_\_\_\_\_

\_\_\_\_\_, being duly sworn, deposes and says:

That \_\_\_\_\_ (The "Bidder") has bid for an improvement to the following described project located in Kent County, Michigan, which is owned by the Grand Rapids Public Schools:

**Project Name:** \_\_\_\_\_

That the following is a statement of disclosure of any familial relationship that exists between the owner or any employee of the Bidder and any member of the Grand Rapids Public Schools Board of Education or Superintendent, as required pursuant to Section 1267 of the Revised School Code, as amended.

1. ☐ That there are no such familial relationships existing at this time.

OR

2. ☐ That a familial relationship exists between

\_\_\_\_\_,

an ☐ owner ☐ employee of the Bidder who is the \_\_\_\_\_ relationship

of \_\_\_\_\_, who is ☐ a member of the Board,

☐ the Superintendent.

Deponent \_\_\_\_\_

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

\_\_\_\_\_

Acting in: \_\_\_\_\_

My commission expires: \_\_\_\_\_

## IRAN BUSINESS RELATIONSHIP AFFIDAVIT

Effective April 1, 2013 all bids, proposals, and/or qualification statements received in the State of Michigan must comply with the "Iran Economic Sanctions Act". The following certification is to be signed and included at time of submittal.

### **Certification**

Pursuant to the Michigan Iran Economic Sanctions Act, 2012 P.A. 517, by submitting a bid, proposal or response, Respondent certifies, under civil penalty for false certification, that it is fully eligible to do so under law and that it is not an "Iran linked business" as the term is defined in the Act.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Date

# CRIMINAL BACKGROUND AFFIDAVIT

The undersigned, the owner or authorized officer of the below-named Firm, pursuant to the criminal background compliance certification requirements of Grand Rapids Public Schools (the "School District") hereby represents and warrants that the Firm has performed and/or will perform sufficient criminal background checks, including at a minimum, an Internet Criminal History Tool ("ICHAT") check, for all of its owners, employees, agents, representatives, contractors and/or other personnel who will be on any School District premises to carry out the services contemplated by the Contract Documents. The Firm further hereby certifies that no owner, employee, agent, representative, contractor and/or other personnel of the Firm will be on any School District premises if they are a registered criminal sexual offender under the Sex Offenders Registration Act, Public Act 295 of 1994, or have been convicted of "Listed Offense" as defined under Section 722 of the Sex Offenders Registration Act, MCL 28.722.

The Firm further acknowledges that if it is found to have submitted a false certification or otherwise fails to comply with the requirements of this certification, the School District may immediately terminate the Contract.

**FIRM:**

Name of FIRM

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

Its: \_\_\_\_\_

STATE OF \_\_\_\_\_)  
\_\_\_\_\_)ss.

COUNTY OF \_\_\_\_\_)

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_.

Notary Public

County \_\_\_\_\_, My

Commission Expires: \_\_\_\_\_

Acting in the County of:

## NON-COLLUSIVE AFFIDAVIT

STATE OF MICHIGAN )  
 ) SS  
COUNTY OF \_\_\_\_\_)

\_\_\_\_\_, being duly sworn, deposes and says that:

1. The proposal has been arrived at by the consultant independently and has been submitted without collusion with, and without any agreement, understanding, or planned common course of action with, any other vendor of materials, supplies, equipment, or services described in the request for proposals, designed to limit independent bidding or competition; and,
2. The contents of the proposal have not been communicated by the consultant or its employees or agents to any person not an employee or agent of the consultant or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official opening of the proposal.

\_\_\_\_\_

Signature of Consultant

STATE OF \_\_\_\_\_ )  
 ) SS.  
COUNTY OF \_\_\_\_\_ )

This instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by

\_\_\_\_\_.

\_\_\_\_\_

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

\_\_\_\_\_ County \_\_\_\_\_,

My Commission Expires: \_\_\_\_\_

Acting in the County of: \_\_\_\_\_

## DEBARMENT AND SUSPENSION CERTIFICATION

The bidder, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- Is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- Has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- Does not have a proposed debarment pending; and,
- It is not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or Local) in any matter involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space:

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Exceptions will not necessarily result in denial or award, but will be considered in determining bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

**Notes:** *Providing false information may result in criminal prosecution or administrative sanctions. The above certification is part of the Bid. Signing this document on the signature portion thereof shall also constitute signature of this Certification.*

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Company

\_\_\_\_\_  
Date

## **APPENDIX “H”**

### **Grand Rapids Public School District Forms**

GRPS Policy Rules 3660R – Bids, Quotations and Local Preference

GRPS Policy 3670 – Local Construction Contracting

GRPS Policy Rules 3670R – Local Construction Contracting Regulations

### **GRPS Policy Rules 3660R – Bids, Quotations and Local Preference**

#### **I. Contracting with minority businesses, women's businesses and labor surplus area firms**

- A. Pursuant to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, Section 200.321 (the Uniform Guidance). The District will take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
- B. Affirmative steps must include:
  - 1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
  - 2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
  - 3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises.
  - 4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.
  - 5. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.
  - 6. Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

#### **II. Methods of Procurement**

- A. Micro-Purchases: Purchases that do not exceed the micro-purchase threshold identified in Federal Regulation 2CFR 200.67 will be awarded without soliciting competitive quotes if the District considers the price to be reasonable. Equitable distribution among vendors is required.

- B. Small Purchases: Purchases that exceed the micro-purchase threshold but do not exceed either 1) the federal simplified acquisition threshold identified in 2 CFR 200.88 or 2) the competitive bid threshold established by the state of Michigan under MCL 380.1274, will only be awarded after price or rate quotations are obtained from an adequate number of qualified sources.
- C. Purchases that exceed either 1) the federal simplified acquisition threshold identified in 2 CFR 200.88, or 2) the competitive bid threshold established by state of Michigan under MCL 380.1274, will only be awarded after obtaining either sealed bids, competitive proposals, or non-competitive proposals as described below:
- i. Sealed Bids: Bids will be publicly solicited for a firm fixed price and awarded to the bidder who complies with all the material terms and conditions of the invitation and is the lowest in price.
    1. The sealed bid method will be the preferred method if the following conditions apply;
      - a. A complete, adequate, and realistic specification or purchase description is available.
      - b. Two or more responsible bidders are willing and able to compete effectively for the business.
      - c. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
    2. If sealed bids are used, the following requirements apply:
      - a. Bids will be solicited from an adequate number of known suppliers, providing them with sufficient response time prior to the date set for the opening bids
      - b. The invitation for bids will be publicly advertised
      - c. The invitation for bids will define the items or services in order for the bidder to properly respond

- d. All bids will be opened publicly at the time and place prescribed in the invitation for bids
  - e. A firm fixed price contract award will be made in writing to the lowest bidder.
  - f. Any or all bids may be rejected if there is a sound documented reason
- ii. Competitive Proposals: When the conditions are not appropriate for a sealed bid, a competitive proposal will be used. Either a fixed price or cost-reimbursement type contract may be awarded.
  - 1. If competitive bids are issued, the following requirements apply;
    - a. Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals will be considered to maximum extent practical
    - b. Proposals will be solicited from an adequate number of qualified sources
    - c. Contracts will be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered
- iii. Non-Competitive Proposals: Procurement through solicitation of a proposal from only one source will be used only when one or more of the following circumstances apply;
  - 1. The item is available only from a single source
  - 2. The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation

### **III. Competitive Bids on Building Construction, Renovation, and Repairs**

Bids for construction or renovation projects which exceed the base amount published annually by the Michigan Department of Education above which competitive bids must be obtained shall be specified and publicly advertised as required by law.

The advertisements shall include:

- A. The date and time that the bids must be received by the District,
- B. A statement specifying that the District will not accept late submissions,
- C. The date, time, and place the bids will be opened and read by the Board,
- D. A statement specifying that each bid shall be accompanied by a sworn and notarized statement disclosing any familial relationship between the owner or employee of the bidder and any member of the Board or the Superintendent of the District. The District shall not accept any bids that do not contain this sworn and notarized statement.

### **IV. Procedure**

All bids must be submitted to the Director of Purchasing in sealed envelopes with the name of the bidder, the date of the bid opening and the bid category plainly marked on the envelope. All timely received bids shall be opened and read aloud, at the date and time specified in the advertisement for bids. No bid shall be opened before the date and time specified for bid submission in the advertisement. All bidders and other interested persons are invited to be present when the bids are opened. Bids received after the specified date and time will not be accepted.

If only a single bid is received in a category for construction phase bids, the bid will be returned unopened, and the category will be rebid. Exception: the Director of Purchasing has discretion based on possible sole source consideration.

**V. Qualified Bidder**

All bids shall be awarded to the lowest qualified bidder. The District remains the sole judge of whether a bidder is “qualified,” based on staff evaluation and input. Criteria that may be used to judge “qualified,” by way of illustration and not limitation, are financial standing, reputation, experience, resources, facilities and efficiency.

The District may investigate the business reputation of any bidder by using information at hand to form an intelligent judgment, such as the District's architect, previous clients of the bidder, their own investigation, or an outside investigation agency.

**VI. Bid Specifications**

A. Any errors or changes to bid specifications prior to the bid opening date will be corrected via a bid addendum.

B. Any bid submitted to the District may be withdrawn prior to the scheduled time for opening of bids.

C. Any bid received after the Board publicized date and time shall not be considered.

**VII. Rejection of Bids**

The Board reserves the right to reject all bids based on staff evaluation and to ask for new bids.

Such reservation shall be specified in the publication or notification of bid letting. The District also reserves the right to waive any informality in, or reject any part of, a bid.

An annual review of the results of the impact of the minority, women, and local preference efforts will be provided to the Board's Finance Committee.

Rules Accepted: June 29, 2009

Rules Revised: June 18, 2018

## **GRPS Policy 3670 – Local Construction Contracting**

The District provides a preference (bid discount) on construction contracts from local vendors, providing the quality and service are commensurate with the requirements set forth by the District as to satisfy the demands of the bid or proposal. Bids, or proposals when bids are not required, shall be accepted from non-local vendors in order to maintain a fair market price.

In determining the qualification for a Local Purchasing Preference for purposes of this policy, vendors must have obtained the Certification of a Michigan Based Business as determined by the Michigan Department of Technology, Management and Budget as well as meet one of the following criteria:

- a. For at least the last six months had its primary business operations located within the municipality boundaries of the City of Grand Rapids, Michigan (Grand Rapids).
- b. Be certified by the City of Grand Rapids as a Micro-Local Business Enterprise and have its primary business operations within the municipality boundaries of the City of Grand Rapids.

A successful recipient of a contract and/or purchase order which has received a Local Purchasing Preference may be required to present proof of its status as a Michigan Based Business and documentation of its location within the City of Grand Rapids at any time upon request from an authorized District official. Failure to provide the requested information or failure to maintain business operations with the city of Grand Rapids for the duration of the contract will make the contract voidable at the District's discretion and will result in disqualification from future consideration of a Local Purchasing Preference for a period of five years unless excused by the Superintendent or Designee.

Preference will be provided on the following basis:

- a. Constructor Participation: Grand Rapids Public Schools will provide up to a 5% bid discount to prime contractors and/or construction managers who satisfy the criteria set forth for consideration as a Local Vendor.
- b. Subcontractor Participation: Construction bids for non-local vendors may be discounted when a bidder on a Grand Rapids Public Schools' project voluntarily subcontracts with businesses meeting Local Vendor Criteria. Prime contractors and/or construction managers must submit affidavit(s) verifying Local Vendor subcontractor participation.

Prime contractors and/or construction managers must require Local Vendor certification documentation to be submitted by each subcontract bidder with their sealed bid. The District at its discretion can request additional documentation for verification of the qualification of any Local Vendor subcontractor participating in a construction project.

- c. The following is a schedule of discounted percentages based upon Local Vendor subcontractor participation achieved by the prime Constructor:

| <u>LV Subcontractor Participation</u> | <u>Discount Percentage</u> |
|---------------------------------------|----------------------------|
| i. 1.00% – 2.5%                       | 1.0%                       |
| ii. 2.51% – 5.0%                      | 1.5%                       |
| iii. 5.01% – 7.5%                     | 2.0%                       |
| iv. 7.51% – 10.0%                     | 2.5%                       |
| v. 10.01% – 15.0%                     | 3.0%                       |
| vi. 15.01% – 18.0%                    | 4.0%                       |
| vii. 18.01% +                         | 5.0%                       |

- d. Prime contractors and/or construction managers may not terminate an approved Local Vendor subcontractor working on a Grand Rapids Public Schools construction project and then perform the work on the terminated subcontract with its own forces or those of another subcontractor, without prior written consent by the Grand Rapids Public Schools Executive Director of Facilities Planning and Management. If a Local Vendor subcontractor fails to complete its work on the contract for any

reason, a prime Constructor/construction manager must notify the Grand Rapids Public Schools Executive Director of Facilities Planning and Management and make good faith efforts to find another approved Local Vendor subcontractor to substitute for the original Local Vendor subcontractor. Utilizing good faith efforts, and to the extent reasonable, the prime Constructor/construction manager shall substitute an approved Local Vendor subcontractor to perform the same amount of work under the contract as the Local Vendor subcontractor that was terminated.

- e. Joint Venture Bidding: As an incentive for contractors engaging in activities that stimulate the growth and development of local, small emerging businesses as partners bidding as a joint venture, Grand Rapids Public School will apply up to a 5% bid discount for partnering with a qualified Local Vendor.
- f. The Bid Discounts outlined above may not exceed 5% or \$25,000 per bid, whichever is lower. Project bids from prime contractors and/or construction managers are considered a single bid for purposes of Bid Discount consideration.

Grand Rapids Public Schools, Board of Education Members and employees are prohibited from having any financial interest or personal beneficial interest either directly or indirectly, in the award of any construction contracts, sub-contracts, or the recommendation/selection of any professional design service or construction manager, unless previously disclosed in writing to the Superintendent and approved in writing by the Superintendent.

This policy shall not apply to the extent that it would conflict with any provision of Michigan or federal law, regulation or constitution. The local preference shall not be applied to purchases of goods and services made with federal funds.

Policy Adopted: March 19, 2012

LEGAL Ref: MCL 380.1267; 380.1274

POLICY Ref: 3660 Bids and Quotation Requirements

3690 Local Purchasing

1900 Contracts and Board Member Disclosure Obligations

## **GRPS Policy Rules 3670R – Local Construction Contracting Regulations**

### **Qualification for Local Construction Contracting Preference**

On an annual basis beginning July 1<sup>st</sup> of each fiscal year, a vendor desiring to receive a bid discount for local construction contracting may submit appropriate documentation to the Executive Director of Facilities and Operations. Appropriate documentation shall include the following:

- a. Proof of completed submittal of Certification of a Michigan Based Business as determined by the Michigan Department of Technology, Management, and Budget and

- b. Proof it has its primary business operations located within the municipality of the City of Grand Rapids, Michigan for the past six months (on company letterhead)

or

Proof it has been certified as a Micro-Local Business Enterprise by the City of Grand Rapids and has its primary business operations within the municipality boundaries of the City of Grand Rapids (on company letterhead)

A firm may submit the same documentation with its sealed bid or proposal to qualify for the bid discount.

### **Non-Local Vendors**

A non-local vendor may qualify for a bid discount if it voluntarily subcontracts with businesses that meet the above documentation requirements. Proof of subcontractors meeting these requirements must be submitted with the sealed bid or proposal in order to qualify for the discount.

Local subcontractor participation will be based on the value of the local subcontracts as compared to the total bid or proposal.

### **Joint Venture Bidding**

Contractors that engage in joint venture bidding with a local, small emerging business partner will need to submit documentation of participation level with the sealed bid or proposal. The local bid discount will be based on the value of the local, small emerging business partner as compared to the total bid or proposal.

### **Eligibility/Verification**

The District may request documentation at the conclusion of a project for which a bid discount was received verifying eligibility with local bid discount criteria. If it is determined that a vendor did not actually meet the terms of local preference, disqualification from future consideration of a local purchasing preference may occur for a period of five years unless excused by the Superintendent or Designee.

## **REQUEST FOR INFORMATION**

PROJECT: \_\_\_\_\_

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

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

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

E-MAIL: \_\_\_\_\_

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

**QUESTION:**

(Type or print in box or attach additional typed pages with this cover page.)

**SEND TO:**

Dale Cammenga  
Director of Design & Construction  
Grand Rapids Public Schools  
E-Mail: [CammengaD@grps.org](mailto:CammengaD@grps.org)