CITY OF COVINA
AGENDA REPORT
ITEM NO. CB 1

MEETING DATE: September 19, 2017

TITLE: Covina Senior and Community Center – Proposed Progressive Design-Build Agreement with Charles Pankow Builders, Ltd., Authorization for City Manager to Execute Amendment to the Design-Build Agreement following Completion of the Design Phase to Commit Charles Pankow Builders, Ltd. to the Guaranteed Maximum Price, Adoption of Resolution CC 17-97 to Amend FY 2018 Capital Improvement Budget to Increase Funding for Covina Senior and Community Center for Offsite Improvements Associated with Realignment of Kelby Park Entrance, and Selection of Construction Site for New Facility at Kelby Park

PRESENTED BY: Siobhan Foster, Director of Public Works

RECOMMENDATION:
1) Authorize the Mayor to execute the attached Progressive Design-Build Agreement with Charles Pankow Builders, Ltd. for the Covina Senior and Community Center Project for an amount not-to-exceed $7,650,000;
2) Authorize the City Manager to execute an amendment to the Progressive Design-Build Agreement with Charles Pankow Builders, Ltd. for the Covina Senior and Community Center Project after the completion of the design phase in approximately Spring 2018, to commit Charles Pankow Builders, Ltd. to the specific Guaranteed Maximum Price of $7,650,000, as the Guaranteed Maximum Price cannot exceed the $7,650,000 authorized by the City Council in Recommendation 1 above;
3) Adopt Resolution CC 17-97 to amend the FY 2018 Capital Improvement Budget to increase funding by $60,000 for offsite improvements associated with the relocation of the Kelby Park entrance to align with E. Hurst Street and appropriate the necessary funds from available Proposition C Fund balance; and
4) Select the southeast corner of the Kelby Park site, north of the existing driveway, adjacent to Barranca Avenue, as the construction site for the new facility at Kelby Park.

EXECUTIVE SUMMARY:
On February 21, 2017, the City Council directed the City Manager to utilize the design-build project delivery method, as permissible to local agencies under SB 785 (Design Build Law for Local Agencies) codified in Chapter 4, Local Agency Design-Build Projects of the California Public Contract Code (Sections 22160-22169) and in accordance with Covina Municipal Code
The proposed Progressive Design-Build Agreement (DB Agreement) with Charles Pankow Builders, Ltd. for the Project for an amount not-to-exceed $7,650,000 ($7.65 million) represents the culmination of the required procurement process for design-build projects, which included the issuance of a Request for Qualifications (RFQ) to short-list the design-build entities (DBE) whose proposals submitted in response to the Request for Proposals (RFP) were evaluated for the final selection.

To facilitate an expeditious design and construction schedule to deliver the Project as soon as possible for the community, the City Council is also being asked to authorize the relocation of the Kelby Park entrance to align with E. Hurst Street to enhance pedestrian, bicyclist, vehicular, and transit circulation and consider designating the southeast corner of the Kelby Park site, north of the existing driveway, adjacent to Barranca Avenue, as the construction site for the new facility.

BACKGROUND:
Since September 2015, the City Council, City Manager, multi-departmental staff team, and community members have been working on the development of the new Covina Senior and Community Center. Numerous actions facilitating the development of the new facility have been taken to date, as outlined in the Project Chronology contained in Attachment A to this report.

On February 21, 2017, the City Council directed the City Manager to utilize the design-build project delivery method for the Project. The City Council also authorized the City Manager to issue an RFP for construction management services for the Project within Kelby Park in accordance with CMC Section 2.20.175.

On April 22, 2017, following the completion of the RFP process, the City Council authorized the City Manager to execute a Professional Services Agreement (PSA) with gkkworks Construction Services (gkkworks) for construction management services for the Project, in an amount not-to-exceed $467,546. Under the Scope of Services contained in the PSA, the services gkkworks is to provide include, but are not limited to, the steps necessary to select a design-build team in compliance with the California Public Contract Code, oversight of the design process and plan approvals, CDBG and Section 108 Loan Program funding and labor compliance, and on-site management of the construction process.

DISCUSSION:
Selection of Design-Build Entity
Chapter 4 of the California Public Contract Code specifies the procurement process for local agency design-build projects. A local agency may make a “best value” determination for a DBE by the evaluation of criteria that relates to price, features, functions, life-cycle costs, experience, and past performance. A best value determination may involve the selection of the best proposal for a “stipulated sum” established by the procuring agency.

Specifically, the local agency must prepare a set of documents setting forth the scope and the estimated price of the project, prepare and issue an RFQ in order to pre-qualify, or short-list the DBEs whose proposals shall be evaluated for final selection. Factors the local agency reasonably expects to consider in evaluating qualifications include technical design and construction expertise, acceptable safety record, and other non-price-related factors.
The local agency must prepare an RFP that invites short-listed DBEs to submit competitive sealed proposals in the manner prescribed by the local agency. For local agencies using best value as a selection method, the competitive proposals must be evaluated using only the criteria and selection procedures specifically identified in the RFP. The following factors must be utilized, however, and shall be weighted as deemed appropriate by the local agency:

- Price, unless a stipulated sum is specified;
- Technical design and construction expertise; and
- Life cycle costs over 15 or more years.

The local agency may hold negotiations with the responsive proposers. The award of contract shall be made to the responsible DBE whose proposal is determined by the local agency to offer the best value to the public.

With the assistance of gkworks and in accordance with the California Public Contract Code, the City developed the documents necessary to procure a DBE for the Project. This included the establishment of the DBE’s Contract Price of a Stipulated Sum of $7.65 million.

On June 15, 2017, the City of Covina issued the RFQ for Design-Build Services for the Covina Senior and Community Center Project. The City issued the RFQ to 20 firms with demonstrated expertise in design-build projects for public entities of similar size and scope in California, which incorporate similar aspects (community spaces, recreation facilities, parks, and/or other public facilities) to those required for this Project, and delivery of those projects on time or ahead of schedule and within budget. The opportunity was also advertised in the San Gabriel Valley Examiner on Thursday, June 15, 2017 and June 22, 2017. In addition, the RFQ was sent to six construction trade journals, including McGraw Hill Construction/FW Dodge Company (Green Sheet), and posted on the City’s website.

Representatives of 19 firms attended the RFQ Mandatory Pre-Submittal Meeting and Site Visit at Kelby Park on June 26, 2017. By July 12, 2017 at 2:00 p.m. the Covina City Clerk’s Office had received responses from six DBEs.

A Review Committee consisting of Lisa Evans, Parks and Recreation Manager, Siobhan Foster, Director of Public Works, Nuala Gasser, Senior Housing and Community Development Block Grant (CDBG) Economic Development Manager, Amy Hall-McGrade, Director of Parks and Recreation, and Brian Lee, Director of Community Development, evaluated the proposals received by the City, with assistance from gkworks. Proposal review focused on the criteria outlined in RFQ Exhibit A (Pre-Qualification Questionnaire), including the organization and history of business performance, safety record, and relevant personnel and project experience of the general contractor and architect, as well as, the general contractor and architect’s experience working together and with public design-build projects.

The Review Committee rated the proposals based on the above criteria. The rating summary for the six proposals is contained in Table 1 below.

Table 1 – RFQ Scoring Summary (Average)

<table>
<thead>
<tr>
<th>Design Build Entity (listed in alphabetical order)</th>
<th>Average Score (440 possible points)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Pankow Builders, Ltd./Gonzalez Goodale Architects</td>
<td>397</td>
</tr>
<tr>
<td>Erickson-Hall Construction Company/WLC Architects, Inc.</td>
<td>393</td>
</tr>
</tbody>
</table>
Design Build Entity (listed in alphabetical order) | Average Score (440 possible points)*  
---|---
Ledcor Design-Build (USA), Inc./Sillman Wright Architects | 387  
Novus Construction/RED Architectural Group | 321  
PCM Construction/SVA Architects, Inc. | 374  
Sea West Enterprises Inc./Wheeler & Wheeler Architects, Inc. | Not Rated  

* Includes 65 possible points if either General Contractor or Architect is Section 3 Business Concern (Section 3 of Housing & Urban Development Act of 1968); no respondents qualified for the points.

On July 18, 2017, the City of Covina invited the three top rated or short-listed proposers to submit responses to the City of Covina RFP for Design-Build Services for the Covina Senior and Community Center Project at Kelby Park. The short-listed proposers, from high to low score, were Charles Pankow Builders, Ltd. (Pankow)/Gonzalez Goodale Architects (GGA), Erickson-Hall Construction Company/WLC Architects, Inc., and Ledcor Design-Build (USA), Inc./Sillman Wright Architects.

On July 25, 2017, the short-listed firms individually participated in optional pre-proposal meetings with the City, scheduled at the request of each of the firms. By August 7, 2017 at 11:00 a.m., the Covina City Clerk’s Office had received a response from one entity, Pankow/GGA. On July 28, 2017, Erickson-Hall Construction Company withdrew from the process, citing time challenges involved in the proposal timeline, as well as, the project’s design and construction timeline. On August 4, 2017, Ledcor Design-Build (USA), Inc. informed the City that it would not be submitting a response, as Ledcor had made the decision to complete its current workload and not pursue any future work in the United States.

A Review Committee consisting of Ms. Evans, Ms. Foster, Ms. Gasser, David Gilbertson, City Engineer, Ms. Hall-McGrade, and Mr. Lee, independently evaluated the Pankow/GGA proposal. Proposal review focused on the criteria outlined in RFP Exhibit B (Proposal Evaluation Factors, Scoring and Ranking Methodology), including:

- Technical design and construction expertise;
- Design-build team organization and personnel;
- Work plan approach;
- Design process/architectural style;
- Life cycle costs over 25 years;
- Skilled and trained workforce commitment;
- Preference for HUD Section 3 Business Concern; and
- Cost Proposal (Stipulated Sum is included as a fixed price and was not scored; however, factors such as DBE’s design and preconstruction fees, along with general condition costs and markups, were evaluated).

The Review Committee rated the proposal based on the above criteria. The rating summary for the proposal is contained in Table 2 below.
Table 2 – RFP Scoring Summary (Average)

<table>
<thead>
<tr>
<th>Design Build Entity (listed in alphabetical order)</th>
<th>Average Score (1,000 possible points*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Pankow Builders, Ltd./Gonzalez Goodale Architects</td>
<td>741</td>
</tr>
</tbody>
</table>

*Includes 150 possible points if either General Contractor or Architect is Section 3 Business Concern (Section 3 of Housing & Urban Development Act of 1968); respondent did not qualify for points.

Following the proposal evaluation, the Review Committee interviewed the DBE on August 14, 2017. The purpose of the interview was to explore the benefits of using the DBE based on qualifications and experience and gain affirmation of whether the entity is the best value and fit for the community and City, based on answers to questions posed by the Review Committee.

Table 3 – Interview Scoring Summary (Average)

<table>
<thead>
<tr>
<th>Design Build Entity (listed in alphabetical order)</th>
<th>Average Score (118 possible points*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charles Pankow Builders, Ltd./Gonzalez Goodale Architects</td>
<td>96</td>
</tr>
</tbody>
</table>

*Includes 18 possible points if either General Contractor or Architect is Section 3 Business Concern (Section 3 of Housing & Urban Development Act of 1968); respondent did not qualify for points.

The Review Committee determined the Pankow/GGA is the top rated DBE. The submitted proposal demonstrates the DBE’s experience, expertise, and success in the design and construction of projects of similar size, scope, complexity, and delivery method, both individually and collectively. The proposal demonstrates a work plan approach that can deliver a project within project budget and schedule, deliver quality work, ensure collaborative teaming with the City, and ensure a safe work environment and protection of the public during construction.

The submitted proposal took several factors into account to maximize cost savings to the City. This includes the proposed siting of the new Covina Senior and Community Center at the southeast corner of Kelby Park. By siting the building in this location, there will be a cost savings by using the existing parking lot and in infrastructure costs as this site is in line with the former Joslyn Center.

Pankow/GGA is a seasoned DBE. The general contractor, Pankow, is a founding member of the Design-Build Institute of America (DBIA) and has practiced design-build and integrated project delivery throughout its 54-year history. Pankow’s recent design-build projects include construction of the Los Angeles Valley College Community Services Center (Los Angeles Community College District) and North Hills Community Wellness Center (Los Angeles County).

Similarly, GGA since its founding, has served public clients with an interactive, creative design process, including extensive design-build experience, including the International Studies Learning Center (Los Angeles Unified School District), as well as, broad experience with the design of senior and community centers throughout Southern California, such as the Rowland Heights Community Center, Diamond Bar Community Center, and Simi Valley Senior Center expansion.

Design-build projects that Pankow and GGA have collaborated on and that also involved other team members, such as KPFF (structural and civil engineer) and A. J. Kirkwood (electrical engineer), include the $7.5 million, 10,000 SF Calabasas Senior Center completed in June 2016 and the Caltech Hameetman Center, currently under construction, which is an educational
facility that will house an indoor/outdoor student lounge, musical rehearsal hall, multi-purpose room, multiple student clubs, and a café to create the heart of the Caltech Campus.

Article 7 (Contract Price) of the proposed DB Agreement outlines the fiscal impact of the contractual arrangement with the DBE. Phase 1 services covered under the proposed DB Agreement are for an amount not-to-exceed $883,297. Pankow’s Response to the RFP contains the detailed and itemized design and preconstruction services fees. Compensation for Phase 1 services includes profit and overhead markup, and sales, use, consumer, and other taxes mandated by applicable legal requirements.

Phase 2 services include the sum of $1,395,846 for Design Team Construction Administration costs and Staffing and General Conditions costs as indicated in the Design-Builders’ Cost Proposal. The cost of Phase 1 services plus the Contract Price for Phase 2 services, including all contingencies and allowances, shall not exceed the Stipulated Sum of $7.65 million.

The Guaranteed Maximum Price (GMP) includes a Contingency in the amount of $300,000, which is available for the DBE’s exclusive use for unanticipated costs it has incurred that are not the basis for a change order under the DB Agreement. By way of example, and not as a limitation, such costs may include: (a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged, or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) those events under Section 8.2.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price.

As is typical of design-build agreements, the proposed DB Agreement with Pankow includes a process for Pankow to submit to the City the GMP to construct the project, after completion of the final design and project approval by the City. Within the proposed DB Agreement is the commitment that the GMP can be less than, but cannot be more than, the $7.65 million that Pankow indicated in its proposal that the Project will cost. The proposed DB Agreement will be amended in spring 2018 after completion of the design phase to commit Pankow to the specified GMP.

The proposed DB Agreement includes the authority for the City Manager to execute the amendment establishing the GMP, as the GMP cannot exceed the $7.65 million authorized by the City Council. Specifically, Article 12 (Other Provisions), Subsection 9 of the proposed DB Agreement specifies this authorization for the City Manager. Specifically, the City Manager would be authorized to execute amendments to the DB Agreement on the City Council’s behalf and without the City Council’s prior approval for the following non-substantive modifications to the DB Agreement: name changes, extensions of time, non-monetary changes in the scope of works; and termination of the agreement.

Section 7.6.3 (Savings) of the proposed DB Agreement includes an incentive for Pankow to complete the Project for less than the GMP, by providing a shared financial benefit for Project completion less than the original GMP. If the project is completed for less than the GMP, the City will retain 75% of the savings and Pankow will receive the remaining 25%.

Upon execution of the proposed DB Agreement, Pankow will begin the Preconstruction Phase for the Covina Senior and Community Center. The tentative Project schedule encompasses 79 weeks (553 calendar days), barring any unforeseen circumstances. Below is the tentative Project schedule.
<table>
<thead>
<tr>
<th>Issuance of Notice to Proceed by City</th>
<th>September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preconstruction/Design</td>
<td>September 2017 – May 2018</td>
</tr>
<tr>
<td>Site Evaluation</td>
<td>September 2017</td>
</tr>
<tr>
<td>Conceptual Master Plan of Park Site</td>
<td>September 2017 – November 2017</td>
</tr>
<tr>
<td>Construction</td>
<td>May 2018 – April 2019</td>
</tr>
<tr>
<td>Completion</td>
<td>April 2019</td>
</tr>
</tbody>
</table>

The Scope of Services for the Project includes all disciplines necessary to completely design and construct the Project. The services include all customary services normally provided under the umbrella of the design-build method of project delivery. This includes, but is not limited to, full design services, agency approvals, site survey for design and construction (including any additional information required beyond the topographic survey provided by the City), construction, procurement, scheduling, estimating, value engineering, general contracting, building commissioning, project closeout, and warranty services. The completed Project is to be a fully functioning facility as described in the contract between the City and DBE.

In addition to facility design and construction, there are five key components to the Project that the selected DBE will be expected to perform under the oversight of gkkworks, the City’s Construction Manager, including Project-related site improvements and landscaping, site evaluation, conceptual master plan of the park site, and furnishing, fixtures, and equipment (FFE) identification.

Site Evaluation and Realignment of Kelby Park Entrance
The DBE is tasked with performing a site evaluation. Assuming the new facility can be placed anywhere on the Kelby Park site, the DBE must assess and make a recommendation as to where the Project should be located and provide supporting information for the recommended location.

To facilitate an expeditious design and construction schedule to deliver the Project as soon as possible for the community, the City Council is being asked this evening to authorize the relocation of the Kelby Park entrance to align with E. Hurst Street to enhance pedestrian, bicycle, vehicular, and transit circulation and consider designating the southeast corner of the Kelby Park site, north of the existing driveway, adjacent to Barranca Avenue, as the construction site for the new facility.

The Department of Public Works and City Traffic Engineer recommend the realignment of the Kelby Park entrance to align with E. Hurst Street (Attachment H) to eliminate the current park entrance, which is offset from E. Hurst Street to the south. The proposed realignment would coordinate pedestrian, bicycle, vehicular, and transit movements and allow for future traffic control measures at the intersection, if warranted.

The proposed realignment of the Kelby Park entrance would necessitate a supplemental appropriation of $60,000 from available Proposition C Fund balance for required offsite improvements that are not included in the Project budget. Improvements include, but are not limited to, asphalt pavement, sidewalk, American with Disabilities Act compliant curb ramps, signing, and striping. Since the realignment will receive heavy use from the City’s Dial-a-Ride clients once the Project is completed, the costs are eligible to be funded by Proposition C funds received from the Los Angeles County Metropolitan Transportation Authority (Metro).

The recommended placement of the Project is in the southeast corner of the Kelby Park site, north of the existing driveway, adjacent to Barranca Avenue (Attachment I). The site placement is based on several factors, including:
- Desire to establish a civic presence to Barranca Avenue and stronger park identity;
- Maintain large areas of flexible park space, while integrating the Project into open space;
- Re-use existing parking lot with easy circulation for patrons; and
- Preserve existing mature trees.

The proposed construction of the Project at the southeast corner of Kelby Park offers numerous design options for the new facility in terms of access from Barranca Avenue, building placement and footprint, connection to the existing parking lot, drop-off zone, vehicular turnaround, and pedestrian access. Exhibit J contains various concepts that will be refined as the Project progresses.

**FISCAL IMPACT:**
The fiscal impact associated with the offsite improvements resulting from the realignment of the Kelby Park entrance is approximately $60,000. To fund the offsite improvements, available funding has been identified in the Proposition C Fund balance in the amount of $60,000 and approval has been obtained from Metro for the proposed expenditure of funds. Adoption of Resolution CC 17-97 would appropriate $60,000 from available Proposition C Fund balance to the Covina Senior and Community Center Project budget (account no. 2405-2200-55310-P1601).

The total Project budget is $8,310,000, which includes the fiscal impact of $7.65 million associated with the proposed DB Agreement with Pankow for the design and construction of the Project. Sufficient funding is available in the Covina Senior and Community Center Project budget (various accounts) as outlined below.

The following table represents the Project budget:

<table>
<thead>
<tr>
<th>Expenses</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Allocations:</td>
<td></td>
</tr>
<tr>
<td>Realignment of Kelby Park entrance - offsite costs (Resolution CC 17-97)</td>
<td>$60,000</td>
</tr>
<tr>
<td>Closing costs for loan</td>
<td>$67,500</td>
</tr>
<tr>
<td>Building plan check, special inspections, materials testing</td>
<td>$100,000</td>
</tr>
<tr>
<td>Geotechnical field observations and testing</td>
<td>Incl. above</td>
</tr>
<tr>
<td>Construction management services from County Grant and CDBG Funds</td>
<td>$186,350</td>
</tr>
<tr>
<td>Owner contingency/allowance for unforeseen items or owner changes</td>
<td>$221,150</td>
</tr>
<tr>
<td>Permanent utility services fees</td>
<td>$25,000</td>
</tr>
<tr>
<td><strong>Subtotal: City Expenses</strong></td>
<td>$660,000</td>
</tr>
<tr>
<td>Contractor Allocations:</td>
<td></td>
</tr>
<tr>
<td>Construction of facility (final SF to be determined)</td>
<td>$5,385,858</td>
</tr>
<tr>
<td>Site budget (parking improvements, landscaping, courtyards, storm drainage)</td>
<td>$950,445</td>
</tr>
<tr>
<td>Design-builders contingency</td>
<td>$300,000</td>
</tr>
<tr>
<td><strong>Project costs</strong></td>
<td></td>
</tr>
<tr>
<td>Conceptual master plan</td>
<td>$33,372</td>
</tr>
<tr>
<td>Site evaluation</td>
<td>Incl. above</td>
</tr>
<tr>
<td>Design fees</td>
<td>$605,680</td>
</tr>
<tr>
<td>FF&amp;E services</td>
<td>Incl. above</td>
</tr>
<tr>
<td>Design Team construction administration fees</td>
<td>$130,400</td>
</tr>
<tr>
<td>Pre-construction fees</td>
<td>$244,245</td>
</tr>
<tr>
<td><strong>Subtotal: Design-Builder Expenses</strong></td>
<td>$7,650,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$8,310,000</td>
</tr>
</tbody>
</table>
The following table summarizes the available funding for the project:

<table>
<thead>
<tr>
<th>Sources of Funds</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proposition C: Resolution CC 17-97 (2405-2200-55310-P1601)</td>
<td>$60,000</td>
</tr>
<tr>
<td>LA County Proposition A Excess Grant Funds (4600-3400-42290-P1601)</td>
<td>$1,900,000</td>
</tr>
<tr>
<td>CDBG (2100-SC15-P1601; 2100-SC16-P1601)</td>
<td>$518,497</td>
</tr>
<tr>
<td>2002 Series A Revenue Bonds (2053-3400-55100-P1601)</td>
<td>$704,790</td>
</tr>
<tr>
<td>2004 Series B Tax Allocation Bonds (2055-3400-55100-P1601)</td>
<td>$2,626,713*</td>
</tr>
<tr>
<td>Section 108 Loan Proceeds</td>
<td>$2,500,000*</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$8,310,000</strong></td>
</tr>
</tbody>
</table>

*City Council authorized use of up to $3,500,000 in bond proceeds on August 15, 2017, Item CB 1.*

On May 2, 2017, the City Council adopted Resolution CC 17-49, authorizing submission of an application for a Section 108 Loan Guarantee to the United States Department of Housing and Urban Development (HUD) through the Los Angeles County Community Development Commission (LACDC) for the senior citizen portion of the Project. The City submitted the loan application on May 8, 2017 in the amount of $2,500,000, and expects to receive approval between February and May 2018. To facilitate the loan, the City will be placing an equivalent amount of pooled cash into an escrow account.

**CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):**

The project has been reviewed for compliance with the California Environmental Quality Act (CEQA) and is exempt per Section 15061 (b) (3). The project is covered by the General Rule that CEQA applies to projects that have the potential for causing a significant effect on the environment. The award of the DB Agreement with Pankow for the Project will not result in any significant effect on the environment. Once a project concept is developed, the City will be seeking a categorical exemption for the replacement/reconstruction of the facility pursuant to Section 15302 of the California Environmental Quality Act (CEQA) for Class 2 facilities.

Respectfully submitted,

[Signature]

Siobhan Foster
Director of Public Works

**ATTACHMENTS:**

Attachment A: Covina Senior and Community Center Project Chronology
Attachment B: RFQ for Design-Build Services for Project with Addendums (on file in City Clerk’s Office)
Attachment C: Pankow/GGA Response to RFQ for Design-Build Services for Project (on file in City Clerk’s Office)
Attachment D: RFP for Design-Build Services for Project with Addendums (on file in City Clerk’s Office)
Attachment E: Pankow/GGA Response to RFP for Design-Build Services for Project (on file in City Clerk’s Office)
Attachment F: Progressive Design-Build Agreement with Pankow
Attachment G: Resolution CC 17-97
Attachment H: Proposed Kelby Park Entrance Realignment (Diagram)
Attachment I: Proposed Project Location (Diagram)
<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 15, 2015</td>
<td>City Council received and filed the Joslyn Center update, authorized the City Manager to issue a Request for Proposal (RFP) to provide community and internal outreach to ascertain facility-user needs and Department of Parks and Recreation programming needs, in addition to obtaining City Council input in the design process for the Covina Senior and Community Center Project, and directed the Departments of Parks and Recreation and Human Resources to identify temporary locations to accommodate Joslyn Center programming requirements and initiate negotiations with property owners.</td>
</tr>
<tr>
<td>November 10, 2015</td>
<td>The Department of Public Works issued the RFP to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project to 18 firms with significant expertise in the design of municipal senior centers and recreational facilities and proven track records with both design-build and design-bid-build project delivery models. Consulting services for the initial phase of the project include completion of user and programmatic needs assessments, community and internal engagement, site evaluation and recommendation, visioning and conceptual designs, cost estimates, and project timelines. The RFP was also posted on the City's website. By 4:00 p.m. on December 3, 2015, the City of Covina City Clerk's Office had received responses from seven firms.</td>
</tr>
<tr>
<td>December 15, 2015</td>
<td>The Department of Parks &amp; Recreation reviewed and discussed options for the relocation of senior programming from the Joslyn Center to another facility, including the Valleydale Park Community Center and a possible co-sponsorship agreement with Los Angeles County for Valleydale Community Center.</td>
</tr>
<tr>
<td>January 19, 2016</td>
<td>The City Council, in a separate action, adopted Resolution No. 16-7452, authorizing the allocation of the Forty Second Year Community Development Block Grant (CDBG) funds for FY 2016-2017. This action includes $416,188 in funding for the Covina Senior and Community Center Project - Phase II. Funds will be released by Los Angeles County Community Development Commission once the design phase is complete.</td>
</tr>
<tr>
<td>Date</td>
<td>Action</td>
</tr>
<tr>
<td>-------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>January 19, 2016</td>
<td>The City Council authorized the City Manager to execute a Professional Services Agreement with Gonzalez Goodale Architects (GGA) to Provide Planning, Programming, Architectural, and Engineering Services for the Initial Phase of the Covina Senior and Community Center Project in an amount not-to-exceed $100,000; adopted Resolution No. 16-7454 appropriating $500,000 in available Special General Fund - Rule 20A Swap balance for the Initial Phase of the Covina Senior and Community Center Project, topographic survey and soils geologic analysis, and seed money for subsequent phases of the project; and directed City staff to pursue placement of the Covina Senior and Community Center in Covina Park.</td>
</tr>
<tr>
<td>February 8, 2016</td>
<td>The Department of Public Works issued RFPs to members of the City of Covina's On-Call Engineering Services Bench for 1) the Covina Senior and Community Center Geotechnical Soils Investigation at Covina Park and 2) Covina Senior and Community Center Boundary and Topographic Survey at Covina Park. Following the review of the proposals received in the City of Covina City Clerk's Office by 4:00 p.m. on February 18, 2016, David T. Hamilton &amp; Associates, Inc. was identified as the top rated proposer for the Soils Investigation and Civiltec Engineering, Inc. for the Boundary and Topographic Survey. Neither Agreement was executed due to the subsequent change in site location.</td>
</tr>
<tr>
<td>February 16, 2016</td>
<td>Representatives from GGA updated the City Council on the initial Client Team Meeting held with City staff on January 26, 2016 and reviewed a working draft of the Community Participation Workshop #1 presentation, scheduled for February 22, 2016, from 9:00 a.m. to 11:00 a.m. at the Joslyn Center. During the Study Session, Gonzalez Goodale Architects also reviewed and received feedback from the City Council on the following: 1. Draft Project Guiding Principles; 2. The facility program; and 3. Initial site utilization/location studies.</td>
</tr>
<tr>
<td>February 16, 2016</td>
<td>The City Council adopted Resolution No. 16-7463, authorizing the termination of the Forty-First Year CDBG Project 600525-15, Economic Development and approved the new Covina Senior and Community Center construction project (Phase I). This action approved $202,309 in funding for the design phase of the project, effective through June 30, 2017.</td>
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<tr>
<td>February 22, 2016</td>
<td>The City and GGA hosted Community Workshop #1. Approximately 100 persons attended the workshop. Following the presentation of the items listed above, attendees offered numerous comments, largely focused on the concern of the possible placement of the new facility in Covina Park.</td>
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<tr>
<td>February 23, 2016</td>
<td>Amy Hall-McGrade, Parks &amp; Recreation Director, and department staff engaged users of the Joslyn Center to gain a thorough understanding of their needs and expectations for the Covina Senior and Community Center. Joslyn Center users expressed the desire for windows, fresh air, and access to outside spaces, wide hallways, large restrooms, a design that fosters intergenerational exposure, and possible space for weight equipment and billiards, among other items.</td>
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<tr>
<td>March 1, 2016</td>
<td>City staff and GGA representatives presented an update on the following:</td>
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<td>1. Community engagement efforts;</td>
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<td>2. Concept of increasing open space in Covina Park, should the facility be placed there, by eliminating/consolidating obsolete uses and moving softball activities to a refurbished Kelby Park;</td>
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<td>3. How the City plans to address current parking deficiency and provide sufficient parking to support the new facility, if placed in Covina Park; and</td>
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<td>4. Comparative architectural vernaculars consistent with Adams Park neighborhood that could be reflected in the new facility, should it be placed in Covina Park.</td>
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Extensive public comment was received at the March 1, 2016 City Council Study Session. The majority of the input expressed dissatisfaction with the possible placement of the Covina Senior and Community Center in Covina Park and suggested possible alternative sites, including the Covina Woman's Club and other parcels. Public comments of a similar nature were made at the March 1, 2016 City Council Meeting.

March 1, 2016                  | The City Manager pulled Item CC 8 from the City Council Agenda – Proposed Professional Services Agreement with Civitec Engineering, Inc. for Preparation of the Covina Senior and Community Center Boundary and Topographic Survey – pending re-evaluation of the site selection for the new facility. |
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<td>March 21, 2016</td>
<td>Multiple City department directors presented information on project chronology, site location alternatives, project funding, the draft space program for the new facility, and answered questions from the community. The majority of the City's presentation focused on the systematic assessment of eight possible sites for placement of the Covina Senior and Community Center, including (in alphabetical order):</td>
</tr>
</tbody>
</table>
| Community Workshop #2 | 1. Badillo Street/Downtown (135 E. Badillo Street);  
2. Brunswick Bowling Alley (1060 W. San Bernardino Road);  
3. Civic Center/State Building (233 N. Second Avenue);  
4. Covina Park (303 S. Fourth Avenue);  
5. Covina Woman's Club (128 S. San Jose Avenue);  
6. Hollenbeck Park (1250 N. Hollenbeck Avenue);  
7. Kelby Park (815 N. Barranca Avenue); and  
Uniform criteria used to assess each of the possible site locations, included (in alphabetical order):  
1. Adjacent land uses;  
2. Economic impacts;  
3. Environmental review (CEQA);  
4. Location;  
5. Lot size;  
6. Other site consideration;  
7. Parking;  
8. Project funding;  
9. Property ownership; and  
10. Traffic safety.  
Approximately 100 residents attended the workshop with many participating in the public comment period. Residents expressed concern with the possible placement of the facility in Covina Park, provided input on the alternative sites presented, and conveyed the need to move the project ahead swiftly regardless of site location. |
April 5, 2016
City Council Meeting

The City Council received an update on the eight site location alternatives for the Covina Senior and Community Center listed above, each evaluated based on the criteria listed above. Following public input and discussion, the City Council unanimously moved to exclude four site locations from ongoing Covina Senior and Community Center project consideration:

1. Badillo Street/Downtown;
2. Brunswick Bowling Alley;
3. Covina Park; and

The City Council also directed staff to explore and exhaust all options, with both public and private property owners in Successor Agency Project Area One. This specific project area includes approximately $4.8 million funding opportunity in the Successor Agency. The City Manager temporarily placed the agreement with GGA on hold, pending site selection by the City Council. At that time, GGA had completed approximately 20% of the Scope of Services. Key remaining services include site evaluation and recommendation, conceptual designs, cost estimates, and timelines.

April 11, 2016
Community Workshop #3

City staff presented an update and received public comment on the four current site location alternatives, facility requirements, and the draft space plan.

August 18, 2016
Administrative Action

The City issued an RFP for preparation of the Joslyn Center Lead Paint, Mold, and Asbestos Investigation. The City issued the RFP to four firms with expertise in the completion of comprehensive building investigations to determine the presence, location, and quantity of lead paint, mold, and asbestos. The RFP was also posted on the City’s website. By 4:00 p.m. on September 15, 2016, the City of Covina City Clerk’s Office had received responses from two firms.
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<td>September 7, 2016</td>
<td>Interim City Manager submitted $1.9 million in funding requests to Los Angeles County for the Covina Senior and Community Center project, at the request of Michael D. Antonovich, Los Angeles County Board of Supervisors, Fifth District. The letter requests $1.0 million in new funding plus the reallocation of two previously approved grants in the amount of $900,000, bringing the City of Covina's total funding request to $1.9 million. Given the limited time available to formally submit the funding request to the Board of Supervisors for final approval prior to the departure of Supervisor Antonovich in November, the Interim City Manager identified Kelby Park as the site location for the Covina Senior and Community Center. The County indicated that a specific site had to be included in the City's funding request. Since the City owns and controls the Kelby Park site, City staff determined the best alternative was to identify Kelby Park as the location for the new center in the City's application.</td>
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<tr>
<td>September 14, 2016</td>
<td>Administrative Action</td>
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<td>September 20, 2016</td>
<td>City staff presented a comprehensive assessment of four recommended site alternatives, including (in alphabetical order): 1. Covina iTec; 2. Covina Woman’s Club; 3. Inter-Community Hospital partnership; and 4. Kelby Park. City staff also outlined potential deal points associated with a partnership with the Covina Woman’s Club and provided updates on the agreement with GGA, available project funding, and financing options. Following the presentation, the City Council and members of the public provided input on the site location alternatives presented by City staff. All parties emphasized the imperativeness of moving this critical project ahead as expeditiously as possible. City Council Study Session</td>
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<td>October 4, 2016</td>
<td>The City Council directed City staff to pursue the placement of the Covina Senior and Community Center in Kelby Park and at the site of the Covina Woman's Club and adopted Resolution No. 16-7533 authorizing the application for $1.9 million in grant funds from the Los Angeles County Regional Park and Open Space District for Fifth Supervisory District Competitive Excess Funding for the Covina Senior and Community Center Project. The City Council also approved and authorized the Interim City Manager to execute on the City Council's behalf, in substantial form, the First Amendment to the Agreement between the City of Covina and GGA to (1) extend the term of the agreement through June 30, 2017, (2) amend the scope of work to (a) reflect the placement of the Covina Senior and Community Center at a location to be designated by the City Council and (b) prepare a General Building and Site Analysis of the Covina Woman's Club, (3) increase the total compensation by $20,000 to a not-to-exceed amount of $120,000, and (4) include provisions required for compliancy with federal law and CDBG requirements, subject to the City Attorney's review and approval as to form.</td>
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<td>City Council Meeting</td>
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<td>October 18, 2016</td>
<td>Los Angeles County Board of Supervisors approved a $1.9 million grant for the Covina Senior and Community Center proposed to be constructed in Kelby Park, including $1.0 million in new funding through the Los Angeles County Regional Park and Open Space District for Fifth Supervisory District Competitive Excess Funding, plus $900,000 in dollars that were available to Kelby Park through the Fifth Supervisory District pursuant to the Los Angeles County Safe Neighborhood Parks Proposition of 1996.</td>
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<td>Administrative Action</td>
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<tr>
<td>October 19, 2016</td>
<td>Interim City Manager authorized Agreement with Stearns, Conrad and Schmidt, Consulting Engineers Inc. (SCS Engineers) for Preparation of Joslyn Center Lead Paint, Mold, and Asbestos Investigation. Once the results of the lead paint, mold, and asbestos investigation are available, the City will prepare and advertise the Joslyn Center Demolition Project for bid.</td>
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<tr>
<td>Administrative Action</td>
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<tr>
<td>December 2, 2016</td>
<td>SCS Engineers completed the building survey at Joslyn Center, consisting of lead paint, mold, and asbestos investigations. Draft report expected the week of December 19, 2016.</td>
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<td>December 20, 2016</td>
<td>The City Council received and filed the Covina Woman’s Club Physical Assessment for Adaptation to Covina Senior and Community Center Report, prepared by GGA and directed staff to proceed with Kelby Park as the final site for the placement of the Covina Senior and Community Center. The City Council also directed staff to present funding options and next steps to the City Council at the January 17, 2017 City Council meeting.</td>
</tr>
<tr>
<td>December 24, 2016</td>
<td>SCS Engineers submitted Lead Paint, Mold, and Asbestos Investigation Report to City, providing the necessary information for the City to develop specifications for the demolition of the Joslyn Center and advertise the project for bid.</td>
</tr>
<tr>
<td>January 17, 2017</td>
<td>The City Council authorized the City Manager to prepare a Section 108 Loan Program application to the Community Development Commission of Los Angeles in the amount of approximately $2.5 million for approval by the City Council and directed the City Manager to explore the feasibility of an interfund loan from one or more City funds to the General Fund to fund the balance of the project cost, subject to approval of borrowing agreement by the City Council. The City Council also directed City staff to return to the City Council with additional information regarding a design-build project delivery model for the project instead of utilization of the design-bid-build method and timing for a master plan of the Kelby Park site.</td>
</tr>
<tr>
<td>February 7, 2017</td>
<td>The City Council authorized the City Manager to execute a Professional Services Agreement with Civiltec Engineering, Inc. for preparation of Covina Senior and Community Center Boundary and Topographic Survey at Kelby Park in an amount not-to-exceed $45,247. The project will be completed within 30 calendar days of the issuance of the Notice to Proceed.</td>
</tr>
</tbody>
</table>
February 7, 2017  
Administrative Action  
The Department of Public Works has worked with the City Attorney to prepare a Professional Services Agreement with David T. Hamilton & Associates in an amount not-to-exceed $9,200 for the provision of Geotechnical Engineering and Soils Testing for the Covina Senior and Community Center Project in Kelby Park. Since the cost for these services is an amount not-to-exceed $9,200, City Council approval of the agreement is not required. Once the agreement has been executed and insurance provided by David T. Hamilton & Associates, the agreement will be presented to the City Attorney for approval as to form and the City Manager for execution. The work will follow a similar schedule as the boundary and topographic survey.

February 21, 2017  
City Council Meeting  
The City Council directed the City Manager to utilize the design-build project delivery method, as permissible to local agencies under SB 785 (Design Build Law for Local Agencies), for the Covina Senior and Community Center Project, and authorized the City Manager to issue a Request for Proposals (RFP) for Project and Construction Management Services for the Covina Senior and Community Center Design-Build Project within Kelby Park in accordance with Covina Municipal Code (CMC) Section 2.20.175 (Purchase – Professional and Specialized Services).

February 28, 2017  
Administrative Action  
The City Engineer issued the Notice to Proceed for the Covina Senior and Community Center Boundary and Topographic Survey at Kelby Park to Civiltec Engineering, Inc. The completion date for the required services is March 30, 2017.

The City Engineer issued the Notice to Proceed for Geotechnical Engineering and Soils Testing for the Covina Senior and Community Center Project in Kelby Park to David T. Hamilton & Associates. The completion date for the required services is March 30, 2017.
<table>
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<tr>
<td>March 1, 2017</td>
<td>The Department of Public Works issued the RFP to provide Construction Management Services for the Covina Senior and Community Center Design-Build Project within Kelby Park. The RFP was issued to 18 firms with extensive experience in the provision of construction management services for local agency design-build projects, with specific expertise with the construction of new park and recreation facilities, and delivery of projects on time or ahead of schedule and within budget. The RFP was also posted on the City website.</td>
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<tr>
<td>March 9, 2017</td>
<td>City conducted a mandatory job walk RFP to provide Construction Management Services for the Covina Senior and Community Center Design-Build Project on March 9, 2017, at 2:00 PM in Kelby Park. Representatives of eight firms attended the mandatory job walk (Abacus Project Management, Inc., gkkworks, Joshi PMCM Inc., Cal K-12, Inc., RWBID Construction Management, Transtech, Cumming, and Bernards. Agenda topics included Introductions, RFP Overview, Design-Build Project Overview, Other Work Underway, and Site Walk.</td>
</tr>
<tr>
<td>March 15, 2017</td>
<td>By 2:00 PM, the City Clerk's Office received submissions from six firms (gkkworks, Joshi PMCM Inc., Cal K-12, Inc., RWBID Construction Management, Transtech, and Bernards) in response to the RFP to provide Construction Management Services for the Covina Senior and Community Center Design-Build Project within Kelby Park.</td>
</tr>
<tr>
<td>March 20, 2017</td>
<td>Following the independent review of the proposals submitted, the Review Committee met to discuss the proposals and individual ratings. Proposal review focused on the criteria outlined in the RFP and Addendum #1 to the RFP, issued by the City on March 6, 2017.</td>
</tr>
<tr>
<td>March 27, 2017</td>
<td>The Review Committee interviewed the two top rated firms (gkkworks and RWBID Construction Management). The purpose of the interviews was to meet key personnel from each firm and gain a better understanding of how each of the firms would work and fit with the community and City staff. The interviews were not scored and reaffirmed the proposal ratings, which rated gkkworks first and RWBID Construction Management second.</td>
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<tr>
<td>April 18, 2017</td>
<td>The City Council authorized the City Manager to execute a Professional Services Agreement with gkkworks Construction Services for the provision of construction management services for the Covina Senior and Community Center Design-Build Project within Kelby Park in an amount not-to-exceed $467,546.</td>
</tr>
<tr>
<td>April 19, 2017</td>
<td>The City Engineer issued the Notice to Proceed: Construction Management Services for Covina Senior and Community Center Design-Build Project within Kelby Park to gkkworks Construction Services (Brandon Dekker, Principal) in an amount not-to-exceed $467,546.</td>
</tr>
<tr>
<td>April 19, 2017</td>
<td>David T. Hamilton &amp; Associates submitted the final Geotechnical Engineering and Soils Testing for Covina Senior and Community Center, Kelby Park, City of Covina, California, to the City Engineer.</td>
</tr>
<tr>
<td>April 26, 2017</td>
<td>City and gkkworks Construction Services representatives held the Project Kickoff Meeting. Agenda topics included Introductions, Goals for the Project, Project Schedule, Project Budget, and Funding Sources.</td>
</tr>
<tr>
<td>April 28, 2017</td>
<td>Civiltec Engineering Inc. submitted the Covina Senior and Community Center Boundary and Topographic Survey to the City Engineer.</td>
</tr>
<tr>
<td>May 2, 2017</td>
<td>The City Council held a Public Hearing to consider approval of HUD Section 108 Loan Guarantee Application for the senior citizen portion of the Covina Senior and Community Center in Kelby Park. Following the Public Hearing, the City Council adopted Resolution CC 17-49, authorizing submission of an application for a Section 108 Loan Guarantee to the United States Department of Housing and Urban Development through the Los Angeles County Community Development Commission for the senior citizen portion of the Covina Senior and Community Center project.</td>
</tr>
<tr>
<td>May 8, 2017</td>
<td>As a participating city in the Los Angeles Urban County Community Development Block Grant (CDBG) Program, the City of Covina submitted an application for the Countywide Section 108 Loan Program, for the amount of $2,500,000. The funding will be used for construction of the senior citizen portion of the Covina Senior and Community Center project to be built at 815 N. Barranca Avenue, Covina, California, in Kelby Park. The building will replace the previous senior center which will be demolished.</td>
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</table>
June 6, 2017
City Council Meeting
City Council adopted Resolution CC 17-58 to amend the FY 2017 Capital Improvement Program Budget to increase funding for the Covina Senior and Community Center project by $1.9 million through acceptance of the Los Angeles County Regional Park and Open Space District Grant. The City Council also adopted Resolution CC 17-58 to amend the FY 2017 Capital Improvement Program Budget to increase funding for the Covina Senior and Community Center project by $25,000 from available Special General Fund (Rule 20A Swap) balance for anticipated legal services and other project expenses.

June 15, 2017
Administrative Action
The City of Covina issued the RFQ for Design-Build Services for the Covina Senior and Community Center Project at Kelby Park. The process to select the Design-Build Entity (DBE) to design and construct the Covina Senior and Community Center Project is a two-step process. First, interested proposers must respond to the RFQ by completing the Pre-Qualification Questionnaire. Responses will be used to identify proposers that meet the pre-qualifying criteria and establish a shortlist of the highest ranked proposers. The City will then invite proposers on the shortlist to submit responses to the RFP.

The RFP was issued to 20 firms with extensive experience in the provision of local agency design-build services, specifically with the construction of new park and recreation facilities, and delivery of projects on time or ahead of schedule and within budget. The opportunity was also advertised in the San Gabriel Valley Examiner, and the RFQ was posted on the City website. The opportunity will be advertised in the San Gabriel Valley Examiner again on June 22, 2017.

June 26, 2017
Administrative Action
The City of Covina held the RFQ Mandatory Pre-Submittal meeting at 10:00 AM in Kelby Park. The HUD/US Section 3 proposal preferences and hiring goal will be discussed. The City’s Project Team will be introduced and interested proposers will be acquainted with the site.

July 12, 2017
Administrative Action
By 2:00 p.m. on July 12, 2017, the City of Covina City Clerk’s Office had received responses from six firms: Charles Pankow Builders, Ltd./Gonzalez Goodale Architects, Erickson-Hall Construction/WLC Architects, Inc., Leducor Design-Build (USA), Inc./Sillman Wright Architects, Novus Construction/RED Architectural Group, PCM Construction/SVA Architects, Inc., and Sea West Enterprises Inc./Wheeler & Wheeler Architects, Inc.
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<td>July 12, 2017</td>
<td>Review Committee (Lisa Evans, Siobhan Foster, Nuala Gasser, Amy Hall-McGrade, and Brian Lee) convened to review the six proposals received in response to the RFQ for Design-Build Services for the Covina Senior and Community Center Project at Kelby Park. Assistance to the review process was provided by gkkworks Construction Services (Brandon Dekker and Kim Harvey).</td>
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<tr>
<td>July 18, 2017</td>
<td>City issued invitations to the shortlist proposers to submit Part B Proposals and notified other proposers of the outcome of the process. Three proposers were shortlisted: Charles Pankow Builders, Ltd./Gonzalez Goodale Architects, Erickson-Hall Construction/WLC Architects, Inc., and Ledcor Design-Build (USA), Inc./Sillman Wright Architects. Outcome of process posted on City website.</td>
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<tr>
<td>July 18, 2017</td>
<td>The Community Development Director presented options for the possible use of approximately $5,156,072 in taxable bond funds and $704,790 in tax exempt funds from the dissolved Covina Redevelopment Agency (RDA), Project Area No. 1. The State of California has informed the City that the funds have been transferred to the City to be utilized in a manner consistent with the required Findings which existed with the dissolved Covina RDA, Project Area No. 1. Staff proposed the use of approximately $3 million to fulfill the budget requirements of the Covina Senior and Community Center Project. The City Council voted unanimously to receive and file the presentation. See item NB 01, July 18, 2017.</td>
</tr>
<tr>
<td>July 19, 2017</td>
<td>The City of Covina issued the RFP for Design-Build Services for the Covina Senior and Community Center Project at Kelby Park to the shortlist of the highest ranked proposers (Charles Pankow Builders, Ltd./Gonzalez Goodale Architects, Erickson-Hall Construction/WLC Architects, Inc., and Ledcor Design-Build (USA), Inc./Sillman Wright Architects) following the RFQ process. The RFP was distributed to the three entities via electronic mail and the RFP was posted on the City website.</td>
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<td>July 25, 2017</td>
<td>The City held Optional Pre-Proposal Meetings with the three entities invited to submit responses to the RFP. Meetings were scheduled at the request of each entity. The intent of the meetings was to brainstorm and communicate Project information and/or answer questions to clarify Project requirements, in an open collaborative environment. Meetings were requested and held individually and confidentially with each proposer. City participants included Siobhan Foster, Nuala Gasser, and Amy Hall-McGrade. Assistance to the meetings was provided by gkkworks Construction Services (Kim Harvey).</td>
</tr>
<tr>
<td>July 28, 2017</td>
<td>Erickson-Hall Construction/WLC Architects, Inc. notified the City that it is withdrawing from the process citing the time challenges involved in the proposal timeline, as well as, the project’s design and construction timeline.</td>
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<tr>
<td>August 4, 2017</td>
<td>The City received a voice-mail message from Mark Stinnett, Project Manager for Ledcor Design-Build (USA), Inc. indicating that he was no longer employed by the company and the firm would not be submitting a proposal. Subsequently, on August 8, 2017, Robert Stitnicky, Senior Superintendent, Ledcor Construction Inc., informed the City via e-mail that “This is to inform you that Ledcor will not be bidding the City of Covina’s Project. Ledcor has made the decision to complete its current workload and will not pursue any future work in the US.”</td>
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<tr>
<td>August 8, 2017</td>
<td>By 11:00 a.m. on August 7, 2017, the City of Covina City Clerk's Office had received a response from one firm: Charles Pankow Builders, Ltd./Gonzalez Goodale Architects.</td>
</tr>
<tr>
<td>August 10, 2017</td>
<td>Review Committee (Lisa Evans, Siobhan Foster, Nuala Gasser, David Gilbertson, Amy Hall-McGrade, and Brian Lee) independently reviewed the one proposal received in response to the RFP for Design-Build Services for the Covina Senior and Community Center Project at Kelby Park and convened to discuss the proposal. Assistance to the review process was provided by gkkworks Construction Services (Kim Harvey).</td>
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<td>Date</td>
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<td>August 14, 2017</td>
<td>Review Committee conducted a Design-Team interview with Charles Pankow Builders, Ltd./Gonzalez Goodale Architects. Following proposal evaluation and the consultant interview, the Review Committee unanimously decided to enter negotiations with Charles Pankow Builders, Ltd./Gonzalez Goodale Architects for the design and construction of the Covina Senior and Community Center Project. Charles Pankow Builders, Ltd. has extensive experience with the construction of public design-build projects. Gonzalez Goodale Architects has extensive experience with the design of public-design build projects. Both entities have extensive experience working together on public-design build projects comparable to Covina’s project.</td>
</tr>
<tr>
<td>August 15, 2017</td>
<td>The City Council adopted Resolution CC 17-86 making findings for the use of $3.5 million in combined 2002 Series A Revenue Bonds and 2004 Series B Tax Allocation Bonds for partial funding of the proposed Covina Senior and Community Center Project.</td>
</tr>
<tr>
<td>August 28, 2017</td>
<td>Jeffrey Badre, Program Manager with the Los Angeles Community Development Commission (CDC), called to indicate the CDC can support the outcome of the City’s procurement process. The CDC will issue a letter later this week.</td>
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ATTACHMENT B

RFQ for Design-Build Services for Project with Addendums

(on file in City Clerk’s Office)
ATTACHMENT C

Pankow/GGA Response to RFQ for Design-Build Services for Project

(on file in City Clerk’s Office)
ATTACHMENT D

RFP for Design-Build Services for Project with Addendums

(on file in City Clerk's Office)
ATTACHMENT E

Pankow/GGA Response to RFP for Design-Build Services for Project

(on file in City Clerk’s Office)
Progressive Design-Build Agreement
for Covina Senior and Community Center Project

This AGREEMENT is made as of the 19th day of September in the year of 2017 ("Effective Date"), by and between the following parties, for services in connection with the Project identified below:

OWNER:
City of Covina, a California municipal corporation
125 E. College Street
Covina, California 91723

DESIGN-BUILDER:
Charles Pankow Builders, Ltd.
199 S. Los Robles Avenue, Suite 300
Pasadena, California 91101

PROJECT:
Covina Senior and Community Center Project
815 N. Barranca Avenue
Covina, California 91723

Owner and Design-Builder are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECORDS

Owner desires to utilize the services of Design-Builder as an independent contractor to provide design-build services for the Covina Senior and Community Center Design-Build Project within Kelby Park.

Design-Builder represents that it is fully qualified to perform such services by virtue of its experience and the training, education, and expertise of its principals and employees.

Owner desires to retain Design-Builder, and Design-BUILDER desires to serve Owner to perform these services in accordance with the terms and conditions of this Agreement.

This Agreement is entered into pursuant to California Public Contract Code Section 22160 et seq.

The parties therefore agree as follows:

Attachment F, 95 Pages
Article 1

General

1.1 Duty to Cooperate. Owner and Design-Builder commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith to permit each party to realize the benefits afforded under this Agreement.

1.2 Definitions. Terms, words and phrases used in this Agreement shall have the meanings given them in DBIA Document No. 535, Standard Form of General Conditions of Contract Between Owner and Design-Builder (2010 Edition) ("General Conditions of Contract").

1.3 Design Services. Design-Builder shall, consistent with applicable state licensing laws, provide design services, including architectural, engineering, and other design professional services required by this Agreement. Such design services shall be provided through qualified, licensed design professionals who are either (i) employed by Design-Builder, or (ii) procured by Design-Builder from independent sources. Nothing in this Agreement is intended to create any legal or contractual relationship between Owner and any independent design professional.

Article 2

Design-Builder’s Services and Responsibilities

2.1 General Services.

2.1.1 Owner shall provide Design-Builder with Owner’s Project Criteria describing Owner’s program requirements and objectives for the Project as set forth in Exhibit F to the Request for Proposal (RFP). Owner’s Project Criteria shall include Owner’s use, space, price, time, site, performance, and expandability requirements. Owner’s Project Criteria may include conceptual documents, design specifications, design performance specifications, and other technical materials and requirements prepared by or for Owner.

2.1.2 Design-Builder shall review and prepare a written evaluation of Owner’s Project Criteria issued with the RFP, including recommendations to Owner for different and innovative approaches to the design and construction of the Project. The parties shall meet to discuss Design-Builder’s written evaluation of Owner’s Project Criteria and agree upon what revisions, if any, should be made to such criteria.

2.1.3 Design-Builder shall perform the services described in the Scope of Services, attached as Exhibit H to the RFP. Owner may request, in writing, changes in the scope of services to be performed. Any changes mutually agreed upon by the Parties, and any increase or decrease in compensation, shall be incorporated by written amendments to this Agreement.

2.1.4 Party Representatives. For the purposes of this Agreement, the Owner Representative shall be the City Manager, or such other person designated in writing by the City Manager (the "Owner Representative"). For the purposes of this Agreement, the Design-Builder Representative shall be Dustin Smith (the "Design-Builder Representative"). The Design-Builder Representative shall directly manage Design-Builder’s services under this Agreement. Design-Builder shall not change the Design-Builder Representative without Owner’s prior written consent.

2.1.5 Standard of Performance. Design-Builder shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals and
contractors under similar circumstances and in a manner reasonably satisfactory to Owner.

2.1.6 Personnel. Design-Builder has, or will secure at its own expense, all personnel required to perform the services required under this Agreement. All of the services required under this Agreement shall be performed by Design-Builder or under its supervision, and all personnel engaged in the work shall be qualified to perform such services.

2.1.7 Permits and Licenses. Design-Builder shall obtain and maintain during the Agreement term all necessary licenses, permits, and certificates required by law for the provision of services under this Agreement, including a business license.

2.2 Phased Services.

2.2.1 Phase 1 Services. Design-Builder shall perform the services of design, pricing, and other services for the Project based on Owner's Project Criteria, as may be revised in accordance with Section 2.1 hereof, as set forth in Exhibit H to the RFP, Scope of Services. Design-Builder shall perform complete design and preconstruction services as part of Phase 1. Design-Builder to establish the Contract Price for Phase 2, as set forth in Section 2.3 below. The Contract Price for Phase 2 shall be developed during Phase 1 on an "open-book" basis. Design-Builder's Compensation for Phase 1 Services is set forth in Article 7 herein. The level of completion required for Phase 1 Services is defined in Exhibit H to the RFP, Scope of Services under Design Phase.

2.2.2 Phase 2 Services. Design-Builder's Phase 2 services shall consist of all services beyond Phase 1 including the procurement of all materials and equipment for the Project, the performance of construction services for the Project, the start-up, testing, and commissioning of the Project, and the provision of warranty services, all as further described in the Contract Price Amendment. Upon receipt of Design-Builder's proposed Contract Price for Phase 2, Owner may proceed as set forth in Article 2.3.

2.3 Proposal. Upon completion of the Design Development documents and any other Basis of Design documents upon which the parties may agree, Design-Builder shall submit a proposal to Owner (the "Proposal") for the completion of the construction for the Project for the Contract Price, which shall be based on Design-Builder's Fee and Cost of the Work with a Guaranteed Maximum Price (GMP). The cost for Phase 1 services plus the Contract Price for Phase 2 services, including all contingencies and allowances, shall not exceed the Stipulated Sum of $7,650,000.

2.3.1 The Proposal shall be based upon the Design Development Documents and shall include the following unless the parties mutually agree otherwise:

2.3.1.1 The Contract Price, based on the Design-Builder's Fee and Cost of the Work, with a GMP, which shall be the sum of:

i. Design-Builder's Fee as defined in Section 7.4.1 hereof;

ii. The estimated Cost of the Work as defined in Section 7.5 hereof, inclusive of any Design-Builder's Contingency as defined in Section 7.6.2 hereof; and

iii. If applicable, any prices established under Section 7.1.3 hereof;
2.3.1.2 The Basis of Design Documents, which may include, by way of example, Owner's Project Criteria, which are set forth in detail and are attached to the Proposal;

2.3.1.3 A list of the assumptions and clarifications made by Design-Builder in the preparation of the Proposal, which list is intended to supplement the information contained in the drawings and specifications and is specifically included as part of the Basis of Design Documents;

2.3.1.4 The Scheduled Substantial Completion Date upon which the Proposal is based, to the extent that date has not already been established under Section 6.2.1 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based and a Project Schedule for the Work;

2.3.1.5 If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis;

2.3.1.6 If applicable, a schedule of alternate prices;

2.3.1.7 If applicable, a schedule of unit prices;

2.3.1.8 If applicable, a statement of Additional Services which may be performed but which are not included in the Proposal, and which, if performed, shall be the basis for an increase in the Contract Price and/or Contract Time(s);

2.3.1.9 If applicable, a Savings provision;

2.3.1.10 If applicable, Performance Incentives;

2.3.1.11 The time limit for acceptance of the Proposal; and

2.3.1.12 An Owner's permit list, a list detailing the permits and governmental approvals that Owner will bear responsibility to obtain.

2.3.2 Review and Adjustment to Proposal.

2.3.2.1 After submission of the Proposal, Design-Builder and Owner shall meet to discuss and review the Proposal. If Owner has any comments regarding the Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the Proposal.

2.3.2.3 Acceptance of Proposal. If Owner accepts the Proposal, as may be amended by Design-Builder, the Contract Price and its basis shall be set forth in an amendment to this Agreement, when mutually agreed between the parties (Contract Price Amendment). Once the parties have agreed upon the Contract Price and Owner has issued a Notice to Proceed with Phase 2, Design-Builder shall perform the Phase 2 Services, all as further described in the Contract Price Amendment, as it may be revised.

2.3.2.4 Failure to Accept the Proposal. If Owner rejects the Proposal, or fails to notify Design-Builder in writing on or before the date specified in the Proposal that it accepts the Proposal, the Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:
i. Owner may suggest modifications to the Proposal, whereupon, if such modifications are accepted in writing by Design-Builders, the Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 2.3.2.3 above;

ii. Owner may authorize Design-Builders to continue to proceed with the Work on the basis of reimbursement as provided in Section 7.1.2 hereof without a Contract Price, in which case all references in this Agreement to the Contract Price shall not be applicable; or

iii. Owner may terminate this Agreement for convenience in accordance with Article 9 hereof.

If Owner fails to exercise any of the above options, Design-Builders shall have the right to (a) continue with the Work as if Owner had elected to proceed in accordance with Item 2.3.2.4 ii. above, and be paid by Owner accordingly, unless and until Owner notifies it in writing to stop the Work, (b) suspend performance of Work in accordance with Section 11.3.1 of the General Conditions of Contract, provided, however, that in such event Design-Builders (c) may give written notice to Owner that it considers this Agreement completed. If Owner fails to exercise any of the options under Section 2.3.2.4 within ten (10) days of receipt of Design-Builders’ notice, then this Agreement shall be deemed completed. If Owner terminates the relationship with Design-Builders under Section 2.3.2.4(iii), or if this Agreement is deemed completed under this paragraph, then Design-Builders shall have no further liability or obligations to Owner under this Agreement.

2.4 Federal Labor Standards and Prevailing Wages.

2.4.1 This is a federally-assisted construction contract. Federal Labor Standard Provisions, including prevailing wage requirements of the Davis-Bacon and related Acts will be enforced. In the event of a conflict between Federal and State wage rates, the higher of the two will prevail. The Design-Builders’ duty to pay State prevailing wages can be found under Labor Code Section 1770 et seq. and Labor Code Sections 1775 and 1777.7 outline the penalties for failure to pay prevailing wages and employ apprentices including forfeitures and debarmation.

2.4.2 A Design-Builders and all subcontractors working on a federally assisted project must be eligible to be awarded a contract utilizing federal funding.

2.4.3 This is a HUD Section 3 construction contract. To the greatest extent feasible, Design-Builders shall provide opportunities for training low- and moderate-income City residents and award contracts to local City businesses.

2.4.4 In accordance with Labor Code Section 1770 et seq., the Project is a “public work”. The Design-Builders and any Subcontractors shall pay wages in accordance with the determination of the Director of the Department of Industrial Relations (“DIR”) regarding the prevailing rate of per diem wages, and in accordance with the Department of Labor, under 29 CFR, Parts 1, 3, 5 and 7 which governs the payment of wages and ratio of apprentices and trainees to journeymen. Copies of those rates are on file with the Director of Public Works, and are available to any interested party upon request. The Design-Builders shall post a copy of the DIR’s determination of the prevailing rate of per diem wages at each job site. This Project is subject to compliance monitoring and enforcement by the DIR.
2.4.5 If wage rates higher than those required under the regulations are imposed by state or local law, nothing hereunder is intended to relieve the Design-Build of its obligation, if any, to require payment of the higher wage.

2.4.6 Attention is directed to Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code and Title 8, California Administrative Code, Section 200 et seq. to ensure compliance and complete understanding of the law regarding apprentices. Apprentices must be currently enrolled in a federally approved apprenticeship program and registered with the U. S. Department of Labor, Office of Apprenticeship (OA). Federal Apprenticeship verification can only be issued by the OA, through a request from the apprentice program sponsor.

2.4.7 Section 1861 of the California Labor Code requires each Design-Build that is awarded a public works contract to sign and file with the awarding body the following certification prior to performing the work of the contract: "I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this contract.

Article 3
Contract Documents

3.1 The Contract Documents are comprised of the following:

3.1.1 All written modifications, amendments, minor changes, and Change Orders to this Agreement issued in accordance with DBIA Document No. 535, Standard Form of General Conditions of Contract Agreement Between Owner and Design-Build (2010 Edition) ("General Conditions of Contract");

3.1.2 The Contract Price Amendment referenced in Section 2.3.2.3 herein or the Proposal accepted by Owner in accordance with Section 2.3 herein.

3.1.3 This Agreement, including all exhibits listed in Section 12.13;

3.1.4 The General Conditions of Contract;

3.1.5 Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract;

3.1.6 Request for Proposal issued for the project including all exhibits.

3.1.7 The following other documents, if any:
Response to RFP for the Covina Senior and Community Center Project dated August 28, 2017 from Charles Pankow Builders, Ltd.

Article 4
Interpretation and Intent

4.1 Design-Build and Owner, at the time of acceptance of the Proposal by Owner in accordance with Section 2.3 hereof, shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents for any conflicts or ambiguities. Design-
Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement, or if applicable, prior to Owner's acceptance of the Proposal.

4.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after Owner's acceptance of the Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict, or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 3.1 hereof.

4.3 Terms, words, and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

4.4 If Owner's Project Criteria contain design specifications: (a) Design-Builder is entitled to reasonably rely on the accuracy of the information represented in the design specifications and their compatibility with other information set forth in Owner's Project Criteria, including any design performance specifications; and (b) Design-Builder shall be entitled to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by such inaccurate design specification.

4.5 The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

Article 5
Ownership of Work Product

5.1 Work Product. All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and shall become the sole property of the Owner. With respect to computer files containing data generated for the Work, Design-Builder shall make available to the Owner, upon reasonable written request by the Owner, the necessary computer software and hardware for the purposes of accessing, compiling, transferring, and printing computer files. Design-Builder may take and retain copies of the written products as desired, but the written products shall not be the subject of a copyright application by Design-Builder.

5.2 Liability for Reuse. For work covered by the California Business and Professions Code, Design-Builder shall not be responsible for damage caused by subsequent changes to or uses of the Work Product, if the subsequent changes or uses are not authorized or approved by Design-Builder, provided that Design-Builder was not also a proximate cause of the damage.

5.3 Upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates this Agreement for its convenience as set forth in Article 9 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment of the amounts due Design-Builder under the Contract Documents, the Work Product shall become the sole property of the Owner to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights as set forth in Section 5.2 above, conditioned on the following:
5.3.1 Owner has the right to use the Work Product to complete the Project and subsequently use the Work Product in accordance with Section 5.2 if Owner resumes the Project through its employees, agents, or third parties. Owner agrees to indemnify and hold harmless Design-Build from any and all future claims arising from subsequent changes to or uses of the Work Product, if the subsequent changes or uses are not authorized or approved by Design-Build, provided that Design-Build was not also a proximate cause of the damage. The proposed modification of this Section 5.3.1 set forth in Tab 3 of Design-Build's Response to RFP is hereby rejected.

Article 6
Contract Time

6.1 Date of Commencement. The Phase 1 Services shall commence within five (5) days of the Effective Date unless the Parties mutually agree otherwise in writing. The Work shall commence within five (5) days of Design-Build's receipt of Owner's Notice to Proceed for Phase 2 Services ("Date of Commencement") if the Proposal is accepted and the Contract Price Amendment is amended to this Agreement unless the parties mutually agree otherwise in writing. The term of this Agreement shall be from the Effective Date through May 25, 2019, unless terminated sooner as provided in Article 9 of this Agreement.

6.2 Substantial Completion and Final Completion.

6.2.1 Substantial Completion of the entire Work shall be achieved no later than five hundred fifty-three (553) calendar days after the Effective Date ("Scheduled Substantial Completion Date").

6.2.2 Final Completion of the Work or identified portions of the Work shall be achieved no later than thirty (30) calendar days after substantial completion. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.7 of the General Conditions of Contract.

6.2.3 All of the dates set forth in this Article 6 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

6.3 Time is of the Essence. Owner and Design-Build mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

6.4 Liquidated Damages.

6.4.1 Design-Build understands that if Substantial Completion is not attained by the Scheduled Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Build agrees that if Substantial Completion is not attained by the Scheduled Substantial Completion Date (the "LD Date"), Design-Build shall pay Owner one thousand five hundred Dollars ($1,500.00) as liquidated damages for each day that Substantial Completion extends beyond the LD Date.

6.4.2 Design-Build understands that if Final Completion is not achieved within thirty (30) calendar days of Substantial Completion Date, Owner will suffer damages which are difficult to determine and accurately specify. Design-Build agrees that if Final Completion is not achieved within thirty (30) calendar days of Substantial Completion, Design-Build shall pay to Owner one thousand five hundred Dollars ($1,500.00), as liquidated damages for each calendar day that Final Completion is delayed beyond the above-referenced number of days.
6.5 Any liquidated damages assessed pursuant to this Agreement shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages, whether special or consequential, and of whatsoever nature, incurred by Owner which are occasioned by any delay in achieving Substantial Completion, Interim Milestone Dates (if any) or Final Completion.

**Article 7**

**Contract Price**

7.1 Contract Price.

7.1.1 Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract the sum of **eight hundred eighty-three thousand two hundred ninety-seven Dollars ($883,297.00)** for the Phase 1 Services including design fees and preconstruction services fees as indicated in the Design-Builder's Cost Proposal, subject to adjustments made in accordance with the General Conditions of Contract. Unless otherwise provided in the Contract Documents, the Phase 1 Services compensation is deemed to include profit and overhead markup and all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

7.1.2 For Phase 2 Services, Owner shall pay Design-Builder in accordance with the General Conditions of Contract a contract price ("Contract Price") equal to the amount set forth in the Contract Price Amendment. The Phase 2 Services include the sum of **one million three hundred ninety-five thousand eight hundred forty-six Dollars ($1,395,846.00)** for the Design Team Construction Administration costs and the Staffing and General Conditions costs as indicated in Design-Builder's Cost Proposal. The cost of Phase 1 services plus the Contract Price for Phase 2 services, including all contingencies and allowances, shall not exceed the Stipulated Sum of $7,650,000.

7.1.3 Expenses. The amount set forth in Section 7.1.1 shall include reimbursement for all actual and necessary expenditures reasonably incurred in the performance of this Agreement.

7.1.4 Additional Services. Owner shall not allow any claims for additional services performed by Design-Builder, unless the City Council and the Design-Builder Representative authorize the additional services in writing prior to Design-Builder's performance of the additional services or incurrence of additional expenses. Any additional services or expenses authorized by the City Council shall be compensated at the rates set forth in Exhibit C, or, if not specified, at a rate mutually agreed to by the parties. Owner shall make payment for additional services and expenses in accordance with Article 8 of this Agreement.

7.2 Stipulated Sum. Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a Stipulated Sum of **Seven Million Six Hundred Fifty Thousand Dollars ($7,650,000.00)** ("Stipulated Sum") for the Phase 1 and Phase 2 services, subject to adjustments made in accordance with the General Conditions of Contract and the finalized Contract Price for Phase 2 when the Design Development documents are completed. In no case shall the Stipulated Sum exceed $7,650,000.00. Unless otherwise provided in the Contract Documents, the Stipulated Sum is deemed to include all sales, use, consumer and other taxes mandated by applicable Legal Requirements.

7.3 Markups for Changes. If the Contract Price requires an adjustment due to changes in the Work, and the cost of such changes is determined under Sections 9.4.1.3 or 9.4.1.4 of the General Conditions of Contract, the following markups for overhead and profit shall be allowed on such changes:

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7.3.1 For additive Change Orders, including additive Change Orders arising from both additive and deductive items, it is agreed that the markup for direct Work by Design-Builder shall not exceed the following: labor, twenty percent (20%); materials, ten percent (10%); and tools and equipment rentals, fifteen percent (15%). For Work by subcontractor(s), the Design-Builder's markup shall not exceed five percent (5%).

7.3.2 For deductive Change Orders, including deductive Change Orders arising from both additive and deductive items, the deductive amount shall include an amount equal to five percent (5%) applied to the direct costs of the net reduction.

7.4 Design-Builder's Fee.

7.4.1 Design-Builder's Fee for profit and overhead, insurance, and bond shall be:

- eight percent (8%) of the Contract Price, excluding Preconstruction Phase costs, for profit and overhead, one and eight tenths percent (1.8%) of the Contract Price for the insurance, and six hundred twenty-five thousandths percent (0.625%) of the Contract Price for the bonds.

7.5 Cost of the Work.

7.5.1 The term Cost of the Work shall mean costs reasonably incurred by Design-Builder in the proper performance of the Work. Phase 1 Preconstruction Services and Design Services shall be billed as lump sum inclusive of Design-Builder's overhead and profit and shall be proportional to the percentage of the Work completed. Phase 2 Construction Administration and Staffing and General Conditions shall be billed as lump sum, proportional to the percentage of the Work completed, and included as cost of the Work. Any additional details and breakdown of costs required for CDBG, Los Angeles County Proposition A Excess Grant, and Section 108 Loan Program funding requirements shall be provided. The Cost of the Work shall include only the following:

7.5.1.1 Wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's agreement, at locations off the Site, provided, however, that the costs for those employees of Design-Builder performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.

7.5.1.2 Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.

7.5.1.3 Section 7.5.1.3 not used.

7.5.1.4 Costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 7.5.1.1 through 7.5.1.3 hereof.

7.5.1.5 The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Work.
7.5.1.6 Payments properly made by Design-Builder to Subcontractors for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design-Builder.

7.5.1.7 Costs incurred by Design-Builder in repairing or correcting defective, damaged or nonconforming Work (including any warranty or corrective Work performed after Substantial Completion), provided that such Work was beyond the reasonable control of Design-Builder, or caused by the ordinary mistakes or inadvertence, and not the negligence, of Design-Builder or those working by or through Design-Builder. If the costs associated with such Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Builder shall exercise best efforts to obtain recovery from the appropriate source and provide a credit to Owner if recovery is obtained.

7.5.1.8 Costs, including transportation, inspection, testing, storage, and handling of materials, equipment, and supplies incorporated or reasonably used in completing the Work.

7.5.1.9 Costs less salvage value of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Builder, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling, and removing such items.

7.5.1.10 Costs of removal of debris and waste from the Site.

7.5.1.11 The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of facsimile transmissions, long-distance telephone calls, postage and express delivery charges, telephone service, photocopying, and reasonable petty cash expenses.

7.5.1.12 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work.

7.5.1.13 Premiums for insurance and bonds required by this Agreement or the performance of the Work.

7.5.1.14 All fuel and utility costs incurred in the performance of the Work.

7.5.1.15 Sales, use, or similar taxes, tariffs, or duties incurred in the performance of the Work.

7.5.1.16 Legal costs, court costs, and costs of mediation and arbitration reasonably arising from Design-Builder’s performance of the Work, provided such costs do not arise from disputes between Owner and Design-Builder.

7.5.1.17 Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents.

7.5.1.18 The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner’s consent.
7.5.1.19 Deposits which are lost, except to the extent caused by Design-Builder's negligence.

7.5.1.20 Costs incurred in preventing damage, injury, or loss in case of an emergency affecting the safety of persons and property.

7.5.1.21 Accounting and data processing costs related to the Work.

7.5.1.22 Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.

7.5.2 Non-Reimbursable Costs. The following shall be excluded from the Cost of the Work:

7.5.2.1 Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in Sections 7.5.1.1, 7.5.1.2, and 7.5.1.3 hereof.

7.5.2.2 Overhead and general expenses, except as provided for in Section 7.5.1 hereof, or which may be recoverable for changes to the Work.

7.5.2.3 The cost of Design-Builder's capital used in the performance of the Work.

7.5.2.4 If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted in accordance with the Contract Documents, to be exceeded.

7.6 The Guaranteed Maximum Price.

7.6.1 Design-Builder guarantees that the GMP, including all Phase 1 and Phase 2 work and all contingencies and allowances, shall not exceed the Stipulated Sum of $7,650,000.00. Documents used as basis for the GMP shall be identified as the Contract Price Amendment to this Agreement. Design-Builder does not guarantee any specific line item provided as part of the GMP, provided, however, that it does guarantee the line item for its design team construction administration, project staff, general conditions, and contract administration costs, in the amount of one million three hundred ninety-five thousand eight hundred forty-six Dollars ($1,395,846.00), and as set forth in the Contract Price Amendment ("General Conditions Cap"). Design-Builder agrees that it will be responsible for paying the applicable general conditions costs in excess of the General Conditions Cap, as well as be responsible for all costs of completing the Work which exceed the GMP, as the general conditions line item and the GMP may be adjusted in accordance with the Contract Documents, including but not limited to the markups for Change Orders set forth in Section 7.3 herein.

7.6.2 The GMP shall include a Contingency in the amount of three hundred thousand Dollars ($300,000.00) which is available for Design-Builder's exclusive use for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. By way of example, and not as a limitation, such costs may include: (a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) those events under Section 8.2.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price. The Contingency is not available to Owner for any reason, including changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner notice of all anticipated charges against the
Contingency, and shall provide Owner as part of the monthly status report required by Section 2.1.2 of the General Conditions of Contract an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months. Design-Builder agrees that with respect to any expenditure from the Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for those costs, then the recovery will be credited back to the Contingency.

7.6.3 Savings.

7.6.3.1 If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 7.1.3 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows:

Twenty-five percent (25%) to Design-Builder and Seventy-five percent (75%) to Owner.

7.6.3.2 Savings shall be calculated and paid as part of Final Payment under Section 8.4 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, the parties shall recalculate the Savings in light of the costs so incurred, and Design-Builder shall be paid by Owner accordingly.

7.7 Allowance Items and Allowance Values.

7.7.1 Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the Contract Price Amendment or the Proposal.

7.7.2 Design-Builder and Owner have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

7.7.3 No work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Owner. Owner agrees that if Design-Builder is not provided written authorization to proceed by the date set forth in the Project schedule, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price.

7.7.4 The Allowance Value includes the direct cost of labor, materials, equipment, transportation, taxes, and insurance associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall project management and general conditions costs, overhead and Fee, are deemed to be included in the original Contract Price, and are not subject to adjustment notwithstanding the actual amount of the Allowance Item.

7.7.5 Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 7.7.4. The amount of the Change Order shall reflect the difference
between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

7.8 In the event of Contract Price increases or decreases in accordance with Section 9.4 of the General Conditions of Contract and/or in the event Design-Builder requests the use of contingency for additional staffing costs, hourly rates are set forth in Exhibit C.

**Article 8**

**Procedure for Payment**

8.1 Payment for Preliminary Services. Design-Builder and Owner agree upon the following method for partial and final payment to Design-Builder for the services hereunder: *(Insert terms.)*

8.2 Contract Price Progress Payments.

8.2.1 Invoices. Design-Builder shall submit to Owner an invoice, on a monthly basis or less frequently, for actual services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period, hourly rates charged, if applicable, and the amount due. If Owner disputes any of Design-Builder’s fees, it shall give written notice to Design-Builder within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

8.2.2 Payment. Owner shall pay all undisputed invoice amounts within thirty (30) calendar days after receipt of invoice up to the maximum compensation set forth in Section 2 of this Agreement. Owner shall not withhold federal payroll, state payroll, or other taxes, or other similar deductions, from payments made to Design-Builder. For all reimbursements authorized by this Agreement, Design-Builder shall provide receipts on all reimbursable expenses in excess of Fifty Dollars ($50) in such form as approved by the Finance Director.

8.2.3 If Design-Builder’s Fee under Section 7.4 hereof is a fixed amount, the amount of Design-Builder’s Fee to be included in Design-Builder’s monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder’s Fee.

8.2.4 Audit of Records. Design-Builder shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement, including, but not limited to, invoices, time cards, and cost control sheets. All such records shall be clearly identifiable. Design-Builder shall allow a representative of the Owner during Design-Builder’s regular working hours to examine, audit, and make transcripts of copies of such records and any other documents created pursuant to this Agreement. Design-Builder shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of five (5) years from the date of final payment under this Agreement.

8.3 Retainage on Progress Payments.

8.3.1 Owner will retain five percent (5%) of each Application for Payment provided.

8.3.2 The City may withhold payments to the Contractor including, but not limited to, retained percentage, liquidated damages, defective work not remedied, and other valid claims against the Contractor.
8.4 Final Payment. Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment (less any amount the parties may have agreed to set aside for warranty work) within thirty (30) days after Owner's receipt of the Final Application for Payment, provided that: (a) Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract. Owner shall withhold five percent (5%) of the Contract Price from the final payment until at least thirty-five (35) days after recordation of the Notice of Completion, or recordation of a notice of cessation, but not longer then the period permitted by Public Contract Code Section 7107.

8.5 Record Keeping and Finance Controls. Design-Builder acknowledges that this Agreement is to be administered on an “open book” arrangement relative to Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of five (5) years after Final Payment, Los Angeles County CDC, Los Angeles County Regional Park and Open Space District, the U.S. Department of Housing and Urban Development (HUD), Owner and agency accountants and staff shall be afforded access to, and the right to audit from time to time, upon reasonable notice, Design-Builder’s records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda, and other data relating to the Work, all of which Design-Builder shall preserve for a period of five (5) years after Final Payment or longer if required based on the funding sources for the Project. Such inspection shall take place at Design-Builder’s offices during normal business hours unless another location and time is agreed to by the parties.

Article 9

Termination for Convenience

9.1 Right to Terminate or Suspend. Owner may terminate or suspend this Agreement at any time, at will, for any reason or no reason, after giving written notice to Design-Builder at least seven (7) calendar days before the termination or suspension is to be effective. Design-Builder may terminate this Agreement at any time, at will, for any reason or no reason, after giving written notice to Owner at least sixty (60) calendar days before the termination is to be effective. In such event, Owner shall pay Design-Builder for the following:

9.1.1 All services performed and Work executed for this Project;

9.1.2 The reasonable costs and expenses attributable to such termination, including demobilization costs; and

9.1.3 The fair and reasonable sums for overhead and profit directly related to the work executed; however, compensation shall not include anticipated or estimated profit and fees.

9.2 Obligations upon Termination. Design-Builder shall cease all work under this Agreement on or before the effective date of termination specified in the notice of termination. In the event of Owner’s termination of this Agreement due to no fault or failure of performance by Design-Builder, Owner shall pay Design-Builder based on the percentage of work satisfactorily performed up to the effective date of termination. In no event shall Design-Builder be entitled to receive more than the amount that would be paid to Design-Builder for the full performance of the services required by this Agreement.
9.3 If Owner terminates this Agreement pursuant to Section 9.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 5.3 hereof.

**Article 10**

Representatives of the Parties

10.1 Owner's Representatives.

10.1.1 Owner designates the individual listed below as its Senior Representative ("Owner Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

Siobhan Foster  
Director of Public Works  
City of Covina  
125 E. College Street  
Covina, California 91723  
(626) 384-5217

10.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract:

Rocky Borton  
Construction Manager  
gkkworks  
2355 Main Street, Suite 220  
Irvine, California 92614  
(949) 447-3887

10.2 Design-Builders Representatives.

10.2.1 Design-Builders designates the individual listed below as its Senior Representative ("Design-Builders Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

Dustin Smith  
Project Executive  
199 S. Los Robles Avenue, Suite 300  
Pasadena, California 91101  
(626) 696-1827

10.2.2 Design-Builders designates the individual listed below as its Design-Builders Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract:

Colin Fisher  
DBE Project Manager  
199 S. Los Robles Avenue, Suite 300
Article 11

Bonds and Insurance

11.1 Insurance. Design-Builder and Owner shall procure the insurance coverages set forth in the Exhibit B Insurance attached hereto and in accordance with Article 5 of the General Conditions of Contract.

11.2 Bonds and Other Performance Security. Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

- Performance Bond.
  - ☒ Required
  - ☐ Not Required

- Payment Bond.
  - ☒ Required
  - ☐ Not Required

11.2.1 DBE shall obtain a Payment Bond in an amount equal to one hundred percent (100%) of the contract amount and a Performance Bond in an amount equal to one hundred percent (100%) of the contract amount. These bonds shall utilize a form that complies with the forms provided in Exhibit K to the RFP and shall be secured from a surety company or companies satisfactory to the City within five (5) calendar days of the contract award. The Payment Bond shall remain in full force and effect for the period specified in the attached form of bond. The Performance Bond shall remain in full force and effect for as long as DBE has obligations under the contract documents. The Bonds must comply with all conditions regarding bonds detailed in the Design-Build Contract and the Design-Build General Conditions.

11.3 Indemnities for Third Party Claims.

11.3.1 To the fullest extent permitted by law, Design-Builder shall, at its sole cost and expense, protect, indemnify, and hold harmless Owner and its elected officials, officers, attorneys, agents, employees, successors and assigns, HUD, and the County Entities (collectively "Indemnitees"), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys, or other professionals and all costs associated therewith, and reimbursement of attorney's fees and costs of defense, whether actual, alleged or threatened, which arise out of, are claimed to arise out of, pertain to, or relate to, in whole or in part, the negligence, recklessness or willful misconduct of Design-Builder, its officers, agents, servants, employees, subcontractors, material men,
contractors or their officers, agents, servants or employees (or any entity or individual that Design-Builder shall bear the legal liability thereof) in the performance of design professional services under this Agreement by a "design professional," as the term is defined under California Civil Code Section 2782.8(c)(2). For purposes of this Section 11.3.1, "County Entities" means the County of Los Angeles, the Community Development Commission of the County of Los Angeles, the Housing Authority of the County of Los Angeles, the Los Angeles County Regional Park and Open Space District, and each of their elected and appointed officers, officials, representatives, employees, and agents.

11.3.2 Design-Builder's General Indemnification

11.3.2.1 Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its officers, directors, and employees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

11.3.2.2 If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligation set forth in Section 7.4.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

11.4 Workers' Compensation Acts not Limiting. Design-Builder's indemnifications and obligations under Article 11 and Article 7 of the General Conditions of Contract, or any other provision of this Agreement, shall not be limited by the provisions of any workers' compensation act or similar act. Design-Builder expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

11.5 Insurance Requirements not Limiting. Owner does not, and shall not, waive any rights that it may possess against Design-Builder because of the acceptance by Owner, or the deposit with Owner, of any insurance policy or certificate required pursuant to this Agreement. The indemnities in Article 11 and Article 7 of the General Conditions of Contract shall apply regardless of whether or not any insurance policies are determined to be applicable to the Liability, tax, assessment, penalty or interest asserted against Owner.

11.6 Survival of Terms. Design-Builder's indemnifications and obligations under Article 11 and Article 7 of the General Conditions of Contract shall survive the expiration or termination of this Agreement.

☐ Required  ☐ Not Required
Article 12
Other Provisions

12.1 Independent Contractor.

12.1.1 Design-Builder is, and shall at all times remain as to Owner, a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Design-Builder shall at all times be under Design-Builder's exclusive direction and control. Design-Builder shall have no power to incur any debt, obligation, or liability on behalf of Owner. Neither Owner nor any of its agents shall have control over the conduct of Design-Builder or any of Design-Builder's employees, except as set forth in this Agreement. Design-Builder shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of Owner.

12.1.2 No employee benefits shall be available to Design-Builder in connection with the performance of this Agreement. Except for the fees paid to Design-Builder as provided in the Agreement, Owner shall not pay salaries, wages, or other compensation to Design-Builder for performing services hereunder for Owner. Owner shall not be liable for compensation or indemnification to Design-Builder for injury or sickness arising out of performing services hereunder.

12.2 Conflicts of Interest. Design-Builder and its officers, employees, associates and subcontractors, if any, shall comply with all conflict of interest statutes of the State of California applicable to Design-Builder's services under this Agreement, including the Political Reform Act (Gov. Code, § 81000 et seq.) and Government Code Section 1090. During the term of this Agreement, Design-Builder may perform similar services for other clients, but Design-Builder and its officers, employees, associates and subcontractors shall not, without the Owner Representative's prior written approval, perform work for another person or entity for whom Design-Builder is not currently performing work that would require Design-Builder or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute. Design-Builder shall incorporate a clause substantially similar to this Section 12.3 into any subcontract that Design-Builder executes in connection with the performance of this Agreement.

12.3 Conformance with Applicable Requirements. All work prepared by Design-Builder shall be subject to the approval of Owner. Further, the Services performed by Design-Builder pursuant to this Agreement are funded, in part, by the United States Department of Housing and Urban Development (HUD) as part of Owner's participation in the Community Development Block (CDBG) program. As such, Design-Builder shall comply with all CDBG laws and regulations in its performance of this Agreement, including those laws and regulations listed in Exhibit A, and shall complete, sign, date and submit to Owner the county and federal certification forms set forth in Exhibit A. Design-Builder shall provide the forms within ten (10) days of a request from Owner.

12.4 Mutual Cooperation.

12.4.1 Owner's Cooperation. Owner shall provide Design-Builder with all pertinent data, documents and other requested information as is reasonably available for Design-Builder's proper performance of the services required under this Agreement.

12.4.2 Design-Builder's Cooperation. In the event any claim or action is brought against the Owner relating to Design-Builder's performance or services rendered under this Agreement, Design-Builder shall render any reasonable assistance that Owner requires.
12.5 Notices. Pursuant to Section 13.8.1 of the General Conditions of Contract, notices shall be addressed to the party to be notified as set forth below:

If to Owner:
Attn: Siobhan Foster
Director of Public Works
City of Covina
125 E. College Street
Covina, California 91723

If to Design-Builder:
Attn: Colin Fisher
DBE Project Manager
Charles Pankow Builders, Ltd.
199 S. Los Robles Avenue, Suite 300
Pasadena, California 91101

12.6 Non-Discrimination and Equal Employment Opportunity. In the performance of this Agreement, Design-Builder shall not discriminate against any employee, subcontractor or applicant for employment because of race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information, sexual orientation or other basis prohibited by law. Design-Builder will take affirmative action to ensure that subcontractors and applicants are employed, and that employees are treated during employment, without regard to their race, color, religious creed, sex, gender, gender identity, gender expression, marital status, national origin, ancestry, age, physical disability, mental disability, medical condition, genetic information or sexual orientation.

12.7 Prohibition of Assignment and Delegation. Design-Builder shall not assign any of its rights or delegate any of its duties under this Agreement, either in whole or in part, without Owner’s prior written consent. Owner’s consent to an assignment of rights under this Agreement shall not release Design-Builder from any of its obligations or alter any of its primary obligations to be performed under this Agreement. Any attempted assignment or delegation in violation of this Section 12.9 shall be void and of no effect, and shall entitle Owner to terminate this Agreement. As used in this Section 12.9, “assignment” and “delegation” means any sale, gift, pledge, hypothecation, encumbrance or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs.

12.8 No Third Party Beneficiaries Intended. Except as otherwise provided in Section 11.3, this Agreement is made solely for the benefit of the parties to this Agreement and their respective successors and assigns, and no other person or entity may have or acquire a right by virtue of this Agreement.

12.9 Amendment of Agreement. This Agreement may be amended only by a writing signed by both parties. The City Manager is authorized to sign an amendment to this Agreement on the City Council’s behalf and without the City Council’s prior approval to make the following non-substantive modifications to the Agreement: (a) name changes; (b) extensions of time; (c) nonmonetary changes in the scope of work; and (d) termination of the Agreement.

12.10 Word Usage. Unless the context clearly requires otherwise, (a) the words "shall," "will" and "agrees" are mandatory and "may" is permissive; (b) "or" is not exclusive; and (c) includes" or "including" are not limiting.

12.11 Time of the Essence. Time is of the essence in respect to all provisions of this Agreement that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this Agreement.

12.12 Authority to Execute Agreement. The person or persons executing this Agreement on behalf of Design-Builder warrants and represents that he or she has the authority to execute this Agreement on behalf of the Design-Builder and has the authority to bind Design-Builder to the performance of its obligations hereunder.
12.13 Listing of Exhibits and documents incorporated herein:

EXHIBIT A COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM FEDERAL LAWS AND REGULATIONS
EXHIBIT B INSURANCE
EXHIBIT C RATE SHEET

12.14 Design-Builder is required to comply with all applicable Federal Laws and Regulations. Exhibit A, "Federal Laws and Regulations" is attached hereto and incorporated herein by reference.

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

The parties, through their duly authorized representatives, are signing this Agreement on the date stated in the introductory clause.

City:
City of Covina,
a California municipal corporation

By: ________________________________
   Name: ____________________________
   Title: ____________________________

ATTEST:

By: ________________________________
   Name: Sharon F. Clark
   Title: Chief Deputy City Clerk

Consultant:
Charles Pankow Builders, Ltd.,
a California Limited Partnership

By: ________________________________
   Name: ____________________________
   Title: ____________________________

By: ________________________________
   Name: ____________________________
   Title: ____________________________

(Two signatures of corporate officers required for corporations under Corporations Code Section 313, unless corporate documents authorize only one person to sign this Agreement on behalf of the corporation.)

APPROVED AS TO FORM:

By: ________________________________
   Name: Candice K. Lee
   Title: City Attorney
STANDARD FORM OF GENERAL CONDITIONS OF CONTRACT BETWEEN OWNER AND DESIGN-BUILDER
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1.1 Mutual Obligations

1.1.1 Owner and Design-Builder commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

1.2 Basic Definitions


1.2.2 Basis of Design Documents are as follows: For DBIA Document No. 530, Standard Form of Agreement Between Owner and Design-Builder—Cost Plus Fee With an Option for a Guaranteed Maximum Price, the Basis of Design Documents are those documents specifically listed in, as applicable, the GMP Exhibit or GMP Proposal as being the "Basis of Design Documents." For DBIA Document No. 525, Standard Form of Agreement Between Owner and Design-Builder—Lump Sum, the Basis of Design Documents are the Owner's Project Criteria, Design-Builder's Proposal and the Deviation List, if any.

1.2.3 Construction Documents are the documents, consisting of Drawings and Specifications, to be prepared or assembled by the Design-Builder consistent with the Basis of Design Documents unless a deviation from the Basis of Design Documents is specifically set forth in a Change Order executed by both the Owner and Design-Builder, as part of the design review process contemplated by Section 2.4 of these General Conditions of Contract.

1.2.4 Day or Days shall mean calendar days unless otherwise specifically noted in the Contract Documents.

1.2.5 Design-Build Team is comprised of the Design-Builder, the Design Consultant, and key Subcontractors identified by the Design-Builder.

1.2.6 Design Consultant is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder, to furnish design services required under the Contract Documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of the Design Consultant, but is retained by the Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents.

1.2.7 Final Completion is the date on which all Work is complete in accordance with the Contract Documents, including but not limited to, any items identified in the punch list prepared under Section 6.6.1 and the submission of all documents set forth in Section 6.7.2.

1.2.8 Force Majeure Events are those events that are beyond the control of both Design-Builder and Owner, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

1.2.9 General Conditions of Contract refer to this DBIA Document No. 535, Standard Form of General Conditions of Contract Between Owner and Design-Builder (2010 Edition).

1.2.10 GMP Exhibit means that exhibit attached to DBIA Document No. 530, Standard Form of
Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price, which exhibit will have been agreed upon by Owner and Design-Builder prior to the execution of the Agreement.

1.2.11 GMP Proposal means that proposal developed by Design-Builder in accordance with Section 6.6 of DBIA Document No. 530, Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price.

1.2.12 Hazardous Conditions are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

1.2.13 Legal Requirements are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

1.2.14 Owner’s Project Criteria are developed by or for Owner to describe Owner’s program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder’s performance of the Work. Owner’s Project Criteria may include conceptual documents, design criteria, design performance specifications, design specifications, and LEED® or other sustainable design criteria and other Project-specific technical materials and requirements.

1.2.15 Site is the land or premises on which the Project is located.

1.2.16 Subcontractor is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include materialmen and suppliers.

1.2.17 Sub-Subcontractor is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor’s Work and shall include materialmen and suppliers.

1.2.18 Substantial Completion or Substantially Complete means the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes.

1.2.19 Work is comprised of all Design-Builder’s design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

Article 2

Design-Builder’s Services and Responsibilities

2.1 General Services.

2.1.1 Design-Builder’s Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder’s Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder’s Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

2.1.2 Design-Builder shall provide Owner with a monthly status report detailing the progress of
the Work, including (i) whether the Work is proceeding according to schedule, (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) whether health and safety issues exist in connection with the Work; (iv) status of the contingency account to the extent provided for in the Standard Form of Agreement Between Owner and Design-Builder—Cost-Plus Fee with an Option for a Guaranteed Maximum Price Progressive Design-Build Agreement; and (v) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

2.1.3 Unless a schedule for the execution of the Work has been attached to the Agreement as an exhibit at the time the Agreement is executed, Design-Builder shall prepare and submit, at least three (3) days prior to the meeting contemplated by Section 2.1.4 hereof, a schedule for the execution of the Work for Owner's review and response. The schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of, and response to, the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

2.1.4 The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 Design Professional Services.

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

2.3 Standard of Care for Design Professional Services.

2.3.1 The standard of care for all design professional services performed to execute the Work shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

2.4 Design Development Services.

2.4.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through the design process set forth in this Section 2.4.1. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the
meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

2.4.2 Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meetings minutes. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

2.4.3 Owner's review and approval of interim design submissions, meeting minutes, and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim design submissions, meeting minutes, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner.

2.4.4 To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements.

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.5.2 The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work, or if a Guaranteed Maximum Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

2.6 Government Approvals and Permits.

2.6.1 Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.6.2 Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

2.7 Design-Builder's Construction Phase Services.

2.7.1 Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite
expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Build shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

2.7.3 Design-Build shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Build’s selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner’s decision impacts Design-Build’s cost and/or time of performance.

2.7.4 Design-Build assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

2.7.5 Design-Build shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner’s control, Design-Build agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.7.6 Design-Build shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Build to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Build shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

2.8 Design-Build’s Responsibility for Project Safety.

2.8.1 Design-Build recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Build assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Build shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Build’s Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Build’s personnel, Subcontractors and others as applicable.

2.8.2 Design-Build and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Build will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner’s Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

2.8.3 Design-Build’s responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety
precautions and programs to guard against injuries, losses, damages or accidents resulting from their performance of the Work.

2.9 Design-Builder’s Warranty.

2.9.1 Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. Design-Builder’s warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer’s warranty which provides Owner with greater warranty rights than set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Owner with all manufacturers’ warranties upon Substantial Completion.

2.10 Correction of Defective Work.

2.10.1 Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

2.10.2 Design-Builder shall, within seven (7) days of receipt of written notice from Owner that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) day period identified herein shall be deemed inapplicable.

2.10.3 The one-year period referenced in Section 2.10.1 above applies only to Design-Builder’s obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder’s other obligations under the Contract Documents.

Article 3

Owner’s Services and Responsibilities

3.1 Duty to Cooperate.

3.1.1 Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder’s timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder’s performance of its obligations under the Contract Documents.

3.1.2 Owner shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in Design-Builder’s schedule.
3.1.3 Owner shall give Design-Builder timely notice of any Work that Owner notices to be defective or not in compliance with the Contract Documents.

3.2 Furnishing of Services and Information.

3.2.1 Unless expressly stated to the contrary in the Contract Documents, Owner shall provide, at its own cost and expense, for Design-Builder's information and use the following, all of which Design-Builder is entitled to rely upon in performing the Work:

3.2.1.1 Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;

3.2.1.2 Geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site;

3.2.1.3 Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work;

3.2.1.4 A legal description of the Site;

3.2.1.5 To the extent available, record drawings of any existing structures at the Site; and

3.2.1.6 To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site.

3.2.2 Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Financial Information.

3.3.1 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

3.3.2 Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

3.4 Owner's Representative.

3.4.1 Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.
3.5 Government Approvals and Permits.

3.5.1 Owner shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees set forth in the Owner’s Permit List attached as an exhibit to the Agreement.

3.5.2 Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder’s responsibility.

3.6 Owner’s Separate Contractors.

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner’s control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

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**Article 4**

**Hazardous Conditions and Differing Site Conditions**

4.1 Hazardous Conditions.

4.1.1 Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

4.1.2 Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.

4.1.3 Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner’s expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

4.1.4 Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder’s cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions.

4.1.5 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including attorneys’ fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for
whose acts they may be liable. To the fullest extent permitted by law, Design-Builder shall indemnify, defend and hold harmless Owner and Owner’s officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.2 Differing Site Conditions.

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as “Differing Site Conditions.” If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder’s cost and/or time of performance are adversely impacted by the Differing Site Condition.

4.2.2 Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later than fourteen (14) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

Article 5
Insurance and Bonds

5.1 Design-Builder’s Insurance Requirements.

5.1.1 Design-Builder is responsible for procuring and maintaining the insurance for the coverage amounts as set forth in the Insurance Exhibit to the Agreement. Coverage shall be secured from insurance companies authorized to do business in the state in which the Project is located, and with a minimum rating set forth in the Agreement.

5.1.2 Design-Builder’s insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

5.1.3 Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Design-Builder with reasonable promptness according to the Design-Builder’s information and belief.

5.2 Owner’s Liability Insurance.

5.2.1 Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance as set forth in the Insurance Exhibit to the Agreement to protect Owner from claims which may arise from the performance of Owner’s obligations under the Contract Documents or Owner’s conduct during the course of the Project.
5.3 Owner's Property Insurance.

5.3.1 Unless otherwise provided in the Contract Documents, Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located property insurance upon the entire Project to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Owner shall be the broadest coverage commercially available, and shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants and Subcontractors of any tier. Such insurance shall include but not be limited to the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner. The Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.1.

5.3.2 Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include the interests of Owner, Design-Builder, Design Consultant, and Subcontractors of any tier. The Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.2.

5.3.3 Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final payment from Owner and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be canceled if Owner occupies a portion of the Work pursuant to Section 6.6.3 hereof. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

5.3.4 Any loss covered under Owner's property insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof.

5.3.5 Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractor agents and employees of each and all of them, all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. These waivers of subrogation shall not contain any restriction or limitation that will impair the full and complete extent of its applicability to any person or entity unless agreed to in writing prior to the execution of this Agreement.

5.4 Bonds and Other Performance Security.

5.4.1 If Owner requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

5.4.2 All bonds furnished by Design-Builder shall be in a form satisfactory to Owner. The surety shall be a company qualified and registered to conduct business in the state in which the Project is located.
Article 6

Payment

6.1 Schedule of Values.

6.1.1 Unless required by the Owner upon execution of this Agreement, within ten (10) days of execution of the Agreement, Design-Builder shall submit for Owner's review and approval a schedule of values for all of the Work. The Schedule of Values will (i) subdivide the Work into its respective parts, (ii) include values for all items comprising the Work and (iii) serve as the basis for monthly progress payments made to Design-Builder throughout the Work.

6.1.2 The Owner will timely review and approve the schedule of values so as not to delay the submission of the Design-Builder's first application for payment. The Owner and Design-Builder shall timely resolve any differences so as not to delay the Design-Builder's submission of its first application for payment.

6.2 Monthly Progress Payments.

6.2.1 On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.4 hereof.

6.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances.

6.2.3 All discounts offered by Subcontractor, Sub-Subcontractors and suppliers to Design-Builder for early payment shall accrue one hundred percent to Design-Builder to the extent Design-Builder advances payment. Unless Owner advances payment to Design-Builder specifically to receive the discount, Design-Builder may include in its Application for Payment the full undiscounted cost of the item for which payment is sought.

6.2.4 The Application for Payment shall constitute Design-Builder's representation that the Work described herein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

6.3 Withholding of Payments.

6.3.1 On or before the date established in the Agreement, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment as a result of Design-Builder's failure to meet its obligations hereunder, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 hereof.

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay
Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

6.4 Right to Stop Work and Interest.

6.4.1 If Owner fails to pay timely Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.5 Design-Builder’s Payment Obligations.

6.5.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic’s liens as set forth in Section 7.3 hereof.

6.6 Substantial Completion.

6.6.1 Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is Substantially Complete. Within five (5) days of Owner’s receipt of Design-Builder’s notice, Owner and Design-Builder will jointly inspect such Work to verify that it is Substantially Complete in accordance with the requirements of the Contract Documents. If such Work is Substantially Complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner’s and Design-Builder’s responsibility for the Project’s security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties commence to run on the date of Final Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

6.6.2 Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

6.6.3 Owner, at its option, may use a portion of the Work which has been determined to be Substantially Complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner’s use or occupancy will not interfere with Design-Builder’s completion of the remaining Work.

6.7 Final Payment.

6.7.1 After receipt of a Final Application for Payment from Design-Builder, Owner shall make final payment by the time required in the Agreement, provided that Design-Builder has achieved Final Completion.

6.7.2 At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

6.7.2.1 An affidavit that there are no claims, obligations or liens outstanding or
unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;

6.7.2.2 A general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment;

6.7.2.3 Consent of Design-Builder's surety, if any, to final payment;

6.7.2.4 All operating manuals, warranties and other deliverables required by the Contract Documents; and

6.7.2.5 Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents; and

6.7.2.6 An acknowledgment that warranties commence to run on the date of Final Completion.

6.7.3 Upon making final payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Owner's interests, (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing after Substantial Completion and (iii) the terms of any special warranties required by the Contract Documents.

6.7.4 Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the Punch List if discovered earlier, shall be deemed warranty work. Such deficiencies shall be corrected by Design-Builder under Sections 2.9 and 2.10 herein, and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the Final Payment the reasonable value of completion of such deficient work until such work is completed.

Article 7
Indemnification

7.1 Patent and Copyright Infringement.

7.1.1 Design-Builder shall defend any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.

7.1.2 If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.
7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

7.1.4 The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement of violation of any patent or copyright.

7.2 Tax Claim Indemnification.

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive. Owner shall furnish Design-Builder with any applicable tax exemption certificates necessary to obtain such exemption, upon which Design-Builder may rely.

7.3 Payment Claim Indemnification.

7.3.1 Provided that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or stop notices mechanic's lien brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or stop notice mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a stop notice bond mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

7.4 Design-Builder's General Indemnification.

7.4.1 Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its officers, directors, and employees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

7.4.2 If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligation set forth in Section 7.4.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

7.5 Owner's General Indemnification.

7.5.1 Owner, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Design-Builder and any of Design-Builder's officers, directors, and employees, from and against
claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Owner's separate contractors or anyone for whose acts any of them may be liable.

Article 8

Time

8.1 Obligation to Achieve the Contract Times.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 6.5 of the Agreement.

8.2 Delays to the Work.

8.2.1 If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, and Force Majeure Events.

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for Force Majeure Events unless otherwise provided in the Agreement.

Article 9

Changes to the Contract Price and Time

9.1 Change Orders.

9.1.1 A Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

9.1.1.1 The scope of the change in the Work;

9.1.1.2 The amount of the adjustment to the Contract Price; and

9.1.1.3 The extent of the adjustment to the Contract Time(s).

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

9.1.3 If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.
9.2 Work Change Directives.

9.2.1 A Work Change Directive is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).

9.2.2 Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

9.3 Minor Changes in the Work.

9.3.1 Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

9.4 Contract Price Adjustments.

9.4.1 The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

9.4.1.1 Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

9.4.1.2 A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;

9.4.1.3 Costs, fees and any other markups set forth in the Agreement; or

9.4.1.4 If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.3 above and Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit, as may be set forth in the Agreement.

9.4.2 If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Owner or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

9.4.3 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice
Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

9.5 Emergencies.

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10

Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief.

10.1.1 If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

10.2 Dispute Avoidance and Resolution.

10.2.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

10.2.2 Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder’s Representative and Owner’s Representative which shall conclude within fourteen (14) days of the written notice provided for in Section 10.1.1 unless the Owner and Design-Builder mutually agree otherwise.

10.2.3 If a dispute or disagreement cannot be resolved through Design-Builder’s Representative and Owner’s Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Five (5) days prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

10.2.4 If after meeting the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit within thirty (30) days of the conclusion of the meeting of Senior Representatives the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator, or if the parties cannot so agree, a mediator designated by the American Arbitration
Association ("AAA") pursuant to its Construction Industry Mediation Rules. The mediation will be
governed by and conducted pursuant to a mediation agreement negotiated by the parties or, if
the parties cannot agree, by procedures established by the mediator. Unless otherwise
mutually agreed by the Owner and Design-Builder and consistent with the mediator’s schedule,
the mediation shall commence within ninety (90) days of the submission of the dispute to
mediation.

10.3 Arbitration.

10.3.1 Any claims, disputes or controversies between the parties arising out of or relating to the
Agreement, or the breach thereof, which have not been resolved in accordance with the
procedures set forth in Section 10.2 above, shall be decided by arbitration in accordance with the
Construction Industry Arbitration Rules of the AAA then in effect, unless the parties mutually
agree otherwise.

10.3.2 The award of the arbitrator(s) shall be final and binding upon the parties without the right
of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by
any court having jurisdiction thereof.

10.3.3 Design-Builder and Owner expressly agree that any arbitration pursuant to this Section
10.3 may be joined or consolidated with any arbitration involving any other person or entity (i)
necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected
by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate
provisions in all contracts they execute with other parties in connection with the Project to require
such joinder or consolidation.

10.3.4 The prevailing party in any arbitration, or any other final, binding dispute proceeding upon
which the parties may agree, shall be entitled to recover from the other party reasonable
attorneys’ fees and expenses incurred by the prevailing party.

10.4 Duty to Continue Performance.

10.4.1 Unless provided to the contrary in the Contract Documents, Design-Builder shall continue
to perform the Work and Owner shall continue to satisfy its payment obligations to Design-
Builder, pending the final resolution of any dispute or disagreement between Design-Builder and
Owner.

10.5 CONSEQUENTIAL DAMAGES.

10.5.1 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET
FORTH IN SECTION 10.5.2 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE
LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER
 ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY
 OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS,
 BUSINESS, REPUTATION OR FINANCING.

10.5.2 The consequential damages limitation set forth in Section 10.5.1 above is not intended to
affect the payment of liquidated damages or lost early completion bonus, if any, set forth in Article
5 of the Agreement, which both parties recognize has been established, in part, to reimburse
Owner or reward Design-Builder for some damages that might otherwise be deemed to be
consequential.
Article 11

Stop Work and Termination for Cause

11.1 Owner’s Right to Stop Work.

11.1.1 Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

11.1.2 Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of the Work by Owner.

11.2 Owner’s Right to Perform and Terminate for Cause.

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder’s receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner’s cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys’ fees and expenses, incurred by Owner in connection with the reprocurement and defense of claims arising from Design-Builder’s default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.
11.3 Design-Builder's Right to Stop Work.

11.3.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop the Work for the following reasons:

11.3.1.1 Owner's failure to provide financial assurances as required under Section 3.3 hereof; or

11.3.1.2 Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop the Work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop the Work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

11.4 Design-Builder's Right to Terminate for Cause.

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

11.4.1.1 The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

11.4.1.2 Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

11.4.1.3 Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.

11.5 Bankruptcy of Owner or Design-Builder.

11.5.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

11.5.1.1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request
of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

11.5.1.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

Article 12

Electronic Data

12.1 Electronic Data.

12.1.1 The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

12.2 Transmission of Electronic Data.

12.2.1 Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

12.2.2 Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

12.2.3 By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 4 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

12.3.1 The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error.
Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

12.3.2 Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

12.3.3 The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

12.3.4 The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

Article 13

Miscellaneous

13.1 Confidential Information.

13.1.1 Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain. The receiving party agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the Project.

13.2 Assignment.

13.2.1 Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

13.3 Successorship.

13.3.1 Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

13.4 Governing Law.

13.4.1 The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.
13.5 **Severability.**

13.5.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

13.6 **No Waiver.**

13.6.1 The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

13.7 **Headings.**

13.7.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

13.8 **Notice.**

13.8.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement, or (iii) if sent via overnight mail effective upon date of delivery if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

13.9 **Amendments.**

13.9.1 The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.
EXHIBIT A

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

FEDERAL LAWS AND REGULATIONS

PROJECT P1601

CDBG Project No. 601802-15 & Project TBD

COVINA SENIOR AND COMMUNITY CENTER PROJECT IN KELBY PARK

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FEDERAL LAWS AND REGULATIONS

1. AUDIT OR EXAMINATION
Design Build Entity (DBE) shall keep all records of funds received from City and make them accessible for audit or examination for a period of five (5) years after final payments are issued and other pending matters are closed. [Los Angeles County Auditor-Controller Contract Accounting and Administration Handbook, Section 3.1]

2. RECORDS TO BE MAINTAINED
In accordance with the Federal regulations specified in 24 CFR 85.36(i)(10), DBE shall maintain all records that are pertinent to the activities to be funded under this Agreement. Records to be maintained include, but are not limited to books, documents, papers, and records of the DBE which are directly pertinent to the contract for the purpose of auditing.

3. FEDERAL EXCLUDED PARTIES LIST (EPLS)
DBE affirms that it is not on the Federal Excluded Parties List, and agrees to comply with 2 CFR Part 200 – Appendix II(A) which prohibits Federal funds as contract awards to any entity on the Federal Excluded Parties List maintained on www.sam.gov.

4. CONTENT
DBE agrees to comply with all applicable federal, state and local laws and regulations governing the funds provided under this contract, and shall cause all of the provisions of this contract in its entirety to be included in and made a part of any subcontract executed in the performance of this agreement.

5. CONFLICT OF INTEREST
In the procurement of supplies, equipment, construction, and services by DBE, the conflict of interest provisions in 2 CFR Part 200.318(c)(1)(2) shall apply. No employee, officer or agent of the DBE shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved.”

6. POLITICAL ACTIVITY/LOBBYING CERTIFICATION
DBE shall not conduct any political activity or lobbying, including making any payment to any person, officer, or employee of any agency or member of Congress in connection with the awarding of any federal contract, grant, or loan, intended to influence legislation, administrative rule-making or the election of candidates for public office during time compensated for under representation that such activity is being performed as a part of the contract responsibility.

7. COUNTY LOBBY CERTIFICATION
DBE certifies that (1) it is familiar with the requirements of Chapter 2.160 of the Los Angeles County Code (Los Angeles County Ordinance 93-0031), (2) all persons/entity/firms acting on behalf of DBE have and will comply with the Chapter 2.160 of County Code, and; (3) it will be (1) disqualified from seeking contracts with the Community Development Commission, (2) denied contracts with the Community Development Commission, and (3) liable in civil action, if any lobbyist, lobbying firm, lobbyist employer or any other person or entity acting on behalf of DBE fails to comply with the provisions of Chapter 2.160 of the County Code.

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8. FEDERAL LOBBYING CERTIFICATION
DBE certifies that it is familiar with the requirements of Section 1352 of Title 31 of the United States Code.

9. NON-DISCRIMINATION
Pursuant to Executive Order 11246, during the performance of this Agreement, DBE shall not to discriminate against any employee or applicant for employment because of race, religion, sex, color, or national origin. DBE will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, color, or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. DBE shall post in conspicuous places, available to employees and applicants for employment, notices to be provided by DBE setting forth the provisions of this nondiscrimination clause.

10. SECTION 3 REQUIREMENTS
Pursuant to Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701 et seq., and to the greatest extent feasible, DBE shall provide opportunities for training low- and moderate-income City residents and award contracts to local City businesses.

11. CIVIL RIGHTS ACT OF 1964
Pursuant to Title VI of the Civil Rights Act of 1964, DBE shall not, on the basis of race, color, or national origin, exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity receiving Federal financial assistance, including this Agreement.

12. HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974
Pursuant to Section 109 of Title I of the Housing and Community Development Act of 1974, DBE shall not, on the basis of race, color, national origin, or sex, exclude any person from participation in, deny any person the benefits of, or subject any person to discrimination under any program or activity funded in whole or in part with funds made available under Title I, including this Agreement.

13. PROHIBITION OF AGE DISCRIMINATION
Pursuant to Section 504 of the Rehabilitation Act of 1973, DBE shall not discriminate on the basis of age under the Age Discrimination Act of 1975, or with respect to an otherwise qualified handicapped individual, in the performance of this Agreement.

14. COPELAND ACT
Requires all contractors and subcontractors to submit weekly payroll reports. It is a criminal offense for any person to persuade any other person employed on a federally funded project into giving up any part of their salary to which they are entitled under their contract of employment.

15. DOCUMENTATION OF PAYROLL
DBE shall maintain documentation which demonstrates compliance with hour and wages requirements under this part. Such documentation shall be made available to the City and Los Angeles County agencies for review upon request.
16. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT (CWHSSA)
All over-time hours worked in excess of 40 hours during any workweek must be paid at the rate of one and one half the times of the regular basic hourly rate of pay, plus fringe benefits for each hour or partial hour worked.

17. CONTRACTING WITH SMALL AND MINORITY OWNED FIRMS, WOMEN’S BUSINESS ENTERPRISES, AND LABOR SURPLUS AREA FIRMS
It is policy to award a fair share of contracts to Small Business and Minority Firms. Accordingly, affirmative steps must be taken to assure that Small Business and Minority Owned Firms are utilized, when possible, as sources of supplies, equipment, construction and services.

18. CLEAN AIR AND WATER ACTS
Contractors with Federally-assisted construction contracts of $100,000 or more must comply, and ensure all sub-contractors comply, with the requirements regulated by the Environmental Protection Agency. Insofar as they apply to the performance of this contract, compliance is required for:

- Clean Air Act, 42 U.S.C., 1857, et seq.
- Clean Water Act
- Energy Policy and Conservation Act
- Executive Order 11738

19. PATENT RIGHTS
If this contract results in any discovery or invention which may develop in the course of or under contract, the City reserves the right to royalty-free, non-exclusive and irrevocable license to use and to authorize others to use, the work for government purpose.

20. AMENDMENTS
The City may, at its discretion, amend this Agreement to conform with federal, state or local governmental guidelines, policies and available funding amounts, or for other reasons. If such amendments result in a change in the funding, the scope of services, or schedule of the activities to be undertaken as part of this agreement, such modifications will be incorporated only by written amendments signed by both the City and DBE.

21. COPYRIGHT
If this contract results in any copyrightable material, the City and or grantor agency reserves the right to royalty-free, non-exclusive and irrevocable license to reproduce, publish or otherwise use and to authorize others to use, the work for government purpose.

22. TERMINATION
This Agreement may be terminated as provided in Section 3.4.1. [2 C.F.R. Part 200, Appendix II, (B)].

Applicability

The Project or Program to which the construction work covered by this contract pertains is being assisted by the United States of America and the following Federal Labor Standards Provisions are included in this Contract pursuant to the provisions applicable to such Federal assistance.

A. 1. (i) Minimum Wages. All laborers and mechanics employed or working upon the site of the work will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR Part 3), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under Section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of 29 CFR 5.5(a)(1)(iv). Also, regular contributions made or costs incurred for more than one weekly period (but not less often than quarterly) under plans, funds, or programs, which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period.

Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein; provided, that the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates contained under 29 CFR 5.5(a)(1)(II) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

(ii) (a) Any class of laborers or mechanics which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. HUD shall approve an additional classification and wage rate and fringe benefits thereto only when the following criteria have been met:

1. The work to be performed by the classification requested is not performed by a classification in the wage determination; and
2. The classification is utilized in the area by the construction industry; and
3. The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(b) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and HUD or its designee agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by HUD or its designee to the Administrator of the Wage and Hour Division, Employment Standards Administration, U.S. Department of Labor, Washington, D.C. 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee, within the 30-day period that additional time is necessary (Approved by the Office of Management and Budget under OMB control number 1215-0140).

(c) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and HUD or its designee do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), HUD or its designee shall refer the questions, including the views of all interested parties and the recommendation of HUD or its designee, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise HUD or its designee or will notify HUD or its designee, within the 30-day period that additional time is necessary. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

(d) The wage rate (including fringe benefits, where appropriate), determined pursuant to subparagraphs (1)(ii)(b) or (c) of this paragraph, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

(II) Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

(iv) If the contractor does not make payments to a trustee or other third person, the contractor may consider as part
of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program. Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program. (Approved by the Office of Management and Budget under OMB Control Number 1215-0140.)

2. Withholding. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld from the contractor under this contract or any other Federal contract with the same prime contractor or Federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract in the event of failure to pay any laborer or mechanic, including any apprentice, trainee or helper, employed or working on the site of the work, all or part of the wages required by the contract. HUD or its designee may, after written notice to the contractor, disburse such amounts withheld for and on account of the contractor or subcontractor to the respective employees to whom they are due. The Comptroller General shall make such disbursements in the case of direct Davis-Bacon Act contracts. 

3. (i) Payrolls and basic records. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work preserved for a period of three years thereafter for all laborers and mechanics working on the site or the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in Section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5 (a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in Section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainees programs, the registration of the apprentices and trainees and the rates and wage rates prescribed in the applicable programs. (Approved by the Office of Management and Budget under OMB Control Numbers 1215-0140 and 1215-0017.) 

(ii) (a) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to HUD or its designee if the agency is a party to the contract but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to HUD or its designee. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i) except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division Web site at http://www.dol.gov/whd/forms/wh347.htm or successor site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to HUD or its designee if the agency is a party to the contract but if the agency is not such a party, the contractor will submit the payrolls to the applicant sponsor, or owner, as the case may be, for transmission to HUD or its designee, the contractor, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this subparagraph for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to HUD or its designee. (Approved by the Office of Management and Budget under OMB Control Number 1215-0149.)

(b) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following: 

1. That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5 (a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete.
(2) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR Part 3.

(3) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(c) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 shall satisfy the requirements for submission of the "Statement of Compliance" required by subparagraph A.3.(iii)(b)

(d) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under Section 1001 of Title 18 and Section 231 of Title 31 of the United States Code.

(III) The contractor or subcontractor shall make the records required under subparagraph A.3(i) available for inspection, copying or transcription by authorized representatives of HUD or its designee or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, HUD or its designee may, after written notice to the contractor, sponsor, applicant or owner, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

4. Apprentices and Trainees.

(i) Apprentices. Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice. The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll as an apprentice wage rate who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeymen's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed. Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprenticeship classification, fringe benefits shall be paid in accordance with that determination. In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(ii) Trainees. Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration. The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration. Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeymen wage rate on the wage determination which provides for more than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by
the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In addition, any trained performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(iii) Equal employment opportunity. The utilization of apprentices, trainees and journeymen under 29 CFR Part 5 shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR Part 30.

5. Compliance with Copeland Act requirements. The contractor shall comply with the requirements of 29 CFR Part 3 which are incorporated by reference in this contract.

6. Subcontracts. The contractor or subcontractor will insert in any subcontracts the clauses contained in subparagraphs 1 through 11 in this paragraph A and such other clauses as HUD or its designee may by appropriate instructions require, and a copy of the applicable prevailing wage decision, and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in this paragraph.

7. Contract termination; debarment. A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

8. Compliance with Davis-Bacon and Related Act Requirements. All rules and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR Parts 1, 3, and 5 are herein incorporated by reference in this contract.

9. Disputes concerning labor standards. Disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR Parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and HUD or its designee, the U.S. Department of Labor, or the employees or their representatives.

10. (i) Certification of Eligibility. By entering into this contract the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor’s firm is a person or firm ineligible to be awarded Government contracts by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(ii) No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of Section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1) or to be awarded HUD contracts or participate in HUD programs pursuant to 24 CFR Part 24.

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1991. Additionally, U.S. Criminal Code, Section 1 01 0, Title 18, U.S.C., "Federal Housing Administration transactions", provides in part: "Whoever, for the purpose of . . . influencing in any way the action of such Administration.... makes, utters or publishes any statement knowing the same to be false..... shall be fined not more than $5,000 or imprisoned not more than two years, or both."

11. Complaints, Proceedings, or Testimony by Employees. No laborer or mechanic to whom the wage, salary, or other labor standards provisions of this Contract are applicable shall be discharged or in any other manner discriminated against by the Contractor or any subcontractor because such employee has filed any complaint or instituted or caused to be instituted any proceeding or has testified or is about to testify in any proceeding under or relating to the labor standards applicable under this Contract to his employer.

B. Contract Work Hours and Safety Standards Act. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds $100,000. As used in this paragraph, the terms "laborers" and "mechanics" include watchmen and guards.

11. Overtime requirements. No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek, in which the individual is employed on such work to work in excess of 40 hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of 40 hours in such workweek.

(2) Violation; liability for unpaid wages; liquidated damages. In the event of any violation of the clause set forth in subparagraph (1) of this paragraph, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in subparagraph (1) of this paragraph, in the sum of $10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of 40 hours without payment of the overtime wages required by the clause set forth in sub paragraph (1) of this paragraph.
(2) Withholding for unpaid wages and liquidated damages. HUD or its designee shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contract, or any other Federally-assisted contract subject to the Contract Work Hours and Safety Standards Act which is held by the same prime contractor such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in subparagraph (2) of this paragraph.

(4) Subcontracts. The contractor or subcontractor shall insert in any subcontracts the clauses set forth in subparagraph (1) through (4) of this paragraph and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in subparagraphs (1) through (4) of this paragraph.

C. Health and Safety. The provisions of this paragraph C are applicable where the amount of the prime contract exceeds $100,000.

(1) No laborer or mechanic shall be required to work in surroundings or under working conditions which are unsanitary, hazardous, or dangerous to his health and safety as determined under construction safety and health standards promulgated by the Secretary of Labor by regulation.

(2) The Contractor shall comply with all regulations issued by the Secretary of Labor pursuant to Title 29 Part 1926 and failure to comply may result in imposition of sanctions pursuant to the Contract Work Hours and Safety Standards Act. (Public Law 81-54, 82 Stat 90). 48 USCS 2701 et seq.

(3) The contractor shall include the provisions of this paragraph in every subcontract so that such provisions will be binding on each subcontractor. The contractor shall take such action with respect to any subcontractor as the Secretary of Housing and Urban Development or the Secretary of Labor shall direct as a means of enforcing such provisions.
SECTION 3 CLAUSE
(All Section 3 covered contracts shall include the Section 3 Clause)

Section 3 Clause

a. The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by the U.S. Department of Housing and Urban Development (HUD) assistance or HUD assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

b. The parties to this contract will comply with HUD's regulations as set forth in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

c. The contractor agrees to send to each labor organization or representative of workers which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 Clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall: describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each, and the name and location of the persons taking applications for each of the positions, and the anticipated date the work shall begin.

d. The contractor agrees to include this Section 3 Clause in every subcontract subject to compliance with regulations in 24 CFR Part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 Clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of regulations under 24 CFR Part 135.

e. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected, but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, where not filled to circumvent the contractor's obligations under 24 CFR Part 135.

f. Noncompliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

g. With respect to work performed in connection with Section 3 covered Indian Housing Assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that the greatest extent feasible; (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of Section 3 and Section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with Section 7(b).
SECTION 3 BID PREFERENCE may be given to a bidder who is a qualified Section 3 Business Concern, and provides a reasonable bid.

A Section 3 Business is a business where fifty-one percent (51%) of the business is owned by a resident of Los Angeles/Orange County that meets the income guidelines; or 30% or more of the permanent workforce are residents who live in Los Angeles/Orange County and meet the income guidelines.

A Section 3 RESPONSIVE BIDDER is a bidder that submits a Section 3 Business Certification form with their bid, documenting that they qualify as a Section 3 business concern because they are:

a) 51% of the business is owned by a resident of Los Angeles County/Orange County who meet the income guidelines; or
b) 30% or more of the permanent workforce is comprised of residents who live in Los Angeles/Orange County that meet income guidelines.

A Section 3 NON-RESPONSIVE BIDDER is a bidder that fails to provide a Section 3 Business Certification form and all signed Resident Certification supporting forms with a bid response.

A Section 3 REASONABLE BID is a bid that is not more than the value of "X" HIGHER than the LOWEST BID. The X- FACTOR; a standard formula used to determine the maximum dollar amount that can be added to the lowest bid when considering a bid preference for Section 3 qualified business concern. Calculate the maximum acceptable bid or highest dollar amount that can be considered in awarding the contract to a Section 3 qualified business concern by adding the lesser of the percentage (dollar amount of the lowest bid) or the dollar amount provided in the row for the bid range column (see chart below). The lowest bid can be increased by the calculated dollar amount resulting from this computation when you are applying the bid a preference.

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<td>6%</td>
<td>$25,000</td>
</tr>
<tr>
<td>$600,000</td>
<td>$600,000</td>
<td>5%</td>
<td>$26,000</td>
</tr>
<tr>
<td>$1,000,000</td>
<td>$1,000,000</td>
<td>4%</td>
<td>$50,000</td>
</tr>
<tr>
<td>$2,000,000</td>
<td>$2,000,000</td>
<td>3%</td>
<td>$90,000</td>
</tr>
<tr>
<td>$4,000,000</td>
<td>$4,000,000</td>
<td>2%</td>
<td>$105,000</td>
</tr>
<tr>
<td>$7,000,000</td>
<td>$7,000,000</td>
<td>1.5%</td>
<td>$110,000</td>
</tr>
</tbody>
</table>

NOTE: If the lowest bid of a qualified Section 3 Responsive Bidder is not reasonable (not within the Zone of Consideration), OR no bidders are responsive to Section 3 requirements, no preference should be given and the contract will be awarded to the lowest bid from any responsive and responsible bidder in accordance with the LCA's policy and procedures, consistent with California Public Contracting Code.

When awarding a contract to the lowest and responsible the contractor must commit to documenting good-faith efforts to achieve Section 3 goals of:

1. Hiring 30% of aggregate new hires who reside in Los Angeles/Orange County and are income qualified.
2. Subcontract 25% of the total subcontracting dollars to Section 3 qualified business concerns.

This commitment is accomplished by submitting a signed Section 3 Commitment form and with a detailed Economic Opportunity Plan attached to the commitment prior to signing a contract. The contractor will be required to provide the LCA with an Economic Opportunity Report with their final Certified Payroll Report.
FEDERAL EQUAL EMPLOYMENT OPPORTUNITY / AFFIRMATIVE ACTION
REQUIREMENTS

1. EQUAL OPPORTUNITY CLAUSE. During the performance of this contract, the contractor agrees as follows:

a. The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

b. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

c. The contractor will send to each labor union or representative of workers with which he/she has a collective bargaining agreement or other contract or understanding, a notice to be provided, advising the said labor union or workers' representative of the contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

d. The contractor will comply with all provisions of Executive Order 11246 of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.

e. The contractor will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his/her books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

f. In the event of the contractor's noncompliance with the nondiscrimination clause of this contract or with any of the said rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole, or in part, and the contractor may be declared ineligible for further government
contracts or federally assisted construction contracts in accordance with
procedures authorized in Executive Order 11246 of September 24, 1965,
or by rule, regulation, or order of the Secretary of Labor, or as otherwise
provided by law.

g. The contractor will include the provisions of Paragraph 1a through 1g in every
subcontract or purchase order unless exempted by rule, regulations, or
orders of the Secretary of Labor issued pursuant to Section 204 of Executive
Order 11246 of September 24, 1965, so that such provisions will be binding
upon each subcontractor or vendor. The contractor will take such action
with respect to any subcontract or purchase order as the administering
agency may direct as a means of enforcing such provisions, including
sanctions for noncompliance. Provided, however, that in the event a
contractor becomes involved in, or is threatened with, litigation with a
subcontractor or vendor as a result of such direction by the administering
agency, the contractor may request the United States to enter into such
litigation to protect the interests of the United States.

2. NOTICE OF REQUIREMENT FOR AFFIRMATIVE ACTION TO ENSURE EQUAL
EMPLOYMENT OPPORTUNITY (Executive Order 11246)

a. The Offeror’s or Bidder’s attention is called to the Equal Opportunity Clause

b. The goals and timetables for minority and female participation, expressed in
percentage terms for the contractor’s aggregated work force in each trade on
all construction work in the covered area, are as follows:

<table>
<thead>
<tr>
<th>Goals for Minority Participation for Each Trade</th>
<th>Goals for Female Participation in Each Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Timetables</td>
<td></td>
</tr>
<tr>
<td>28.3%</td>
<td>6.9%</td>
</tr>
</tbody>
</table>

These goals are applicable to all the contractor’s construction work (whether
or not it is Federal or federally assisted) performed in the covered area. If the
contractor performs construction work in a geographical area located outside
of the covered area, it shall apply the goals established for such geographical
area where the work is actually performed. With regard to this second area,
the contractor also is subject to the goals for both its federally involved and
non-federally involved construction.

The contractor’s compliance with the Executive Order and the regulations in
41 CFR Part 60-4 shall be based on its implementation of the Equal
Opportunity Clause, specific affirmation action obligations required by the
specifications set forth in 41 CFR Part 60-4.3(a), and its efforts to meet the
goals. The hours of minority and female employment and training must be substantially uniform throughout the length of the contract and in each trade, and the contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from contractor to contractor or from project to project for the sole purpose of meeting the contractor’s goals shall be a violation of the contract, the Executive Order, and the regulations of 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.

c. The contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within ten (10) working days of award of any construction subcontract in excess of $10,000 at any tier for construction work under the contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number of the subcontractor; estimated dollar amount of the subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the contract is to be performed.

d. As used in this notice, and in the contract resulting from this solicitation, the covered area is the Standard Metropolitan Statistical Area of Los Angeles-Long Beach, specifically the County of Los Angeles, State of California.

3. STANDARD FEDERAL EQUAL EMPLOYMENT SPECIFICATIONS (Executive Order 11246).

a. As used in these specifications:

   (1) Covered area means the geographical area described in the solicitation from which this contract resulted;

   (2) Director means Director, Office of Federal Contract Compliance Programs, United States Department of Labor, or any person to whom the Director delegates authority;

   (3) Employer Identification Number (EIN) means the Federal Social Security Number used on the Employer’s Quarterly Federal Tax Return, United States Treasury Department Form 941.

   (4) Minority includes:

      (a) Black (all persons having origins in any of the Black African racial groups not of Hispanic origin)

      (b) Hispanic (all persons of Mexican, Puerto Rican, Cuban, Central
or South American or other Spanish culture or origin, regardless of race);

(c) Asian and Pacific Islander (all persons having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); and

(d) American Indian or Alaskan Native (all persons having origins in any of the original peoples of North America and maintaining identifiable tribal affiliations through membership and participation or community identification).

b. Whenever the contractor, or any subcontractor at any tier, subcontracts a portion of the work involving any construction trade, it shall physically include in each subcontract in excess of $10,000 the provisions of these specifications and the notice which contains the applicable goals for minority and female participation and which is set forth in the solicitations from which this contract resulted.

c. If the contractor is participating (pursuant to 41 CFR Part 60-4.5) in a Hometown Plan approved by the United States Department of Labor in the covered area either individually or through an association, its affirmative action obligations on all work in the Plan area (including goals and time tables) shall be in accordance with that Plan for those trades which have unions participating in the Plan. Contractors must be able to demonstrate their participation in and compliance with the provisions of any such Hometown Plan. Each contractor or subcontractor participating in an approved Plan is individually required to comply with its obligations under the EEO Clause, and to make a good faith effort to achieve each goal under the Plan in each trade in which it has employees. The overall good faith performance by other contractors or subcontractors toward a goal in an approved Plan does not excuse any covered contractor's or subcontractor's failure to take good faith efforts to achieve the Plan goals and timetables.

d. The contractor shall implement the specific affirmative action standards provided in paragraphs 3g (1) through 3g (16) of these specifications. The goals set forth in the solicitation from which this contract resulted are expressed as percentages of the total hours of employment and training of minority and female utilization the contractor should reasonable be able to achieve in each construction trade in which it has employees in the covered area. Covered construction contractors performing construction work in geographical areas where they do not have a Federal or federally assisted construction contract shall apply the minority and female goals established for the geographical area where the work is being performed. Goals are published periodically in the Federal Register in notice form, and such notices may be obtained from any Office of Federal Contract Compliance Programs
office or from Federal procurement contracting officers. The contractor is expected to make substantially uniform progress in meeting its goals in each craft during the period specified.

e. Neither the provisions of any collective bargaining agreement nor the failure by a union with whom the contractor has a collective bargaining agreement, to refer either minority or women shall excuse the contractor’s obligations under these specifications, Executive Order 11246, or the regulations promulgated pursuant thereto.

f. In order for the nonworking training hours of apprentices and trainees to be counted in meeting the goals, such apprentices and trainees must be employed by the contractor during the training period, and the contractor must have made a commitment to employ the apprentices and trainees at the completion of their training, subject to the availability of employment opportunities. Trainees must be trained pursuant to training programs approved by the United States Department of Labor.

g. The contractor shall take specific affirmative actions to ensure equal employment opportunity. The evaluation of the contractor’s compliance with these specifications shall be based upon its effort to achieve maximum results from its actions. The contractor shall document these efforts fully, and shall implement affirmative action steps at least as extensive as the following:

1. Ensure and maintain working environment free of harassment, intimidation, and coercion at all sites, and in all facilities at which the contractor’s employees are assigned to work. The contractor, where possible, will assign two or more women to each construction project. The contractor shall specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of and carry out the contractor’s obligation to maintain such a working environment, with specific attention to minority or female individuals working at such sites or in such facilities.

2. Establish and maintain a current list of minority and female recruitment sources, provide written notification to minority and female recruitment sources and to community organizations when the contractor or its unions have employment opportunities available, and maintain a record of the organization’s responses.

3. Maintain a current file of the name, address, and telephone numbers of each minority and female off-the-street applicant and minority or female referral from a union, a recruitment source, or community organization and of what action was taken with respect to each such individual. If such individual was sent to the union hiring hall for
referral and was not referred back to the contractor by the union or, if referred, not employed by the contractor, this shall be documented in the file with the reason therefore, along with whatever additional actions the contractor may have taken.

(4) Provide immediate written notification to the Director when the union or unions with which the contractor has a collective bargaining agreement has not referred to the contractor a minority person or woman sent by the contractor, or when the contractor has other information that the union referral process has impeded the contractor's efforts to meet its obligations.

(5) Develop on-the-job training opportunities and/or participate in training programs for the area which expressly include minorities and women, including upgrading programs and apprenticeship and trainee programs relevant to the contractor's employment needs, especially those programs funded or approved by the Department of Labor. The contractor shall provide notice of these programs to the sources compiled under 3g (2) above.

(6) Disseminate the contractor's EEO policy by providing notice of the policy to unions and training programs and requesting their cooperation in assisting the contractor in meeting its EEO obligations; by including it in any policy manual and collective bargaining agreement; by publicizing it in the company newspaper, annual report, etc.; by specific review of the policy with all management personnel and with all minority and female employees at least once a year; and by posting the company EEO policy on bulletin boards accessible to all employees at each location where construction work is performed.

(7) Review, at least annually, the company's EEO policy and affirmative action obligations under these specifications with all employees having any responsibility for hiring, assignment, layoff, termination or other employment decisions including specific review of these items with on-site supervisory personnel such as Superintendents, General Foremen, etc., prior to the initiation of construction work at any job site. A written record shall be made and maintained identifying the time and place of these meetings, persons attending, subject matter discussed, and disposition of the subject matter.

(8) Disseminate the contractor's EEO policy externally by including it in any advertising in the news media, specifically including minority and female news media, and providing written notification to and discussing the contractor's EEO policy with other contractors and subcontractors with whom the contractor does or anticipates doing business.
(9) Direct its recruitment efforts, both oral and written, to minority, female, and community organizations; to schools with minority and female students; and to minority and female recruitment and training organizations serving the contractor's recruitment area and employment needs. Not later than one month prior to the date for the acceptance of applications for apprenticeship or other training by any recruitment sources, the contractor shall send written notification to organizations such as the above, describing the opening, screening procedures, and tests to be used in the selection process.

(10) Encourage present minority and female employees to recruit other minority persons and women and, where reasonable, provide after school, summer, and vacation employment to minority and female youth, both on the site and in other areas of a contractor's work force.

(11) Validate all tests and other selection requirements where there is an obligation to do so under 41 CFR Part 60-3, Uniform Guidelines on Employee Selection Procedures.

(12) Conduct, at least annually, an inventory and evaluation at least of all minority and female personnel for promotional opportunities and encourage these employees to seek or to prepare for, through appropriate training, etc., such opportunities.

(13) Ensure that seniority practices, job classifications, work assignments, and other personnel practices do not have a discriminatory effect by continually monitoring all personnel and employment-related activities to ensure that the EEO policy and the contractor's obligations under these specifications are being carried out.

(14) Ensure that all facilities and company activities are non-segregated except that separate or single-user toilet and necessary changing facilities shall be provided to assure privacy between the sexes.

(15) Document and maintain a record of all solicitations of offers for subcontracts from minority and female construction contractors and suppliers, including circulation of solicitations to minority and female contractor associations and other business associations.

(16) Conduct a review, at least annually, of all supervisors' adherence to and performance under the contractor's EEO policies and affirmative action obligations.

h. Contractors are encouraged to participate in voluntary associations which assist in fulfilling one or more of their affirmative action obligations 3g(1)
through (16). The efforts of a contractor association, joint contractor-union, contractor-community, or other similar group of which the contractor is a member and participant, may be asserted as fulfilling any one or more of its obligations under 3g(1) through (16) of these specifications provided that the contractor actively participates in the group, makes every effort to ensure that the group has a positive impact on the employment of minorities and women in the industry, ensures that the concrete benefits of the program are reflected in the contractor’s minority and female work force participation, makes a good faith effort to meet its individual goals and timetables, and can provide access to documentation which demonstrates the effectiveness of actions taken on behalf of the contractor. The obligation to comply, however, is the contractor’s, and failure of such a group to fulfill an obligation shall not be a defense for the contractor’s noncompliance.

l. A single goal for minorities and a separate single goal for women have been established. The contractor, however, is required to provide equal employment opportunity and to take affirmative action for all minority groups, both male and female, and all women, both minority and non-minority. Consequently, the contractor may be in violation of the Executive Order if a particular group is employed in a substantially disparate manner (for example, even though the contractor has achieved its goals for women generally, the contractor may be in violation of the Executive Order if a specific minority group of women is underutilized).

j. The contractor shall not use the goals and timetables of affirmative action standards to discriminate against any person because of race, color, religion, sec or national origin.

k. The contractor shall not enter into any subcontract with any person or firm debarred from Government contracts pursuant to Executive Order 11246.

l. The contractor shall carry out such sanctions and penalties for violation of these specifications and of the Equal Opportunity Clause, including suspension, termination, and cancellation of existing subcontracts as may be imposed or ordered pursuant to Executive Order 11246, as amended, and its implementing regulations, by the Office of Federal Contract Compliance Programs. Any contractor who fails to carry out such sanctions and penalties shall be in violation of these specifications and Executive Order 11246, as amended.

m. The contractor, in fulfilling its obligations under these specifications, shall implement specific affirmative actions steps, at least as extensive as those standards prescribed in Paragraph 3g of these specifications, so as to achieve maximum results from its efforts to ensure equal employment opportunity. If the contractor fails to comply with the requirements of the Executive Order, the implementing regulations, or these specifications, the
Director shall proceed in accordance with 41 CFR Part 60-1.8 (Show Cause Notice).

n. The contractor shall designate a responsible official to monitor all employment related activity to ensure that the company EEO policy is being carried out, to be required by the Government and to keep records. Records shall at least include for each employee the name, address, telephone numbers, construction trade, union affiliation, if any, employee identification number when assigned, social security number, race, sex, status (e.g., mechanic, apprentice, trainee, helper, or laborer), dates of changes in status, hours worked per week in the indicated trade, rate of pay, and locations at which the work was performed. Records shall be maintained in an easily understandable and retrievable form; however, to the degree that existing records satisfy this requirement, contractors shall not be required to maintain separate records.

o. Nothing herein provided shall be construed as a limitation upon the application of other laws which establish different standards of compliance or upon the application of requirements for the hiring of local or other area residents (e.g., those under the Public Works Employment Act of 1977 and the Community Development Block Grant Program).

p. The Director, from time to time, shall issue goals and timetables for minority and female utilization which shall be based on appropriate work force, demographic or other relevant data and which shall cover construction projects or construction contracts performed in specific geographic areas. The goals, which shall be applicable to each construction trade in a covered contractor’s or subcontractor’s entire work force which is working in the area covered by the goals and timetables, shall be published as notices in the Federal Register, and shall be inserted by the contracting officers and applicants, as applicable, in the Notice required by 41 CFR 60-4.2.

4. SPECIFIC EEO REQUIREMENTS. For a federally assisted construction contract in excess of $10,000, the contractor/subcontractor shall:

a. Forward the following EEO certification forms to the contract awarding authority prior to contract award: Certification of Non-segregated Facilities and Certification with Regard to the Performance of Previous Contracts or Subcontracts Subject to the Equal Opportunity Clause and the Filing of Required Reports.

b. Submit a notification of subcontracts awarded to the Director, Office of Federal Contract Compliance Programs, United States Department of Labor - ESA, 200 Constitutional Avenue, NW, Room C3325, Washington, D.C., 20210, within 10 working days of award of any subcontract in excess of $10,000, listing the name, address, and telephone number of the
c. Send a notice of the contractor's commitment to equal employment opportunity to labor unions or representatives of workers prior to commencement of construction work.

d. Display an equal employment opportunity poster in a conspicuous place available to employees and applicants for employment.

e. For contracts in excess of $10,000, bind subcontractors to the Federal Equal Employment Opportunity requirements by including the provisions of Paragraphs 1 through 3, above, in the subcontract.

f. Upon commencement of construction work and until the work is completed, forward the Monthly Employment Utilization Report (Form CC-257) to the contract awarding authority by the end of each work month. With the initial monthly report, the contractor/subcontractor shall attach the Contractor's List of Federal and Non-Federal Work in Bid Condition Area to the monthly report.

5. **CIVIL RIGHTS ACT OF 1964.** Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

6. **SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974.** No person in the United States on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

7. **THE AGE DISCRIMINATION ACT OF 1975.** No person in the United States shall, on the basis of age, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.

8. **REHABILITATION ACT OF 1973.** No otherwise qualified individual with handicaps in the United States shall, solely by reason of his or her handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal assistance.
CONTRACTING WITH SMALL BUSINESS
MINORITY FIRMS, WOMEN'S BUSINESS ENTERPRISE
AND LABOR SURPLUS AREA FIRMS

1. It is national policy to award a fair share of contracts to Small Business and Minority Firms. Accordingly, affirmative steps must be taken to assure that Small Business and Minority Firms are utilized, when possible, as sources of supplies, equipment, construction and services. Affirmative steps include the following:

   a. Including qualified Small Business and Minority Firms on solicitation lists.

   b. Assuring that Small Business and Minority Firms are solicited whenever they are potential sources.

   c. When economically feasible, dividing total requirements into smaller tasks or quantities so as to permit maximum Small Business and Minority Firm participation.

   d. Where the requirement permits, establishing delivery schedules which will encourage participation by Small Business and Minority Firms.

   e. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce, as required.

   f. If any subcontracts are to be let, requiring the prime contractor to take the affirmative steps in 1a through 1e above.

2. Grantees shall take similar appropriate affirmative action in support of Women's Business Enterprises.

3. Grantees are encouraged to procure goods and services from Labor Surplus Areas.
COMPLIANCE WITH CLEAN AIR AND WATER ACTS

(Applicable to federally assisted construction contracts and related subcontracts exceeding $100,000)

During the performance of this contract, the contractor and all subcontractors shall comply with the requirements of the Clean Air Act, as amended, 42 USC 1857 et seq., the Federal Water Pollution Control Act, as amended, 33 USC 1251 et seq., and the regulations of the Environmental Protection Agency with respect thereto, at 40 CFR Part 15, as amended.

In addition to the foregoing requirements, all nonexempt contractors and subcontractors shall furnish to the owner, the following:

1. A stipulation by the contractor or subcontractors, that any facility to be utilized in the performance of any non exempt contract or subcontract, is not listed on the List of Violating Facilities issued by the Environmental Protection Agency (EPA) pursuant to 40 CFR 15.20.

2. Agreement by the contractor to comply with all the requirements of Section 114 of the Clean Air Act, as amended, (42 USC 1857c-8) and Section 308 of the Federal Water Pollution Control Act, as amended, (33 USC 1318) relating to inspection, monitoring, entry, reports and information, as well as all other requirements specified in said Section 114 and Section 308, and all regulations and guidelines issued there under.

3. A stipulation that as a condition for the award of the contract, prompt notice will be given of any notification received from the Director, Office of Federal Activities, EPA, indicating that a facility utilized, or to be utilized for the contract, is under consideration to be listed on the EPA List of Violating Facilities.

4. Agreement by the contractor that he will include, or cause to be included, the criteria and requirements in paragraph (1) through (4) of this section in every nonexempt subcontract and requiring that the contractor will take such action as the government may direct as a means of enforcing such provisions.
NONCOLLUSION AFFIDAVIT

Every bid on every public works contract of a public entity shall include a declaration under penalty of perjury under the laws of the State of California, in the following form.

NONCOLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID

I am the ____________________________ of ______________________, the party making the foregoing bid.

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 anyone 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 that of any other bidder. All statements contained in the bid are true. The bidder not has, 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 or entitiy 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 ___________ date), at ___________ ___________________________ (city), ___________________________ (state).

Signature: __________________________

Print Name: __________________________

Title __________________________
NON-SEGREGATED FACILITIES CERTIFICATION
FEDERALLY-ASSISTED CONSTRUCTION PROJECTS

The federally-assisted construction contractor certifies that he/she DOES NOT and WILL NOT:

1. Maintain or provide, for his/her employees, any segregated facilities at any of his/her establishments.

2. Permit his/her employees to perform their services at any location, under his/her control, where segregated facilities are maintained.

The federally-assisted contractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term segregated facilities means any waiting room, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, creed, color, or national origin, because of habit, local custom, or otherwise.

The federally-assisted contractor agrees that (except where he/she has obtained identical certifications from proposed subcontractors for specific time periods) he/she will obtain identical certifications from proposed subcontractors prior to the award of subcontracts exceeding $10,000 which are not exempt from the provisions of the Equal Opportunity Clause, and that he/she will retain such certifications in his/her files.

NOTE: The penalty for making false statements in offers is prescribed in 18 U.S.C. 1001.

Date: ___________________________  Project Number: ___________________________

Company: ___________________________

Address: ___________________________

By: ___________________________

Title: ___________________________
CERTIFICATION
WITH REGARD TO THE PERFORMANCE OF PREVIOUS CONTRACTS OR
SUBCONTRACTS SUBJECT TO THE EQUAL OPPORTUNITY CLAUSE AND
THE FILING OF REQUIRED REPORTS

The □ bidder, □ proposed sub-contractor, hereby certifies that he/she □ has, □ has not, participated
in a previous contract or subcontract subject to the Equal Opportunity Clause, as required by
Executive Orders 10925, 11114, or 11246, and that he/she □ has, □ has not, filed with the Joint
Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal
Government contracting or administering agency, or the former President's Committee on Equal
Employment Opportunity, all reports due under the applicable filing requirements.

Date: ___________ Project Number: ___________ Contract Award: $ ___________

Awarding Agency: _____________________________________________________________

Contractor Name: ___________________________________________ Total Number of Employees____

Affiliate Company: ___________________________________________________________

By: ______________________________________________________________________

Title: _____________________________________________________________________

NOTE: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor
(41 CFR 60-1.7(b)(1)), and must be submitted by bidders and proposed subcontractors only in connection with contracts
and subcontracts which are subject to the equal opportunity clause. Contracts and subcontracts which are exempt from
the equal opportunity clause are set forth in 41 CFR 60-1.5 (Generally only contracts or subcontracts of $10,000 or under
are exempt).

Proposed prime contractors and subcontractors who have participated in a previous contract or subcontract subject to
the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b)(1) prevents the award of
contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period
specified by the U.S. Department of the Interior or by the Director, Office of Federal Contract Compliance, U.S.
Department of Labor.

SP-100 (EO-1) must be filed by:
(A) All private employers who are:
(1) Subject to Title VII of the Civil Rights Act of 1964 (as amended) with 100 or more employees.
(2) Subject to Title VII who has fewer than 100 employees, if the company is owned or affiliated with
another company, or there is centralized ownership, control or management so that the group legally
constitutes a single enterprise, and the entire enterprise employs a total of 100 or more employees.

(B) All federal contractors (private employers), who:
(1) Are not exempt as provided for by 41 CFR 60-1.5
(2) Have 50 or more employees, and
   a. Are prime contractors or first-tier subcontractors, and have a contract, subcontract, or purchase
      order amounting to $50,000 or more; or
   b. Serve as a depository of Government funds in any amount, or
   c. Is a financial institution, which is an issuing, and paying agent for U.S. Savings Bonds and Notes.
WORKER'S COMPENSATION CERTIFICATION

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

Date: ___________________________  Project Number: ___________________________

Project Name: ________________________________________________________________

Company Name: ______________________________________________________________

Address: ___________________________________________________________________

Print Name: __________________________________________________________________

Title: ___________________________________________________________________

Signature: __________________________________________________________________
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<thead>
<tr>
<th>Contractor List of Proposed Subcontractors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Number:</td>
</tr>
<tr>
<td>Contractor Name:</td>
</tr>
<tr>
<td>Contract Amount:</td>
</tr>
<tr>
<td>Estimated Completion Date:</td>
</tr>
<tr>
<td>Actual Completion Date:</td>
</tr>
<tr>
<td>Trade to be Used:</td>
</tr>
<tr>
<td>Subcontractor Name:</td>
</tr>
<tr>
<td>Address:</td>
</tr>
<tr>
<td>Phone:</td>
</tr>
<tr>
<td>Email:</td>
</tr>
<tr>
<td>License Number:</td>
</tr>
<tr>
<td>Bond Number:</td>
</tr>
<tr>
<td>DBA Name:</td>
</tr>
<tr>
<td>DBA Address:</td>
</tr>
<tr>
<td>DBA Phone:</td>
</tr>
<tr>
<td>DBA Email:</td>
</tr>
<tr>
<td>DBA License Number:</td>
</tr>
<tr>
<td>DBA Bond Number:</td>
</tr>
<tr>
<td>DBA DBA Name:</td>
</tr>
<tr>
<td>DBA DBA Address:</td>
</tr>
<tr>
<td>DBA DBA Phone:</td>
</tr>
<tr>
<td>DBA DBA Email:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name and Title</th>
<th>Company Name</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Signature: ______________________ Date: ____________
<table>
<thead>
<tr>
<th>1. FROM (name and address of requesting agency)</th>
<th>2. PROJECT NAME AND NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. LOCATION OF PROJECT (City, County and State)</td>
<td></td>
</tr>
<tr>
<td>4. BRIEF DESCRIPTION OF PROJECT</td>
<td>6. CHARACTER OF CONSTRUCTION</td>
</tr>
<tr>
<td>□ Building       □ Residential</td>
<td>□ Heavy     □ Other (specify)</td>
</tr>
<tr>
<td>□ Highway</td>
<td></td>
</tr>
<tr>
<td>5. WAGE DECISION NO. (include modification number, if any)</td>
<td>7. WAGE DECISION EFFECTIVE DATE</td>
</tr>
<tr>
<td>□ COPY ATTACHED</td>
<td></td>
</tr>
<tr>
<td>8. WORK CLASSIFICATION(S)</td>
<td>9. HOURLY WAGE RATES (BASIC WAGE + FRINGE BENEFIT(S) (IF ANY))</td>
</tr>
<tr>
<td>10. SUBCONTRACTOR/EMPLOYER, IF APPLICABLE (name, address)</td>
<td></td>
</tr>
</tbody>
</table>

Check All That Apply:

- The work to be performed by the additional classification(s) is not performed by a classification in the applicable wage decision.
- The proposed classification is utilized in the area by the construction industry.
- The proposed wage rate(s), including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage decision.
- The interested parties, including the employees or their authorized representatives, agree on the classification(s) and wage rate(s).
- Supporting documentation attached, including applicable wage decision.

Check One:

- Approved, meets all criteria. DOL confirmation requested.
- One or more classifications fail to meet all criteria as explained in agency referral. DOL decision requested.

Agency Representative
(Typed name and signature)  
Date

FOR HUD USE ONLY
LR2000:
Log in:
Log out:

Phone Number

HT: O-4230A (6-03) PREVIOUS EDITION IS OBSOLETE
EQUAL EMPLOYMENT OPPORTUNITY COMMITMENT

TO: ___________________________________________________________

(Name of Labor Union, Workers Representative, etc.

(Address)

Name of Business (Contractor): ________________________________

Project Name: __________________________ Project Number: ____________

The Undersigned currently holds a contract with _______________________, involving
funds of the U. S. Government, or a subcontract with a prime contractor holding such contract.

You are advised that under the provisions of the above contract or subcontract, and in accordance
with Executive Order 11246, the undersigned is obligated not to discriminate against any employee
or applicant for employment because of race, color, religion, sex or national origin. This obligation
not to discriminate in employment includes, but is not limited to the following:

1. Hiring, placement, upgrading, transfer or demotion;
2. Recruitment, advertising or solicitation for employment;
3. Treatment during employment;
4. Rates of pay or other forms of compensation;
5. Selection for training, including apprenticeship; and
6. Layoff or termination.

This notice is furnished to you pursuant to the provisions of the above contract or subcontract and
Executive Order 11246. Copies of this notice will be posted by the undersigned in conspicuous
places available to employees or applicants for employment.

__________________________________________

(Put Name)

__________________________________________

(Signature)

__________________________________________

(Date)

__________________________________________

(Tele)

EXHIBIT L Page 28
NOTICE OF SECTION 3 COMMITMENT

TO: ________________________  
(Name of Labor Union, Workers Representative etc)

______________________________  
(Address)

Name of Business (Contractor): __________________________________________

Project Name: ________________________  Project Number: __________

The Undersigned currently holds a contract with ______________, involving Block Grant (CDBG) funds from the U. S. Department of Housing and Urban Development or a subcontract with a prime contractor holding such contract.

You are advised that under the provisions of the above contract or subcontract and in accordance with Section 3 of the Housing and Urban Development Act of 1968, the undersigned is obligated to the greatest extent feasible, to give opportunities for employment and training to lower income residence of the CDBG-assisted project area and to award contracts for work on the project to business concerns which are located in or are owned in substantial part by project area residence.

Regarding employment opportunities for Section 3, the minimum number and job titles are:

<table>
<thead>
<tr>
<th>Minimum Number</th>
<th>Job Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Regarding job referrals, request that consideration be given, to the greatest extent feasible, to assignment of persons residing in the service area or neighborhood in which the project is located.

The anticipated date the work will begin is ___________. For additional information, you may contact ________________________ at (____) ___________.

This notice is furnished to you pursuant to the provisions of the above contract or subcontract and Section 3 of the Housing and Urban Development Act of 1968. Copies of this notice will be posted by the undersigned in conspicuous places available to employees or applicants for employment.

______________________________  
(Print Name)

______________________________  
(Signature)

______________________________  
(Date)

______________________________  
(Two)
**SECTION 3 ECONOMIC OPPORTUNITY PLAN**

<p>| 1. Name and Address of Reporting Entity (Recipient Sub-recipient, Contractor, Subcontractor) | 2. Federal Identification (Contract/Award No.) | 3. Dollar Amount of Award. |</p>
<table>
<thead>
<tr>
<th>4. Contact Person</th>
<th>5. Phone (include Area Code)</th>
<th>6. Reporting Period</th>
<th>7. Date Report Submitted</th>
</tr>
</thead>
</table>

8. Program Code

(Use a separate sheet for each Program Code)

<table>
<thead>
<tr>
<th>Program Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. HOME - State Administered</td>
</tr>
</tbody>
</table>

### Part I: Employment and Training Commitment

<table>
<thead>
<tr>
<th>JOB CLASSIFICATION</th>
<th>TOTAL NEW HIRES</th>
<th>SECTION 3 NEW HIRES</th>
<th>% of Aggregate Hires Who are Section 3 Residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technicians</td>
<td>%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office/Clerical</td>
<td>%</td>
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<tr>
<td>Trade:</td>
<td>%</td>
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<tr>
<td>Trade:</td>
<td>%</td>
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</tr>
<tr>
<td>Total:</td>
<td>%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Part II: Contract Award Commitment to Section 3 Businesses (Subcontractors, Suppliers, Vendors, or Service Providers)

<table>
<thead>
<tr>
<th>NAME OF SECTION 3 BUSINESS CONCERN</th>
<th>SPECIFY CONSTRUCTION OR NONCONSTRUCTION CONTRACT</th>
<th>CONTRACT AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td>$</td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td>$</td>
</tr>
</tbody>
</table>

Percentage of the total dollar amount to be awarded to Section 3 Business Concerns: %
A Section 3 responsive bidder who commits to hire Section 3 Residents by directing employment and training opportunities toward low- and very low-income persons, particularly those who are recipients of government assistance for housing, may use any combination of outreach efforts to meet the Section 3 commitment made when a Section 3 Economic Opportunity Plan has been submitted.

REMEMBER: All employees of a business/firm count toward meeting your Section 3 compliance goals—Section 3 New hires do not have to be construction workers, they just have to be a part of your permanent, full-time staff.

**SAMPLE OUTREACH EFFORTS FOR CONTRACTORS SEEKING SECTION 3 RESIDENT EMPLOYEES**

- Enter into "first-source" hiring agreements with organizations representing Section 3 residents, such as Work Source or a local Workforce Investment Board. For more information, visit http://www.calwia.org/wia/index.cfm

- Sponsor a HUD-certified "Step-Up" employment and training program for Section 3 residents.

- Advertise training and employment positions by distributing flyers (Notice of Section 3 Commitment or other flyer that identifies the positions to be filled, the qualifications required, and where to obtain additional information about the application process) to every occupied dwelling unit in the housing development(s) adjacent to the project site.

- Post training and employment position flyers in public housing developments, offices of the local government, and other conspicuous places.

- Contact State-approved apprenticeship programs to gain access to potentially low-income residents who are actively seeking job-placement and training. For more information on local apprenticeship programs, you can visit the California Department of Industrial Relations’ database of local apprenticeship programs by visiting http://www.dir.ca.gov/databases/das/aitstart.asp

- Contact agencies administering HUD Youthbuild programs, and requesting their assistance to recruit current HUD Youthbuild program participants who are in need of permanent placement.

- Advertise any positions to be filled through the local media, such as community television networks, newspapers of general circulation, or commonly-used job placement websites such as www.monster.com
2017 RESIDENT CERTIFICATION
(Section 3 of the Housing & Urban Development Act of 1963 as amended)

Name: __________________________________________ Telephone ______________________________

Address: ________________________________________________________________

I hereby certify that I am:
☐ A Public Housing resident (Specify the name of the Public Housing site)

☐ A Low-income resident of the metropolitan area of Los Angeles/Orange County, based on the following:
Check your Family Size and gross annual income (from all sources) below:

<table>
<thead>
<tr>
<th>FAMILY SIZE</th>
<th>INCOME LIMITS (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$18,950 to $31,549☐ $31,550 to $50,499☐ $50,500 or more☐</td>
</tr>
<tr>
<td>2</td>
<td>$21,650 to $36,049☐ $36,050 to $57,699☐ $57,700 or more☐</td>
</tr>
<tr>
<td>3</td>
<td>$24,350 to $40,549☐ $40,550 to $64,899☐ $64,900 or more☐</td>
</tr>
<tr>
<td>4</td>
<td>$27,050 to $45,049☐ $45,050 to $72,099☐ $72,100 or more☐</td>
</tr>
<tr>
<td>5</td>
<td>$29,250 to $48,899☐ $48,700 to $77,899☐ $77,900 or more☐</td>
</tr>
<tr>
<td>6</td>
<td>$32,960 to $52,299☐ $52,300 to $83,649☐ $83,650 or more☐</td>
</tr>
<tr>
<td>7</td>
<td>$37,140 to $55,899☐ $55,900 to $89,449☐ $89,450 or more☐</td>
</tr>
<tr>
<td>8</td>
<td>$41,320 to $59,499☐ $59,500 to $95,199☐ $95,200 or more☐</td>
</tr>
</tbody>
</table>

☐ Not a public housing or low-income resident of the metropolitan area of Los Angeles/Orange County.

Print full name. __________________________ Signature __________________________ Date ________________

THIS SECTION MUST BE COMPLETED BY THE EMPLOYER

The above named person is ☐ a permanent full-time ☐ new hire employee, who was hired on ______________

This person’s Work Classification is __________________________

Business Name __________________________ Print Name of Owner/Agent __________ Signature of Owner/Agent __________ Date ________________

THIS SECTION MUST BE COMPLETED BY THE LOCAL CONTRACTING AGENCY (LCA)

<table>
<thead>
<tr>
<th>Name of LCA</th>
<th>Project Name</th>
<th>Project Number</th>
</tr>
</thead>
</table>

Income Level: ☐ Extremely Low ☐ Low ☐ Moderate
☐ Not income qualified for the following reason(s) __________________________

Preference Category ☐ Targeted Service Area (Provide Census Tract __________ and Block Group) __________________________
☐ Youth Build Program ☐ McKinney Homeless Program ☐ Other Qualified Program __________________________

Print Name of Section 3 Coordinator __________________________ Signature __________________________ Date ________________

250

EXHIBIT L Page 32
SECTION 3 BUSINESS CERTIFICATION FORM—JOINT VENTURE

Federal Compliance Form—To be submitted with Bid to be Responsive to Section 3

24 CFR Part 135.40 (c) (2)

A section 3 joint venture means an association of business concerns, one of which qualifies as a section 3 business concern, formed by written joint venture agreement to engage in and carry out a specific business venture for which purpose the business concerns combine their efforts, resources, and skills for joint profit, but not necessarily on a continuing or permanent basis for conducting business generally, and for which the section 3 business concern:

(i) is responsible for a clearly defined portion of the work to be performed and holds management responsibilities in the joint venture; and

(ii) Performs at least 25 percent of the work and is contractually entitled to compensation proportionate to its work.

Joint Venture Entity __________________________________________ Date __________________________

Address of Business __________________________________________

Type of Business: ☐ Corporation ☐ Partnership ☐ Joint Venture

E Mail Address __________________________________________ Telephone or ☐ Mobile contact

Owner/Authorized Agent/Print Name

The above-mentioned business concern certifies that they are a Section 3-qualified business based on the qualification of the business partner (State name of qualifying Section 3 Business Concern, documented by separate submittal) __________________________________________; this business:

_____ Is responsible for ________% of work to be performed (describe in an attachment)

_____ Holds management responsibilities in the joint venture (describe in an attachment)

_____ Performs at least 25% of the work (describe in an attachment)

_____ Is contractually entitled to compensation proportionate to its work (describe in an attachment)

I hereby certify that the information provided here is true and correct and understand that any falsification of any information provided could subject me to disqualification and punishment under the law.

Authorized Name (Print) and Signature and Title __________________________ Date __________________________

SECTION 3 BUSINESS CONCERN—JOINT VENTURE DETERMINATION

Based on the documentation submitted for our review we have determined that this business concern:

Is a qualified Section 3 business concern. ☐ Is not a qualified Section 3 business concern. ☐

Does ☐ or Does Not ☐ qualify for a bid preference for the federally funded construction project identified below.

CDBG Project Number: Project Name Project Location

601862-16 Covina Senior Center Demolition Kelby Park, Covina

Comments __________________________________________

City of Covina, Local Contracting Agency Nuala Gasser, Section 3 Coordinator

Date of Determination __________________________
SECTION 3
BUSINESS CERTIFICATION

☐ Contractor     ☐ Subcontractor     $____________________ ☐ Bid or ☐ Contract Amount

Name of Business_________________________________________ Date __________________________

Address of Business__________________________________________

Street        City        Zip Code

Type of Business:     ☐ Corporation     ☐ Partnership     ☐ Sole Proprietorship     ☐ Joint Venture

E Mail Address__________________________________________

__________________________________________________________ ☐ Telephone or ☐ Mobile contact

Owner/Authorized Agent/Print Name

The above-mentioned business concern certifies that they are a Section 3-qualified business based on the following:

☐ 51% of this business is owned by income-qualified resident(s)/Section 3 residents.
   A completed Resident Certification form for each owner must be attached to and submitted with this form.
   Total number of owners:____________________ Number of income-qualified owners ______________

☐ 30% or more permanent, full-time employees are currently Section 3 Residents or were Section 3 residents
   within the past 3 years:
   A completed Resident Certification form for each employee must be attached to and submitted with this form.
   Total number of full-time employees _______ Number of income-qualified employees________

☐ 25% of all subcontracting dollars awarded to Section 3 qualified business concerns
   Estimated total subcontracting dollars $____________________. Attach signed list of Section 3 qualified Business
   Names, Subcontract Amount, and whether the type of contract is Construction or Non-Construction. Submit a
   completed Section 3 Business Certification form with Resident Certification forms attached for each business.

I hereby certify that the information provided here is true and correct and understand that any falsification of any
information provided could subject me to disqualification and punishment under the law.

Authorized Name (Print) and Signature and Title __________________________ Date __________________________

SECTION 3 BUSINESS CONCERN DETERMINATION

Based on the documentation submitted for our review we have determined that this business concern:

Is a qualified Section 3 business concern. ☐   Is not a qualified Section 3 business concern. ☐

Does ☐ or Does Not ☐ qualify for a bid preference for the federally funded construction project identified
below.

CDBG Project Number: Project Name       Project Location
601862-16       Covina Senior Center Demolition       Kelby Park, Covina

Comments__________________________________________________________

City of Covina, Local Contracting Agency       Nuala Gasser, Section 3 Coordinator

Date of Determination____________________
**SECTION 3 ECONOMIC OPPORTUNITY REPORT**

<table>
<thead>
<tr>
<th>Contractor □ Subcontractor</th>
<th>Contract Amount $</th>
<th>Reporting Period From</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Address</td>
<td>Name of Owner or Authorized Agent</td>
<td>Signature-Owner or Authorized Agent</td>
<td></td>
</tr>
<tr>
<td>Local Contracting Agency (LCA)</td>
<td>Section 3 Coordinator</td>
<td>Telephone Number</td>
<td></td>
</tr>
<tr>
<td>CDBG Project Number</td>
<td>Project Name</td>
<td>Project Location</td>
<td></td>
</tr>
</tbody>
</table>

**EMPLOYMENT ACCOMPLISHMENTS** (Attach completed Resident Certification form for each new hire)

<table>
<thead>
<tr>
<th>WORK CLASSIFICATIONS</th>
<th>TOTAL NEW HIRES</th>
<th>Income-Qualified NEW HIRES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professionals</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Technicians</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Office/Clerical</td>
<td></td>
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<tr>
<td>Trade</td>
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<tr>
<td>Trade</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Totals**

**Efforts made to generate economic opportunities**
- □ Advertised through local media, television, radio, newspaper
- □ Signs prominently displayed at the project site
- □ Contacts with community organizations
- □ Other

**Barriers encountered in meeting goals**
- □ No jobs were available during this reporting period
- □ Other

Minimum goal is 30% of the total new hires

The "to date" percentage of aggregate new hires who are **Section 3 qualified residents** that were hired for this project is: %

**Subcontracting Accomplishments** (attach a completed Business Certification form and supporting Resident Certification forms)

<table>
<thead>
<tr>
<th>SECTION 3 qualified BUSINESS NAME</th>
<th>Type of Contract</th>
<th>Supporting Documentation</th>
<th>Performance</th>
<th>Contract Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Construction or Non-Construction</td>
<td>□ Business Certification</td>
<td>□ Responsive to Section 3 Requirements</td>
<td></td>
<td></td>
</tr>
<tr>
<td>□ Construction or Non-Construction</td>
<td>□ Resident Certifications</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Subtotal of “to date” Section 3 subcontract dollars** $

<table>
<thead>
<tr>
<th>Non-SECTION 3 BUSINESS NAME</th>
<th>Type of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>□ Construction or Non-Construction</td>
<td>$</td>
</tr>
</tbody>
</table>

**Subtotal of “to date” non-Section 3 subcontract dollars** $

**Total “to date” subcontracting dollars:** $

Minimum goal is 25% of the total subcontracting dollars

The “to date” percentage of the amount of the total subcontracts awarded to qualified Section 3 Business Concerns is: %

<table>
<thead>
<tr>
<th>Date of Report</th>
<th>Signature of Authorized Representative</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Check this box if this is your Final Report and submit it with your final Certified Payroll Report</td>
</tr>
</tbody>
</table>

EXHIBIT L Page 35
COUNTY LOBBYIST CODE CHAPTER
2.160 COUNTY ORDINANCE NO. 93-0031

CERTIFICATION

Name of Firm: ___________________________ Date: ___________________________

Address: ________________________________________________________________

State: _______ Zip Code:________ Phone No:______________________________

Acting on behalf of the above named firm, as its Authorized Official, I make the
following Certification to the County of Los Angeles and the Community Development
Commission, County of Los Angeles.

1. It is understood that each person/entity/firm who applies for a Community Development
   Commission contract, and as part of that process, shall certify that they are familiar with the
   requirements of the Los Angeles County Code Chapter 2.160 (Los Angeles County Ordinance 93-
   0031); and

2. That all persons/entities/firms acting on behalf of the above named firm have and will comply
   with the County Code; and

3. That any person/entity/firm who seeks a contract with the Community Development Commission
   shall be disqualified therefrom and denied the contract, and shall be liable in civil action, if any
   lobbyist, lobbying firm, lobbyist employer or any other person or entity acting on behalf of the
   above named firm fails to comply with the provisions of the County Code.

This certification is a material representation of fact upon which reliance was placed when
this transaction was made or entered into. Submission of this certification is prerequisite for
making or entering into contract with the Los Angeles County and the Community
Development Commission, County of Los Angeles.

Authorized Official:

Name:________________________________ Title:______________________________

Signature:___________________________ Date:__________________________
Federal Lobbying Certification Form

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

- No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

- If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, “Disclosure of Lobbying Activities,” in accordance with its instructions.

- The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

- This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed under Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for such failure.

NAME OF FIRM: _________________________________

ADDRESS:________________________________________ ZIP__________

Authorized Official:

Name:____________________________________________ Title:________________________

Signature:________________________________________ Date:______________________
<table>
<thead>
<tr>
<th>NAME OF CONTRACTOR</th>
<th>CONTRACTOR'S LICENSE NO.</th>
<th>ADDRESS</th>
<th>SPECIALTY LICENSE NO.</th>
<th>PROJECT OR CONTRACT NO.</th>
<th>WORKER'S COMPENSATION POLICY NO.</th>
<th>PROJECT AND LOCATION</th>
<th>PAYROLL NO.</th>
<th>FOR WEEK ENDING</th>
<th>SELF-INSURED CERTIFICATE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**PUBLIC WORKS PAYROLL REPORTING FORM**

<table>
<thead>
<tr>
<th>(1) NAME, ADDRESS AND SOCIAL SECURITY NUMBER OF EMPLOYEE</th>
<th>(2) WORK CLASSIFICATION</th>
<th>(3) DATE</th>
<th>(4) TOTAL HOURS</th>
<th>(5) HOURLY RATE OF PAY</th>
<th>(6) GROSS AMOUNT EARNED</th>
<th>(7) DEDUCTIONS, CONTRIBUTIONS AND PAYMENTS</th>
<th>(8) HST WAS PAID FOR WEEK</th>
<th>CHECK NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>M T W T H J S</td>
<td></td>
<td></td>
<td></td>
<td>FED. TAx</td>
<td>FICA (SOC. SEC)</td>
<td>STATE TAx</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>(FICA)</td>
<td>(SOC. SEC.)</td>
<td>(STATE)</td>
</tr>
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<td>(SOC. SEC. )</td>
<td>(STATE)</td>
</tr>
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<td>(SOC. SEC. )</td>
<td>(STATE)</td>
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<td></td>
<td></td>
<td>(</td>
<td>(SOC. SEC. )</td>
<td>(STATE)</td>
</tr>
</tbody>
</table>

**STREET** - Any other deductions, contributions and/or payments whether or not included or required by prevailing wage determinations must be separately listed. Use extra sheet(s) if necessary.

**CERTIFICATION MUST** be completed (See reverse side)
Date

I. (Name of Signatory Party) (Title) do hereby state:

1. (Contractor or Subcontractor) the following.

   During the payroll period commencing on the ___ day of __________ and ending the ___ day of __________, all persons employed on said project have been paid the full weekly wages earned, that no rebates have been or will be made either directly or indirectly to or on behalf of said person.

   (Contractor or Subcontractor)

   Weekly wages earned by any person and that no deductions have been made either directly or indirectly from the full wages earned by any person, other than permissible deductions as defined in Regulations, Part 3 (28 C.F.R. Subtitle A), issued by the Secretary of Labor under the Copeland Act, as amended (48 Stat. 848, 63 Stat. 108, 72 Stat. 987; 78 Stat. 367; 40 U.S.C. § 3145), and described below:

   

   

   

   

2. That any payroll otherwise under this contract required to be submitted for the above period is correct and complete; that the wage rates for laborers or mechanics contained therein are not less than the applicable wage rates contained in any wage determination incorporated into this contract; that the classifications set forth therein for each laborer or mechanic conform with the work he performed.

3. I have received and understand the above payroll prepared in accordance with the Act, and the applicable wage rate, that all persons employed in the course of any work under this contract have been paid at the rate of wages prevailing at the time of employment for the work performed, and that no rebates have been made on said contract.

4. I hereby certify that the above payroll, if true, is a complete and accurate statement of the wages paid to me and to each person employed on said project, and that the work performed by me was performed in accordance with the provisions of the Act.

   (Signature)

(b) WHERE FRINGE BENEFITS ARE PAID IN CASH

☐ Each laborer or mechanic listed in the above referenced payroll has been paid, as indicated on the payroll, an amount not less than the sum of the applicable hourly wage rate plus the amount of the required fringe benefits as listed in the contract, except as noted in section 4(c) below.

(c) EXCEPTIONS

<table>
<thead>
<tr>
<th>EXCEPTION (CRAFT)</th>
<th>EXPLANATION</th>
</tr>
</thead>
</table>

REMARK:

NAME AND TITLE

SIGNATURE

CERTIFICATION OF UNDERSTANDING AND AUTHORIZATION

Project Name: ________________________________

Contracting Agency: ____________________________

Project Name: ____________________________ Project Number: ______

This is to certify that the principal and the authorized payroll officer(s) listed below have received a copy of the assigned Federal Wage Determination: CA ________, Modification Number: _____, dated ________. The principal and authorized payroll officer(s) listed below have also acknowledge that they have received and read a copy of the Federal Labor Standards Provisions (HUD-4010 form) and a copy of the current Contractor's Guide to Prevailing Wage Requirements for Federally-Assisted Construction Projects, and that they understand the labor standards clauses pertaining to the above listed project.

The following person(s) is/are designated as payroll officer for the undersigned and is/are authorized to sign the Statement of Compliance forms which will accompany each weekly payroll report for contractor listed below during the duration of this project:

<table>
<thead>
<tr>
<th>Contractor</th>
<th>Subcontractor Business Name</th>
<th>License Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Payroll Officer Name (Print) Payroll Officer (Signature)

Payroll Officer Name (Print) Payroll Officer (Signature)

Name of Person Authorized to Sign (Print) (Authorized Signature)

Title Date

258 EXHIBIT L Page 40
FRINGE BENEFIT PAYMENT CERTIFICATION

PROJECT NAME

LOCAL CONTRACTING AGENCY

Location: ___________________________

CDBG Project Number: ___________________________

<table>
<thead>
<tr>
<th>Work Classification</th>
<th>HOURLY FRINGE BENEFITS PROVIDED</th>
<th>Name, Address, and Telephone Number of the Approved Plan, Fund, or Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health &amp; Welfare</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Pension</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Vacation</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Apprenticeship/Training</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>Other (explain)</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL HOURLY FRINGE</strong></td>
<td><strong>$</strong></td>
<td></td>
</tr>
</tbody>
</table>

| Health & Welfare     | $                               |                                                                         |
| Pension              | $                               |                                                                         |
| Vacation             | $                               |                                                                         |
| Apprenticeship/Training | $                          |                                                                         |
| Other (explain)      | $                               |                                                                         |
| **TOTAL HOURLY FRINGE** | **$**                       |                                                                         |

| Health & Welfare     | $                               |                                                                         |
| Pension              | $                               |                                                                         |
| Vacation             | $                               |                                                                         |
| Apprenticeship/Training | $                          |                                                                         |
| Other (explain)      | $                               |                                                                         |
| **TOTAL HOURLY FRINGE** | **$**                       |                                                                         |

I Certify under penalty of perjury that:

☐ I make payments to approved fringe benefit plans, funds, or programs as listed above.

OR

☐ I DO NOT make payments to approved fringe benefit plans, funds, or programs.

Benefits are added to hourly rates and paid each week to the employees.

__________________________________________  ____________________________________________
(Print Company Name)                          (Print Name of Person Authorized to Sign)

Contractor License Number: ____________________  By: ____________________________

Date: ____________________  Title: ____________________________

EXHIBIT L Page 41
AGENCY REPORT OF CONTRACT AWARD

TO: Grants Reporting and Automation Team, CDBG Division
Community Development Commission, County of Los Angeles

Date: ________
within 10-days FAX to (323) 885-6585

Project Name ____________________________________________________________

Name of Local Contracting Agency (LCA) ______________________________________

CDBG Project Number _____________________________________________________

CDBG Program Manager ___________________________________________________

Labor Standards Officer's Name (LSO) _________________________________________

LSO Initials __________

1. This Agency reports the date for ☐ formal bid opening, or ☐ informal solicitation for this construction project was: __________.

2. A construction ☐ Contract ☐ Sub-contract was awarded on __________, to the contractor identified below.

The Contract amount for the construction activity to be performed by this Contractor, as detailed below, is: __________.

ESTIMATED START DATE: __________ ESTIMATED COMPLETION DATE: __________ ESTIMATED TOTAL WORKFORCE: __________

SCOPE OF WORK: (State the kind of work, if for labor, or material, or both and give Specification reference applicable to this CONTRACTOR).

_________________ __________________________
Identify all TRADES to be used by THIS CONTRACTOR at the site of construction

<table>
<thead>
<tr>
<th>Trade</th>
<th>Trade</th>
<th>Trade</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asbestos Worker</td>
<td>Equipment Operator</td>
<td>Marble setter</td>
</tr>
<tr>
<td>Bricklayer</td>
<td>Glazer</td>
<td>Painter</td>
</tr>
<tr>
<td>Carpenter</td>
<td>Ironworker</td>
<td>Plasterer</td>
</tr>
<tr>
<td>Cement Mason</td>
<td>Labor (Group _____)</td>
<td>Plumber</td>
</tr>
<tr>
<td>Electrician</td>
<td>Lather</td>
<td>Roofer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Sheet metal worker</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Terrazzo Worker</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Tile layer</td>
</tr>
</tbody>
</table>

3. This is a Section 3 qualified contract and a Section 3 Pre-Bid Meeting was held on __________. ☐ N/A

A copy of the completed Section 3 Bid Evaluation form was provided to the CDC on __________. ☐ N/A

4. This Contractor's Eligibility was verified on __________ (DATE) by the LCA prior to contract award with search results from:

☐ California State Contractor Licensing Board on the Internet website (http://www.cslb.ca.gov).


5. This Contractor acknowledges, by signature below, that: "This construction project is funded in whole or in part with Federal funds."

6. Federal Labor Standards Provisions (HUD-4010 form), was provided to this contractor.

7. The Federal Wage Decision assigned to this project was provided to this contractor: applies to all workers at this project site.

☐ Federal Wage Decision Number: CA __________ Mod. __________ DATED __________ (http://www.wdol.gov).

8. This Contractor agrees to pay hourly prevailing wage and fringe benefit rates, as listed in the wage decision, to workers each week.

9. A Notice of Contract Award letter was sent to OFCCP (contracts $10,000 or more) on __________. ☐ N/A

☐ PRINT – Prime Contractor Company Name

Signature: __________________________
Print Name: ________________________
Title: ____________________________
Address: _________________________
Employer Identification Number: _________________________
Contractor License Number: __________
☐Women Owned Business ☐ Minority Owned Business
☐White American ☐ Black American ☐ Native American
☐Hispanic American ☐ Asian/Pacific American ☐ Jewish

☐ PRINT – Subcontractor Company Name

Signature: __________________________
Print Name: ________________________
Title: ____________________________
Address: _________________________
Employer Identification Number: _________________________
Contractor License Number: __________
☐Women Owned Business ☐ Minority Owned Business
☐White American ☐ Black American ☐ Native American
☐Hispanic American ☐ Asian/Pacific American ☐ Jewish

260 EXHIBIT L Page 42
EXHIBIT B

Insurance

3.1 INSURANCE

DBE shall procure and maintain for the duration of this contract insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by DBE, his agents, representatives, employees or subcontractors. Agreement will not be considered by the City Council until all insurance has been obtained that is required under this section and such insurance has been verified by the City, nor shall DBE allow any Subcontractor to commence work on its contract until all similar insurance required of the Subcontractor has been so obtained and approved.

Minimum Scope and Limits of Insurance
DBE shall procure and at all times during the term of this Agreement carry, maintain, and keep in full force and effect, insurance as follows:

- Commercial General Liability Insurance with a minimum limit of Three Million Dollars ($3,000,000) per occurrence for bodily injury, personal injury and property damage and a general aggregate limit of Three Million Dollars ($3,000,000) per project or location. If DBE is a limited liability company, the commercial general liability coverage shall be amended so that DBE and its managers, affiliates, employees, agents and other persons necessary or incidental to its operation are insureds. The indemnified parties referenced under “Additional Insured” in Section 3. must also be named as additional insured.

- Automobile Liability Insurance for any owned, non-owned or hired vehicle used in connection with the performance of this Agreement with a combined single limit of Two Million Dollars ($2,000,000) per accident for bodily injury and property damage. If DBE does not use any owned, non-owned or hired vehicles in the performance of services under this Agreement, DBE shall obtain a non-owned auto endorsement to the Commercial General Liability policy required under Subparagraph A. 1) of this Section 3.1.

- Workers’ Compensation Insurance as required by the State of California and Employer’s Liability Insurance with a minimum limit of One Million Dollars ($1,000,000) per accident for bodily injury or disease. If DBE has no employees while performing services under this Agreement, workers’ compensation policy is not required, but DBE shall provide an executed declaration that it has no employees.

- Professional Liability Insurance [or Errors and Omissions Insurance] with minimum limits of Two Million Dollars ($2,000,000) per claim and in aggregate

Acceptability of Insurers
The insurance policies required under this Section 3 shall be issued by an insurer admitted to write insurance in the State of California with a rating of A:VII or better in the latest edition of the A.M. Best Insurance Rating Guide. Self-insurance shall not be considered to comply with the insurance requirements under this Section 3.
Additional Insured
The commercial general, automobile liability, and professional liability insurance policies shall contain an endorsement naming the City of Covina, the County of Los Angeles, the Housing Authority of the County of Los Angeles, Community Development Commission of the County of Los Angeles, HUD, and the Los Angeles County Regional Park and Open Space District, their officers, employees, agents and volunteers (indemnified parties) as additional insureds for all activities arising from this contract. DBE shall name "Los Angeles County Regional Park and Open Space District" as an additional insured on any and all liability insurance policies applicable to the Project, and DBE shall mail a copy of the additional insured endorsement to 510 South Vermont Avenue, Room 230, Los Angeles, CA 90020-1975.

Primary and Non-Contributing
The insurance policies required under this Section 3.2 shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of DBE’s insurance and shall not contribute with it.

DBE's Waiver of Subrogation
The insurance policies required under this Section 3 shall not prohibit DBE and DBE’s employees, agents or subcontractors from waiving the right of subrogation prior to a loss. DBE hereby waives all rights of subrogation against City.

Deductibles and Self-Insured Retentions
Any deductibles or self-insured retentions must be approved by City. At City’s option, DBE shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or DBE shall procure a bond guaranteeing payment of losses and expenses.

Cancellations or Modifications to Coverage
DBE shall not cancel, reduce or otherwise modify the insurance policies required by this Section 3 during the term of this Agreement. The commercial general and automobile liability policies required under this Agreement shall be endorsed to state that should the issuing insurer cancel the policy before the expiration date, the issuing insurer will endeavor to mail thirty (30) calendar days’ prior written notice to City. If any insurance policy required under this Section 3 is canceled or reduced in coverage or limits, DBE shall, within two (2) business days of notice from the insurer, phone, fax or notify City via certified mail, return receipt requested, of the cancellation of or changes to the policy.

City Remedy for Noncompliance
If DBE does not maintain the policies of insurance required under this Section 3 in full force and effect during the term of this Agreement, or in the event any of DBE’s policies do not comply with the requirements under this Section 3, City may either immediately terminate this Agreement or, if insurance is available at a reasonable cost, City may, but has no duty to, take out the necessary insurance and pay, at DBE’s expense, the premium thereon. DBE shall promptly reimburse City for any premium paid by City or City may withhold amounts sufficient to pay the premiums from payments due to DBE.

Evidence of Insurance
A minimum of ten (10) calendar days prior to City Council consideration of award of the contract, DBE shall furnish a certificate of insurance and all original endorsements evidencing and effecting the coverages required under this Section 3 for review by the City’s Risk Manager.
The certificate of insurance and all original endorsements evidencing and effecting the coverages required under
this Section 3 must receive approval from the City’s Risk Manager a minimum of five (5) calendar days prior to City Council consideration of award of the contract. The endorsements are subject to City’s approval. DBE may provide complete, certified copies of all required insurance policies to City. DBE shall maintain current endorsements on file with City’s Risk Manager. DBE shall provide proof to City’s Risk Manager that insurance policies expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. DBE shall furnish such proof at least two (2) weeks prior to the expiration of the coverages.

**Indemnity Requirements not Limiting**

Procurement of insurance by DBE shall not be construed as a limitation of DBE’s liability or as full performance of DBE’s duty to indemnify City under Section 3 of this Agreement.

**Subcontractor Insurance Requirements**

DBE shall require each of its subcontractors that perform services under this Agreement to maintain insurance coverage that meets all of the requirements of this Section 3.

### 3.2 BUILDER’S RISK INSURANCE

Within ten (10) calendar days following the City Council award of the Progressive Design-Build Agreement for Covina Senior and Community Center Project, DBE must provide adequate/sufficient Builder’s Risk Insurance to protect the indemnified parties referenced under “Additional Insured” in Section 3.1 from a catastrophic event should one occur. DBE’s policy must be submitted to the City for review and must be deemed acceptable by the City. The City reserves the right to require modifications should they be necessary to provide the protection being requested by the City.
## EXHIBIT C

**Rate Sheet**

### Hourly Rates for Additional Services

<table>
<thead>
<tr>
<th>Role</th>
<th>Billing Rate Per Hour</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director of Construction Planning</td>
<td>$155.25</td>
</tr>
<tr>
<td>Chief Concrete Estimator</td>
<td>$138.00</td>
</tr>
<tr>
<td>Director of Safety</td>
<td>$154.10</td>
</tr>
<tr>
<td>Senior Preconstruction Manager</td>
<td>$120.75</td>
</tr>
<tr>
<td>Preconstruction Manager</td>
<td>$89.70</td>
</tr>
<tr>
<td>Project Accountant</td>
<td>$69.00</td>
</tr>
<tr>
<td>Project Coordinator</td>
<td>$55.20</td>
</tr>
<tr>
<td>Director of Operations</td>
<td>$184.00</td>
</tr>
<tr>
<td>Director of Concrete</td>
<td>$184.00</td>
</tr>
<tr>
<td>Project Executive</td>
<td>$155.25</td>
</tr>
<tr>
<td>Senior Superintendent</td>
<td>$149.50</td>
</tr>
<tr>
<td>Senior Project Manager</td>
<td>$149.50</td>
</tr>
<tr>
<td>Senior MEP Manager</td>
<td>$149.50</td>
</tr>
<tr>
<td>General Superintendent</td>
<td>$149.50</td>
</tr>
<tr>
<td>Superintendent</td>
<td>$127.65</td>
</tr>
<tr>
<td>Senior Safety Manager</td>
<td>$127.65</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$127.65</td>
</tr>
<tr>
<td>Assistant Project Manager</td>
<td>$102.35</td>
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<tr>
<td>Safety Manager</td>
<td>$85.10</td>
</tr>
<tr>
<td>Project Engineer II</td>
<td>$85.10</td>
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<tr>
<td>Project Engineer I</td>
<td>$72.45</td>
</tr>
<tr>
<td>Safety Engineer</td>
<td>$69.00</td>
</tr>
<tr>
<td>Intern Engineer</td>
<td>$36.80</td>
</tr>
</tbody>
</table>
RESOLUTION CC 17-97

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, TO AMEND THE FISCAL YEAR 2018-2022 CAPITAL IMPROVEMENT PROGRAM AND THE FISCAL YEAR 2018 CAPITAL IMPROVEMENT PROGRAM BUDGET TO REFLECT AN APPROPRIATION OF $60,000 FROM AVAILABLE PROPOSITION C FUND BALANCE TO INCREASE FUNDING FOR THE COVINA SENIOR AND COMMUNITY CENTER PROJECT AND INCREASE THE FISCAL YEAR PROPOSITION C FUND BUDGET (ACCOUNT NO. 2405-2200-55310-P1601) IN THE AMOUNT OF $60,000 FOR EXPENDITURE ON THE COVINA SENIOR AND COMMUNITY CENTER PROJECT

WHEREAS, the City of Covina is a municipal corporation duly organized and existing pursuant to the Constitution and the laws of the State of California ("City"); and

WHEREAS, the Fiscal Year 2018 Operating Budget and 2018 Capital Improvement Program Budget was approved on June 6, 2017; and

WHEREAS, on June 6, 2017, the City Council adopted Resolution CC 17-52 approving the Fiscal Year 2018-2022 Capital Improvement Program and the Fiscal Year 2018 Capital Improvement Program Budget; and

WHEREAS, the approved Operating and Capital Improvement Program budget are in accordance with all applicable ordinances of the City and statutes of the State; and

WHEREAS, the reallocation of the appropriations between departmental activities may be made by the City Manager and amendments (increases/decreases) to the adopted 2018 Capital Improvement Program Budget shall be by approval and Resolution of the City Council; and

WHEREAS, the approved 2018-2022 Capital Improvement Program and the Fiscal Year 2017 Operating Budget and Capital Improvement Program includes $7,731,503 for the Covina Senior and Community Center, including $1,900,000 in Los Angeles County Grant funds, $2,500,000 in Section 108 Loan Proceeds, and $3,331,503 in Internal Loan Proceeds; and

WHEREAS, on August 15, 2017, the City Council eliminated the need for an Internal Loan for the Covina Senior and Community Center project by adopting Resolution CC 17-86, which made findings for the use of $3,500,000 in combined 2002 Series A Revenue Bonds and 2004 Series B Tax Allocation Bonds for partial funding of the proposed Covina Senior and Community Center project and amended the Fiscal Year 2018 City of Covina Operating Budget to Appropriated $704,789.52 into Account No. 2053-3400-55100-P1601 and $2,795,201.48 into Account No. 2055-3400-55100-P1601; and

WHEREAS, as part of the Covina Senior and Community Center project, the City will be relocating the Kelby Park entrance to align with E. Hurst Street to enhance pedestrian, bicyclist, vehicular, and transit circulation; and

WHEREAS, the offsite improvements include, but are not limited to, asphalt pavement, sidewalk, American with Disabilities Act compliant curb ramps, signing, and striping; and
WHEREAS, because the realignment will receive heavy use from the City’s Dial-a-Ride clients once the Project is completed, the costs are eligible to be funded by Proposition C funds received from the Los Angeles County Metropolitan Transportation Authority (Metro); and

WHEREAS, the City has received approval from Metro for the proposed expenditure of Proposition C funds for the offsite improvements; and

WHEREAS, the City wishes to allocate Proposition C funds for the offsite improvement associated with the relocation of the Kelby Park entrance to align with E. Hurst Street.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COVINA, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Amend the Fiscal Year 2018-2022 Capital Improvement Program and the Fiscal Year 2018 Capital Improvement Program budget as follows: Increase funding for the Covina Senior and Community Center project by $60,000. Appropriate $60,000 from available Proposition C Fund balance to the Covina Senior and Community Center project (account no. 2405-2200-55310-P1601).

SECTION 2. The City Clerk shall certify to the passage and adoption of this resolution and shall enter the same in the Book of Original Resolutions.

APPROVED and PASSED this 19th day of September, 2017.

City of Covina, California

BY: ____________________________
Jorge A. Marquez, Mayor

ATTEST:

_______________________________
Sharon F. Clark, Chief Deputy City Clerk

APPROVED AS TO FORM:

_______________________________
Candice K. Lee, City Attorney
CERTIFICATION

I, Sharon F. Clark, Chief Deputy City Clerk of the City of Covina, do hereby certify that Resolution CC 17-97 was duly adopted by the City Council of the City of Covina at a regular meeting held on the ___ day of ______, 20__, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

Dated:

______________________________
SHARON F. CLARK, Chief Deputy City Clerk
KELBY PARK SITE ANALYSIS

Site master planning involves a complex host of concerns, which is why it is appropriately a distinct phase of an architectural project. These concerns include issues of neighborhood and community reactions, identity and presence of the new facility, quantity and placement of parking, geometry of the site versus building program, orientation and sustainable strategies, etc.

Because of this complexity and the need to go through a studied process, we can only offer the most broad observations at this proposal phase.

1. Southwest Zone

   **Possible Benefits**
   - **Grandfathering:** The facility is 'grandfathered' in the current location and would provide no new residential disruptions other than the construction process.
   - **Park Use:** Retaining the current location would also preserve the park in its current form and uses to the extent that this is of high community value.

   **Possible Debits**
   - **Construction Activity:** Construction will be mildly disruptive to adjacent neighbors to the north and west.
   - **Identity:** The distant setback of the building from Barranca and having to park in front is not appropriate for an important public/civic building. (This could be mitigated by parking behind and pulling the building forward while still setting back in the park).
   - **Site Geometry:** The narrow site may or may not be appropriate to the building program developed.

2. North Zone

   **Possible Benefits**
   - **Site Geometry:** This area of the park allow a generous rectilinear site within which to achieve building and discreet parking.
   - **Identity 1:** Being able to express the new Senior Center more frontally to Barranca is a distinct advantage to establishing a welcoming civic presence for the new building.
   - **Park Use:** The park would tend to be re-configured along the south in a very linear east/west direction, with some residual open space at the center of the site. This may or may not be of benefit depending on programming.

   **Possible Debits**
   - **Construction Activity:** Construction will be mildly disruptive to adjacent neighbors to the north.
   - **Identity 2:** Further, if we look at the overall community, there is a definite shift from commercial to residential at Hurst Street (going north to south). If the new facility's character is civic/commercial, it may be a debit for it to be sited so far north.
   - **Long Term Community Impact:** Having a new building adjacent may or may not be well-received by neighbors at the intersection of Cypress and Barranca.

3. Southeast Zone (Preferred Option)

   **Possible Benefits**
   - **Site Geometry:** This area of the park allow a generous rectilinear site within which to achieve building and discreet parking.
   - **Identity:** This siting for the building would provide the strongest presence and identity. It would have a presence on Barranca, and yet be sited back from the Cypress/Barranca intersection, allowing a gracious approach from the north. The approach from the south would also be good because of the set back utility building south of the park.
   - **Construction Activity:** This site would have the least impact on residential neighbors.

   **Possible Debits**
   - **Park Use:** This siting, unless sensitively handled, could result in a separation of open spaces within the park, with the north zone separated from the southwest zone by the Senior/Community Center.
   - **Building Profile/Activity:** This site would have the least impact on residential neighbors.
KELBY PARK SITE ANALYSIS

1. Enhanced Planting Buffer
2. Flexible Open Space
3. Community Entry Node
4. Exercise Equipment
5. Playground
6. Shaded Picnic Area
7. Boy Scout Event Space

New KELBY PARK
Ingress / Egress and drop-off area to align with Hurst Street. Intersection / park entrance design pending.

Pankow
GONZALEZ GOODELE ARCHITECTS kpff SALT

COVINA SENIOR and COMMUNITY CENTER

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