

**BALLAST TASK ORDER CONTRACT,
PROJECT # - BLST.TOC.2013
CALIFORNIA MARITIME ACADEMY
200 Maritime Academy Drive
Vallejo, California 94590**

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**NOTICE TO CONTRACTORS
BALLAST TASK ORDER CONTRACT,
PROJECT # - BLST.TOC.2013
CALIFORNIA MARITIME ACADEMY
200 Maritime Academy Drive
Vallejo, California 94590**

The Trustees of the California State University will receive sealed bid proposals in the Gold Conference Room, at the above address, for furnishing all labor for ongoing shipboard industrial support for operations, maintenance, repair, and modification services, Project Number **BLST.TOC.2013**, for Cal Maritime. These services are intended to support its Ballast Treatment Research Development Testing and Evaluation facility on the Training Ship Golden Bear.

Job-Site Visit Date: 01/08/2013

Proposal Due: 01/28/2013 at 2PM.

Each bidder offering a proposal must comply with bidding provisions of Article 2.00 *et seq.* of the Contract General Conditions. This project is a public works project and is subject to prevailing wage rate laws (see Contract General Conditions, Article 4.02-c). The Trustees require the successful bidder to achieve a minimum goal of three percent (3%) DVBE participation. Bidders shall contact the Trustees' DVBE Coordinator at vdhillon@sum.edu. It will be the responsibility of each bidder to obtain a bid proposal package in sufficient time to fulfill requirements therein.

BID PROPOSAL FORM

**BALLAST TASK ORDER CONTRACT
BLST.TOC.2013
CALIFORNIA MARITIME ACADEMY
200 MARITIME ACADEMY DRIVE
VALLEJO, CA 94590**

To the Trustees of the California State University, on behalf of the State of California (hereinafter called the Trustees):

The undersigned bidder hereby offers, in the amount stated below, to furnish all labor, materials, tools, equipment, apparatus, facilities, transportation, and permits for Project Number **BLST.TOC.2013**, Ballast Task Order Contract at Cal Maritime, and hereby agrees to enter into contract for Project Number **BLST.TOC.2013** if this offer is accepted by the Trustees.

Composite Labor Rate. Pricing: \$ _____ (per hour)

Containerized Treatment System Installation. Pricing: \$ _____

Containerized Treatment system Removal. Pricing: \$ _____

Treatment Tank cleaning evolution (Tank capacity 430 m³ each). Pricing: \$ _____ (per tank)

Control Tank 5-104-1, and/or 5-104-2 Cleaning (capacity 250 m³ each). Pricing: \$ _____ (per tank)

Contractor shall provide all labor, equipment & tools necessary for complete installation.

The University may award to multiple **responsible*** bidders who, in the judgment of the University meet all the requirements described in Instruction to Bidders 1.8 and provides the best value to the University.

*Responsible Bidder must meet minimum qualifications and the bid requirements established herein.

Any alteration, erasure, or change must be clearly indicated and initialed by the bidder. The bidder agrees that if there are any discrepancies or questions in the figures, the Trustees will use the lower figure despite the bidder's intent. The Trustees reserve the right to reject any and all bids and to waive any irregularities.

SPECIFY THE NUMBER OF EACH ADDENDUM YOU HAVE RECEIVED ON THE LINE BELOW.

The bid is subject to the provisions contained in the Contract General Conditions (note especially Article 2.00 *et seq.* regarding instructions to bidders), and the bidder agrees that failure to comply with the conditions thereof shall be basis for rejection of this bid.

The Trustees require the successful bidder to achieve three percent (3%) DVBE participation in contracting construction projects as established in the bidding documents, and this must occur prior to the bid opening. Bidders shall contact the Trustees' DVBE Program Advocate at – vdhillon@sum.edu

The bid must be submitted on this Proposal Form, completely filled out and in a sealed envelope provided by the Trustees, and delivered to **Gold Conference Room**, at **California Maritime Academy**, before **2PM** on **01/28/2013**, or it will be disregarded. Only bids from prequalified contractors with a current (**type**) license will be accepted.

Bidder shall enclose with this Proposal Form bidder's security in the amount equal to at least ten (10) percent of the amount of bid (see Contract General Conditions, Article 2.06-c). If the bidder is awarded the contract and then fails to execute the contract, this bidder's security shall be forfeited to the State.

The time period for completion of the overall project shall be **10** calendar days from the construction start date as stated on the Notice to Proceed. Liquidated damages shall be **\$2000.00** for each calendar day completion is delayed beyond the time prescribed for the project.

BIDDER'S CERTIFICATION

**DISABLED VETERAN BUSINESS ENTERPRISE
STATUS OF SUBCONTRACTORS AND SUPPLIERS**

I hereby certify that I have made a diligent effort to ascertain the facts with regard to the representations made herein and, to the best of my knowledge and belief, each firm set forth in this bid as a disabled veteran business enterprise complies with the relevant definition set forth in law. In making this certification, I am aware of Section 12650 *et seq.* of the Government Code providing for the imposition of treble damages for making false claims against the State, Section 10115.10 of the Public Contract Code making it a crime to intentionally make an untrue statement in this certificate, and the provisions of the Military and Veterans Code, Section 999.9.

Date

Signature of Authorized Agent

Title

DISABLED VETERAN BUSINESS ENTERPRISE DECLARATIONS

STD. 843 (Rev. 5/2006)

Instructions: The disabled veteran (DV) owner(s) and DV manager(s) of the Disabled Veteran Business Enterprise (DVBE) must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment [Military and Veterans Code Section 999.2]. Violations are misdemeanors and punishable by imprisonment or fine and violators are liable for civil penalties. All signatures are made under penalty of perjury.

SECTION 1

Name of certified DVBE: _____ DVBE Ref. Number: _____

Description (materials/supplies/services/equipment proposed): _____

Solicitation/Contract Number: _____ SCPRS Ref. Number: _____

(FOR STATE USE ONLY)

SECTION 2

APPLIES TO ALL DVBEs. Check only one box in Section 2 and provide original signatures.

I (we) declare that the DVBE is not a broker or agent, as defined in Military and Veterans Code Section 999.2 (b), of materials, supplies, services or equipment listed above. Also, complete Section 3 below if renting equipment.

Pursuant to Military and Veterans Code Section 999.2 (f), I (we) declare that the DVBE is a broker or agent for the principal(s) listed below or on an attached sheet(s). *(Pursuant to Military and Veterans Code 999.2 (e), State funds expended for equipment rented from equipment brokers pursuant to contracts awarded under this section shall not be credited toward the 3-percent DVBE participation goal.)*

All DV owners and managers of the DVBE (attach additional pages with sufficient signature blocks for each person to sign):

(Printed Name of DV Owner/Manager) (Signature of DV Owner/ Manager) (Date Signed)

(Printed Name of DV Owner/Manager) (Signature of DV Owner/Manager) (Date Signed)

Firm/Principal for whom the DVBE is acting as a broker or agent: _____
(If more than one firm, list on extra sheets.) (Print or Type Name)

Firm/Principal Phone: _____ Address: _____

SECTION 3

APPLIES TO ALL DVBEs THAT RENT EQUIPMENT AND DECLARE THE DVBE IS NOT A BROKER.

Pursuant to Military and Veterans Code Section 999.2 (c), (d) and (g), I am (we are) the DV(s) with at least 51% ownership of the DVBE, or a DV manager(s) of the DVBE. The DVBE maintains certification requirements in accordance with Military and Veterans Code Section 999 et. seq.

The undersigned owner(s) own(s) at least 51% of the quantity and value of each piece of equipment that will be rented for use in the contract identified above. I (we), the DV owners of the equipment, have submitted to the administering agency my (our) personal federal tax return(s) at time of certification and annually thereafter as defined in *Military and Veterans Code 999.2*, subsections (c) and (g). *Failure by the disabled veteran equipment owner(s) to submit their personal federal tax return(s) to the administering agency as defined in Military and Veterans Code 999.2, subsections (c) and (g), will result in the DVBE being deemed an equipment broker.*

Disabled Veteran Owner(s) of the DVBE (attach additional pages with signature blocks for each person to sign):

(Printed Name) (Signature) (Date Signed)

(Address of Owner) (Telephone) (Tax Identification Number of Owner)

Disabled Veteran Manager(s) of the DVBE (attach additional pages with sufficient signature blocks for each person to sign):

(Printed Name of DV Manager) (Signature of DV Manager) (Date Signed)

SUMMARY OF DISABLED VETERAN-OWNED BUSINESS PARTICIPATION

COMPANY NAME	NATURE OF WORK	CONTRACTING WITH	TIER	CLAIMED DVBE VALUE \$	PERCENTAGE OF CONTRACT (%)	OSMB DVBE CERTIFICATION

I declare under penalty of perjury, under the laws of the State of California, that the information herein is true and correct to the best of my knowledge.

Executed on: _____, at _____ in the state of _____.
Date City State

Signature of Contractor or Authorized Agent

Project Name

Project Number

Printed Name

Firm Name

() _____
Telephone

**CERTIFICATION OF APPROPRIATE LICENSE
AND CALIFORNIA COMPANY**
(Public Contract Code, Chapter 6100 *et seq.*)

Project No. BLST.TOC.2013

Project Name Ballast Task Order Contract

The undersigned bidder declares:

- 1) That the attached pocket license or certificate of licensure is the Contractor's, is current and valid, and is in a classification appropriate to the work to be undertaken on the above-referenced project for which bidder is submitting a bid, per Public Contract Code Section 6100(b). Attach a copy of the pocket license issued from Contractor's State License Board.

- 2) The bidder qualifies as a "California Company" per Public Contract Code Section 6107. Check one of the following statements that applies to the bidder:
 - Ⓒ Bidder has its principal place of business in California.
 - Ⓒ Bidder has its principal place of business in a state in which there is no local contractor preference on construction contracts.
 - Ⓒ Bidder has its principal place of business in a state in which there is a local contractor construction preference, and bidder has paid not less than five thousand dollars (\$5,000) in sales or use taxes to California for construction related activity for each of the five years immediately preceding the submission of this bid.

If bidder does not qualify as a California company (and has not checked one of the above statements), please complete the following information:

State in which Bidder has its principal place of business

Amount of the local contractor construction preference offered

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on this _____ day of _____, 20_____, at _____, California.

Signature of Bidder or officer of Bidder authorized to execute contracts

Print or type name of person signing

Print or type name of business entity

Address

**NONCOLLUSION DECLARATION
TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID FOR:**

Project No. BLST.TOC.2013 **Project Name: Ballast Task Order Contract**

The undersigned declares:

I am the _____ of _____, the party making the forgoing bid.
Title Company

The bid is not made in the interest of , or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or any one else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 20__
at _____, _____.
City State

Printed Name

Signature

BID PROPOSAL FORM SIGNATURE PAGE

Date: _____

Project No. BLST.TOC.2013

The undersigned bidder hereby submits this bid pursuant to the contract documents:

A. If bidder is an individual proprietorship: _____
 (Name of Firm)* (License No.)

 (Postal Address of Firm)

(Signature of Individual)** (Printed Name of Person Who Signs) (Phone Number)

B. If bidder is a partnership: _____
 (Name of Firm)* (License No.)

 (Postal Address of Firm)

(Signatures)** (Printed Name of Person(s) Who Signs) (Phone Number)

C. If bidder is a corporation: _____
 (Name of Corporation)* (License No.)

 (Postal Address of Principal Office of Corporation)

(Signature of Person Who Signs for Corporation)*** (Printed Name of Person Who Signs)

(Title of Person Who Signs Above)** (State of Incorporation) (Phone Number)

D. If bidder is a joint venture: _____
 (Name of Joint Venture) (License No., if known)****

An Affidavit of Joint Venture form must be filed five days prior to bid opening and each member of the joint venture must be prequalified one day prior to bid opening as provided in Article 2.02 of the Contract General Conditions. Each member of the joint venture shall fill in the information below corresponding to the member's type of business organization. If the joint venture has more than one of the same types of business organizations, additional copies of this page containing the required information and signatures shall be added and attached to this proposal form. Any such attachments are a part of this proposal form.

First Member of the Joint Venture		Second Member of the Joint Venture	
(Name of Firm or Corporation)*	(License No.)	(Name of Firm or Corporation)*	(License No.)
(Postal Address of Principal Office of Corporation)	(State of Incorporation)	(Postal Address of Principal Office of Corporation)	(State of Incorporation)
(Signature and Printed Name of Person Who Signs for Corporation)***		(Signature and Printed Name of Person Who Signs for Corporation)***	
(Title of Person Who Signs Above)**	(Phone Number)	(Title of Person Who Signs Above)**	(Phone Number)

* Name must be same as appears on state contractor's license and on prequalification.
 ** If signature is by an agent, other than an officer of a corporation or a member of a partnership, a power of attorney must be on file with the Trustees before bid opening or be submitted with this bid.
 *** A certified copy of corporate board action authorizing execution of this contract must be submitted on Trustees-prescribed forms. .
 ****The Joint Venture must have the required license in place at time of award of contract, and if awarded the contract, must return with the contract a resolution authorizing someone to sign contracts, change orders, and other documents for the joint venture.

SMALL BUSINESS PREFERENCE AND CERTIFICATION REQUEST

(Bidders requesting a 5% Small Business Preference must sign below and enclose this form in the Bid Package)

Project No. BLST.TOC.2013

The undersigned hereby requests preference as a “Small Business” and further certifies under penalty of perjury, that the firm still meets the requirements of the California Code of Regulations, Title 2, Section 1896 *et seq.*

NOTICE TO ALL BIDDERS: Section 14835 *et seq.* of the California Government Code, requires that a five percent preference be given to bidders who qualify as a small business. The rules and regulations of this law, including the definition of a small business for the delivery of service, are contained in Title 2, California Code of Regulations, Section 1896, *et seq.* A copy of the regulations is available upon request.

If your firm is a Small Business and wishes to claim the small business preference, which may not exceed \$50,000 for any bid, your firm must have its principal place of business located in California, have a complete application (including proof of annual receipts) on file with the Small Business & DVBE Services Branch, in the Procurement Division of the State of California Department of General Services, by 5:00 p.m. on the date bids are opened, and be verified by such office.

Or, if your firm is a Non-Small Business and wishes to claim the small business preference, your firm must notify the Trustees by signing below, that your firm commits to subcontract at least 25% of its net bid price with one or more small businesses, submit a timely responsive bid, list the small business subcontractors and include name, address, phone number, portion of the work to be performed, and the dollar amount and percentage per subcontractor, and be determined a responsible bidder.

Questions regarding the preference approval process should be directed to Small Business & DVBE Services, telephone (800) 559-5529 or (916) 375-4940, address: 707 Third Street, First Floor-Room 400, West Sacramento, CA 95605, or if by mail: P.O. Box 989052, West Sacramento, CA 95798-9052. You can also reach them via email (osdchelp@dgs.ca.gov) or on the Internet: www.pd.dgs.ca.gov/smbus.

IMPORTANT NOTICE (Read before signing)

The “Small Business Preference and Certification Request” must be signed in the same name style in which the bidder is licensed by the Contractors State License Board. Bidders bidding jointly or as a combination of several business organizations are specially cautioned that such bidders must be jointly licensed and approved in the same form and style in which the bid is executed.

Legal Name Style of Bidder(s): _____

Signature of Bidder: _____ Date _____

In the event the bidder has received assistance in obtaining bonding for this project, it shall set forth the name and nature of the firm providing such assistance. Should the firm be listed as a subcontractor, bidder shall set forth the percentage of the contract to be performed by the subcontractor.

Name of Firm: _____ Is Firm a Listed Subcontractor? YES-Percentage _____ NO

Special attention is directed to section 1896.16 for penalties for furnishing incorrect supporting information in obtaining preference.

LIST OF PROPOSED SUBCONTRACTORS

(to be submitted with bid)

Information/Instructions:

Pursuant to the provisions of Public Contract Code section 4100 *et seq.*, bidder shall set forth:

- (a) the name and location of the place of business of each subcontractor who will perform work or labor or render service to prime contractor in or about the construction of the work or improvement, or a subcontractor licensed by the state of Calif. who, under subcontract to the prime contractor, specially fabricates and installs a portion of the work or improvement according to detailed drawings contained in the plans and specifications, in an amount in excess of one-half of one percent of prime contractor's total bid;
- (b) the portion of the work (trade) which will be done by each such subcontractor under this act.

Prime contractor shall list only one subcontractor for each such portion as defined by Bidder in its bid. All work in excess of one-half of one percent of this bid, for which no subcontractor is listed below, shall be performed by the bidder.

Non-small business bidders that claim the small business preference and commit to subcontract at least 25% of their total project bid price including awarded alternatives with one or more small businesses, shall list those small business subcontractors and the dollar amount of their subcontracts hereon. See Calif. Code of Regulations, Title 2, section 1896 *et seq.*

Bidders are required to achieve 3% DVBE participation on this contract. Bidder shall list hereon the dollar amount of DVBE participation by each listed subcontractor, and the total of these amounts shall equal at least 3% of the total project bid price, including awarded alternatives. For each alternative bidder shall list any subcontractor not included in the base contract work subcontractor listing and the dollar amount of DVBE participation by each subcontractor listed for work to be performed on the alternative. The trustees shall grant the DVBE bid incentive, if the total amount of DVBE participation shall equal at least the incentive percentage of the total project bid price, including awarded alternatives.

Bidder shall not substitute any subcontractor listed below or permit any subcontractor to be assigned or transferred, or allow work to be performed by anyone other than the designated subcontractor, or sublet or subcontract any of the work in excess of one-half of one percent of this bid for which a subcontractor is not herein designated, except as otherwise provided in the Subletting and Subcontracting Fair Practices Act. Substitution of any small business subcontractor by a non-small business claiming the small business bid preference shall be done pursuant to Calif. Code of Regulations, Title 2, section 1896.10.

Within 24 hours of bid opening, all bidders shall submit the List of Subcontractors—Additional Information.

Portion of Work (Trade)	Specify Work as Base Bid (B) or Alternate (#)	Name of Subcontractor	Address of Subcontractor	Small Business (Indicate \$)	DVBE (Indicate \$)

LIST OF PROPOSED SUBCONTRACTORS (cont'd)

(to be submitted with bid; see page 1 for information and instructions)

Portion of Work (Trade)	Specify Work as Base Bid (B) or Alternate (#)	Name of Subcontractor	Address of Subcontractor	Small Business (Indicate \$)	DVBE (Indicate \$)

CERTIFICATION

Counterpart No.1
Project No. BLST.TOC.2013

This is to certify that I am the _____
(Insert title such as Secretary or Assistant Secretary)

of _____;
(Insert name of corporation); and that the attached

resolution is a true and accurate copy, as the same appears in the Minutes of the Board of Directors of the Corporation; and that said resolution was duly adopted by the Board of Directors of the Corporation at its meeting on _____.

Dated: _____
(Insert date)

Signature

Title of person making certification

IMPORTANT NOTE
(Be sure that a copy of the resolution authorizing a person to execute contract documents or to execute a bid submittal is attached to this certification. If more than one resolution is attached, the form must be modified to reflect that fact.)

BIDDERS BOND

Counterpart No. _____
Project No. BLST.TOC.2013

Know All Persons by These Presents:

THAT WE

as Principal, and

as Surety, are held and firmly bound unto the Trustees of the California State University hereinafter called the Trustees, in the penal sum of TEN PERCENT (10%) OF THE TOTAL AMOUNT OF THE BID of the Principal above named, submitted by said Principal to the said Trustees for the work described below, for the payment of which sum in lawful money of the United States, well and truly to be made, we bind ourselves, our heirs, executors, administrators and successors, jointly and severally, firmly by these presents.

IN NO CASE shall the liability of the Surety hereunder exceed the sum of **10% of Bid**.

THE CONDITION of this obligation is such that:

WHEREAS, the Principal has submitted the above-mentioned bid to the Trustees for certain construction specifically described as follows, for which bids

are to be opened at _____

on _____ at _____ for contract _____

Project Description

(Exact description of work and location as given in the proposal)

NOW, THEREFORE, if the aforesaid Principal is awarded the contract, and, within the time and manner required under the specifications, after the prescribed forms are presented to the principal for signature, enters into a written contract, in the prescribed form, in accordance with the bid, and files the two bonds with the Trustees, one to guarantee faithful performance and the other to guarantee payment for labor and materials, as required by law, then this obligation shall be null and void, otherwise, it shall be and remain in full force and virtue.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit.

IN WITNESS WHEREOF, We have hereunto set our hands and seals on this _____ day of _____, 20____

CONTRACTOR

Contractor Name: _____

AS

PRINCIPAL

Contractor Address: _____ (SEAL)

By: _____

SURETY

Surety Name: _____

Surety Address: _____ (SEAL)

By: _____

Signatures executed in behalf of the Surety must be properly acknowledged.



REQUEST FOR PROPOSAL

Ballast Task Order Contract

ISSUE DATE: 12/24/2012

RFP NO: BLST.TOC.2013

DUE DATE: 1/28/13

TIME: 2PM

Proposals must be received by the due date and time to be considered.

THIS IS NOT AN ORDER

Instructions to Bidders

1.1 Issuing Office and University Contact

This RFP, and any subsequent addenda, is being issued by The California Maritime Academy Procurement Office which is the only office authorized to change, modify, clarify, etc., the provisions of this RFP and to award any contract(s) resulting from the RFP.

The only point of contact for all contractual and procurement matters regarding this RFP is:

Vineeta Dhillon, C.P.M., A.R.M.
Director, Purchasing and Risk Management
The California Maritime Academy
200 Maritime Academy Drive
Vallejo, CA 94590
E-mail: vdhillon@csum.edu

1.2 Schedule of Events

Listed below are the key action dates/times for this RFP. If the University finds it necessary to change any of the dates as indicated below, an addendum to the RFP will be issued.

Release of RFP.....	December 24, 2011
Job Site Visit	January 8, 2013, 10AM
Deadline for Submitting Questions regarding RFP.....	January 15, 2013, 12PM
Answers back to Vendors	January 22, 2013, 5PM
Proposal Due Date.....	January 28, 2013, 2PM
Anticipated Award Date.....	February 8, 2013,

Note: The above dates are subject to change at the option of the University.

1.3 Proposal Receipt

Sealed proposals are to be addressed and delivered as follows:

One (1) *original hardcopy* and one (1) *soft copy* (PDF format) of the proposal, to:
Vineeta Dhillon, CPM, ARM
Director, Purchasing & Risk Management
The California Maritime Academy
200 Maritime Academy Dr, Vallejo, Ca 94590
Proposals shall be marked with the following information on the outside:

Name of Bidder

RFP Number **BLST.TOC.2013**

Date and Time Proposal Due: **Jan 28, 2013**

No telephone, email, or facsimile proposals will be considered. Proposals received after the time for closing will not be considered.

1.4 Bidder Questions

Bidders are expected to exercise their best professional independent judgment in analyzing the requirements of this RFP to ascertain whether additional clarification is necessary or desirable before responding. If there are any discrepancies in, or omissions to the RFP, or if there are any questions as to any information provided in the RFP or by any other source, a request must be submitted via email to vdhillon@csu.edu for clarification, interpretation or correction by noon on Jan 15, 2013. The University may be unable to respond to inquiries received too close to the bid submission deadline to permit a timely and comprehensive reply to all prospective Bidders.

1.5 Proposal Format and Required Submittals

Bidders are to provide a written proposal with specific pricing by task order and a composite labor rate.

Proposals shall be submitted in English. Conditional proposals will not be considered. An individual authorized to extend a formal proposal must sign all proposal documents. If the Bidder fails to provide any of the following information, the University may at its sole option, deem the bid non-responsive, ask the Bidder to provide the missing information or evaluate the proposal without the missing information.

1.6 Simplicity of Preparation

Proposals should be prepared simply and economically, providing a straightforward, concise description of the Bidder's capability to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.

1.7 Complete Proposals

All bids must be full and complete at the time of bid opening.

1.8 Specifications

Bidders are expected to meet or exceed the specifications in their entirety. Each bid shall be in accordance with this specification. If services as bid do not comply with specifications as written, Bidder shall attach to bid proposal a complete detailed itemization and explanation for each and every deviation or variation from these specifications. Absence of any such itemization and explanation shall be understood to mean that Bidder proposed to meet all details of these specifications. Successful Bidder delivering the services pursuant to these specifications shall guarantee that they meet specifications as set forth herein. Proposal deliverables:

- Cover letter illustrating familiarity with Finance Aid regulations & compliance requirements
- General approach for accomplishing the scope of work
- Comprehensive plan for completion of scope
- Sample work schedule
- Resumes of the consultants who will work on the project
- Brief description of CSU Financial Aid projects completed in the last 3- years
- List of references with current contact information

1.9 Amendments to RFP before Due Date

No individual is authorized to amend any part of this bid in any respect, by an oral statement, or to make any representation of interpretation in conflict with provision of this RFP prior to the proposal submission date. However, if necessary, supplemental information in addenda form shall be provided to all prospective Bidders who have received this RFP directly from the University Procurement Office. Failure of any Bidder to receive such addenda shall not relieve the Bidder from any obligation under their bid as submitted. All addenda so issued shall become part of this RFP.

1.10 Firm Proposals

All Proposals shall be firm and fixed for 90 days following the deadline for RFP submissions.

Request for Proposal - Specifications
Project Name: Ballast Task Order Contract
Project Number: BLST.TOC.2013

Cal Maritime is soliciting a Request for Proposal (RFP) for ongoing shipboard industrial support to include operations support, maintenance, repair, and modification services. These services are intended to support its Ballast Treatment Research Development Testing and Evaluation facility on the *Training Ship Golden Bear*.

CAL MARITIME BACKGROUND:

The facility is a collaborative effort of Cal Maritime as program management and operations, the US Maritime Administration (MARAD) as vessel owner and sponsor, and Moss Landing Marine Lab (MLML) as science and marine biology lead. The facility's current focus is ballast treatment testing, but it is anticipated that future efforts may include the evaluation and testing of other vessel effluent and air emissions streams.

Shipboard industrial services desired include: Rigging & crane service, pipe fitting, welding, machinists (inside & outside), and tank cleaning & shipboard skilled labor. Contractor or contractors will be required to carry US L&H insurance as well as General Ship Repair liability coverage to work on a MARAD vessel.

**OPERATIONS, MODIFICATION AND IMPROVEMENT PROJECTS
ANTICIPATED FY 2013:**

1. Installation and removal of 2 to 4 separate ballast treatment systems
2. Operations and tank cleaning support to facilitate testing
3. Tank and piping modification to allow complete drainage of ballast tanks 3-154-1 and 3-154-2
4. Crossover piping from ballast tank 3-188-0 to ballast treatment piping system for uptake stream augment
5. New dedicated overboard for ballast treatment discharge
6. Various anticipated PVC and steel pipe repairs

TASK ORDER CONTRACTS

Cal Maritime is seeking marine vessel industrial support contractors to qualify for indefinite delivery and indefinite quantity (IDIQ) system operations, maintenance & repair, and modification projects. These projects will be negotiated for scope and cost, and awarded on task or job order basis.

Provide a rate schedule and a composite labor rate for performing maintenance, repair, modification, and operations services associated with Environmental technology at the Golden Bear Facility (GBF). This schedule of composite rate shall consist of cost for services of: pipefitters, certified welder, electrician, outside machinist, inside machinist, and shipboard skilled laborer:

- A. Pipefitter: \$/Hr _____
 - B. Welder: \$/Hr _____
 - C. Electrician: \$/Hr _____
 - D. Outside Machinist: \$/Hr _____
 - E. Inside Machinist: \$/Hr _____
 - F. Shipboard Skilled Laborer : \$/Hr _____
- (Composite Labor Rate: Sum of A through F divided by 6)

ROUTINE JOBS STATEMENT OF WORK

There are also several routine service jobs, which would be awarded on a Job Order basis to support ballast treatment system testing at CMA. These jobs may be negotiated individually or as package. **Please provide an estimate of costs for Routine Job line items 01-04.**

01 Containerized Treatment System Installation.

Provide all labor, material and equipment required to transfer via mobile crane one standard 20-foot ISO container weighing not more than 16,000 lbs. from the treatment vendor delivery truck in the CMA parking lot to the Treatment system station on deck. Make all structural connections to vessel using Peck & Hale twist lock fittings provided by vessel. Provide and install plumbing connections associated with operational requirements from installed service manifold on 01 deck aft to container including: A. 8-inch ballast inlet and outlet connections assuming use of SCH 80 PVC. B. 4-inch filter or effluent drain to main deck flanged connection using vessel provided hoses C. Potable water and compressed air connections using vessel provided hoses. *Note: All electrical and control connections shall be excluded from this requirement. All piping connections shall be at "service" or inboard end of containerized system. Contractor will be given a minimum of 48 hours notice of scheduled arrival.*

02 Containerized Treatment system Removal.

Provide all labor, material and equipment required to transfer one standard 20 foot container weighing not more than 16,000 lbs. from the Treatment system station on deck to treatment vendor arranged truck in CMA waterfront parking lot. Disconnect all structural and plumbing connections associated with operational requirements including: A. 8-inch ballast inlet and outlet connections assuming use and preservation of PVC piping for later reuse. B. 4-inch filter or effluent drain to main deck flanged connection using vessel provided hoses C. Potable water and

compressed air connections using vessel provided hoses. *Note: All electrical and control disconnections shall be excluded from this requirement and shall be disconnected prior to contractor effort.*

03 Treatment Tank cleaning evolution (Tank capacity 430 m³ each).

- A. The tanks will be opened at manhole access covers for each tank (2 each) 3-154-1&2, the covers shall have safety rails installed, and mechanical portable ventilators (vessel provided) shall be installed at each tank's weather deck vent terminus. The tanks shall be ventilated continuously throughout the entire tank cleaning process. After approximately 12 hours of ventilation, a certified marine chemist shall test the tanks as "safe for men" and tank cleaning can commence. The tanks will be checked by a certified competent person for continued safe condition at the beginning and end of each work day. All tank entry documentation shall be maintained for inspection at the tank entry point.
- B. An initial inspection by the Lead Operator and contractor after the first rinse will determine how much, if any, mucking and disposal of silt or debris is required. It shall be assumed that mucking is NOT required for this pricing.
- C. **This step shall be completed from arrival through cleanup in one 8-hour shift.** Cleaners outfitted with appropriate Personal Protective Equipment (PPE) will use high-pressure washers to spray down all tank surfaces with a 200 ppm chlorine solution. After a contact time of not less than five minutes, all surfaces will be rinsed with city fresh water using the same high-pressure washers. The wash down from the cleaning will be continuously pumped out of the ballast tank and transferred to municipal waste. A final inspection by the Lead Operator and contractor will confirm the removal of silt, debris, and wash water. In addition, random sampling of six (6) wet tank surface locations will be conducted. A reading of less than 3 ppm free chlorine is considered passing.
- D. **Final Inspection**
The tank will be pumped "dry," with no standing water, and left ventilating for an additional period of 12-24 hours. GBF Lead Operator, Quality Officer or assignee will perform the final inspection, for acceptance, at which time the tank will be closed up and ventilation removed. The tanks will be offered for inspection to the BWTS representative (if attending) and the Verification Organization (if attending) prior to closing.

04 Control Tank 5-104-1, and/or 5-104-2 Cleaning (capacity 250 m³ each).

- A. Tank(s) will be opened at manhole access covers (2 each), the covers shall have safety rails installed, and mechanical portable ventilators (vessel provided) shall be installed at each tank's weather deck vent terminus. The tanks shall be ventilated continuously throughout the entire tank cleaning process. After approximately 12 hours of ventilation, a certified marine chemist shall test the

tanks as “safe for men” and tank cleaning can commence. The tanks shall be checked by a certified competent person for continued safe condition at the beginning and end of each work-day. All tank entry documentation shall be maintained for inspection at the tank entry point.

- B. An initial inspection by the Lead Operator and contractor after the first rinse will determine how much, if any, mucking and disposal of silt or debris is required. It shall be assumed that mucking is NOT required for this pricing.
- C. This step shall be completed from arrival through clean-up in one 8-hour shift. Cleaners outfitted with appropriate Personal Protective Equipment (PPE) will use high-pressure washers to spray down all tank surfaces with city water. ***Note: the 200 ppm chlorine solution shall not be required for this operation.*** After a contact time of not less than five minutes, all surfaces will be rinsed with city fresh water using the same high pressure washers. The wash down from the cleaning will be continuously pumped out of the ballast tank and transferred to municipal waste. A final inspection by the Lead Operator and contractor will confirm the removal of silt, debris, and wash water.
- D. **Final Inspection**
The tank will be pumped “dry,” with no standing water, and left ventilating for an additional 24 hours. GBF Lead Operator, Quality Officer or assignee will perform the final inspection, for acceptance, at which time the tank will be closed up and ventilation removed. . The tanks will be offered for inspection to the BWTS representative (if attending) and the Verification Organization (if attending) prior to closing.

**CONTRACT
GENERAL CONDITIONS
FOR
DESIGN-BID-BUILD MINOR PROJECTS**



THE CALIFORNIA STATE UNIVERSITY

Prepared by:
OFFICE OF THE CHANCELLOR
CAPITAL PLANNING, DESIGN AND CONSTRUCTION

(www.calstate.edu/cpdc/cm)

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**CONTRACT GENERAL CONDITIONS
FOR DESIGN-BID-BUILD MINOR PROJECTS**

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SAMPLE FORMS

**CONTRACT GENERAL CONDITIONS
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1.00 DEFINITIONS

Acceptance – When the Project has been completed in all respects in accordance with the Plans and Specifications, and the Contract has been otherwise fully performed by the Contractor, to the full satisfaction of the Trustees, the Trustees will accept the Project as complete.

Addendum - A document issued by the University during the bidding period that modifies or supersedes portions of the Contract Documents.

Architect - The person or organization, including the authorized representatives thereof, commissioned by the University for the Project. For projects on which an engineer or landscape architect is commissioned instead of an architect, the term “Architect” shall mean the design professional so commissioned for the Project.

Bid Date - The day on which bid proposals for a project are opened.

Bidder - Any individual or business entity acting directly or through an authorized representative that submits a proposal for the Work.

Business Day – Calendar Day excluding Saturdays, Sundays, national holidays or state holidays; same as Working Day.

Campus - The California State University campus on which the Project is located.

Change Order - A written agreement entered into after the award of the Contract that alters or amends the executed Contract.

Construction Administrator – The person delegated by the Trustees to manage the construction phase of the Project, and authorized to approve changes to the Contract.

Construction Inspector - The Inspector on the Project site who receives administrative direction from the University.

Construction Schedule – The Contractor’s time use plan for completing the Work within the Contract Time.

Contract - The Contract Documents which collectively represent the entire agreement between the University and the Contractor, and which supersede any prior negotiations, representations, or agreements either written or oral.

Contract Amount – The amount of compensation stated in the Agreement for the performance of the Work, as adjusted by Change Order.

Contract Documents - The Bid Proposal Form, Notice to Contractors, Plans, Specifications, Addenda, Agreement, Bonds, Contract General Conditions, Supplementary General Conditions, Special Conditions, and Change Orders.

Contract Time – The period of time, set out in calendar Days, established in the Contract Documents within which the Work must be completed. The Contract Time may be adjusted by time extensions through Change Orders.

Contractor - The individual or business entity that has entered into this Agreement with the University.

Day – Unless otherwise indicated herein, day is a calendar day.

Executive Facilities Officer – University official who oversees the capital outlay process.

Field Instruction - A written order from the University to the Contractor, signed by the Construction Administrator.

Plans - The drawings which include elevations, sections, details, material and equipment schedules, diagrams, information, notes, or reproductions or any of these, and which show the location, character, dimension, or details of the Work.

Prevailing Wages - The general prevailing rate of wages identified by the Director of the Department of Industrial Relations of the State of California pursuant to section 1770 of the Labor Code.

Progress Schedule – The periodically updated Construction Schedule that reflects the actual progress of the Work and impacts on the Work thereby maintaining a current projected date of completion. Impacts on the Work include, but are not limited to, anticipated delays, re-sequencing of tasks, and Change Orders.

Project - The total Work required by the Contract.

Site - The area specified in the Contract for the Project and the area made available for the Contractor's operation.

Specifications - The instructions and requirements which complement the plans and which describe the manner of performing the Work or the quantities, qualities and types of materials to be furnished.

State - State of California.

Subcontractor - Contractor that is under contract to the Contractor or another subcontractor for completion of a portion(s) of the Work. **Superintendent** - The representative of the Contractor at the construction site, who is authorized to receive instructions from the University, and who is authorized to direct the performance of the Work on behalf of the Contractor.

Supplier or Vendor - Any individual or business entity that contracts with the Contractor to provide materials or equipment.

Trustees - The Trustees of the California State University and their authorized representatives who act on behalf of the Trustees. The Trustees are the legally constituted governing body of the California State University system (see Education Code section 66600 *et seq.*) which have full power and responsibility in the construction and development of any state university campus and any buildings or other facilities with improvements connected with the California State University (see Education Code section 66606).

University - The California State University campus upon which the Project is located and the University President and other University officers and employees acting within the scope of their duties.

Work - That which is proposed to be constructed or done under the Contract, including the furnishing of all labor, materials, and equipment.

Working Day - Day excluding Saturdays, Sundays, national holidays or state holidays; same as Business Day.

2.00 BIDDING

2.01 Contractor's License

No Bidder may bid on Work for which it is not properly licensed. The Trustees shall disregard any bid received from a Bidder who is not properly licensed (Business and Professions Code, section 7028.15). Nor will the Trustees award a contract to a Bidder who does not possess the appropriate contractor's license, which is that specified in the Notice to Contractors. Bidders participating in a joint venture must individually possess a current license when submitting the joint venture bid, and the joint venture must possess a joint venture license at the time of award (Public Contract Code section 3300).

2.02 Necessity for Careful Examination of Site, Plans, and Specifications

The Bidder shall carefully examine the site and the Plans and Specifications for the Project and shall investigate and be satisfied as to the conditions to be encountered, the character and quantity of surface and subsurface materials or obstacles to be encountered, rights of way and easements at or near the site, the Work to be performed, materials to be furnished and as to the requirements of the Proposal, Plans, and Specifications for the Project. Refer to Article 4.10, Responsibility to Secure and Pay for Permits, Licenses, Utility Connections, Etc. Bidder certifies that Bidder has complied with the requirements of this provision by the submission of its bid.

Any failure by the Bidder to acquaint itself with information that is available or with reasonable investigation may be available will not relieve it from responsibility to properly estimate the difficulty or cost to perform the Work. Such examination does not require independent underground soils borings unless required elsewhere.

2.03 Clarification During Bidding

The Bidder shall examine the Plans and Specifications in preparing the bid and shall report to the University any omissions, discrepancies, or errors found in the Plans and Specifications. Before the date of bid opening, the Bidder shall submit a written request for clarification to the University who may give such clarification in the form of an addendum to all Bidders if time permits. Otherwise, in estimating the cost of the Project, the Bidder shall consider that any conflicts shall be governed by Article 5.01, Interpretation of Contract Requirements.

Bidders are advised that the time for submitting a proposed product as "an equal" is no later than 35 Days after the award of contract, unless otherwise specified in the Supplementary General Conditions (Public Contract Code section 3400). Refer to Article 5.04-c, Alternatives or Equals.

Only the University Official, as identified in the Notice to Contractors, is authorized to answer questions or prepare addenda relative to the Project. Information obtained verbally from any source has no contractual authority, may not be relied upon, and shall have no standing in any event that may occur.

The Bidder is required to acknowledge each addendum on the Bid Proposal Form. Therefore, Bidder is responsible for assuring receipt of all addenda. Bidder shall confirm all addenda with designated Trustees' official 24 hours prior to bid opening.

2.04 Bidding Documents

a. Bid Proposal Forms.

The bid shall be presented only on the standard Bid Proposal form provided by the University (Public Contract Code section 10764). The bid shall be a lump-sum amount for Work completed as required by the Contract Documents and shall include license fees, sales tax, cost of insurance, and any other cost incidental to the Work. The bid shall be executed by the Bidder, or authorized representative of the Bidder, and shall include the Bidder's name, address, and license number. The Trustees shall reject any proposal submitted that is not signed by the Bidder or by the Bidder's duly authorized representative. The bid shall be irrevocable for a period of 60 Days after the date of the bid opening.

b. Listing of Proposed Subcontractors.

Bidders shall list on each bid proposal the name and location of the place of business of each subcontractor under proposed subcontract to the Contractor that will perform Work or labor or render services for the Contractor in excess of one-half of one percent of the Contractor's total bid. Bidders shall also state on the proposal the portion of Work or labor or rendition of services that each such subcontractor will do. For each alternative Bidder shall list any subcontractor not included in the base contract Work subcontractor listing. Within 24 hours after the deadline established for the receipt of bids, the Bidders must submit a completed List of Subcontractors—Additional Information form, which contains more detailed information, such as complete subcontractor names and addresses, telephone numbers, license numbers, etc. (Public Contract Code sections 4104, 4105 and 4106).

(1) Non-small Business Bidders Claiming the Small Business Preference.

If a Non-small Business Bidder claims the small business preference, the proposal shall list all subcontractors certified as California small businesses, and the total of these subcontracts shall be at least 25% of the total bid price, including awarded alternatives.

(2) Disabled Veteran Business Enterprises (DVBE) Participation Requirement.

Bidder shall list on its bid proposal the dollar amount of DVBE participation by each listed subcontractor, and the total of these amounts shall equal at least three (3) percent of the total bid price, including awarded alternatives. For each alternative Bidder shall list any subcontractor not included in the base contract Work subcontractor listing and the dollar amount of DVBE participation by each subcontractor listed for Work to be performed on the alternative. The Trustees shall grant the DVBE Bid Incentive, if the total amount of DVBE participation shall equal at least the incentive percentage of the total bid price, including awarded alternatives.

(3) List of Subcontractors—Additional Information Form.

Bidders shall submit the List of Subcontractors—Additional Information form, within 24 hours after the deadline established for the receipt of bids. Bidders shall indicate on this form the dollar amount of each small business (if the Bidder claimed the non-small business bid preference) and each DVBE participating in its bid.

(4) Subcontractor Directory.

The successful Bidder shall maintain current information requested on the Subcontractor Directory for all tiers of subcontractors working on the Project. The successful Bidder shall submit the Subcontractor Directory with its signed Contract and with all payment requests.

c. Bidder's Security.

All bids shall be presented under sealed cover and have enclosed an amount equal to at least 10 percent of the total amount bid, including alternatives (if additive), as bid security. The bid security may be a cashier's check, or certified check made payable to the University, or a bidder's bond. No bid shall be considered unless one of these forms of bid security is enclosed therewith (Public Contract Code section 10765). If the bid security is a bond, a corporation authorized as an admitted surety to issue surety bonds in California, shall execute that bond, and it shall be executed on the form prescribed by the Trustees.

For bids that are submitted electronically, Bidders shall present their bidder's security in electronic form when tendering their bids, and then only the three lowest bidders shall submit original bidder's security within 24 hours of bid opening, or their bids will be deemed nonresponsive.

2.05 Bid Proposals

a. Submission of Proposals.

Bidders shall submit bid proposals to the office indicated on the bid proposal. It is the Bidder's responsibility to see that its bid is received in the proper time. Delays in timely receipt of the bid caused by the United States or the

University mail system, independent carriers, acts of God, electronic communication failures, or any other cause shall not excuse late receipt of a bid. The Trustees shall return unopened any bid received after the time specified in the Notice to Contractors or in any addendum (Public Contract Code sections 4104.5 and 10766).

- b. **Withdrawal of Proposals.**
Any bid may be withdrawn at any time prior to the time fixed in the public notice for the opening of bids but only by a written request from the Bidder or its authorized representative filed with the University. A request to withdraw a bid proposal orally, or by use of telegram or telephone is not acceptable. The withdrawal of a bid shall not prejudice the right of a Bidder to file a new bid. This paragraph does not authorize the withdrawal of any bid after the time fixed in the public notice for the opening of bids (Public Contract Code section 10767).
- c. **Public Opening of Proposals.**
Proposals will be publicly opened and read at the time and place stated in the Notice to Contractors. Bidders or their agents are invited to be present (Public Contract Code section 10780).
- d. **Rejection of Irregular Proposals.**
Proposals may be rejected if they show any alterations of forms, additions not called for, conditional bids, incomplete bids, erasures, or irregularities of any kind. If the bid amount is changed after the amount has been once inserted, the change shall be initialed.
- e. **Power of Attorney or Agent.**
When an agent signs the proposal, a power of attorney shall either be on file with the University before the opening of bids or be submitted with the proposal. Failure to submit a power of attorney may result in the rejection of the proposal as irregular and unauthorized. A power of attorney is not necessary in the case of a general partner of a partnership.
- f. **Waiver of Irregularities.**
The University reserves the right to waive minor irregularities in proposals submitted.

2.06 Competitive Bidding

If more than one bid proposal is offered by an individual or business entity or combination thereof, under the same or different names, all such bid proposals may be rejected, or the Trustees may accept the lowest proposal. A party who has quoted prices on materials or Work to a Bidder is not thereby disqualified from quoting prices to other Bidders, or from submitting a bid directly for the materials or Work.

All Bidders are hereby notified that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract may render void any Contract awarded under such circumstances. The Bidder, by act of submitting a bid, certifies that in the preparation of the bid, no bid was received by the Bidder from a bid depository, which depository, as to any portion of the Work, prohibits, or imposes sanctions for, the obtaining by the Bidder, or the submission to the Bidder by any subcontractor or vendor or supplier of goods and services, of a bid outside the bid depository. The certification shall constitute a warranty, the falsity of which shall entitle the University to pursue any remedy authorized by law and shall include the right at the option of University of declaring any Contract made as a result thereof to be void (Business & Professions Code section 16600 *et seq.*).

2.07 Mistake in Bid

As required by Public Contract Code section 5100 *et seq.*, a Bidder shall not be relieved of a bid without consent of the Trustees nor shall any change be made in a bid because of mistakes. However, a Bidder may pursue relief of its bid in accordance with section 5100 *et seq.* of the Public Contract Code.

2.08 Failure to be a Responsible Bidder

In order to be considered for award of a Contract a Bidder must be a responsible Bidder (Public Contract Code section 10780). To be responsible, the Bidder, in the judgment of the University, must be sufficiently trustworthy and possessed of the requisite quality, fitness, capacity and experience to satisfactorily perform the Work (Public Contract Code section 1103). Should the University question Bidder's responsibility the Bidder shall be given an opportunity to rebut any evidence of non-responsibility, and to present evidence of responsibility. The hearing shall be informal, and an individual appointed by the University to hear the matter may conduct it in whole or in part in writing. A decision concerning the Bidder's responsibility shall be mailed to the Bidder within ten (10) Days of the conclusion of the hearing. Refer to Article 7.03, Failure to Meet Terms of Contract.

2.09 Small Business Five Percent Bid Advantage

- a. **Preference for Small Businesses.**
In accordance with Government Code section 14835 *et seq.*, and California Code of Regulations, Title 2, section 1896 *et seq.*, the Trustees shall give a small business bid advantage of five percent up to a maximum of \$50,000 to

contracting firms that have been certified as a “Small Business” by the Office of Small Business & DVBE Services, in the Procurement Division of the Department of General Services. To receive the five percent advantage, certified small businesses shall:

- (1) submit with the bid a completed form “Request for Small Business Five Percent Preference Certification,”
- (2) be certified Small Business upon verification in accordance with section 1896.2, having applied for certification no later than 5:00 PM on bid date,
- (3) submit a timely and responsive bid,
- (4) be determined to be a responsible Bidder.

b. Preference for Non-small Businesses.

The application of the five percent small business bidding preference is also extended to any non-small business that commits to subcontracting at least 25% of its net bid price to California certified small businesses and/or microbusinesses. To receive this preference the non-small business must satisfy the following criteria:

- (1) indicate in its bid its commitment to subcontract at least 25% of its net bid amount with one or more small businesses [submit the Request for Small Business Bidding Preference form],
- (2) submit a timely and responsive bid,
- (3) be determined to be a responsible Bidder,
- (4) submit the California certified small businesses on the List of Proposed Subcontractors that is provided in the bid documents, and
- (5) submit a List of Subcontractors – Additional Information form within 24 hours after the deadline for receipt of bids, and specify the dollar amount of each small business subcontractor’s bid thereon.

The Trustees will impose a penalty to any non-small business who receives the small business preference and does not contract 25% of its net bid price to California certified small businesses and/or micro businesses. The imposed penalty will be no more than two times the amount of the bid preference received. For example, if the Contractor received a bid preference of \$49,000, and does not contract 25% of its net bid price with certified small businesses and/or micro businesses, then the Trustees will assess a penalty to be forfeited by the Contractor of \$98,000.

c. Trustees’ Reporting of Small Business Participation.

Responsive to direction from the State Legislature, the Trustees are seeking to report increased statewide participation of certified small businesses in contract awards. To this end, the successful Bidder shall inform the University of any contractual arrangements with subcontractors, consultants or suppliers that are certified small businesses.

2.10 California Company; Reciprocal Preference Against Nonresident Contractors; Certification

The University shall grant a California company a reciprocal preference as against a nonresident contractor from any state that gives or requires a preference to be given contractors from that state on its public entity construction contracts. The amount of the reciprocal preference shall be equal to the amount of the preference applied by the state of the nonresident contractor with the lowest responsive bid, except where the resident contractor is eligible for a California small business preference, in which case the preference applied shall be the greater of the two, but not both.

Each Bidder shall certify at the time of bid that the Bidder qualifies as a “California company,” which means a business entity licensed in California on the date of bid opening and which is one of the following:

- a. a business entity with its prime place of business in California,
- b. an out-of-state contractor whose state does not provide a local contractor preference, or
- c. an out-of-state contractor that has paid at least \$5,000 in sales or use taxes in the immediately preceding five years.

If the Bidder does not qualify as a California company, then it shall indicate the name of the state in which its principal place of business is, and the amount of the local contractor preference in that state (Public Contract Code section 6107).

2.11 Disabled Veteran Business Enterprise Participation Requirement and Incentive

California state law requires that its state agencies achieve three (3) percent participation for disabled veteran business enterprises (DVBE) in state contracts. Failure of the Bidder to comply with the DVBE requirement will cause the Trustees to deem the bid nonresponsive and the Bidder to be ineligible for award of Contract.

Bidder/Contractor understands and agrees that the DVBE subcontractor(s) identified in the bid may only be replaced by another DVBE subcontractor, and the substitution must be approved by the Trustees and the Department of General Services (DGS). Trustees will document changes to the scope of Work that impact the DVBE subcontractor(s) identified in the bid by

contract change order, and will provide their decision on DVBE substitutions in writing via the subcontractor substitution process per Public Contract Code section 4100.

Failure of Bidder/Contractor to seek substitution and adhere to the DVBE participation level identified in its bid may be cause for Contract termination, recovery of damages under rights and remedies due the State, and penalties as outlined in Military and Veterans Code section 999.9 and Public Contract Code section 10115.10 or section 4110.

a. Special Definitions

- (1) "Disabled veteran" as used herein, means a veteran of the military, naval or air service of the United States with at least a ten (10) percent service-connected disability and who is domiciled in the State of California.
 - (2) "Disabled veteran business enterprise contractor, subcontractor, or supplier" means any person or entity that has been certified by the Office of Small Business & DVBE Services and that performs a "commercially useful function," as defined below, in providing services or goods that contribute to the fulfillment of the contract requirements:
 - (a) A person or an entity is deemed to perform a "commercially useful function" if a person or entity does all of the following:
 - (i) (A) Is responsible for the execution of a distinct element of the Work of the contract;
 - (B) Carries out the obligation by actually performing, managing, or supervising the Work involved;
 - (C) Performs Work that is normal for its business services and functions.
 - (ii) Is not further subcontracting a portion of the Work that is greater than that expected to be subcontracted by normal industry practices.
 - (b) A contractor, subcontractor, or supplier will not be considered to perform a "commercially useful function" if the contractor's, subcontractor's, or supplier's role is limited to that of an extra participant in a transaction, contract, or Project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.
 - (c) Equipment Brokers
 - (i) A DVBE that rents equipment to the Trustees shall be deemed to be an equipment broker, unless one or more disabled veterans have 51-percent ownership of the quantity and the value of each piece of equipment. If the equipment is owned by one or more disabled veterans, each disabled veteran owner shall, prior to performance under any contract, submit to the Trustees a declaration signed by the disabled veteran owner stating that the owner is a disabled veteran and providing the name, address, telephone number, and tax identification number of the disabled veteran owner.
 - (ii) A DVBE that rents equipment to the Trustees shall, prior to performing the contract, submit to the Trustees a declaration signed by each disabled veteran owner and manager of the enterprise stating that the enterprise obtained the contract by representing that the enterprise was a DVBE meeting and maintaining all of the requirements of a DVBE. The declaration shall include the name, address, telephone number, and tax identification number of the owner of each piece of equipment identified in the contract.
 - (iii) State funds expended for equipment rented from equipment brokers pursuant to contracts awarded under this section shall not be credited toward the 3-percent goal.
 - (iv) A DVBE that is a broker or agent and that obtains a contract pursuant to these provisions shall, prior to performing the contract, disclose to the Trustees that the business is a broker or agent. The disclosure shall be made in a declaration signed and executed by each disabled veteran owner and manager of the enterprise, declaring that the enterprise is a broker or agent, and identifying the name, address, and telephone number of the principal for whom the enterprise is acting as a broker or agent.
- (3) (a) DVBE as used herein, means a business concern certified by the Office of Small Business & DVBE Services as meeting all of the following:
 - (i) The business is at least 51 percent owned by one or more disabled veterans, or in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary that is wholly owned by a parent corporation, but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture's management and control and earnings are held by one or more disabled veterans.

- (ii) One or more disabled veterans manage and control the daily business operations. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern.
 - (iii) A sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm or other foreign-based business.
- (b) Notwithstanding subdivision (3)(a), after the death or the certification of a permanent medical disability of a disabled veteran who is a majority owner of a business that qualified as a DVBE prior to that death or certification of a permanent disability, and solely for purposes of any contract entered into before that death or certification, that business shall be deemed to be a DVBE for a period not to exceed three years after the date of that death or certification of a permanent medical disability, if the business is inherited or controlled by the spouse or child of that majority owner, or by both of those persons.
- b. **Participation Requirement.**
In order to satisfy and be responsive to this requirement, the Bidder must meet the three (3) percent DVBE Participation requirement, which is attained when:
- (1) The Bidder is not a DVBE and is committed to use DVBE subcontractors for not less than three (3) percent of the Contract dollar amount (including alternatives); or
 - (2) The Bidder is a DVBE and is committed to performing not less than three (3) percent of the Contract dollar amount (including alternatives) with its own forces or in combination with those of other DVBEs.
- c. **Documentation Requirements.**
The Bidder must document its satisfaction of the DVBE participation requirement. Final determination of DVBE Participation by the Bidder shall be at the Trustees' sole discretion.
- (1) **Required Documentation.**
In addition to documentation submitted with the bid, the DVBE documentation forms that must be completed are as follows, and instructions for completing the required forms correctly are included to assist the Bidder.
 - (a) **DVBE Transmittal Form.**
Bidders must fill out the DVBE transmittal form as a cover sheet to the required documents, attach and submit it and the additional required documentation. All requested DVBE documentation must be completed on the forms provided and submitted with the DVBE Transmittal Form.
 - (b) **Summary of Disabled Veteran Owned Business Participation (Attachment 1).**
Summary of Disabled Veteran Owned Business Participation, Attachment 1, must be completed showing the type of Work and company proposed for DVBE participation, their subcontractors (if any), and other related information. Complete the form providing the information as follows:
 - (i) **Company Name:** List the name of the company proposed for DVBE participation. If the prime contractor is a DVBE, its name must also be listed to receive participation credit.
 - (ii) **Nature of Work:** Identify the proposed Work or service to be provided by the listed company.
 - (iii) **Contracting With:** List the name of the party with which the company listed is contracting.
 - (iv) **Tier:** Identify the contracting tier using the following level designations:
0=Prime contractor;
1=First tier subcontractor/supplier;
2=Second tier subcontractor/supplier of first tier subcontractor/supplier;
3=Third tier subcontractor/supplier of second tier subcontractor/supplier; etc.
 - (v) **Claimed DVBE Value:** State the total dollar amount of the DVBE's bid.
 - (vi) **Percentage of Bid:** State the percentage (%) of the claimed DVBE's bid as it relates to the Bidder's total Project bid.
 - (vii) **DVBE Certification:** The Bidder must include one copy of the DVBE certification from the Office of Small Business & DVBE Services for each DVBE listed on the Summary of Disabled Veteran Owned Business Participation.
 - (c) **Bidder's Certification (Attachment 2).**
The Bidder must sign and include the Bidder's Certification, certifying that each DVBE listed on the Summary of Disabled Veteran Owned Business Participation (Attachment 1) complies with the legal definition of DVBE.

- (d) Disabled Veteran Business Enterprise Declarations (STD. 843).
The disabled veteran owner(s) and disabled veteran manager(s) of the DVBE must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment.

(2) Time Frame for Submitting Documentation.

The DVBE participation documentation must be submitted within 24 hours after the deadline established for the receipt of bids. Failure to submit full and accurate documentation within 24 hours after the deadline established for the receipt of bids will result in the Trustees deeming your bid nonresponsive, and thus ineligible for award of the Contract.

d. Use of Proposed DVBE.

If awarded the Contract, the successful Bidder must use the DVBE suppliers and/or subcontractors proposed in its bid proposal unless it has requested substitution and has received approval of the Trustees in compliance with the Subletting and Subcontracting Fair Practices Act. See Article 4.04, Substitution of Subcontractors.

e. Trustees' Reporting of DVBE Participation.

Responsive to direction from the State Legislature, the Trustees are seeking to report increased statewide participation of DVBE in contract awards. To this end, the successful Bidder shall inform the Trustees of any contractual arrangements with subcontractors, consultants or suppliers that are certified DVBE.

f. Additional DVBE Information Sources.

For more information regarding DVBE certification, copies of directories or for general DVBE information, contact:
State of California, Department of General Services, Procurement Division
Office of Small Business & DVBE Services, Room I-400, MS 210
P.O. Box 989052, West Sacramento, CA 95798-9052 (mailing address)
707 Third Street, First Floor, Room 400, West Sacramento, CA 95605 (physical address)
Telephone number: (916) 375-4940; Fax number: (916) 375-4950
Email: osdshelp@dgs.ca.gov Or, via the Internet at <http://www.dgs.ca.gov/pd/Programs/OSDS.aspx>.

g. Incentive:

In accordance with Government Code section 14838(f), and Military and Veterans Code sections 999.5(a) and 999.5(d), the Trustees are granting a bid incentive for bid evaluation purposes only to Bidders that exceed the three percent DVBE participation requirement. The level of DVBE incentive will correlate to the level of participation; that is, the more DVBE participation proposed, the higher the incentive. The bid incentives are as follows:

DVBE Participation	Incentive
3.00% to 3.99%	None
4.00% to 4.99%	1%
5% or more	2%

The DVBE incentive may not exceed \$100,000. When used on combination with the Small Business Preference, the cumulative adjustment amount shall not exceed \$100,000. If the lowest responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses.

h. Disabled Veteran Business Enterprise Subcontractor Activity Report (form DVBE-AR).

(1) Contractor shall submit a DVBE-AR form to the Trustees as follows:

- (a) At end of Project and upon completion of the Work, but before Trustees' release of retention
- (b) At end of Project and upon completion of the Work, but after Trustees' (and Contractor's) release of all retention

(2) In submitting the DVBE-AR form, the Contractor certifies the following:

- (a) the total amount Contractor received from the Trustees under the Contract
- (b) the name and address of the DVBE(s) that participated in the performance of the Contract
- (c) the amount each DVBE received from the Contractor
- (d) that all payments under the Contract have been made to the DVBEs; and
- (e) the actual percentage of DVBE participation that was achieved for this Contract.

A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation in accordance with Military and Veterans Code section 999.5(d).

i. **Penalty.**

The Trustees will impose a penalty to any Contractor who receives the DVBE incentive and does not contract the incentive percentage dollar amount of its net bid price to DVBEs. The imposed penalty will be no more than two times the amount of the bid incentive received. For example, if the Contractor received a bid incentive of \$49,000, and does not contract the incentive percentage dollar amount of its net bid price with DVBEs, then the Trustees will assess a penalty to be forfeited by the Contractor of \$98,000.

3.00 AWARD AND EXECUTION OF CONTRACT

3.01 Award of Contract

If the University deems the acceptance of the lowest responsible bid or bids is not in the best interests of the State, the University may reject all bids (Public Contract Code section 10785). If the Contract is awarded, it shall be to the lowest responsible Bidder whose proposal complies with all the requirements prescribed (Public Contract Code section 10780). Such award shall be made within sixty (60) Days after the opening of the proposals. If the lowest responsible Bidder refuses or fails to execute the Contract, the University may award the Contract to the second lowest responsible Bidder. Such award shall be made within seventy-five (75) Days after the opening of proposals. If the second lowest responsible Bidder refuses or fails to execute the Contract, the University may award the Contract to the third lowest responsible Bidder. Such award shall be made within ninety (90) Days after the opening of the proposals. The above time periods within which the award of Contract may be made are subject to such no-cost extensions as may be agreed upon in writing between the University and the Bidder concerned (Public Contract Code section 10782).

3.02 Return of Bidder's Security

The Trustees may withhold Bidder's security of the second and third lowest responsible Bidders until the Contract has been finally executed. The cashier's checks and certified checks submitted by all other unsuccessful Bidders shall be returned to them within ten (10) Days after the Contract is awarded, and their Bidder's bonds shall be of no further effect (Public Contract Code section 10784).

3.03 Contract Bonds

The successful Bidder shall furnish, for each Contract counterpart signed, two surety bonds in the form prescribed by the University. Each shall be in an amount equal to 100 percent of the awarded Contract price and executed by an admitted surety insurer licensed in the State of California and listed in the latest published United States Treasury Department list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies." (Reference the California State Department of Insurance on the following website: <http://interactive.web.insurance.ca.gov/companyprofile/companyprofile>, and the US Treasury listing at the following website: <http://www.fms.treas.gov/c570/c570.html>.) One of the surety bonds shall guarantee faithful performance of the Contract by the Contractor and the other shall secure payment of laborers, mechanics, or materialmen employed on the Project. Such bonds are subject to the approval of the University. Contract bonds shall remain in full force and effect during the term of the Contract including the one-year guarantee period, and through the ten-year limit on latent defects (Public Contract Code sections 10821-10824, Code of Civil Procedure section 337.15).

All alterations, extensions of time, extra and additional Work, and other changes authorized by any part of the Contract, including determinations made under Article 7.01, Contractor's Claims Review Board, shall be made without securing the consent of the surety or sureties on the Contract bonds.

Whenever the University has cause to believe that the surety has become insufficient, the University may demand in writing that the Contractor provide such further bonds or additional surety, not exceeding that originally required, as in the University' opinion is necessary, considering the extent of the Work remaining to be done. Thereafter no payment shall be made to the Contractor or any assignee of the Contractor until the further bonds or additional surety has been furnished (Public Contract Code section 10825).

Riders or modifications of any kind on Bidders bonds, performance bonds and payment bonds are not acceptable and may result in Bidder's disqualification as nonresponsive. Bond document forms approved by the Trustees must be used without alteration.

3.04 Execution of Contract

The Contract shall be signed by the successful Bidder and returned to the University together with the Contract bonds and certification, along with other requisite documentation such as the Subcontractor Directory and certificates evidencing the required insurance coverage (see Article 4.06, Contractor's Insurance) within ten (10) Business Days of receipt from the University. If the successful Bidder is a joint venture, then the joint venture shall submit with the Contract certification form a formal resolution designating the person authorized to sign on behalf of the joint venture. The Contractor and the University shall each sign two sets of Plans, Specifications, and Addenda (usually at the pre-construction conference), one set for each

party to be filed with the Contract. No contract shall be binding upon the University until it has been executed by the Contractor and the University.

After the Trustees' Office of General Counsel has fully executed the Contract, Contractor can expect to start Work within 30 days. The Trustees will issue to the Contractor a written Notice to Proceed. The Contractor may not begin Work before receiving the Trustees' written Notice to Proceed. Any Work performed by the Contractor before receipt of the written Notice to Proceed shall be considered as having been done at the Contractor's own risk.

3.05 Failure or Refusal to Execute Contract

Failure or refusal by the Bidder to execute the Contract within the time set in Article 3.04, Execution of Contract, shall be just cause for the rescission of the award and the forfeiture of the Bidder's security. Failure or refusal to file acceptable bonds within the time set in Article 3.04 constitutes a failure or refusal to execute the Contract. If the successful Bidder fails or refuses to execute the Contract, the University may award the Contract as set forth in Article 3.01, Award of Contract. On the failure or refusal of the second or third lowest responsible Bidder to execute the Contract, Bidder's security in each case shall be forfeited (Public Contract Code sections 10781-10783).

4.00 CONDUCT OF THE WORK

4.01 Laws to be Observed--Generally

- a. The Contractor shall observe all state and federal laws that affect the Work under this Contract. The Contractor shall hold harmless, defend and indemnify the University against any claim arising from the violation of any law, whether by itself or its agents, employees or subcontractors. If a conflict arises between the provisions of this Contract and a law, the Contractor shall immediately notify the University in writing. "Law" as used in this paragraph includes statutes and regulations adopted pursuant to statute, as well as executive orders, authoritative interpretations, and other rules and directives issued by legally constituted authority.
- b. In executing this Contract, the Contractor swears, under penalty of perjury, that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a federal court which directs the Contractor to comply with an order of the National Labor Relations Board. The University may rescind this Contract if Contractor falsely swears to this statement (Public Contract Code section 10296).
- c. The Contractor acknowledges the state of California policy regarding the importance of child and family support obligations expressed in Public Contract Code section 7110(a). The Contractor acknowledges that to the best of its knowledge, it is fully complying with the earnings assignment orders of all employees and is providing all new employee names to the New Hire Registry maintained by the State's Employment Development Department.
- d. The contracting parties shall be subject to examination and audit by both the Trustees (or designee) of the California State University and the State Auditor of the State of California at any time during construction and for a period of three (3) years after final payment of the Contract. Such examination and audit shall include access to the Contractor and the subcontractor records as delineated in the following:

The Contractor's records which shall include but not be limited to accounting records (hard copy, as well as computer readable data if it can be made available), written policies and procedures; subcontract files (including proposals of successful and unsuccessful Bidders, bid recaps, etc.); original estimates; estimating work sheets; correspondence; change order files (including documentation covering negotiated settlements); back charge logs and supporting documentation; general ledger entries detailing cash and trade discounts earned, insurance rebates and dividends; and any other supporting evidence deemed necessary by the Trustees/Auditor General to substantiate charges related to this Contract (all foregoing hereinafter referred to as "records") and shall be open to inspection and subject to audit and/or reproduction to adequately permit evaluation and verification of (a) the Contractor's compliance with Contract requirements and (b) compliance with provisions for pricing change orders, payments or claims submitted by the Contractor or any of his payees. The Contractor is required to have as part of the records the following reports: a detailed cost ledger reflecting total charges against the Project which present an itemization by invoice and labor costs by cost codes; a summary report identifying total Project costs by cost codes; and a subcontractor history report including each subcontract amount and change orders issued thereto.

- e. The Contractor's Work under this Contract shall comply with the building codes identified in the Contract Documents.

f. If the Contractor is a natural person, the Contractor certifies in accepting this Contract that she/he is a citizen or national of the United States or otherwise qualified to receive public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; 110 STAT. 2105, 2268-69).

g. Declaration of Eligibility to Contract with the State.

If the Contractor is a corporation, the Contractor certifies and declares by signing the Agreement that it is eligible to contract with the state of California pursuant to the California Taxpayer and Shareholder Protection Act of 2003 (Public Contract Code section 10286 *et seq.*).

4.02 Laws to be Observed--Regarding Labor

a. Nondiscrimination

(1) During the performance of the Contract, the Contractor and its subcontractors shall not deny the Contract's benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40) or sex. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

(2) Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 *et seq.*), the regulations promulgated thereunder (Title 2, California Code of Regulations section 7285 *et seq.*) and the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code sections 11135-11139.5).

(3) Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the Trustees upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, other sources of information, and its facilities as said Department or Trustees shall require to ascertain compliance with this clause.

(4) Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

(5) Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform Work under the Agreement (Title 2, California Code of Regulations section 8107).

b. Hours of Labor.

Eight hours of labor constitutes a legal day's work. The Contractor or any subcontractor shall forfeit, as a penalty to State, \$25.00 for each worker employed in the execution of the Contract by the Contractor or any subcontractor for each Day during which the worker is required or permitted to work more than eight hours in any one Day, and forty hours in any one calendar week, in violation of the provisions of the Labor Code sections 1810 to 1814, thereof, inclusive. Notwithstanding the provisions of Labor Code sections 1810 to 1814, Work performed by employees of the Contractor or any subcontractor in the execution of the Contract in excess of eight hours per Day, and forty hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight hours per Day at not less than one and one-half times the basic rate of pay as provided in Labor Code section 1815.

c. Prevailing Wage.

Contractor represents and warrants that the Contract Amount includes sufficient funds to allow Contractor and all subcontractors to comply with all applicable laws and contractual agreements. Contractor shall defend, indemnify and hold the Trustees of the California State University, the University, its officers, employees and agents harmless from and against any and all claims, demands, losses, liabilities, and damages arising out of or relating to the failure of Contractor or any subcontractor to comply with any applicable law in this regard, including, but not limited to Labor Code section 2810. Contractor agrees to pay any and all assessments, including wages, penalties and liquidated damages (those liquidated damages pursuant to Labor Code section 1742.1) made against the Trustees in relation to such failure.

(1) The Work under this Contract is a public works project (see definition of public works, Labor Code section 1720 *et seq.*) and must be performed in accordance with the requirements of Labor Code sections 1720 to 1815 and Title 8 California Code of Regulations sections 16000 to 17270, which govern the payment of prevailing wage rates on public works projects. The prevailing wage rates set forth are the minimum that must be paid by the Contractor on a public works contract. Nothing herein contained shall be construed as preventing the Contractor from paying more than the minimum rates set forth. No extra compensation whatsoever will be allowed by the Trustees due to the inability of the Contractor to hire labor at minimum rates, nor for the necessity for payment by the Contractor of subsistence, travel time, overtime, or other

added compensations, all of which possibilities are elements to be considered and ascertained to the Contractor's own satisfaction in preparing the bid.

- (2) If it becomes necessary to employ crafts other than those listed, the Contractor shall notify the Trustees immediately, and the Trustees will ascertain additional prevailing rates and the rates thus determined shall be applicable as minimum from time of initial employment.
- (3) Pursuant to Labor Code section 1770, the Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime Work for each craft needed in execution of the Contract as set forth in the Notice to Contractors. Contractor shall post a schedule showing all applicable prevailing wage rates at appropriate and conspicuous locations on the Project site in accordance with Labor Code section 1773.2. The Trustees shall maintain copies of the prevailing rate of per diem wages, and shall make them available to any interested party upon request.
- (4) The Contractor and any subcontractor under the Contractor shall comply with Labor Code section 1775. The Contractor shall include provisions in its Contract with its subcontractors that will require compliance with Labor Code section 1775. As required by section 1775(b) the Contractor shall include a copy of the provisions of sections 1771, 1775, 1776, 1777.5, 1813, and 1815 in the Contract between the Contractor and the subcontractor. The Contractor shall monitor its subcontractors' compliance with the prevailing wage law as required by section 1775(b). In accordance with section 1775, the Contractor and any subcontractor under the Contractor shall forfeit as a penalty to the State not more than \$200 for each Day or portion thereof, for each worker paid less than the prevailing wage rates for the work or craft in which the worker is employed for any public work done under the Contract by it or, except as provided in section 1775(b), by any subcontractor under it. In addition to this penalty, the difference between the prevailing wage rates and the amount paid to each worker for each Day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor or subcontractor. If a worker employed by a subcontractor on a public works project is not paid the general prevailing per diem wages by the subcontractor, the Contractor is not liable for any penalties under section 1775(a) unless the Contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the Contractor fails to comply with the requirements of section 1775(b).
- (5) In accordance with Labor Code section 1776, the Contractor and subcontractors shall keep an accurate payroll record on forms provided by the Division of Labor Standards Enforcement (or shall contain the same information as the forms provided by the division). The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division, and the printouts are verified in the manner specified herein. Payroll records shall show the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and actual per diem wages paid to each journeyman, apprentice or worker employed in connection with the public work. Each payroll record shall contain verification by written declaration under penalty of perjury that the information contained in the payroll record is true and correct and that the Contractor and subcontractors have complied with the requirements of Labor Code sections 1771, 1811 and 1815 for any work performed by its employees on the Project.

The Contractor's and subcontractors' payroll records shall be available for inspection at all reasonable hours, and a certified copy shall be made available upon request to the employee or his or her authorized representative, the Trustees, the Division of Labor Standards Enforcement, the Division of Apprenticeship Standards, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to section 329 of the Unemployment Insurance Code, and other law enforcement agencies investigating violations of law. Upon receipt of written notice from the Trustees, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, and within ten Days of that receipt, the Contractor shall file with the requesting entity a certified copy of the payroll records. Should the Contractor or subcontractor fail to comply within the ten-Day period, the Contractor or subcontractor shall forfeit \$100 for each Day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Contractor is not subject to a penalty assessment due to the failure of a subcontractor to comply with this section. A contractor or subcontractor may be subject to debarment by the Labor Commissioner for failure to submit certified payroll records timely.

- (6) The Contractor is required to submit a minimum of the first two weeks of certified payroll and the Hourly Labor Rate Worksheet for its workers and all subcontractors. Additional weeks of certified payroll records may be required at the discretion of the Trustees.

(7) Consistent with Public Contract Code section 6109, the Contractor is prohibited from performing a portion of Work with a subcontractor who is debarred pursuant to Labor Code section 1777.1 or 1777.7.

d. Workers' Compensation.

The Contractor shall be required to secure payment of Workers' Compensation to its employees in accordance with Labor Code section 3700 and shall file with the University prior to performing the Work the certification required in Labor Code section 1861 (refer also to Article 4.06-a, Policies and Coverage).

e. Apprentices.

If the Contractor or any subcontractor employs workers on the Project in any apprenticeable craft, it shall apply to the joint apprenticeship committee administering the apprenticeship standards for the craft in the area of the Work for a certificate approving the Contractor or subcontractor for the employment and training of apprentices. The Contractor or subcontractor shall employ the number of apprentices or the ratio of apprentices to journeymen specified in the certificate unless excused from this requirement by the conditions in Labor Code section 1777.5.

Every apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which they are employed and shall be employed only in the Work of the craft or trade to which they are indentured. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship agreements under which a person is training.

The Contractor or subcontractor employing journeymen or apprentices in any apprenticeable craft or trade shall contribute to the fund or funds set up in the area of Work to administer the apprenticeship program in each trade in which it employs such journeymen or apprentices in the same amount and manner as the contributing contractors.

Special attention is directed to Labor Code sections 1777.5, 1777.6 and 1777.7, and California Code of Regulations, Title 8, section 200 *et seq.* Each Contractor and subcontractor must, before commencement of Work under this Contract, contact the Division of Apprenticeship Standards, 455 Golden Gate, 8th Floor, San Francisco, California, 94102, or one of its branch offices to ensure compliance and understanding of the law regarding apprentices and specifically the required ratio thereunder. Responsibility for compliance with this section lies with the Contractor.

f. Education, Counseling, and Training Programs.

All educational, counseling and vocational guidance programs and all apprenticeship and on-the-job training programs, under this Contract, shall be open to all qualified persons, without regard to race, sex, color, religion, national origin or ancestry. Such programs shall be conducted to encourage the fullest development of the interests, skills, aptitudes, and capacities of all students and trainees, with special attention to the problems of culturally deprived, educationally handicapped, or economically disadvantaged persons. Expansion of training opportunities under these programs shall also be encouraged with a view toward involving larger numbers of participants from these segments of the labor force where the need for upgrading levels of skills is the greatest.

g. Occupational Safety and Health.

The Contractor shall comply with all the provisions of the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. section 651 *et seq.*) and all rules, regulations, and orders adopted pursuant thereto. The Contractor shall comply with all the provisions of the California Occupational Safety and Health Act of 1973 (Labor Code section 6300 *et seq.*) and all rules, regulations and orders adopted pursuant thereto. These laws provide for job safety and health protection for Workers.

The Contractor shall obtain copies of such safety orders as are applicable to the type of Work to be performed and shall be governed by their requirements in all construction operations. The Contractor shall fully inform each subcontractor and materials supplier as to the requirements of the applicable safety orders.

h. Assignment of Rights Relating to Federal and State Anti-Trust Actions.

The Contractor and all subcontractors shall be bound by the provisions of Public Contract Code section 7103.5 as follows: in entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the Trustees all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. section 15) or under the Cartwright Act (Chapter 2, (commencing with section 16700) of Part 2 of Division 7 of the California Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the Trustees tender final payment to the Contractor, without further acknowledgment by the parties.

4.03 Environmental Requirements

a. Air and Water Pollution Control.

The Contractor shall comply with all air and water pollution control rules, regulations, ordinances and statutes which apply to the Work performed under the Contract, including any air pollution control rules, regulations, ordinances and statutes adopted under the authority of section 11017 of the Government Code. Contractor must be eligible to perform work for the State, and is deemed eligible if not found to be in violation of any order, resolution, or regulation relating to air or water pollution adopted in accordance with Government Code section 4477.

In the absence of any applicable air pollution control rules, regulations, ordinances or statutes governing solvents, all solvents, including but not limited to the solvent portions of paints, thinners, curing compounds, and liquid asphalt used on the Project, shall comply with the applicable material requirements of the Air Quality Management District (AQMD). All containers of solvent, paint, thinner, curing compound or liquid asphalt shall be labeled to indicate that the contents fully comply with these requirements.

Unless otherwise provided in the special provisions, material to be disposed of shall not be burned either inside or outside the premises.

A regular watering program shall be initiated to adequately control the amount of fugitive dust in accordance with applicable AQMD rules. Exposed soil surfaces shall be sprayed with water at least daily and as needed to mitigate dust (see also Article 4.08-c, Protection of Facilities).

Trucks hauling dirt from the site shall be covered in accordance with applicable state and local requirements. To reduce exhaust emissions, unnecessary idling of construction vehicles and equipment shall be avoided.

b. Sound Control Requirements.

The Contractor shall comply with all sound control and noise level rules, regulations and ordinances which apply to the Work. In the absence of any such rules, regulations and ordinances, the Contractor shall conduct its Work to minimize disruption to others due to sound and noise from the workers, and shall be responsive to the University's requests to reduce noise levels.

Each internal combustion engine, used for any purpose on the Project or related to the Project, shall be equipped with a muffler of a type recommended by the manufacturer. No internal combustion engine shall be operated on the Project without a muffler. Construction equipment shall be fitted with modern emission control devices and shall be kept in proper tune.

Loading and unloading of construction materials will be scheduled so as to minimize disruptions to campus activities. Construction activities will be scheduled to minimize disruption to the University and to campus users.

c. Environmental Clearances.

The Contractor shall provide to state and federal agencies all information necessary for environmental clearances and other authorizations necessary for this Project. The Contractor shall comply with the provisions, including giving notices during construction when so required. The Contractor shall not be compensated for the delays in obtaining environmental clearances and authorizations; however, an appropriate extension of time will be granted in accordance with the provisions in Article 4.14-g, Adjustment of Contract Time Due to Reasons Beyond University's Control, if the Contractor demonstrates to the satisfaction of the University that it has made every reasonable effort to obtain the requisite clearance or authorizations, and cannot obtain it in a timely manner.

d. Source of Aggregates.

The Public Contract Code section 10295.5 requires that no State agency shall purchase or utilize sand, gravel, aggregates, or other minerals unless the source is on an eligible list identifying operations that have met certain requirements of the Surface Mining and Reclamation Act of 1975 (Public Resources Code section 2710 *et seq.*). Accordingly, the Contractor shall submit to the University documentation that it is complying with the requirements of this law in purchasing these materials.

e. Archaeological Finds.

If the Contractor discovers any artifacts during excavation and/or construction, the Contractor shall stop all affected Work and notify the University, who will call in a qualified archaeologist designated by the California Archaeological Inventory to assess the discovery and suggest further mitigation, as necessary.

If the Contractor discovers human remains, the Contractor shall notify the University who will be responsible for contacting the county coroner and a qualified archaeologist. If the remains are determined to be Native American, the University shall contact the appropriate tribal representatives to oversee removal of the remains.

- f. Integrated Waste Management.
Pursuant to the State Agency Integrated Waste Management Plan (Public Resources Code, Division 30, Part 3, Chapter 18.5), the California State University shall divert 50% of all solid waste generated in construction activities from landfill disposal or transformation facilities through source reduction, recycling and composting. Contractor shall report all source reduction, recycling and composting relative to this Project to the Trustees. Refer to Specifications for further requirements.

4.04 Substitution of Subcontractors

The Contractor shall not substitute any subcontractor in place of a subcontractor listed in its bid proposal except as authorized in the Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4100 *et seq.*).

a. Bond Requirements.

It is the Trustees' interpretation of section 4108 of the Public Contract Code that the Contractor must clearly advertise the specific bond requirements for the Project, including the requirement of a bond, the kind of a bond, and the amount of the bond, in order to be eligible to substitute a subcontractor under section 4107(a) (4) of the Public Contract Code.

b. Substitution of a Small Business Subcontractor.

After award of the Contract based in part on the application of the small business preference, the Non-Small Business Contractor shall use the small business subcontractor(s) and/or suppliers listed in its bid proposal unless a substitution is requested in writing to the Trustees, and the Trustees approve the substitution in writing before the commencement of any Work. The substitution request must include at least the following:

- (1) An explanation of the reason for the substitution.
- (2) The Contractor must substitute a small business with another small business. If the small business substitution cannot occur, the Contractor must include a written justification and the steps that were taken to try to acquire a new small business subcontractor and how that portion of the Contract will be fulfilled.
- (3) A description of the Work to be performed, identified both as a task(s) and as a dollar amount or percentage of the overall Contract that the substituted business will perform. The substituted business(es), if approved, shall be required to perform a commercially useful function in the Contract pursuant to California Code of Regulations section 1896.6.

Any substitution of subcontractors shall be performed in accordance with the Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4100 *et seq.*). Failure of the Contractor to subcontract with the small business listed on its bid proposal or to follow these substitution requirements may be grounds for the Trustees to notify the Department of General Services to impose sanctions pursuant to Government Code section 14842.5 or Code of Regulations section 1896.16. In the event such sanctions are to be imposed, the Contractor shall be notified in writing and entitled to a hearing pursuant to Code of Regulations sections 1896.18 and 1896.20.

c. Substitution of a Disabled Veteran Business Enterprise.

The Contractor shall use the Disabled Veteran Business Enterprise (DVBE) subcontractor(s) and/or suppliers listed in its bid proposal unless a substitution is requested in writing to the Trustees, and the Trustees and the Department of General Services (DGS) approve the substitution in writing before the commencement of any work. The substitution request must include at least the following:

- (1) An explanation of the reason for the substitution.
- (2) A written description of the business enterprise to be substituted, including its business status as a sole proprietorship, partnership, corporation or other entity, and the DVBE certification status of the firm, if any.
- (3) The Contractor must substitute a DVBE with another DVBE. If the DVBE substitution cannot occur, the Contractor must include a written justification and the steps that were taken to try to acquire a new DVBE subcontractor and how that portion of the contract will be fulfilled.
- (4) A description of the work to be performed identified both as a task(s) and as a dollar amount or percentage of the overall contract that the substituted business will perform.

The request for substitution of a DVBE and the Trustees' and DGS approval or disapproval cannot be used as an excuse for noncompliance with any other provision of law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (Sections 4100 *et seq.*, Public Contract Code) or any other contract requirements relating to substitution of subcontractors.

d. Subcontractor Directory.

The Contractor shall have submitted a Subcontractor Directory with the Contract in accordance with Article 2.04-b(4). If any listed firms have been substituted without approval by the Trustees in accordance with section 4107(a) of

the Public Contract Code, or if subcontractors are added and perform Work in excess of one-half of one percent of base Contract, penalties are applicable per section 4100 of the Public Contract Code.

4.05 Delegation of Performance and Assignment of Money Earned

The performance of all or any part of this Contract may not be delegated without the written consent of the University. Consent will not be given to any proposed delegation that would relieve the Contractor or its surety of their responsibilities under the Contract.

The Contractor may assign moneys due or to become due under the Contract, only upon written consent of the University. Assignments of moneys earned by the Contractor shall be subject to proper retention in favor of the University and to all deductions provided for in the Contract and such moneys shall be subject to being used by the University for the completion of the Work in the event the Contractor is in default.

4.06 Insurance Requirements

The Contractor shall not commence Work until it has obtained all the insurance required in this Article, and such insurance has been approved by the Trustees.

- a. Policies and Coverage.
 - (1) The Contractor shall obtain and maintain the following policies and coverage:
 - (a) Comprehensive or Commercial Form General Liability Insurance, on an occurrence basis, covering Work done or to be done by or on behalf of the Contractor and providing insurance for bodily injury, personal injury, property damage, and contractual liability. The aggregate limit shall apply separately to the Work.
 - (b) Business Automobile Liability Insurance on an occurrence basis, covering owned, hired, and non owned automobiles used by or on behalf of the Contractor and providing insurance for bodily injury, property damage, and contractual liability. Such insurance shall include coverage for uninsured and underinsured motorists
 - (c) Worker's Compensation including Employers Liability Insurance as required by law.
 - (2) The Contractor also may be required to obtain and maintain the following policies and coverage:
 - (a) Environmental Impairment Liability Insurance should the Work involve hazardous materials, such as asbestos, lead, fuel storage tanks, and PCBs.
 - (b) Other Insurance by agreement between the Trustees and the Contractor.
- b. Verification of Coverage. The Contractor shall submit original certificates of insurance and endorsements to the policies of insurance required by the Contract to the Trustees as evidence of the insurance coverage. Renewal certifications and endorsements shall be timely filed by the Contractor for all coverage until the Work is accepted as complete pursuant to Article 8.01, Acceptance. The Trustees reserve the right to require the Contractor to furnish the Trustees complete, certified copies of all required insurance policies.
- c. Insurance Provisions. Nothing in these insurance provisions shall be deemed to alter the indemnification provisions in Article 4.07. The insurance policies shall contain, or be endorsed to contain, the following provisions.
 - (1) For the general and automobile liability policies, the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents are to be covered as additional insureds.
 - (2) For any claims related to the Work, the Contractor's insurance coverage shall be primary insurance as respects the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents. Any insurance or self-insurance maintained by the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall be in excess of the Contractor's insurance and shall not contribute with it.
 - (3) Each insurance policy required by this Article shall state that coverage shall not be canceled by either the Contractor or the insurance carrier, except after thirty (30) Days prior written notice by certified mail, return receipt requested, has been given to the Trustees.
 - (4) The State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall not by reason of their inclusion as additional insureds incur liability to the insurance carriers for payment of premiums for such insurance.
- d. Amount of Insurance.
 - (1) For all projects, the insurance furnished by Contractor under this Article shall provide coverage in amounts not less than the following, unless a different amount is stated in the Supplementary General Conditions:

- (a) Comprehensive or Commercial Form General Liability Insurance--Limits of Liability
 - \$2,000,000 General Aggregate
 - \$1,000,000 Each Occurrence--combined single limit for bodily injury and property damage.
 - (b) Business Automobile Liability Insurance-Limits of Liability
 - \$1,000,000 Each Accident-- combined single limit for bodily injury and property damage to include uninsured and underinsured motorist coverage.
 - (c) Workers' Compensation limits as required by law with Employers Liability limits of \$1,000,000.
- (2) For projects involving hazardous materials, the Contractor shall provide additional coverage in amounts not less than the following, unless a different amount is stated in the Supplementary General Conditions:
- (a) Environmental Impairment (pollution) Liability Insurance-Limits of Liability
 - \$10,000,000 General Aggregate
 - \$ 5,000,000 Each Occurrence--combined single limit for bodily injury and property damage, including clean up costs.
 - (b) In addition to the coverage described in 4.06-a (4) (a) (ii), Business Automobile Liability Insurance, the Contractor shall obtain for hazardous material transporter services:
 - (i) MCS-90 endorsement
 - (ii) Sudden & Accidental Pollution endorsement--Limits of Liability*
 - \$2,000,000 Each Occurrence
 - \$2,000,000 General Aggregate
- *A higher limit on the MCS-90 endorsement required by law must be matched by the Sudden & Accidental Pollution Insurance.

With the Trustees' approval, the Contractor may delegate the responsibility to provide this additional coverage, as described in this Article 4.06-a (4) (b) above, to its hazardous materials subcontractor. When the Contractor returns its signed project construction phase agreement to the Trustees, the Contractor shall also provide the Trustees with a letter stating that it is requiring its hazardous materials subcontractor to provide this additional coverage, if applicable. The Contractor shall affirm in this letter that the hazardous materials subcontractor's certificate of insurance shall also adhere to all of the requirements in Article 4.06-a: (2) Verification of Coverage and (3) Insurance Provisions. Further, this letter will provide that the subcontractor's certificate of insurance will be provided to the Trustees as soon as the Contractor fully executes its subcontract with the hazardous materials subcontractor, or within 30 Days of the Notice to Proceed, whichever is less.

- e. **Acceptability of Insurers.**
Insurers shall be licensed by the State of California to transact insurance and shall hold a current A.M. Best's rating of A:VII, or shall be a carrier otherwise acceptable to the University.
- f. **Subcontractor's Insurance.**
Contractor shall ensure that its subcontractors are covered by insurance of the types required by this Article, and that the amount of insurance for each subcontractor is appropriate for that subcontractor's Work. Contractor shall not allow any subcontractor to commence Work on its subcontract until the insurance has been obtained. Only the Contractor and its hazardous materials subcontractor(s) shall have the coverage for projects involving hazardous materials as required in Article 4.06-d, Amounts of Insurance, subdivision (2).
- g. **Miscellaneous.**
 - (1) Any deductible under any policy of insurance required in this Article shall be Contractor's liability.
 - (2) Acceptance of certificates of insurance by the Trustees shall not limit the Contractor's liability under the Contract.
 - (3) In the event the Contractor does not comply with these insurance requirements, the Trustees may, at its option, provide insurance coverage to protect the Trustees. The cost of the insurance shall be paid by the Contractor and, if prompt payment is not received, may be deducted from Contract sums otherwise due the Contractor.
 - (4) If the Trustees are damaged by the failure of Contractor to provide or maintain the required insurance, the Contractor shall pay the Trustees for all such damages.
 - (5) The Contractor's obligations to obtain and maintain all required insurance are nondelegable duties under this Contract.

- (6) The Contractor's liability for damages proximately caused by acts of God (as defined in Public Contract Code section 7105) and not involving Contractor negligence shall be limited to five percent of the Contract Amount if the Work damaged is built in accordance with the Contract and applicable building standards.

4.07 Indemnification

Nothing in these indemnification provisions shall be deemed to alter the insurance provisions in Article 4.06.

- a. The Contractor shall hold harmless, defend, and indemnify the State of California, the Trustees of the California State University, the University, and the officers, employees, representatives and agents of each of them, from and against all claims, damages and losses arising out of, resulting from, or relating to (1) the failure of the Contractor to perform its obligations under the Contract or the performance of its obligation in a willful or negligent manner; (2) the inaccuracy of any representation or warranty by the Contractor given in accordance with or contained in the Contract Documents; and (3) any claim of damage or loss by any subcontractor, or supplier, or laborer against the Trustees arising out of any alleged act or omission of the Contractor or any other subcontractor, or anyone directly or indirectly employed by the Contractor or any subcontractor.
- b. The Contractor shall hold harmless, defend, and indemnify the State of California, the Trustees of the California State University, the University, and its officers, employees, representatives and agents from and against all claims, damages and losses arising out of, resulting from, or relating to the negligent acts or omissions or willful misconduct of the Contractor, a subcontractor, or anyone directly or indirectly employed by either of them, or anyone for whose acts either of them may be liable. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in Article 4.07-c, following. Such obligation shall, however, apply in proportion to and to the extent that any such losses result from the negligent acts or omissions by an employee of the Contractor, a subcontractor, or a person indirectly employed by the Contractor or a subcontractor, or anyone for whose acts either may be liable.
- c. In claims against any person or entity indemnified under this Article made by an employee of the Contractor or a subcontractor, or indirectly employed by either of them, or anyone for whose acts either may be liable, the indemnification obligation under this Article shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a subcontractor under workers compensation laws, disability benefit laws, or other laws providing employee benefits.
- d. The indemnification obligations under this Article shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty.
- e. The Contractor shall hold harmless, defend, and indemnify the State of California, the Trustees of the California State University, the University, and its officers, employees, representatives and agents from and against all claims, damages and losses resulting from any claim of damage made by any separate contractor of the Trustees against the Trustees arising out of any alleged acts or omissions of the Contractor, a subcontractor, anyone directly or indirectly employed by either the Contractor or subcontractor, or anyone for whose acts either the Contractor or subcontractor may be liable.
- f. The Contractor shall hold harmless, defend, and indemnify the separate contractors of the State of California, the Trustees of the California State University, the University, and its officers, employees, representatives and agents from and against all claims, damages and losses arising out of the negligent acts or omissions or willful misconduct of the Contractor, a subcontractor, anyone directly or indirectly employed by the Contractor or subcontractor, or anyone for whose acts the Contractor or subcontractor may be liable. The Trustees shall cause a reciprocal indemnification provision in favor of the Contractor to be included in its contracts with separate contractors of the Trustees. Liability for any negligent act or omission or willful misconduct shall be apportioned pursuant to the applicable law of the State of California.

4.08 Contractor's Responsibility for the Work

The Contractor shall be responsible for all Work performed under this Contract, and no subcontractor will be recognized as such. For purposes of assessing responsibility to the Contractor, all persons engaged in the Work shall be considered employees of the Contractor. The Contractor shall give its personal attention to the fulfillment of the Contract and keep all phases of the Work under its control.

Contractor shall create report of construction activities occurring each day, and include a listing of all subcontractors of all tiers and the numbers of workers for each that are on site each day, briefly describing the Work the subcontractors are performing. Each subcontractor shall create report of construction activities occurring each day, and include a listing of all subcontractors of all tiers and the numbers of workers for each that are on site each day, briefly describing the Work the subcontractors are performing. Contractor and every subcontractor shall submit these reports to the Trustees daily. At the end of the Project, Contractor shall submit to the Trustees a complete listing of all subcontractors, suppliers and other businesses that performed Work on the Project.

The University will not arbitrate disputes among subcontractors nor between the Contractor and one or more subcontractors concerning responsibility for performing any part of the Project.

a. Quality Control.

The Contractor shall be fully responsible for the quality of materials and workers' skill in the Project. The Contractor shall not rely upon the inspection and testing provided by the University other than those special inspections and tests performed by the University's selected laboratories for which there are written reports.

b. Burden for Damage.

From the issuance of the official notice to proceed until the formal acceptance of the Project by the University, the Contractor shall have the charge and care of and shall bear the risk of damage to the Project and materials and equipment for the Project.

The Contractor, at its own expense, shall promptly rebuild, repair, restore, and make good all such damage to any portion or to all of the Project and materials therefor before the acceptance of the Project by the University except for such damage as is proximately caused by acts of the federal government or public enemy. In case of suspension of Work from any cause whatever, the Contractor shall be responsible for all materials, and shall properly store them, if necessary, and shall provide suitable drainage and erect temporary structures where necessary.

If the Contractor damages any property belonging to the University, the University may, in addition to other remedies available to the University, retain from the money due to the Contractor an amount sufficient to ensure repair of the damage or an amount to contribute toward repair of the damage.

Neither the State of California, the Trustees of the California State University, the University, nor the officers, employees, representatives, nor agents of each of them shall be responsible for any damage to the Project and materials and equipment for the Project.

c. Protection of Facilities.

From the issuance of the official Notice to Proceed until the formal acceptance of the Project by the University, the Contractor shall protect the Site and Work from theft, acts of malicious mischief, vandalism and unauthorized entry. During all hours that Work is not prosecuted, Contractor shall furnish such watchman's services as necessary to safeguard materials and equipment in storage on the Project site, including Work in place or in process of fabrication, against theft, acts of malicious mischief, vandalism and other losses or damages. The Contractor shall be liable for any loss or damage that result from its failure to protect the Site and the Work.

Contractor shall protect adjoining property and nearby buildings, roads, and other facilities and improvements from dust, dirt, debris and other nuisances arising out of Contractor's operations or storing practices. Dust shall be controlled by sprinkling or other effective methods acceptable to University. An erosion and sedimentation control program shall be initiated, which includes measures addressing erosion caused by wind and water and sediment in runoff from site. A regular watering program shall be initiated to adequately control the amount of fugitive dust in accordance with applicable Air Quality Management District (AQMD) rules (see also Article 4.03-a, Air and Water Pollution Control).

d. Safety. The Contractor shall exercise precaution at all times for the protection of persons and their property. The Contractor shall install adequate safety guards and protective devices for all equipment and machinery, whether used in the Work or permanently installed as part of the Project. The Contractor shall also provide and adequately maintain all proper temporary walks, roads, guards, railings, lights, and warning signs. The Contractor shall comply with all applicable laws relating to safety precautions, including the safety regulations of the California Division of Industrial Safety. Unless the Contractor designates other employees, its superintendent shall have the duty of prevention of accidents. The Contractor shall institute a safety program that includes all trades on the site.

Renovation, expansion, or remodel Work of any existing building may expose workers to lead-containing materials such as paint, flashings, and pipe joints. The Contractor shall comply with all applicable laws addressing such exposure, including the Cal/OSHA Lead in Construction Standards (Title 8, California Code of Regulations, section 1532.1).

The University may bring to the attention of the Contractor a possible hazardous situation in the field regarding the safety of personnel on the site. The Contractor shall be responsible for verifying the observance of all local, state, and federal workplace safety guidelines. In no case shall this right to notify the Contractor absolve the Contractor of its responsibility for monitoring safety conditions. Such notification shall not imply that anyone other than the Contractor has assumed any responsibility for field safety operations.

Explosives shall not be used without first obtaining written permission from the University and then shall be used only with the utmost care and within the limitations set in the written permission and in accordance with prudence

and safety standards required by law. Storage of explosives on the Project site or University is prohibited. Powder activated tools are not explosive for purposes of this Article; however, such tools shall only be used in conformance with State safety regulations.

In the event of an accident, the Contractor shall make available to the University copies of its accident report to its insurance carrier. The Contractor shall determine the cause of the accident and immediately correct any equipment, procedure, or condition contributing to the accident.

e. Utilities

- (1) If the Contractor discovers utility facilities not identified in the Contract Documents, the Contractor shall immediately notify the University and the utility involved, in writing, of such discovery. When the Contractor is required by the Plans and Specifications to locate, remove or relocate utility facilities not identified in the Contract Documents with reasonable accuracy, it shall be compensated for any reasonable actual added cost incurred. The Contractor shall also be compensated for the cost of repairing any damage resulting from the discovery of such unidentified utility facility when such damage does not result from the failure of the Contractor to exercise reasonable care. All such compensation to the Contractor shall be based on an actual cost plus Contractor and subcontractor mark-up, as identified in Article 6.01-b, Allowable Costs Upon Change Orders, subdivisions (4), (5) and (6), except that both the Contractor and subcontractor mark-up shall be reduced by six (6) percent each, where the damage results from the failure of the Contractor or subcontractor to exercise reasonable care. The University or the public utility, where it is the owner of the utility facilities, shall have the sole discretion to perform repairs or relocation Work, or permit the Contractor to do such repairs or relocation Work at a reasonable price, where such Work is required to facilitate the Project. The Contractor shall not be assessed liquidated damages for delay in the completion of the Project which is caused by failure of the University or the owner of the utility to provide for removal or relocation of such unidentified utility facilities.
- (2) With the exception of the identification of main or trunk line utility facilities in the Contract Documents, the foregoing provisions of subdivision (1) shall not apply to, and University shall have no obligation to indicate, the presence of existing service laterals or appurtenances whenever the presence of such utilities on the site of the Project can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the site of the construction.
- (3) Except as expressly provided in subdivisions (1) and (2) above, the Contractor shall be responsible at its own cost for all Work, expense, or special precautions caused by the existence or proximity of utilities encountered at the site or in the performance of the Project Work including, without limitation, repair of any damage that may result including any damage resulting from hand or exploratory excavation. The Contractor is cautioned that the utilities encountered at the site may include communication cables or electrical cables conducting high voltage. When excavating in the vicinity of the ducts enclosing such cables, special precautions are to be observed by the Contractor at its own cost and shall include the following: all cables and their enclosure ducts shall be exposed by careful hand excavation so as not to damage the ducts or cables nor cause injury to persons, and appropriate warning signs, barricades, and safety devices shall be erected.
- (4) The Contractor shall provide as-built drawings of all utilities encountered and constructed to the University, indicating the size, horizontal location, and vertical location based on the Project benchmark or a stable datum.

f. Hazardous Materials

- (1) Asbestos.
The Contractor is prohibited from installing any asbestos-containing materials or products in any Work to be performed under this Contract. The Contractor shall be responsible for removal and replacement costs should it be determined this provision has been violated; this responsibility shall not be limited in duration by Project completion, the warranty period, or other provisions of this Contract.
- (2) Lead.
The Contractor is prohibited from installing any lead-containing materials or products, including paint, in any Work to be performed under this Contract without the written consent of the Executive Facilities Officer and Director of Environmental Health and Safety. The Contractor shall be responsible for removal and replacement costs should it be determined this provision has been violated; this responsibility shall not be limited in duration by Project completion, the warranty period, or other provisions of this Contract.

4.09 Payments by Contractor

In accordance with section 7108.5 of the Business and Professions Code, the Contractor agrees to promptly pay all subcontractors within seven (7) Days of receipt of each progress payment, unless otherwise agreed in writing by the parties,

the respective amounts allowed Contractor on account of the Work performed by its subcontractors, to the extent of each such subcontractor's interest therein.

The Contractor shall pay and shall require its subcontractors to pay each employee engaged in Work on the Project under this Contract in full (less deductions made mandatory by law) not less often than once each week.

4.10 Responsibility to Secure and Pay for Permits, Licenses, Utility Connections, Etc.

The Contractor shall secure all permits and licenses required for any operations required under this Contract and shall pay all costs relating thereto as well as all other fees and charges that are required by the United States, the State, the county, the city, a public utility, telephone company, special district, or quasi-governmental entity. It is the responsibility of the Contractor to ascertain the necessity of such permits and licenses in preparing its bid and include in its bid the cost thereof as well as adjustments for any delays that may be caused by securing permits and licenses.

4.11 Patented or Copyrighted Materials

The Contractor shall assume all costs arising from the use of patented or copyrighted materials, equipment, devices, or processes used on or incorporated in the Project and agrees to save harmless, defend, and indemnify the State of California, the Trustees of the California State University, the University, and the officers, employees, representatives and agents of each of them from all suits, actions, or claims for, or on account of, the use of any patented or copyrighted materials, equipment, devices, or processes.

4.12 Property Rights in Materials and Equipment

Nothing in the Contract shall be construed as vesting in the Contractor any property right in the materials or equipment after the Project is complete. All such materials or equipment shall become the property of University upon completion of the Project, and the Contractor warrants that all such property shall pass to University free and clear of all liens, claims, security interests, or encumbrances.

4.13 Taxes

The Contractor shall pay all taxes imposed by law which are levied or become payable as a result of the Contractor's performance under this Contract.

4.14 Contract Time

- a. Time of the Essence.
All time limits specified in this Contract are of the essence of the Contract.

- b. Starting and Completion Date.
The University shall designate in the Notice to Proceed the starting date of the Contract on which the Contractor shall immediately begin and thereafter diligently prosecute the Work to completion. The Contractor agrees to complete the Work on the date specified for completion of the Contractor's performance in the Contract unless such time is adjusted, in writing, by change order by the University. The Contractor may complete the Work before the completion date if it will not interfere with the Trustees or their other contractors engaged in related or adjacent Work. The Work shall be regarded as completed on the acceptance date noted on the University's Notice of Completion. This date shall be used as the date the guarantee period begins as defined in Article 8.05, Guarantee.

- c. Adjustment of Contract Time Due to Acts of God, etc.
The Contractor shall not be assessed with liquidated damages, nor the cost of engineering and inspection during any delay in the completion of the Project caused by acts of God, the public enemy, fire, flood, epidemic, quarantine restriction, strike, freight embargo, discovery of archaeological or paleontological artifacts, and unusual action of the elements; provided that the Contractor shall notify the University in writing of the causes of delay within 24 hours from the beginning of any such delay. The University shall determine the facts with regard to the delay and the reasonable period of time by which the date of completion should be extended by reason thereof, if any. The University's findings thereon shall be final and conclusive.

There shall be no compensation to the Contractor for costs associated with this kind of delay.

The term "unusual action of the elements" is limited to extraordinary, adverse weather conditions and conditions that immediately result therefrom which cause a cessation in the progress of the Work which will delay the time for completion of the Contract.

The Contractor shall have no right to an adjustment in the time of completion due to weather conditions or industrial conditions which are normal for the locality of the site. The time for completion of the Contract has been calculated with consideration given to the average climatic range and usual industrial conditions prevailing in the locality of the site.

- d. **Adjustment of Contract Time Due to Acts of the University.**
If the Contractor is delayed in completing the Contract by reason of any act of the University not provided by the Contract, or by reason of changes made pursuant to Article 6.01, Change Orders, without reaching agreement as to any time adjustments, the time for completion of the Contract may be extended for a period commensurate with the delay. The Contractor shall notify the University in writing of the causes of the delay within seven Days from the beginning of the delay.
- e. **Contractor to Fully Prosecute Work.**
No extension of time will be granted for any of the causes for which extensions are granted unless the Contractor demonstrates to the satisfaction of the University that the Contractor has made every reasonable effort to fully prosecute the Work and complete the Work within the Contract Time. The causes of delay shall be subject to the same determinations as stated in Article 4.14-c, Adjustment of Contract Time Due to Acts of God, etc., above.
- f. **University's Adjustment of Contract Time.**
Even though the Contractor has no right to an extension of time for completion, the University may extend the time at the request of the Contractor if they determine it to be in the best interest of the State. If the time is extended, the University may, in lieu of assessing liquidated damages, charge the Contractor, its successors, heirs, assigns, or sureties, and deduct from the final payment for the Work all or any part, as they may deem proper, the value of the lost use of the completed Project, and of the actual cost to the University of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to the Contract, and which accrue during the period of such extension.
- g. **Adjustment of Contract Time Due to Reasons Beyond University's Control.**
Should the University be prevented or enjoined from proceeding with Work either before or after the start of construction by reason of any litigation or other reason beyond their control, the Contractor shall not be entitled to make or assert any claim for damage by reason for said delay; but time for completion of the Work will be extended to such reasonable time as the University may determine will compensate the Contractor for time lost by such delay. Any such determinations will be set forth in writing.
- h. **Liquidated Damages.**
Attention is directed to Article 7.02, Delay in Completion – Liquidated Damages.

4.15 Schedule

- a. The Contractor shall prepare and submit to the Construction Administrator the Contractor's Initial Construction Schedule within fifteen (15) Days after the starting date on the Notice to Proceed. The Contractor's Initial Construction Schedule shall be a Detailed Bar Chart or format acceptable to the University.
- b. The Contractor's Initial Construction Schedule shall show the sequence, duration in Days, and interdependence of activities required for the complete performance of all Work. The Contractor's Initial Construction Schedule shall begin with the date of issuance of the Notice to Proceed and conclude with the date of final completion.

4.16 Labor Force and Superintendent

At all times the Contractor shall provide sufficient labor to properly prosecute the Work and to ensure completion of each part in accordance with the Construction Schedule and within the Contract Time (Public Contract Code section 10843). The Contractor shall employ competent workers who are skilled in the type of Work required and whose workmanship is of the best, regardless of the quality of material. If, in the judgment of the Trustees, any person is incompetent or disorderly, the Contractor shall promptly remove such person from the Project and shall not re-employ such person thereon.

The Contractor shall retain a competent, full-time, on-site superintendent to represent the Contractor and to direct the Project at all times while any Work under this Contract is underway. The Contractor shall not replace a Superintendent without advanced written approval from the Trustees. If, in the judgment of the Trustees, the Superintendent is incompetent, unqualified, poorly performing or disorderly, the Contractor shall promptly remove such person from the Project and shall not re-employ such person thereon. In this event the Trustees shall approve the replacement Superintendent.

The Superintendent shall prepare a daily report that includes worker count, Work in progress, etc., and shall provide it to the Trustees upon request.

The Contractor shall make certain that all subcontractors employed are properly licensed and are in good standing with the California Department of Industrial Relations.

4.17 Limitation of Construction Operations

The Contractor shall limit the area and nature of the construction operations to that which is authorized in the Plans and Specifications or approved by the Trustees.

4.18 Coordination with Other Work

The Trustees reserve the right to do other Work in connection with the Project or adjacent thereto by Contract or otherwise, and the Contractor shall at all times conduct the Work so as to impose no hardship on the Trustees or others engaged in the Trustees' Work nor to cause any unreasonable delay or hindrance thereto. Where two or more contractors are employed on related or adjacent Work, each shall conduct its operation in such a manner as not to cause delay or additional expense to the other.

The Contractor shall be responsible to others engaged in the related or adjacent Work for all damage to Work, to persons and to property, and for loss caused by failure to complete the Work within the specified time for completion. The Contractor shall coordinate its Work with the Work of others so that no discrepancies shall result in the Project.

4.19 Drawings Reflecting Actual Construction

During the course of construction, the Contractor shall maintain drawings daily to show the Project as it is actually constructed. Every sheet of the Plans and Specifications that differs from the actual construction shall be marked and sheets so changed shall be noted on the title sheets of the Plans and Specifications. All change orders shall be shown by reference to sketch drawings, and any supplementary drawings or change order drawings shall be included. The altered Contract drawings shall be sufficiently detailed so that future Work on the Project or in adjacent areas may be conducted with a minimum of difficulty. Before the completion of the Project, and before release of the final retention payments, the "as-built" drawings and specifications shall be transmitted to the Construction Administrator.

4.20 Access for Inspection

The Contractor shall at all times permit the Trustees to visit and inspect the Work and shall maintain proper facilities and provide safe access for such inspection. Work requiring testing, inspection or verification shall not be covered up without such test, inspection, or approval.

4.21 Cleanup of Project and Site

The Contractor shall clean up its Work at frequent intervals and shall clean up its Work at other times when directed by the Architect or the Trustees. At all times while finish Work is underway, floors shall be kept broom clean. Upon completion of the Work, the Contractor shall promptly remove from the premises construction equipment and any waste materials not previously disposed of, leaving the premises thoroughly clean and ready for occupancy.

When two or more contractors are engaged in Work at or near the site, each shall be responsible for cleanup and removal of its own rubbish, equipment, and any waste materials not previously disposed.

In the event the Contractor does not maintain the Project or the site clear of debris and rubbish in a manner acceptable to the Architect, the Trustees may, at their option, cause the Project or site to be properly cleaned and may withhold the expense incurred therefor from payments due the Contractor.

5.00 INTERPRETATION OF AND ADHERENCE TO CONTRACT REQUIREMENTS

5.01 Interpretation of Contract Requirements

a. Correlation.

Contract Documents shall be interpreted as being complementary, requiring a complete Project. Any requirement occurring in any one of the Contract Documents is as binding as though occurring in all Contract Documents. Generally, the specifications address quality, types of materials and Contract conditions while the Plans show placement, sizes, and fabrication details of materials.

b. In the event of conflict in the Contract Documents, the priorities stated below shall govern:

- (1) Addenda shall govern over all other Contract Documents, and subsequent Addenda shall govern over prior Addenda only to the extent modified.
- (2) Supplementary General Conditions shall govern over Contract General Conditions.
- (3) Contract General Conditions shall govern over all sections of the Specifications and any notation on the Plans. No other section of the Specifications shall modify the Contract General Conditions.
- (4) In case of conflict between Plans and Specifications, the Specifications shall govern.
- (5) Conflicts within the Plans:
 - (a) Material and equipment schedules, when identified as such, shall govern over all other portions of the Plans.

- (b) Specific notes shall govern over all other notes and all other portions of the Plans except the material and equipment schedules described in Article 5.01-b (5) (a), above.
 - (c) Larger scale drawings shall govern over smaller scale drawings.
 - (d) Figured or numerical dimensions shall govern over dimensions obtained by scaling.
- (6) In the event provisions of codes, safety orders Contract Documents, referenced manufacturers' specifications or industry standards are in conflict, the more restrictive or higher quality shall govern.
- c. In the event of omissions in the Contract Documents, the following shall apply:
- (1) If the Contract Documents are not complete as to any minor detail of a required construction system or with regard to the manner of combining or installing of parts, materials, or equipment, but there exists an accepted trade standard for good and skillful construction, such detail shall be deemed to be an implied requirement of the Contract Documents in accordance with such standard. "Minor Detail" shall include the concept of substantially identical components, where the price of each such component is small even though the aggregate cost or importance is substantial, and shall include a single component that is incidental, even though its cost or importance may be substantial.
 - (2) The quality and quantity of the parts or material so supplied shall conform to trade standards and be compatible with the type, composition, strength, size, and profile of the parts of materials otherwise set forth in the Contract Documents.

5.02 Issuance of Interpretations, Clarifications, Additional Instructions

Should the Contractor discover any conflicts, omissions, or errors in the Contract or have any question concerning interpretation or clarification of the Contract, the Contractor shall request in writing interpretation, clarification, or additional detailed instructions, before proceeding with the Work affected. The written request shall be given to the University with copies to the Inspector.

The University, shall, within a reasonable time, issue in writing the interpretation, clarification, or additional detailed instructions requested.

Should the Contractor proceed with the Work affected before receipt of the interpretation, clarification, or instructions from the University, the Contractor shall replace or adjust any Work not in conformance therewith and shall be responsible for any resultant damage or added cost.

Should any interpretation, clarification, or additional detailed instructions, in the opinion of the Contractor, constitute Work beyond the scope of the Contract, the Contractor must submit written notice thereof to the University within seven (7) Days following receipt of such interpretation, clarification, or additional detailed instructions and in any event prior to commencement of Work thereon. The Contractor shall submit an explanation of how the interpretation, clarification, or additional detailed instruction constitutes Work beyond the scope of the Contract, along with a detailed cost breakdown and an explanation of any delay impacts.

If, in the judgment of the University, the notice is justified, the interpretation, clarification or additional detailed instructions shall either be revised or the extra Work authorized by Contract change order or by field instruction with a change order to follow. If the University decides that the claim is not justified, the University shall give the Contractor a written order that the claim is not justified and direct the Contractor to perform such Work.

The Contractor must proceed with the Work upon receipt from the University of a written order to do so, in accordance with the University's interpretation of the Contract requirements. If the Contractor objects to the order, the Contractor must notify the University in writing of its objection and the reasons therefor, within seven (7) Days of receipt of the order. The Contractor shall have the right to have this claim later determined by a Claims Review Board pursuant to this Contract (see Article 7.01, Claims). When performing disputed Work, the Contractor shall prepare time and materials records for each day, and the Construction Inspector shall verify these records at the conclusion of each day. The Contractor shall have no claim for additional compensation because of such interpretation, clarification, or additional detailed instruction, unless it gives the written notices required to the University within seven (7) Days as specified above.

5.03 Product and Reference Standards

- a. Product Designation.
When the Contract references descriptive catalog designations, including the manufacturer's name, product brand name, or model number, such designations shall be considered as those found in industry publications of current issue at the date specified in the Notice to Contractors.

- b. Reference Standards.
When the Contract references standards of the federal government, trade societies, or trade associations by specific date of issue, these shall be considered a part of this Contract. When such references do not bear a date of issue, the current and most recently published edition at the date specified in the Notice to Contractors shall be considered a part of this Contract.

5.04 Shop Drawings, Samples, Alternatives or Equals, Substitutions

- a. Submittal Procedure.
The Contractor shall review and approve all shop drawings. "Shop drawings" include drawings, diagrams, illustrations, material and equipment schedules, performance charts, brochures and catalogs and other data prepared by the Contractor or any subcontractor, manufacturer, supplier or distributor, and which illustrate some portion of the Work. The Contractor shall promptly review and mark the shop drawing approved and submit to the University, so as to cause no delay in the Work, together with samples as required by the Contract and shall also submit any offers of alternatives or substitutions. At least six copies of shop drawings shall be submitted. All such submittals shall be sent to the party given in the instructions to the Contractor at the job start meeting. A letter shall accompany the submitted items which shall contain a list of all matters submitted and shall identify all deviations in the shop drawings and samples from the requirements of the Contract. Failure by the Contractor to identify all deviations may render any action taken on the materials submitted to be void. Whether to void such action shall be in the discretion of the University. By submitting the approved shop drawings and samples, the Contractor represents that the data contained therein have been verified with conditions as they actually exist and that the shop drawings and samples have been checked and coordinated with the Contract.

- b. Samples.
Samples are physical examples furnished by the Contractor to illustrate materials, equipment, color, texture, or workmanship, and to establish standards by which the Work will be judged.

- c. Alternatives or Equals.
For convenience in designation on the plans or in the specifications, certain materials or equipment may be designated by a brand or trade name or the name of the manufacturer together with catalog designation or other identifying information, hereinafter referred to generically as "designated by brand name." Alternative material or equipment which is of equal quality and of the required characteristics for the purpose intended may be proposed for use provided the Bidder complies with the following requirements:

- (1) The Bidder shall submit its proposal to the University for an alternative as an "equal" in writing no later than 35 Days after the award of the Contract, unless otherwise specified in the Supplementary General Conditions (Public Contract Code section 3400). In exceptional cases the University may give written consent to a submittal or re-submittal received after the expiration of the time limit designated. The Bidder is responsible for timely submittal of its proposed "or equal."
- (2) No proposal will be considered unless accompanied by complete information necessary to permit determination of the equality of the offered materials or equipment. Samples shall be provided when requested by the University.
- (3) The burden of proof as to the comparative quality and suitability of the offered materials or equipment shall be upon the Bidder. Where the material is specified by capacity or performance, the burden of proof shall be on the Bidder to show that any particular equipment or materials meet the minimum capacities or the performance requirements specified. The Bidder shall furnish at its own expense all information necessary for a determination as to whether the minimum capacities or performance requirements will be met.

The University shall be the judge of such matters. If the University rejects the use of any alternative materials or equipment, then one of the products designated by brand name shall be furnished.

If changes or delays are required for proper installation or fit of alternative materials, articles, or equipment, or because of deviations from Contract Documents, such changes or delays shall be made at the Contractor's expense without recourse for reimbursement from the University.

- d. Substitutions. If the Contractor proposes a product that is of lesser or greater quality or performance than the specified material or equipment, it must comply with these provisions of Article 5.04, but, in addition, the Contractor must submit any cost impact. By submitting a substitute, the Contractor waives any rights to claim a delay due to the processing of this substitution. The time for submittal of a substitution of an unequal product shall be restricted to 35 Days after the effective date on the Notice to Proceed unless the Trustees allow a longer or shorter period in writing. The Trustees are not obligated to review or accept substitutions.

5.05 Quality of Materials, Articles and Equipment

Materials, articles and equipment furnished by the Contractor for incorporation into the Work shall be new. When the Contract requires that materials, articles or equipment be furnished, but the quality or kind thereof is not specified, the Contractor shall furnish materials, articles or equipment at least equal to the kind or quality or both of materials, articles or equipment which are specified.

5.06 Testing Materials, Articles, Equipment and Work

Materials, articles, equipment or other Work requiring tests are specified in the Contract. Materials, articles and equipment requiring tests shall be delivered to the site in ample time before intended use to allow for testing and shall not be used prior to testing and receipt of written approval. The Contractor shall be solely responsible for notifying the University where and when materials, articles, equipment and Work are ready for testing. Should any such materials, articles, equipment or Work be covered without testing and approval, if required, they shall be uncovered at the Contractor's expense.

5.07 Rejection

Should any portion of the Work done or any materials, articles or equipment delivered fail to comply with the requirements of the Contract, such Work, materials, articles or equipment shall be rejected in writing and shall immediately be made satisfactory to the University, by the Contractor, at no additional expense to the University. Any Work that is rejected shall immediately be removed from the premises at the Contractor's expense. The University may retain one and one-fourth times the cost of the rejected materials, articles, equipment, and Work from any payments due the Contractor until it is made acceptable to the University. The University may back charge the Contractor for design costs incurred in the correction of Contractor's rejected Work.

5.08 Responsibility of Quality

The testing and inspection provided by the University shall not relieve the Contractor of its responsibility for the quality of materials and workmanship provided by the Contractor, and the Contractor shall make good all defective Work discovered during or after completion of the Project.

6.00 CHANGES IN THE WORK

6.01 Change Orders

The University reserves the right to issue written change orders, or Field Instructions, to the Contractor, which shall be signed by the University's Construction Administrator. Through the use of Field Instructions, the Construction Administrator may direct changes in the Work at any time prior to the acceptance of the Project without voiding the Contract, and Contractor shall promptly comply with such orders. The Contractor may request changes in the Work, but shall not act on the changes until approved in writing by the University. Any change made without the University's written authorization shall be the responsibility of the Contractor; in this case the University will not increase compensation or extend time or a change involving greater expense to the Contractor, and may reject changes. The consequent responsibility falls on the Contractor to replace at its own expense the changed Work with that originally specified (Public Contract Code section 10827).

On the basis set forth herein, the Contract price shall be adjusted for any written order or Field Instruction requiring a different quantity or quality of labor, materials or equipment from that originally required, and the partial payments to the Contractor, set forth in Article 8.02, Partial Payments, shall be adjusted to reflect the change. Whenever the necessity for a change arises, and when so ordered by the University in writing, the Contractor shall take all necessary steps to halt such other Work in the area of the change that might be affected by the ultimate change. Changed Work shall be performed in accordance with the original Contract requirements except as modified by the change. Except as herein provided, the Contractor shall have no claim for any other compensation due to changes in the Work (Public Contract Code section 10841).

a. Proposed Change Orders.

The University shall issue to the Contractor a cost request bulletin or a field instruction via the Project Manager/ Construction Inspector describing the intended change and shall require the Contractor to respond with a proposed amount to be added to or subtracted from the Contract price due to the change supported by a detailed estimate of cost (hereinafter called a change order request). Upon request by the University, the Contractor shall permit inspection of the original Contract estimate, subcontract agreements, or purchase orders relating to the change. The Contractor shall also include in its response to the cost request bulletin, with substantiating detailed explanation, any request for adjustment in time of final completion of the Project that is directly attributable to the changed Work. Contractor's failure to request adjustment of time on the change order request shall waive any right to subsequently claim an adjustment of the time for final completion based on the changed Work. The Contractor shall submit the change order request with detailed estimates and any time extension request thereon to the University and the Project Manager/Construction Inspector within fifteen (15) Days after issuance of the cost request bulletin. If not submitted within the required fifteen (15) Days, and the Contractor has not obtained the University's permission for a delay in submission, the University may order the Contractor in writing to begin the Work immediately, in accordance with

Article 6.01-d or Article 6.02, and the Contract price shall be adjusted in accordance with the University's estimate of cost, unless the Contractor within fifteen(15) Days following completion of the changed Work presents proof convincing to the University that the University's estimate was in error. For any amount to be added to the Contract price for the changed work, the University shall determine payment will be made in one of the following three ways: a lump sum amount, time and materials with a guaranteed maximum price, or time and materials with no guaranteed maximum price. If either of the latter two methods is agreed upon, the Contractor shall keep and submit time and materials records verified daily by the Construction Inspector to substantiate its costs and to furnish such proof.

When the University and the Contractor agree on the amount to be added to or deducted from the Contract price and the time to be added to or deducted from the completion date, and a Contract change order is signed by the University and the Contractor, the Contractor shall proceed with the changed Work. When the University and the Contractor agree to the adjustment in the Contractor's compensation for the performance of changed Work, but fail to agree to the time adjustment for such Work, the Contractor shall proceed with the Work at the agreed price, reserving the right to further pursue its claim for a time adjustment (see Article 4.14-d, Adjustment of Contract Time Due to Acts of the University). Any costs incurred to acquire information relative to a proposed change order shall not be borne by the University.

b. Allowable Costs upon Change Orders.

The only costs (estimated or actual) allowable due to changed Work, and the manner in which such costs are computed shall be in accordance with the following eight provisions. In submitting a change order request, the Contractor affirms that the cost is submitted in good faith, that the cost is accurate and is in accordance with the provisions of the Contract requirements, and the Contractor submits the costs recognizing the significant civil penalties and treble damages which follow from making a false claim or presenting a false claim to the University (Government Code sections 12650 *et seq.*). Direct cost is defined as the actual cost of Work before the application of any mark-ups for overhead and profit. In addition to items identified in the following provisions, direct cost items may include: hoisting, clean-up (both periodic and final), trash removal, traffic control, and dust control.

(1) Labor.

Costs are allowed for the actual payroll cost to the Contractor for labor, field supervision of changed Work, (but not field office supervision nor indirect supervision) and engineering or technical services directly required for the performance of the changed Work, (but not site management such as field office estimating, clerical, purchasing, as-builts, change order coordination, or warranty). Costs include payments, assessments, or benefits required by lawful labor union collective bargaining agreements, compensation insurance payments, contributions made to the State pursuant to the Unemployment Insurance Code, and for taxes paid to the federal government required by the Social Security Act.

No labor cost will be recognized at a rate in excess of the prevailing wages that are being paid by the Contractor for similar Work on the Project the Work is performed, nor will the use of a classification which would increase the labor cost be permitted unless the Contractor established to the satisfaction of the University the necessity for use of such higher classifications of workers. The Contractors and subcontractors shall submit a fully detailed breakdown of the cost of every labor classification utilized on a proposed change on the Hourly Labor Rate Worksheet. The University may verify wage and burden per Article 4.02-c, Prevailing Wage, subdivision (6). The unit cost of labor shall be an accurate accounting of actual costs being paid in accordance with the allowances herein, and it shall be submitted under penalty of perjury.

(2) Materials.

Contractor's costs are allowed for the cost of the materials directly required for the performance of the changed Work. Such cost of materials may include the costs of transportation, sales tax, and delivery if necessarily incurred. If a trade discount by the actual supplier is available to the Contractor, it shall be credited to the University. If the materials are obtained from a supply or source owned wholly or in part by the Contractor, payment therefor will not exceed the current wholesale price for such materials. Cost for consumed materials may be charged on a reasonably estimated basis, but may not be a percentage of labor.

If, in the opinion of the University, the cost of materials is excessive, or if the Contractor fails to furnish satisfactory evidence of the cost from the actual suppliers thereof, then in either case the cost of the materials shall be deemed to be the lowest wholesale price at which similar materials are available in the quantities required at the time they were needed. The University reserves the right to furnish such materials as they deem advisable, and the Contractor shall have no claim for costs or profits on material furnished by the University.

(3) Equipment.

Contractor's costs are allowed for the actual cost of the use of equipment directly required in the performance of the changed Work except that no payment will be made for time while equipment is

inoperative due to breakdowns or for non-working days. The rental time shall include the time required to move the equipment to the Project site from the nearest available source for rental of such equipment, and to return it to the source. If such equipment is not moved by its own power, then loading and transportation costs will be paid. However, neither moving time nor loading and transportation costs will be paid if the equipment is used on the Project in any other way than upon the changed Work. Individual pieces of equipment having a replacement value of \$200.00 or less shall be considered to be small tools or small equipment, and no payment therefor will be made unless it has been rented specifically for the changed Work. Consumed equipment or tools, such as paint brushes, rollers, drill bits, etc. may be charged on an actual or reasonably estimated cost basis and are not to be charged as a percentage.

For equipment owned, furnished, or rented by the Contractor, no cost therefor shall be recognized in excess of the rental rates established by distributors or equipment rental agencies in the locality where the Work is performed.

The amount to be paid to the Contractor including mark-up for the use of equipment as set forth above shall constitute full compensation to the Contractor for the cost of fuel (unless the Contractor has demonstrated that mark-up does not cover consumed fuel cost), power, oil, lubrication, supplies, small tools, small equipment, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, and any and all costs to the Contractor incidental to the use of such equipment. Equipment operators shall be paid for as provided in Article 6.01-b (1), above.

(4) Mark-ups on Change Orders.

The mark-ups allowed on the direct cost of changed Work include all incidental overhead support costs and profit. Such incidental overhead support costs include: estimating and purchasing; indirect supervision and project management; home office overhead; site overhead including facilities and utilities; change order coordination; as-built drawings; warranties; bonds; course of construction and liability insurance including labor; and small tools. Any incidental overhead support cost not expressly identified herein shall be included in the Contractor's mark-up. No mark-up on mark-up is permitted. If the subcontractor is owned, partially owned, or has a shared profits arrangement with the Contractor, any mark-up otherwise applicable to a change shall be reduced in proportion with the shared profits.

(5) Work by Subcontractors and Vendors.

For any portion of the changed Work that is to be performed by a subcontractor (any tier), the Contractor shall furnish to the University a detailed estimate prepared and signed by subcontractor of the cost to subcontractor for performing the changed Work. At the option of the University, a lump sum estimate of such cost to subcontractor may be accepted in lieu of the detailed estimate. The combined costs for subcontractor's overhead, profit, taxes, indirect supervision, insurance, bonds, and any other costs not specifically allowed by Article 6.01-b (1), (2), and (3), shall not exceed fifteen (15) percent on the first \$50,000 of the direct cost; thereafter, ten (10) percent on the balance beyond \$50,000. The maximum allowable mark-up of a first tier subcontractor on any subsequent tiers shall be seven (7) percent. The aggregate mark-ups allowed by multiple tiered subcontractors shall not exceed twenty-six (26) percent of the direct cost on the first \$50,000; thereafter, twenty-one (21) percent on the balance beyond \$50,000. Estimates of the amount to be deleted from subcontractor's portion of the Work shall be gross value of the deducted Work plus at least six percent for overhead, bonds, insurance, and related savings added to the direct value of the deleted Work. For changed Work to be furnished by a vendor, the Contractor shall furnish upon demand of the University, a lump sum estimate of the cost of the items including taxes and cartage to the Contractor prepared by the vendor. No vendor mark-up for overhead, profit, layout, supervision or bonds will be allowed for changed Work furnished by a vendor.

(6) General Contractor Mark-up for Added Work.

When changed/added Work is performed by a subcontractor, the Contractor may add no more than ten (10) percent mark-up to the subcontractor's total direct cost estimate (excluding the subcontractor's mark-up) for such Work on the first \$50,000; thereafter, the mark-up is seven (7) percent on the balance beyond \$50,000. The Contractor's ten percent mark-up in this case is for profit, overhead, insurance, taxes, indirect supervision, bonds, warranty and any other costs not specifically allowed by Article 6.01-b (1), (2) and (3). Also refer to Article 4.08-e, Utilities, for special mark-up on repair of utilities. The Contractor may add up to fifteen (15) percent to its direct cost when self-performing the changed Work on the first \$50,000, and ten (10) percent thereafter on the balance beyond \$50,000.

(7) Credit for Deleted Work.

Where an entire item or section of Work is deleted from the Contract, the entire subcontract value or bid value shall be considered the appropriate deduction less the value of Work performed, and shall have at least six percent mark-up added thereto for the Contractor's saved overhead, bonds, insurance, and taxes. If

the subcontract value or bid value is not identifiable, then the amount to be deducted from the Contract Amount shall be the estimated value of the deducted Work plus at least six percent for saved overhead, bonds, and insurance. The value submitted on the schedule of values shall be used to calculate the credit amount, and may not be further marked up if it includes the value for general conditions (overhead, bonds, insurance, etc.).

For a proposed change order that involves both added and omitted Work, the Contractor shall separately calculate its total added costs and its total deducted costs, and shall then sum its total added and deducted costs, resulting in the Contractor's net cost for the change order. The Contractor shall then apply the mark-up to this net cost. Similarly, the Contractor shall separately calculate each subcontractor's total added costs and total deducted costs, and shall then sum each subcontractor's total added and deducted costs, resulting in each subcontractor's net cost for the change order. If the resulting net costs for each subcontractor will increase the Contract price, then the Contractor shall apply separate mark-ups for added Work as specified in Article 6.01-b (6). If the resulting net costs for each subcontractor will decrease the Contract price, then the Contractor shall apply separate mark-ups for deleted Work as specified in Article 6.01-b (7).

For example:

Contractor - net cost is \$30,000, Contractor's mark-up is 15%, or \$4,500.

Subcontractor A - net cost is \$20,000, Contractor's mark-up is 10%, or \$2,000.

Subcontractor B - net cost is <\$10,000>, Contractor's mark-up is six percent, or <\$600>.

The Contractor's total mark-up for this example change order is \$5,900.

(8) Market Values.

Cost for added Work shall be no more than market values prevailing at the time of the change, unless the Contractor can establish to the satisfaction of the University that it investigated all possible means of obtaining Work at prevailing market values and that the excess cost could not be avoided.

When a change order deletes Work from the Contract, the computation of the amount thereof shall be the values which prevailed at the time bids for the Work were opened, if the Work is contained in a subcontract agreement or purchase order executed at or near the time bids were opened.

c. Failure to Agree as to Cost

(1) For Added Work.

Notwithstanding the failure of the University and the Contractor to agree as to the cost of the proposed change order, the Contractor, upon written order from the University, shall proceed immediately with the changed Work. A field instruction or letter signed by the University shall be used for this written order. At the start of each day's Work on the change, the Contractor shall notify the University in writing as to the size of the labor force to be used for the changed Work and its location. Failure to so notify may result in the non-acceptance of the costs for that day. At the completion of each day's Work, the Contractor shall furnish to the Construction Inspector a detailed summary of all labor, materials, and equipment employed in the changed Work. The Construction Inspector will compare his/her records with Contractor's daily summary and may make any necessary adjustments to the summary. After the Construction Inspector and the Contractor agree upon and sign the daily summary, the summary shall become the basis for determining costs for the additional Work. The sum of these costs when added to an appropriate mark-up will constitute the payment for the changed Work. Subsequent adjustments, however, may be made based on later audits by the University. When changed Work is performed at locations away from the job site, the Contractor shall furnish in lieu of the daily summary, a summary submitted at the completion of the Work containing a detailed statement of labor, material, and equipment used in the Work. This latter summary shall be signed by the Contractor who shall certify thereon under penalty of perjury that the information is true, and the costs are as allowed in Article 6.01-b (1), (2) and (3). If changed Work is to be paid on the basis of time and materials, a credit for deleted Contract Work shall be included. Mark-up shall be as covered in Article 6.01-b (4), (5), (6) and (7).

The Contractor shall maintain and furnish on demand of the University itemized statements of cost from all vendors and subcontractors who perform changed Work or furnish materials and equipment for such Work. All statements must be signed by the vendors and the subcontractors.

(2) For Deleted Work.

When a proposed change order contains a deletion of any Work, and the University and the Contractor are unable to agree upon the cost thereof, the University's estimate shall be deducted from the Contract price and may be withheld from any payment due the Contractor until the Contractor presents proof convincing to the University that the University's estimate was in error. The amount to be deducted, other than deletion of an entire item as addressed in Article 6.01-b (7), shall be the costs to the Contractor for labor, materials, and

equipment which would have been used on the deleted Work together with the credit mark-up. The guidelines set forth in Article 6.01-b, shall be used in computing the amounts involved for changes other than deletion of an entire item.

d. Allowable Time Extensions.

For any change in the Work, the Contractor shall be entitled only to such adjustments in time by which completion of the entire Work is delayed due solely to performance of the changed Work. However, no extension of time shall be granted for a change in the Work unless the Contractor demonstrates to the satisfaction of the University that the Work is on the critical path and submits an updated CPM schedule showing that an extension of time is required and that the Contractor is making, or has made, every reasonable effort to guarantee completion of the additional Work called for by the change within the time originally allotted for the Contract (Public Contract Code section 10842). Attention is directed to Article 4.14, Contract Time, and Article 4.15, Schedule.

6.02 Emergency Changes

Changes in the Work agreed by the Trustees to be necessary due to unforeseen site conditions, discovery of errors in plans or specifications requiring immediate clarification in order to avoid a serious Work stoppage, changes of a kind where the extent cannot be determined until completed, or under any circumstances whatsoever when deemed necessary by the University are kinds of emergency changes which may be authorized by the University in writing to the Contractor. The Contractor shall commence performance of the emergency change immediately upon receipt of written direction from the University.

If agreement is reached as to compensation and/or time adjustment for the purpose of any emergency change, then compensation and/or time extension, as appropriate, will be as provided in Article 6.01 relating to ordinary changes. If agreement is not reached as to compensation and/or time adjustment at the time of commencing the emergency change, then compensation and/or time extension, as appropriate, will be as provided in Article 6.01-c, that is, time and materials records and summaries shall be witnessed and maintained until either a lump sum payment and/or time extension, as provided in Article 6.01-d, is agreed upon, or the changed Work is completed.

7.00 CLAIMS AND DAMAGES

7.01 Claims

a. Claim and Dispute Submittals

Any dispute related to this Contract or its breach that is not resolved by agreement shall be promptly submitted in accordance with this Article 7.01, with adequate supporting data. Adequate supporting data shall include, but is not limited to a statement of the reasons for the asserted entitlement, the certified payrolls, invoice(s) for material and equipment rental, and an itemized breakdown of any adjustment sought.

At the time of submission of any claim, the Contractor shall certify as follows:

SUBMISSION UNDER PENALTY OF PERJURY	
“I, _____ (insert full name) _____, am the _____ (insert title--must be an Officer) of _____ (insert name of firm _____), and I declare under penalty of perjury under the laws of the State of California and do personally certify and attest that: I have thoroughly reviewed the attached claim for additional compensation and/or extension of time, and know its contents, and said claim is made in good faith; that the supporting data is truthful and accurate; that the amount requested accurately reflects the contract adjustment for which I believe the Trustees are liable, and further, that I am familiar with California Penal Code section 72 and California Government Code section 12650 <i>et seq.</i> , pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment and/or other severe legal consequences.”	
BY: _____ (signature) _____	Date: _____ (insert date of signature) _____

Contractor’s submission of a claim, properly certified, with all required supporting documentation, and Trustees’ written rejection or denial of all or part of the claim(s) are conditions precedent to any action, proceeding, litigation, suit, or demand for arbitration by the Contractor.

b. Contractor’s Claim(s) – Notice of Claim

In accordance with Article 5.02 (Issuance of Interpretations, Clarifications, Additional Instructions), should the Contractor disagree with the determination of the University on a matter that substantially affects the Contractor’s costs, compensation or extent of Work, the Contractor shall file a preliminary claim with the University and request a review of the decision. The Contractor must proceed with the Work upon receipt from the University of a written order to do so. However, within seven Days of receipt of the written order, the Contractor must notify the University, by letter, that it protests the decision.

- c. **Contractor Submission of Unresolved Claims to Claims Review Board**
All unresolved claims arising from this Contract, for which the Contractor seeks resolution by a Claims Review Board, shall be submitted in writing in accordance with this Article 7.01 to the University no later than 30 Days after the County Recorder's recordation date on the University's Notice of Completion. The Contractor's failure to submit its claims to the University within this 30-Day period shall constitute a waiver by the Contractor of such claims. Once the claims have been submitted, and the 30 Days after the County Recorder's recordation date on the Notice of Completion have expired, Contractor may not submit any additional claims. Contractor shall have 30 additional Days in which to submit six copies of a total and detailed claims package. Failure to submit the full detailed package within this second 30-day period shall constitute a waiver by the Contractor of such claims.

Before the Contractor files a claim with the University, the Contractor shall make a reasonable effort to analyze the claim to determine the truth of the information comprising the claim. The Contractor shall not present a subcontractor claim without making a reasonable effort to determine the truth of the facts comprising the claim. Only claims reasonably determined by the Contractor to be true may be filed with the University. By submitting a claim, Contractor affirms that its claim is submitted in good faith, that the facts supporting the claim are true and accurate, and that the claim, in the reasonable opinion of the Contractor, constitutes a basis under the Contract for additional compensation. Further, Contractor submits the claim recognizing the significant civil penalties and treble damages which follow from making a false claim or presenting a false claim to the Trustees (see Government Code sections 12650 *et seq.*).

- d. **University's Claim(s) Submittal**
The University shall submit a rebuttal to the Contractor's claim, along with any University's claims to the Claims Review Board within a reasonable time after the submission by the Contractor of a total and detailed claims package or the expiration of the time period to file Contractor's claims.
- e. **Contractor Rebuttal to University's Claims**
Upon submission of any University claims, the Contractor shall have an additional 30 Day period to submit to the Claims Review Board the Contractor's rebuttal to the University's claims.
- f. **Claims Review Board**
The University will convene a Claims Review Board to hear the submitted claims at the completion of the Project. Each Claims Review Board shall continue to function until all pertinent facts are reviewed, and it arrives at a recommendation. The Claims Review Board process shall be administered by the Assistant Vice Chancellor for Capital Planning, Design and Construction, or designee. These administrative responsibilities include, but are not limited to, selection of the Claims Review Board members, determination of the time and location of the hearing, and application of the Review Board procedures. The Review Board is comprised of representatives of the California State University, which may include representatives of Capital Planning, Design and Construction staff who have not had any direct connection to any claim from the Project. It is a lay board; attorneys and third party claims specialists may not participate in the hearings, with the exception of scheduling consultants. The Board's recommendation will be made as soon as possible after the conclusion of the hearing, and that recommendation is made to the appropriate University official and the Assistant Vice Chancellor of Capital Planning, Design and Construction. The decision to accept or reject the Board's recommendation is the responsibility of the University official. The decision of the University official exhausts the Contractor's contractual and administrative remedies with the University.

7.02 Delay in Completion - Liquidated Damages

If the Work is not completed within the time required, damage will be sustained by the University. It is, and will be, impractical and extremely difficult to determine the actual damage that the University will sustain by reason of the delay. It is therefore agreed that the Contractor will pay to the University the sum of money stipulated per Day in the Contract for each Day's delay in completing the Work beyond the time prescribed, see Article 8.01, Acceptance. If the Contractor fails to pay such liquidated damages, the University may deduct the amount thereof from any money due or that may become due the Contractor under the Contract (Public Contract Code section 10826). If the University has occupancy of all or a portion of the Project, the University may reduce the amount of assessment of liquidated damages, if it is determined to be in the best interest of the University. The University's assessment of liquidated damages shall not commence on a Saturday, Sunday or legal holiday.

7.03 Failure to Meet Terms of Contract

If the University deems that the Contractor has failed to supply an adequate working force, or material of proper quality, or has failed in any other respect to prosecute the Work with the diligence and force specified in the Contract, it may take any of the actions authorized in Public Contract Code section 10843 *et seq.* The Contractor's failure to complete a punch list with diligence is an example of such failure to meet the terms of the Contract.

7.04 Third-Party Claims

The University has full authority to compromise or otherwise settle any claim relating to a Contract at any time. However, the University shall notify the Contractor of the receipt of any third-party claim relating to the Contract (Public Contract Code section 9201).

8.00 PAYMENT AND COMPLETION

8.01 Acceptance

When the whole Project has been completed in all respects in accordance with the Plans and Specifications, to the full satisfaction of the University, the University will then file a Notice of Completion with the County Recorder in the county in which the Project is located. Projects bid with a segregation of costs for separate, independent portions may, at the University's discretion, have each of the separate portions accepted individually. The date of acceptance of the Project on the Notice of Completion shall be the official completion date relating to liquidated damages. The County Recorder's date of recording on the Notice of Completion, if filed timely (within ten Days of acceptance), shall be the official completion date relating to claims, stop notices and stop payment notices. All stop notices and stop payment notices must be filed with the University within 30 Days after the County Recorder's recordation date on the University's timely Notice of Completion. All claims arising from this Contract shall be submitted in writing to the University no later than 30 Days after the recordation date on the University's Notice of Completion; see Article 7.01, Claims.

8.02 Partial Payments

To assist in computing partial payments, the Contractor shall submit to the University a "Schedule of Values" of the Contractor's actual and estimated costs for each item of Work, including approved change orders. The cost breakdowns shall be in sufficient detail for use in estimating the Work to be completed each month and shall be submitted within 21 Days after the date of commencement of Work given in the Notice to Proceed.

Once each month during the progress of the Work, the Contractor shall submit a partial payment request. The Contractor shall base the partial payment request on the approved bid breakdown for the cost of the Work completed plus, where applicable, a maximum of 90% of the verified supplier-invoiced and Contractor-purchased value for the acceptable materials delivered to the site, or stored subject to the control of the Contractor but identified as the property of the Trustees, and not yet installed and as allowed on the Contract Payment Request, Form 702.12, line 2-f. The Contractor must make any materials stored offsite accessible to the Trustees to verify invoiced value and shall deliver these materials to the Trustees upon request. When submitting a request for payment for materials, the Contractor shall submit the Request for Materials On Hand, Form 702.17, with its partial payment request.

The partial payment request shall be submitted on the monthly anniversary of the Day selected by the Contractor in the job start meeting. Partial payment requests shall be processed with five percent retention. The University holds retention as security for the fulfillment of the Contract by Contractor. The University will withhold sufficient funds in addition to the retention to cover for anticipated liquidated damages, stop notices and stop payment notices, Labor Code wage and penalty assessments, unacceptable Work, and University's back-charges such as for retesting and re-inspection.

Partial payments shall not be construed as acceptance of any Work that is not in accordance with the requirements of the Contract. Payment will be processed in accordance with section 10853 of the Public Contract Code. Such procedure provides for 39 Days processing, from the date of receipt at the University, prior to assessment of late payment interest.

8.03 Stop Notices (effective through June 30, 2012)

The University shall retain out of any money due or that may become due the Contractor, sums sufficient (125 percent of the claim) to cover claims filed pursuant to the stop notice provisions of the law (Civil Code, section 3082 *et seq.*).

Preliminary 20-day notices and stop notices should be addressed to the Construction Administrator and sent to the Trustees at the address identified in the letter transmitting the Contract for signature and at the preconstruction conference. Contractor shall be responsible to communicate this information to all subcontractors.

8.03 Stop Payment Notices (effective beginning July 1, 2012)

The University shall retain out of any money due or that may become due the Contractor, sums sufficient (125 percent of the claim) to cover claims filed pursuant to the stop payment notice provisions of the law (Civil Code, section 9000 *et seq.*).

Preliminary notices and stop payment notices should be addressed to the Construction Administrator and sent to the Trustees at the address identified in the letter transmitting the Contract for signature and at the preconstruction conference. Contractor shall be responsible to communicate this information to all subcontractors.

8.04 Payment

After acceptance of the Project as complete, the Contractor shall submit to the Construction Administrator a payment request of the total due under the Contract less the retention. This payment request will be processed in the same manner as the partial payment requests. Refer to Article 8.02, Partial Payments.

The University shall notify the Contractor of the date of recordation of the Notice of Completion. The Contractor shall submit a request for payment of the retention to the Construction Administrator, who will process the retention payment 30 calendar Days after the date of recordation by the County Recorder.

The University shall continue to retain funds to cover liquidated damages, stop notices and stop payment notices, state labor commissioner claims, back charges from the University, unexecuted credit change orders, and other such claims that may be received up to the end of the 30 Days period following recordation. If any stop notice or stop payment notice has been filed, payment shall be withheld in an amount of at least 125 percent of the total claims filed until either the rights under the stop notice or stop payment notice have been settled or the Contractor has posted sufficient bond in an amount of at least 125 percent of the total claims filed to secure payment of such claims.

On projects bid with a segregation of costs for separate, independent portions which portions are accepted individually pursuant to Article 8.01, Acceptance, the final payment procedure specified in this Article shall be followed. The total amount due under the Contract, the amounts retained, other claims for compensation, and the filing of stop notices and stop payment notices shall refer only to the portion accepted.

8.05 Guarantee

The Contractor hereby unconditionally guarantees the Work under this Contract to be in conformance with the Contract requirements and to be and remain free of defects in workmanship and materials for a period of one year from the date of acceptance of the Project pursuant to Article 4.14-b, Starting and Completion Date, unless a longer guarantee period is stipulated in the Contract Documents. Contractor shall obtain and deliver to the University all manufacturers' warranties; the manufacturers' warranties shall start on the acceptance date noted on the Notice of Completion and shall run through the full term of each manufacturer's standard warranty. By this guarantee the Contractor agrees, within the guarantee period, to repair or replace any Work, together with any adjacent Work which may be displaced in so doing which is not in accordance with the requirements of the Contract or which is defective in its workmanship or material, all without any expense whatsoever to the University.

Special guarantees that are required by the Contract shall be signed by the Contractor who is responsible for the entire Work and countersigned by the subcontractor that performs the Work.

Contract bonds shall remain in full force and effect during the one-year guarantee period, unless a longer bond period is stipulated in the Contract Documents.

The Contractor further agrees that within ten (10) Days after being notified in writing by the University of any Work not in accordance with the requirements of the Contract or of any defects in the Work, Contractor shall commence and prosecute with due diligence all Work necessary to fulfill the terms of this guarantee and to complete the Work in accordance with the requirements of the Contract within a reasonable period of time. The Contractor, in the event of failure to so comply, does hereby authorize the University to proceed to have the Work done at the Contractor's expense, and it agrees to pay the cost thereof upon demand. The University shall be entitled to all costs necessarily incurred upon the Contractor's refusal to pay the above cost.

Notwithstanding the foregoing paragraph, in the event of an emergency constituting an immediate hazard to health or safety of the Trustees' employees, property, or licenses, the University may undertake at the Contractor's expense, without prior notice, all Work necessary to correct such hazardous conditions caused by the Work of the Contractor that is not in accordance with the requirements of this Contract.

8.06 Contractor Evaluation

If the Contractor fails to perform the construction Contract responsibly by failing to complete all Work and requirements, including honoring the warranty, the Construction Administrator shall file a Nonresponsible Contractor Evaluation with the Trustees. The Contractor may then be deemed ineligible to bid on Trustees' Work for a period of time as a result of this evaluation. The Construction Administrator will send the Contractor notification of a Nonresponsible Contractor Evaluation and provide the Contractor an opportunity for a hearing prior to the filing of the evaluation report with the Trustees. Refer also to Article 2.08, Failure to be a Responsible Bidder.

9.00 MISCELLANEOUS

9.01 GOVERNING LAW

The Contract shall be governed by the law of the State of California.

9.02 SUCCESSORS AND ASSIGNS

The Trustees and Contractor respectively bind themselves and their successors, permitted assigns, and legal representatives to the other party and to the successors, permitted assigns, and legal representatives of such other party in respect to covenants, agreements, and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract, in whole or in part, without prior written consent of the other party. Notwithstanding any such assignment, each of the original contracting parties shall remain legally responsible for all of its obligations under the Contract.

9.03 RIGHTS AND REMEDIES

All Trustees' rights and remedies under the Contract Documents will be cumulative and in addition to and not in limitation of all other rights and remedies of Trustees under the Contract Documents or otherwise available at law or in equity.

No action or failure to act by Trustees or Trustees' representative will constitute a waiver of a right afforded them under the Contract, nor will such action or failure to act constitute approval of or acquiescence in a condition or breach thereunder, except as may be specifically agreed in writing. No waiver by Trustees or Trustees' representative of any condition, breach or default will constitute a waiver of any other condition, breach or default; nor will any such waiver constitute a continuing waiver.

No provision contained in the Contract Documents shall create or give to third parties any claim or right of action against the Trustees, Trustees' representative, or Contractor.

9.04 WAIVER

A waiver of or failure by Trustees or Trustees' representative to enforce any requirement in this Agreement will not constitute a waiver of, and will not preclude the Trustees or Trustees' representative from enforcing, any other requirement of the Agreement, and the Agreement will remain valid.

A waiver of or failure by Trustees or Trustees' representative to enforce any requirement in this Agreement in connection with any adjustment of the Contract Amount or Contract Time will not constitute a waiver of, and will not preclude the Trustees or Trustees' representative from enforcing, such requirements in connection with any other adjustments of the Contract Amount or Contract Time.

The Contractor agrees and understands that no oral directive, approval or representation, either express or implied, by Trustees or its agents shall be binding upon Trustees.

9.05 SURVIVAL

The provisions of the Contract which by their nature survive termination of the Contract or Acceptance under Article 8.01, including all warranties, indemnities, payment obligations, and Trustees' right to audit Contractor's books and records, shall remain in full force and effect after Acceptance or any termination of the Contract.

9.06 COMPLETE AGREEMENT

The Contract Documents constitute the full and complete understanding of the parties and supersede any previous agreements or understandings, oral or written, with respect to the subject matter hereof. The Contract may be modified only by a written instrument signed by both parties or as provided in Article 6.00, Changes in the Work.

9.07 SEVERABILITY OF PROVISIONS

If any one or more of the provisions contained in the Contract Documents should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

9.08 NOTICES

Except as otherwise provided, all notices, requests, demands, and other communications to be given under the Contract Documents shall be in writing and shall be transmitted by one of the following methods:

- a. Personally delivered.
- b. Sent by facsimile copy where receipt is confirmed.
- c. Sent by courier where receipt is confirmed.
- d. Sent by registered or certified mail, postage prepaid, return receipt requested.

Such notices and other communications in this Article 9.08 shall be deemed given and received upon actual receipt in the case of all except registered or certified mail; and in the case of registered or certified mail, on the date shown on the return receipt or the date delivery during normal business hours was attempted. Such notices and communications shall be given at the respective street addresses set forth in the Agreement. Such street addresses may be changed by notice given in accordance with this Article 9.08.

End of Contract General Conditions for Design-Bid-Build Minor Projects