



Official Memorandum

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To: SLDMWA Water Resources Committee, Alternates
SLDMWA Finance & Administration Committee, Alternates
SLDMWA Board of Directors, Alternates

From: Pablo Arroyave, Chief Operating Officer
Jaime McNeil, Engineering Manager

Date: February 2, 2026

RE: Recommendation to Board of Directors to Adopt Resolutions Relating to the DMC Subsidence Correction Project A. Adopting Mitigated Negative Declaration/CEQA Findings of Fact and Mitigation Monitoring and Reporting Plan, and B. Authorizing Award and Execution of Construction Manager/General Contractor Agreement (CMGC)

Background

The Delta-Mendota Canal (DMC) Subsidence Correction Project (“Subsidence Correction Project” or “Project”) includes restoring the original design conveyance capacity of the DMC by raising the canal lining and embankments, as well as other structures such as bridges, overchutes, and pipe crossings. The DMC is one of the major components of the Delta Division of the U.S. Bureau of Reclamation’s (Reclamation) Central Valley Project (CVP), and is considered critical infrastructure. The San Luis & Delta-Mendota Water Authority (Authority) and Reclamation are committed to restoring the original capacity to ensure the DMC can meet the needs of the communities and ecosystems reliant upon it.

Over the last several years, the Authority has been working in partnership with Reclamation to complete a Feasibility Study, which included completing Environmental Compliance through a joint National Environmental Policy Act (NEPA)/California Environmental Quality Act (CEQA) document. In addition to the EA/IS, Reclamation and the Authority have been engaged in interagency consultation in connection with the Project under Section 7(a)(2) of the Endangered Species Act, Section 106 of the National Historic Preservation Act, and other applicable requirements, and continue to consult and coordinate with state and federal agencies as appropriate.

Concurrently, the Authority has engaged with the Planning Committee, Finance & Administration Committee, the Board of Directors (Board), and Reclamation to develop and gain approval of a phased approach to construction to be implemented through an alternative contracting method including early contractor involvement. Through a variety of workshops, meetings, and discussions, a scope for Phase 1 was developed that would be the most economical and provide immediate capacity restoration and ensure the Department of Water Resources (DWR) grant be fully utilized. In June 2025, Reclamation provided concurrence with the scope of Phase 1 and approval for the Authority to solicit and administer the Phase 1 construction work. Final approval by the Authority Board of Directors to proceed with the Phase 1 scope was granted in September 2025. Phase 1 scope consists of the following Tasks:

- Task 1: Approximate 2 ft freeboard raise between MP 3.5 (JPP) to MP 7.2 (DCI) at a current estimated cost of \$19.75M, based on 4,600 cfs design flow and no future anticipated subsidence.
- Task 2: Sag area repairs (9 areas in Pools 3, 4, 6, and 8) at a current estimated cost of \$18.23M
- Task 3: Panel Repair Program on Upper DMC (24 sites over 5 years) at a current estimated cost of \$27.9M.
- Task 4: Panel Repair Program on Lower DMC at a current estimated cost of \$28M.

In November 2025, the Board of Directors adopted cost allocation recommendations for each task included in Phase 1. Cost allocation recommendations were adopted with the knowledge that staff intends to utilize non-reimbursable grant funds to fund Phase 1 to the maximum extent possible. If Phase 1 is wholly funded with non-reimbursable grant funding, there will be no rate impact associated with this action.

In anticipation of the early contractor contracting approach, the Authority recommended and the Board approved certain amendments in August 2025 to the Authority's Consolidated Procurement Policy (Procurement Policy) to add provisions to authorize procurement of Construction Manager/General Contractor (CMGC) contracts under a specified competitive procedure for public works projects in excess of one million dollars. Per section 4.10(g) of the Procurement Policy, awards of CMGC contracts shall be made by the Authority's Board.

With all necessary approvals acquired, the Authority proceeded with drafting and soliciting a CMGC Construction contract for Phase 1 work.

Issue for Decision

Whether the Board of Directors should authorize adoption of resolutions relating to the DMC Subsidence Correction Project

- A. Adopting Mitigated Negative Declaration/CEQA Findings of Fact and Mitigation Monitoring and Reporting Plan per the Water Resources Committee recommendation, and;
- B. Authorizing award and execution of Construction Manager/General Contractor (CMGC) Agreement per the Finance & Administration Committee recommendation.

Recommendation

Staff recommends adoption of proposed resolutions.

Analysis

A. Resolution Adopting Mitigated Negative Declaration/CEQA Findings of Fact and Mitigation Monitoring and Reporting Plan

In accordance with CEQA and applicable state and federal regulations, a joint Environmental Assessment (EA)/ Initial Study/Mitigated Negative Declaration (IS/MND) was prepared to evaluate the potential environmental effects associated with implementation of the Project. The Authority is the Lead Agency for the proposed Project under CEQA.

Because the Project Initial Study identified potentially significant effects of the project, mitigation measures applicable to the Project were identified in a proposed Mitigated Negative Declaration (MND) to avoid or reduce the Project's potentially significant effects to a less-than-significant level. On February 13, 2023, a Notice of Intent to Adopt the MND was circulated for public comments for a 30-day period that concluded on March 14, 2023. All comments of persons and agencies received during the public comment period and responses to those comments are included in Appendix P and Appendix Q of the MND.

Based on the IS/MND, and in light of the record of proceedings as a whole, the Authority has determined that the proposed Project, as mitigated, would not have a significant impact on the environment. Through the proposed resolution, the Board would adopt the MND, including CEQA findings of Fact, and a Mitigation Monitoring and Reporting Plan (MMRP) to require that all reasonably feasible mitigation measures be implemented by means of Project conditions, agreements, or other measures, as set forth in the MMRP. Following adoption of the resolution the Authority would file a Notice of Determination with the State Clearinghouse.

B. Resolution Authorizing Execution of Construction Manager/General Contractor (CMGC) Agreement

The Authority formally solicited for electronic proposals to provide all labor, equipment, and services for Construction Manager/General Contractor (CM/GC) Services for Delta-Mendota Canal (DMC) Subsidence Correction Project Phase 1 - Tasks 1 through 4 (Project). Critical dates are below:

- Nov. 12, 2025: RFP issued
- Nov. 21, 2025: Mandatory Pre-Proposal Conference / Site Visit
- Dec. 5, 2025: Last Day for Contractors to Submit Questions
- Dec. 12, 2025: Last day for Responses to Questions and Posting of Final Addendum
- Jan. 9, 2026: Proposals due via PlanetBids
- Jan. 13 – Jan. 16, 2026: Proposal Evaluation
- Jan. 20, 2026: In-Person Contractor Interviews
- Jan. 21, 2026: Notice of Intent to Award

The Formal Request for Proposals (RFP) was publicly posted on PlanetBids and in two newspapers: San Francisco Chronicle and Sacramento Bee. In addition, the RFP was sent directly to seven contractors. Seven contractors attended the Mandatory Pre-Proposal Conference and Site Visit, with two proposals submitted. The two responsive proposals were submitted by Kiewit Corporation and NW Construction Inc. Technical Proposals were reviewed and scored by an evaluation committee consisting of Authority staff, a member from the Bureau of Reclamation, and two members from consulting teams to the Authority (Hallmark & CDM Smith). The Proposals were reviewed and accepted by the Authority's Contract Specialist for responsiveness and responsibility. Upon conclusion of the evaluation committee, the proposers received the following scores: Kiewit Corporation 322; and NW Construction, Inc. 223. The best qualified and responsive/responsible proposer was determined to be Kiewit Corporation. The Notice of Intent to Award was transmitted to Kiewit Corporation on January 21, 2026.

The proposed award will be to fund preconstruction services for Task 1 and Task 2 only, with Preconstruction Services for Tasks 3 and 4 to be added in the future by amendment at the Authority's discretion given

available funding and Board approval. Once the Notice to Proceed is issued, the Authority and the CMGC Contractor will work collaboratively to complete preconstruction services as outlined in the RFP and to develop a Guaranteed Maximum Price (GMP) for Task 1 and Task 2 for the construction phase of the project. The Authority anticipates bringing the GMP back to the Finance & Administration Committee for recommendation regarding the proposed GMP and to the Board for approval of the GMP and Notice to Proceed with construction in May, or earlier if possible.

Budget Implications

The proposed expenditure of up to \$200,000 will be funded utilizing approved EO&M funds from Fiscal Years 2021-2023, which will be reimbursed through the DWR grant.

Exhibits

1. Draft Board Resolution Adopting Mitigated Negative Declaration and Mitigation Monitoring and Reporting Plan
Exh. A: Final EA/ IS/MND
Exh. B: Mitigation Monitoring and Reporting Plan
Exh. C: Notice of Determination
2. Draft Board Resolution Authorizing Award and Execution of Construction Manager/General Contractor (CMGC) Agreement
Exh. 1: Notice of Intent to Award (NOIA)
Exh. 2: Draft CMGC Agreement

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

RESOLUTION NO. 2026-

**RESOLUTION AUTHORIZING AWARD AND EXECUTION OF CONSTRUCTION
MANAGER/GENERAL CONTRACTOR AGREEMENT FOR PHASE I OF THE
DELTA-MENDOTA CANAL SUBSIDENCE CORRECTION PROJECT**

WHEREAS, the San Luis & Delta-Mendota Water Authority (SLDMWA) is responsible for operating and maintaining the Delta-Mendota Canal (DMC), and proposes to authorize award and execution of a Construction Manager/General Contractor (CMGC) Agreement for the initial component (Phase 1) of that portion of the subsidence correction project to restore the DMC to its originally authorized conveyance capacity (Project) as fully described in the Mitigated Negative Declaration (MND), Findings of Fact pursuant to the California Environmental Quality Act (CEQA), and Mitigation Monitoring and Reporting Plan (MMRP), as adopted by Resolution No. 2026- ; and

WHEREAS, in broad terms, the Project includes restoring the original design conveyance capacity of the DMC by raising the canal lining and embankments, as well as other structures such as bridges, overchutes, and pipe crossings; and

WHEREAS, SLDMWA has determined it is necessary and appropriate to pursue a phased approach for the Project, where Phase 1 would include four tasks: (1) an approximate two-foot freeboard raise between milepost (MP) 3.5 to MP, based on 4,600 cubic feet per second (cfs) design flow and no future subsidence; (2) sag area repairs in 9 areas, in Pools 3, 4, 6, and 8; (3) panel repair program on the upper DMC; and (4) panel repair program on the lower DMC; SLDMWA intends to contract separately for additional future phases to address subsidence along the remainder of the DMC; and

WHEREAS, SLDMWA formally solicited proposals to provide all labor, equipment, and services for CMGC Services for the DMC Subsidence Correction project Phase 1 – Tasks 1-4 and received two responsive proposals; and

WHEREAS, Kiewit Corporation has demonstrated the ability to timely complete the scope of work listed in the Contract Documents and has been scored as the best qualified and responsive/responsible proposer with a score of 322 and an initial preconstruction cost of \$200,000, with the guaranteed maximum price for construction to be developed during preconstruction services; and

WHEREAS, Section 4.10(g) of the Authority's Consolidated Procurement Policy, adopted by Resolution No. 2025-547, requires the Board of Directors (Board) to specifically authorize award of CMGC agreements; and

WHEREAS, initial work on Phase 1 of the DMC Subsidence Correction Project will be funded utilizing funds that remain available in the Fiscal Year (FY) 2021-2023 Extraordinary

Operation and Maintenance budgets, to be reimbursed by California Department of Water Resources grant funds; and

WHEREAS, based on the adopted MND, CEQA Findings of Fact, and MMRP, and in light of the record of proceedings as a whole, SLDMWA has determined that implementation of Phase I of the DMC subsidence correction project, as mitigated, would not have a significant impact on the environment; and

WHEREAS, SLDMWA staff recommends that the Board authorize execution of a CMGC Agreement with Kiewit Corporation.

NOW, THEREFORE, BE IT RESOLVED, AS FOLLOWS, THAT:

Section 1. The facts stated in the recitals above are true and correct, and the Board so finds and determines.

Section 2. The Board has reviewed and considered the environmental effects of the Project as set forth in the adopted MND and as mitigated in the adopted MMRP, and finds that the MND and MMRP were prepared and adopted consistent with CEQA and the state CEQA Guidelines.

Section 3. The Board hereby finds that the MND reflects the Board's independent judgment and analysis.

Section 4. Based on its review of the MND and MMRP in light of the record of proceedings as a whole, including but not limited to the Initial Study, all comments received and the responses thereto, the Board finds that the record contains no substantial evidence that the Project, as mitigated, could have a significant effect on the environment. The Board further finds that substantial evidence supports adoption and use of the MND pursuant to CEQA.

Section 5. Based on the above Recitals, the Board hereby finds that Kiewit Corporation is qualified to complete Phase 1 of the DMC Subsidence Correction Project.

Section 6. The Executive Director, for and on behalf of SLDMWA, is hereby authorized and directed to award and execute a CMGC Agreement with Kiewit Corporation for services on substantially the terms discussed with the Board, as well as to take such actions as may be required or authorized by this Board to effectuate that agreement, subject to the condition that the mitigation measures specified in the adopted MMRP shall be carried out as applicable in conjunction with implementation of Phase 1.

Section 7. All documents constituting the record of proceedings upon which this Resolution is based are located in the SLDMWA office at 842 6th Street, Los Banos, California, 93635; (209) 826-9696.

Section 8. A Notice of Determination (NOD) shall be prepared and transmitted by SLDMWA's designee to the County Clerks of Alameda, San Benito, Santa Clara, San Joaquin, Stanislaus, Merced, and Fresno, and to the State Clearinghouse pursuant to CEQA Guidelines section 15075.

PASSED, APPROVED AND ADOPTED this 5th day of February, 2026, by the Board of Directors of the San Luis & Delta-Mendota Water Authority.

Cannon Michael, Chair
San Luis & Delta-Mendota Water Authority

Attest:

Federico Barajas, Secretary

I hereby certify that the foregoing Resolution No. 2026- was duly and regularly adopted by the Board of Directors of the San Luis & Delta-Mendota Water Authority at the meeting thereof held on the 5th day of February, 2026.

Federico Barajas, Secretary

NOTICE OF INTENT TO AWARD

Date: January 21, 2026

To: Brian Gardner
Kiewit Infrastructure West Co. (Kiewit)
4650 Business Center Dr.
Fairfield, CA 94534

Project Title: Delta-Mendota Canal (DMC) Subsidence Correction Project – Phase 1

Specification Number: F26-DMC-012

On January 9, 2026, San Luis and Delta-Mendota Water Authority (SLDMWA) received two (2) proposals for the subject project NW Construction, Inc. dba Neil W Construction and Kiewit Infrastructure West Co.

The Evaluation Committee has deemed Kiewit Infrastructure, to be the most qualified respondent to provide the requested services for this project.

You are hereby notified that on February 5, 2026, SLDMWA Staff will recommend to the SLDMWA Board of Directors, award of the Contract for Delta-Mendota Canal (DMC) Subsidence Correction Project – Phase 1 to Kiewit Infrastructure West Co. (Kiewit) for the fixed fee of \$200,000.00.

In accordance with the solicitation documents, contract award will be made once the protest period is up. Please refer to the solicitation for protest periods.

SLDMWA appreciates the time and effort that all of the proposing firms dedicated to preparing and submitting a proposal for this project.

Regards,



Travis Roberts

Contract Specialist

San Luis & Delta-Mendota Water Authority



**CONSTRUCTION MANAGER/
GENERAL CONTRACTOR AGREEMENT**

FOR

**DELTA-MENDOTA CANAL SUBSIDENCE
CORRECTION PROJECT – PHASE 1**

San Luis & Delta-Mendota Water Authority
15990 Kelso Rd.
Byron, CA 94514

CONSTRUCTION MANAGER/GENERAL CONTRACTOR AGREEMENT
For
DELTA-MENDOTA CANAL SUBSIDENCE CORRECTION PROJECT – PHASE 1

THIS CONSTRUCTION MANAGER/GENERAL CONTRACTOR AGREEMENT (“CM/GC Agreement” or “Agreement”), dated as of February __, 2026 is between the **SAN LUIS & DELTA MENDOTA WATER AUTHORITY**, a California Joint Powers Agency (“SLDMWA”), and Kiewit Infrastructure West Co., a Delaware Corporation with its address at 4650 Business Center Drive Fairfield, CA 94534 (“CMGC”). SLDMWA and CMGC may be referenced herein individually as “Party” or collectively as the “Parties.”

The parties hereto mutually agree to the terms and conditions set forth herein.

I. CONTRACT DOCUMENTS

- A. The Contract Documents referred to herein are incorporated herein by reference as if set forth in full in this Agreement. The following documents are bound herewith and a part of this Agreement:
- Exhibit A** General Conditions for Construction (“General Conditions”)
 - Exhibit B** [NOT USED]
 - Exhibit C** Special Provisions – Federal Contracting Requirements (“Special Provisions”)
 - Exhibit D** Preconstruction Services
 - Exhibit E** Worker’s Compensation Certificate
 - Exhibit F** (Optional) Agreement for Securities in Lieu of Retention
 - Exhibit G** Payment and Performance Bond Forms
 - Exhibit H** Guarantee Form
- B. Work called for in any one Contract Document and not mentioned in another is to be performed and executed as if mentioned in all Contract Documents. The table of contents, titles and headings contained herein and in said documents are solely to facilitate reference to various provisions of the Contract Documents and in no way affect or limit the interpretations of the provisions to which they refer.
- C. The Contract Documents consist solely of the items listed in Section 1.A (Contract Documents Index), together with any executed GMP Amendment for a Task, and any approved Change Order or Construction Change Directive. The Request for Proposals, all addenda, and the CMGC’s Proposal are incorporated only to define Preconstruction Services, procurement representations, and commercial commitments, and they do not add to, modify, or control the construction Work. For construction Work authorized by a GMP Amendment, the GMP Amendment and the Construction Documents identified in that amendment govern scope, price, and performance.
- D. In case of conflict among the Contract Documents, the order of precedence of Section 4.07 of Exhibit A, General Conditions applies.

E. Reference Documents. SLDMWA has provided or may provide Reference Documents to Contractor. The Reference Documents are not Contract Documents. The Reference Documents are for information only, and are not mandatory or binding on Contractor, except to the extent information in the Reference Documents is expressly referenced within and made a contractual requirement as part of the Specifications or other Contract Documents. Prior to the execution of this Agreement, Contractor has conducted its own due diligence as to the accuracy, completeness and relevance of the information contained in the Reference Documents. SLDMWA provides no representations or warranties with respect to the information contained in the Reference Documents. Contractor is not entitled to rely on the Reference Documents as accurately describing existing conditions, presenting design or engineering solutions or directions, or defining means or methods for complying with the requirements of the Contract Documents. However, the information contained in the Reference Documents shall be evidence of whether a risk, condition, matter or other information was known or knowable with reasonable due diligence.

II. DEFINITIONS

Unless otherwise specifically provided herein, all words and phrases defined in the General Conditions shall have the same meaning and intent in this Agreement.

Task. For purposes of this Agreement, a Task is a discrete portion of the Construction Work that SLDMWA may authorize by executing a GMP Amendment. References to a capitalized Task relate to Construction Work only. The activities described in Exhibit D are Preconstruction Services, are not Tasks, and do not authorize construction Work.

Contractor / CMGC. The term “Contractor” as used in the Contract Documents (including the General Conditions, bonds, and statutory forms) means the Construction Manager/General Contractor (“CM/GC” or “CMGC”) entering into this Agreement. References to “Contractor,” “CM/GC,” or “CMGC” are interchangeable and refer to the same entity providing Preconstruction Services and, if authorized, construction Work.

Authority / SLDMWA. San Luis & Delta-Mendota Water Authority, a California joint powers authority. References in the Contract Documents to “SLDMWA” or “Authority” are interchangeable and refer to the same entity. Actions of SLDMWA may be taken by its Board of Directors, Executive Director, or a duly authorized designee under applicable law and internal delegations.

III. PROJECT OVERVIEW

3.1 Nature of Agreement. The Parties wish to fully embrace the principles of collaboration and construction-manager-general-contractor best practice in the performance of the Work and agree to employ the following techniques to maximize the benefits of this Agreement:

- (a) proceed on the basis of trust and good faith and create a culture of open and honest communication;
- (b) attempt to resolve disputes efficiently, in good faith, and at the earliest possible stage of dispute resolution;
- (c) establish a cooperative and collaborative environment where all parties (including

SLDMWA, Engineer, CMGC, and subcontractors) have the opportunity to contribute their best efforts for the benefit of the Work rather than to the benefit of individual parties;

(d) integrate the design team and construction teams (including SLDMWA, Engineer, CMGC, and major subcontractors) as early as possible into the design process;

(e) utilize lean construction methods efficiently and effectively; and

(f) maximize the value of Work delivered for the preconstruction services fee and the GMP (as applicable).

3.2 Construction Manager/General Contractor (“CMGC”) Delivery. SLDMWA has retained CMGC to serve as construction manager for the Project and to perform preconstruction services during the design of the Project before the start of construction. During Preconstruction Services, CMGC will prepare a proposed Guaranteed Maximum Price (“GMP”) for the construction of the Task, subject to approval by the SLDMWA Board, which shall be incorporated into the Contract by written amendment (the “GMP Amendment”). Construction of the Task shall commence upon issuance by the SLDMWA of a Notice to Proceed (NTP) for construction and shall continue through Final Completion. If the Parties execute a GMP Amendment, CMGC shall serve as general contractor for the construction of the Task during the Construction Phase. The Construction Phase may commence for Tasks while the Preconstruction Services are ongoing for other Tasks.

3.3 Anticipated Tasks. This Agreement contemplates up to four Tasks of construction Work, to be authorized, if at all, only by execution of a GMP Amendment and issuance of a Notice to Proceed for the applicable Task. The brief descriptions below are planning aids only, and do not authorize construction Work, set a price ceiling, or modify the Scope. Preconstruction Services to support development of each Task are described in Exhibit D, and do not constitute or authorize construction Work.

Task 1: Pool 1, MP 3.5 to MP 7.2 (DMC Headworks to the DMC Intertie Pumping Plant). The Work generally consists of raising the existing canal embankment and concrete lining by approximately two feet within Pool 1. The Work includes excavation adjacent to the current lining, placement and compaction of embankment material from approved borrow sources, trimming and shaping of embankment slopes to support lining operations, surface preparation of the existing concrete, and placement of additional concrete at the top of the lining to achieve the higher section. Appurtenant features, including turnouts, drainage structures, and roadway or utility crossings, will be adjusted to accommodate the higher normal water surface.

Task 2: Targeted locations between the DMC Intertie and O’Neill Forebay, MP 7.2 to MP 70.1. The Work generally consists of embankment and lining raises similar to Task 1 at six locations of varying length along both canal banks within the noted mileposts. The shortest location is approximately two hundred feet, and the longest exceeds one mile. These six areas are locations along this section of the canal with the highest levels of subsidence. In Task 2, five of the six identified sag areas include displaced or distorted concrete panels requiring replacement. The panel replacement will necessitate underwater work and the design, installation, and removal of a contractor-designed cofferdam or equivalent system to permit concrete placement in the dry.

Task 3: The Work generally consists of removal and replacement of concrete canal lining panels that are failed, distorted, or missing. The Work includes saw cutting and removal of existing panels, subgrade preparation to receive new concrete, and placement of new lining panels. The current constructability concept contemplates cofferdams or similar means to create dry work zones for panel removal and placement. Cofferdam installation will involve underwater activities, will constrain flows, and will reduce delivery capacity, requiring coordination with SLDMWA so the canal remains operational.

Task 4: The Work is similar in character to Task 3, consisting of removal of distressed or missing lining panels, subgrade preparation, and placement of new concrete panels in the lower canal pools. Cofferdams or equivalent methods may be used to work in the dry, which will restrict flows and reduce delivery capacity. Construction sequencing will be coordinated with SLDMWA's delivery schedule so the canal remains operational. Pool and check identifiers will be confirmed during Preconstruction Services.

The SLDMWA reserves the right to terminate this Agreement without authorizing construction of any Tasks; to award Tasks to another CMGC or contractor due to price, schedule, or other factors within the SLDMWA's sole discretion; and to direct performance of Tasks in any order, including concurrently. At the time of entering into this Agreement, the SLDMWA does not have sufficient funding to complete all Tasks, but anticipates identifying funding in an amount of the expected cost of each of the Tasks prior to the anticipated commencement of construction of each of the Tasks. CMGC agrees to furnish all tools, equipment, apparatus, facilities, labor, material, and transportation necessary to perform and complete in a good and workmanlike manner to the satisfaction of SLDMWA, all the work required for the Task of the Project for which a Notice to Proceed is Issued.

3.4 Preconstruction Services. Upon execution of this Agreement, CMGC shall commence performance of Task 1 and Task 2 Preconstruction Services, as defined in and governed by Exhibit D hereto. Preconstruction Services for any other Task shall be authorized by written direction to proceed with the Preconstruction Services for that Task. While the SLDMWA anticipates authorizing CMGC to proceed with construction services following completion of Preconstruction Services for any Task, performance of Preconstruction Services shall not entitle CMGC to perform any construction services and no construction services shall be performed prior to receipt of a written NTP for the specific services. Preconstruction Services include, in part, establishment of the Guaranteed Maximum Price ("GMP") for the performance of the construction work of each Task.

CMGC acknowledges that, unless directed by SLDMWA, CMGC may not proceed with any construction Work prior to issuance of the NTP with construction of the Task. The division of work into Preconstruction Services and construction services is solely for the benefit of SLDMWA, to enable the use of a delivery methodology allowing award of the Agreement prior to determination of the GMP for each of the Tasks and to permit CMGC to begin performing the Work while SLDMWA obtains funding for later Tasks. Nothing shall require SLDMWA to approve construction of any Task, and the decision by SLDMWA not to issue a NTP with any construction shall not be subject to dispute or any claim for lost profits or other claimed damages.

3.5 Construction. Following approval of the GMP for each Task by the SLDMWA Board of Directors, if the SLDMWA elects to proceed with construction, then the SLDMWA shall issue to CMGC a NTP with the Task. CMGC may not perform any construction work or incur any cost to be reimbursed as part of the construction work prior to issuance of that NTP, and the

SLDMWA shall make no payment for construction services unless it issues a NTP applicable to those services.

- 3.5.1 Bonds. As a condition precedent to issuance of a Notice to Proceed, CMGC shall furnish performance, labor, and material payment bonds on forms supplied by SLDMWA, with a surety company licensed to do business in California and acceptable to SLDMWA.
- 3.5.2 Insurance. Prior to commencing the Work, CMGC shall purchase and maintain, at its own expense, insurance coverage as required by the Contract Documents.
- 3.5.3 Subcontracts. Work that CMGC is not going to self-perform shall be performed under a subcontract. Subletting and Subcontracting Fair Practices Act, Public Contract Code: sections 4100 et seq., shall apply to approved subcontractors.
- 3.5.4 Progress Meetings. CMGC shall schedule and conduct meetings to discuss such matters as procedures, progress, coordination, scheduling, and status of the Work. CMGC shall prepare and promptly distribute minutes to SLDMWA and Designer.

These acknowledgments are made following completion of the CM/GC's Preconstruction Services described in Exhibit D, including review of furnished geotechnical data, authorized additional investigation, and review of design documents.

- 3.5.5 Progress Reports. CMGC shall record the progress of the Project. On a monthly basis, or otherwise as agreed to by SLDMWA, CMGC shall submit written progress reports to SLDMWA and Engineer, showing percentages of completion and other information required by SLDMWA. CMGC shall also keep, and make available to SLDMWA and Engineer, a daily log containing a record for each day of weather, portions of the Work in progress, number of workers on site, identification of equipment on site, problems that might affect progress of the Work, accidents, injuries, and other information required by SLDMWA.
- 3.5.6 Cost Control. CMGC shall develop a system of cost control for the Work, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. CMGC shall identify variances between actual and estimated costs and report the variances to SLDMWA and Engineer and shall provide this information in its monthly progress reports to SLDMWA and Engineer.
- 3.5.7 Construction of Each Task. The CMGC, in conjunction with the SLDMWA, agrees to cause each Task of the Project for which it is given a Notice to Proceed to be developed, constructed, and installed in accordance with the terms hereof, the General Construction Terms and Conditions set forth in Exhibit A, the Plans and Specifications, and those things reasonably inferable from the aforementioned documents as being within the scope of the Project Task and necessary to produce the stated result even though no mention is made thereof. The CMGC, in conjunction with the SLDMWA, further agrees that it will cause the development, construction, and installation of each Task of the Project to be diligently performed.
- 3.5.8 Time of Completion. Following receipt of the NTP with the construction of a Task, the CMGC shall proceed with the construction of the Task with due diligence. The construction of the Task shall be fully complete no later than the dates stated in the

NTP, and construction of the entire Project shall be fully complete no later than the date stated in the NTP for the final Task, together with such additional time as may be provided by amendment (change order). Included in the time to complete is an allowance of up to **[to be added by Amendment]** weather days of excusable weather delays. "Completion" means completion of all contract Task work, including punch list items.

3.5.9 Acceptance of the Project. The Project, and any Task, shall only be considered fully complete after the SLDMWA accepts completion of the Task or Project. The SLDMWA shall have no obligation to accept completion of the Task until the entire authorized work has been completed in accordance with the Plans and Specifications, including any amendments thereto and all close-out documents and submissions required of the CMGC have been provided to the SLDMWA. The Project, or any Task of the Project, will not be accepted until approved for completion by the SLDMWA, which approval shall not be unreasonably withheld. If the SLDMWA determines not to accept the Project or any Task, then the SLDMWA shall provide the CMGC with a written statement indicating those deficiencies remaining and what measures are necessary in the reasonable opinion of the SLDMWA to correct such deficiencies prior to acceptance by the SLDMWA. Within fifteen (15) days after the SLDMWA accepts a Task as complete, the SLDMWA will record a Notice of Completion with the County Recorder in the county where the Task is located.

3.6 Engineer and Design Authority. The United States Bureau of Reclamation is the Engineer for the Project, and retains responsible charge for the design of permanent features of the Work. The Engineer will prepare the Drawings and Specifications for each Task, issue design clarifications, and provide design decisions.

3.7 Design Reviews and Approvals. No construction Work may proceed on a Task until the Construction Documents for that Task are accepted by the Engineer, and, where applicable, by other permitting authorities, and until SLDMWA executes a GMP Amendment and issues a Notice to Proceed for that Task. The Engineer's review, acceptance, or comment does not relieve the CMGC of obligations under the Contract Documents.

3.8 Delegated Design and Temporary Works. Where the Construction Documents identify Delegated Design or Temporary Works, the Engineer will state the requirements. The CMGC will cause such design to be prepared and stamped by a California professional engineer, and will submit it to the Engineer for review and acceptance for conformance with the stated requirements. The CMGC remains responsible for means and methods, temporary works, and contractor-designed items. The Engineer's acceptance of Delegated Design does not transfer responsibility for those items to the Engineer.

IV. TERM

This Agreement shall take effect on the Effective Date and shall remain in effect until expiration of the Warranty Period or earlier termination. Time is of the essence for Preconstruction Services and construction Work. Contract Time for each Task is established in the GMP Amendment and runs from the Notice to Proceed for that Task.

V. REPRESENTATIONS AND WARRANTIES

5.1 Representations of the SLDMWA. The SLDMWA represents and warrants to the CMGC as follows:

- 5.1.1 SLDMWA is a joint powers authority duly organized and existing under the Constitution and laws of the State of California.
- 5.1.2 SLDMWA has the full power and authority to enter into, to execute and to deliver this Agreement, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Agreement. The representatives of SLDMWA executing this Agreement are fully authorized to execute the same.
- 5.1.3 Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach or default under the organizational instruments of SLDMWA or any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order.
- 5.1.4 No action, suit, proceeding, or litigation pending and served on SLDMWA challenges (i) SLDMWA's authority to execute, deliver, or perform hereunder, or the validity or enforceability of this Agreement; or (ii) the authority of the SLDMWA official executing this Agreement.

5.2 Representations of CMGC. CMGC represents and warrants to the SLDMWA as follows:

- 5.2.1 CMGC is a [corporation or other entity type] duly organized and existing under the laws of the State of [California]; duly licensed to do business in the State of California; holding a California contractor's Class A license, CSLB License number 433176, and DIR registration number 1000001147; and with the power to enter into this Agreement.
- 5.2.2 CMGC has the full power and authority to enter into, to execute, and to deliver this Agreement, and to perform all of its duties and obligations hereunder, and has duly authorized the execution of this Agreement. The representatives of CMGC executing this Agreement are fully authorized to execute the same.
- 5.2.3 Neither the execution and delivery of this Agreement, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach or default under the organizational instruments of CMGC or any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order.
- 5.2.4 No action, suit, proceeding, or litigation pending and served on CMGC challenges (i) CMGC's authority to execute, deliver, or perform hereunder, or the validity or enforceability of this Agreement; or (ii) the authority of the CMGC official executing this Agreement. There is no pending or, to the knowledge of CMGC, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of CMGC to perform its obligations under this Agreement.

5.2.5 CMGC will perform all work hereunder under the supervision of persons who hold all necessary and valid authority, licenses, registrations, certifications, and skills to perform the Work hereunder, by personnel who are skilled, experienced, and competent in their respective trades or professions and otherwise qualified to perform the Work in accordance with this Agreement.

5.2.6 CMGC and each subcontractor performing Work under this Agreement shall be registered and maintain registration with the Department of Industrial Relations to perform public work pursuant to Section 1725.5 of the Labor Code at all times during the term of this Agreement.

VI. CONTRACT AMOUNT AND PAYMENTS

6.1 Contract Sum. SLDMWA shall pay the CMGC the Contract Sum in accordance with the Contract Documents. The Contract Sum consists of (i) a fixed fee for Preconstruction Services by Task as stated in Agreement Exhibit D, and (ii) for each Task authorized for Construction, the Cost of the Work plus the CMGC's Fee, not to exceed the GMP established in the applicable GMP Amendment.

6.1.1 Preconstruction Services - Fixed Fee by Task. Preconstruction Services are compensated on a lump-sum, fixed-fee basis by Task as identified in Agreement Exhibit D. The lump sum includes the CMGC's labor, overhead, profit, ordinary reimbursables, meetings, workshops, estimates, constructability reviews, and GMP development for that Task, unless Agreement Exhibit D expressly lists an item as separately reimbursable. Payments shall be made as provided in Article 8 (Payments) of the General Conditions.

6.1.1.1 Directive services outside Agreement Exhibit D will be performed only upon SLDMWA's written authorization and will be compensated by lump-sum amendment or, if directed, on a not-to-exceed basis using agreed rates.

6.1.1.2 Except as the Parties expressly agree in a GMP Amendment, no additional fee or reimbursement is payable for Preconstruction Services performed after execution of a GMP Amendment for that Task.

6.1.2 Construction - GMP by Task. For each Task that proceeds to Construction, the Contract Sum equals the Cost of the Work plus the CMGC's Fee, subject to and capped by the GMP stated in the GMP Amendment for that Task. The GMP Amendment will identify the Construction Documents by title, date, and revision, and will state the agreed basis for General Conditions, allowances, contingencies, and the CMGC's Fee. Acceptance or negotiation of a GMP proposal does not, by itself, authorize Construction. SLDMWA may issue Notices to Proceed at different times for different Tasks, or decline to accept any GMP proposal and procure the Work by other means, without liability beyond payment for authorized Preconstruction Services. Once established, the GMP is the fixed price for construction, subject to adjustment only as allowed in the Contract Documents.

6.2 CMGC's Fee (Construction Only). The CMGC's Fee compensates the CMGC for overhead and profit not included in the Cost of the Work.

- 6.2.1 Basis. The CMGC's Fee will be calculated as **20%** of the Cost of self-performed Work and of the Cost of Work performed by Subcontractors. The total cumulative overhead and profit of the CMGC and all Subcontractors of any tier shall not exceed twenty percent in the aggregate.
- 6.2.2 Non-Fee-Bearing Items. The CMGC's Fee is not applied to Performance and Payment Bonds, Builder's Risk Insurance, SLDMWA-provided or SLDMWA-controlled insurance, Preconstruction Services or Preconstruction expenses, or any other non-fee-bearing items listed in the GMP Amendment.
- 6.2.3 Changes in the Work. For Changes in the Work during Construction, the CMGC's Fee is adjusted up or down based on the net change in the Cost of the Work. For Changes performed on a time-and-material or other cost-reimbursable basis, markups shall not exceed **20%** on self-performed work and on work performed by a subcontractor, subject to further limits in the Contract Documents.
- 6.3 Cost of the Work (Construction Only). "Cost of the Work" means the actual, reasonable, and necessary costs to perform the Work, determined in accordance with the Contract Documents and the GMP Amendment. It is the Parties' expectation that most Construction items will be paid on Unit Price or Lump Sum pay items, which are fully inclusive of all Cost of the Work and the CMGC's Fee for the covered scope and are adjusted only as provided for Changes. Work not covered by a Unit Price or Lump Sum item will be reimbursed on an actual-cost basis as Cost of the Work.
- 6.3.1 Included Costs. Included costs are limited to items identified in the Contract Documents and the GMP Amendment, such as site-assigned labor at agreed classifications and fringe, materials and equipment incorporated into the Work, Subcontractor payments, approved consultants, consumables, equipment rentals and mobilization, taxes for which the CMGC is liable, utilities at the Site, required bonds and insurance at agreed rates, and other direct construction expenses approved by SLDMWA.
- 6.3.2 Excluded Costs. Excluded costs include the CMGC's home-office overhead, corporate administrative costs, capital charges and interest, costs due to the CMGC's or a Subcontractor's negligence or breach, and any other costs expressly listed as non-reimbursable in the Contract Documents.
- 6.3.3 Rates and Records. When rates are used, labor and equipment rates shall be those audited and agreed in writing by SLDMWA or as otherwise set in the Contract Documents. Equipment costs will be based on the Rental Rate Blue Book applicable in California, or as otherwise stated in the GMP Amendment. The CMGC shall keep full, open-book records and provide cost backup acceptable to SLDMWA for audit during the Work and for three years after Final Payment.
- 6.3.4 Unit Price and Lump Sum Items. If any portion of the Work is paid on a Unit Price or Lump Sum basis, the amount due for such Work is the applicable Unit Price or Lump Sum set forth in the Contract Documents, and may only be adjusted under the provisions governing Changes. There shall be no duplication in payment.

- 6.4 Allowances and Contingencies. Allowances and Contingencies are construction items. If needed, they will be established by Task during GMP development performed under Exhibit D (Preconstruction Services) and included in the applicable GMP Amendment. They are not part of Preconstruction compensation and will be administered under the Agreement and General Conditions once a GMP is approved.
- 6.5 Payments, Retention, and Audit (Construction). Progress and final payments during Construction will be made in accordance with the General Conditions. Retention for Construction will be withheld and released as required by California law and the General Conditions, with substitution of securities permitted as provided by law. SLDMWA's audit rights and the CMGC's record-keeping obligations are as set forth in the General Conditions.
- 6.6 Limits on Contract Sum. The Contract Sum shall not exceed (i) the fixed Preconstruction amount stated in Agreement Exhibit D for Preconstruction Services, or (ii) the GMP stated in the applicable GMP Amendment for construction Work. Any costs incurred in excess of those amounts are at the CMGC's sole risk and expense, without right of reimbursement from SLDMWA.
- 6.7 Taxes. The CMGC shall include in its prices, and shall pay, all sales, use, consumer, excise, and other similar taxes applicable to the Work under California law. SLDMWA is not exempt from California sales or use tax. In accordance with California Revenue and Taxation Code section 107.6, performance of the Work may create a possessory interest; the CMGC is responsible for any personal property or possessory-interest taxes that arise from that interest. If any exemption, deduction, refund, or credit becomes available under applicable law, SLDMWA may direct the CMGC to pursue it. The CMGC shall cooperate, and shall cause its Subcontractors to cooperate, and any refund or credit shall accrue to SLDMWA to the extent permitted by law.
- 6.8 Open Book Accounting and Audit. The CMGC shall maintain complete and detailed books and records supporting all amounts billed under the Contract. Records shall be kept in accordance with generally accepted accounting principles and the Contract Documents. SLDMWA and its auditors may audit, inspect, and copy such records during the Work and for three years after Final Payment, or longer if required by law. If federal funds are used, the federal awarding agency, the Comptroller General of the United States, and the agency Inspector General may also audit these records for the same period under 2 CFR Part 200. Any agreed multipliers or markups are subject to audit to confirm they were applied as agreed.

VII. KEY PERSONNEL

- A. SLDMWA and CMGC each shall designate an individual who shall be authorized to make decisions on matters relating to this Agreement. The CMGC Representative shall be present at the site of the Work at all times reasonably necessary to ensure that CMGC is complying with all of its obligations under this Agreement. CMGC shall be deemed to have received any direction given to the CMGC Representative. The initial CMGC Representative shall be: Adam McNutt, (916) 248-2287, adam.mcnutt@kiewit.com. The initial SLDMWA Representative shall be: Richard Welsh, (530) 308-9839, rwelshconsultingllc@gmail.com.
- B. Replacing Key Personnel. CMGC shall employ and utilize all Key Personnel identified in its Proposal in the roles and for the time periods specified in the Proposal. CMGC shall not replace any such Key Personnel without prior written request to and approval of SLDMWA. The request

shall identify the proposed replacement Key Personnel, including that person's qualifications for the role for which they are proposed. Prior written approval shall not be required where the original Key Person resigns from CMGC's employment or is unavailable due to disability, leave of absence, death, termination, or otherwise. In such case, CMGC shall provide SLDMWA as much notice as reasonably possible of the substitution. Any Key Person shall be replaced with a person of at least equivalent experience, ability, and expertise, who is approved, in writing, by the SLDMWA Representative.

- C. Key Personnel Liquidated Damages. If the CMGC removes or reassigns one of the Key Personnel identified in its Proposal (excluding, however, instances where such personnel become unavailable due to death, disability, or voluntary separation from the employment of the CMGC) without receiving the prior written consent of SLDMWA, the CMGC shall pay to SLDMWA the sum of Twenty-Five Thousand Dollars (\$25,000) as liquidated damages. No liquidated damages will accrue if CMGC fills the position with an Authority-approved equal or better replacement within ten days after written notice. The CMGC acknowledge and agree that the Key Staff Liquidated Damages payable under this Agreement (i) are a genuine pre-estimate of the anticipated or actual loss that will be suffered or incurred by SLDMWA as a result of the applicable event; (ii) do not constitute penalties and are agreed upon and fixed because of the difficulty of ascertaining the exact amount of loss that SLDMWA would suffer in such circumstances; (iii) shall be applicable regardless of the actual loss that SLDMWA sustains; and (iv) will be recoverable from CMGC as a debt due and payable to SLDMWA. This liquidated damage amount shall not bar recovery of any other damages, costs, or expense incurred by SLDMWA in order to successfully complete the Work.

VIII. FUNDING SOURCES

CMGC acknowledges that any Task under this Agreement may be paid for with funds received through State or Federal grants, and that such grants may impose conditions on performance under this Agreement. CMGC further acknowledges that such funding, particularly as applies to Tasks 3 and 4, may be received after the effective date of this Agreement. CMGC agrees to provide such information, documentation, and administrative assistance to SLDMWA as may be reasonably required to secure such funding, and shall take all actions and execute such documents as are required to meet all requirements of such funding programs. CMGC expressly acknowledges that the Federal funding provisions, included in the Special Provisions to this Agreement (Exhibit C hereto) as they may be revised based on changes to Federal requirements, will apply to the extent any Task is funded by Federal grant.

IX. INSURANCE

CMGC shall maintain in full force and effect at all times during the term of the Agreement, at its sole expense, policies of insurance in accordance with General Conditions, Article 3.

X. NO WAIVER OF REMEDIES

- A. Neither the inspection by SLDMWA or its agents, nor any order or certificate for the payment of money, nor any payment for, nor acceptance of the whole or any part of the Work by SLDMWA, nor any extensions of time, nor any position taken by SLDMWA or its agents shall operate as a waiver of any provision of this Agreement or of any power herein reserved to SLDMWA or any

right to damages herein provided, nor shall any waiver of any breach of the Agreement be held to be a waiver of any other or subsequent breach.

- B. All remedies provided in this Agreement shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, and SLDMWA shall have any and all equitable and legal remedies which it would in any case have.

XI. LIQUIDATED DAMAGES

This Article applies to construction Work authorized by a GMP Amendment for a Task.

- A. The Project is a critical component of the SLDMWA's ongoing operations, which will be impacted if the Project or any Task is not timely completed. Therefore, if the Project or any Task is not completed within the time required, as such completion date may be revised from time to time, it is understood that the SLDMWA will suffer damage, and that it is impractical and unfeasible to determine the amount of actual damages.
- B. Damages which SLDMWA would suffer in the event of delay include loss of the use of the Project, and, in addition, expenses of prolonged employment of an engineering staff; costs of administration, inspection, and supervision; and the loss suffered by the public within the San Luis & Delta-Mendota Water Authority by reasons of the delay in the completion of the Project to serve the public at the earliest possible time. Moreover, SLDMWA may lose funding if various Tasks are not timely completed and/or if funding anticipated for the Task is not timely spent.
- C. Accordingly, the Parties hereto agree, and by execution of this Agreement, CMGC acknowledges that it understands, has ascertained and agrees, that the amounts set forth herein as liquidated damages shall be presumed to be that amount of damages sustained by the failure of CMGC to complete the entire work within the times specified.
- D. *See also* GENERAL CONDITIONS SECTION 8.10. LIQUIDATED DAMAGES FOR DELAY. Such amount is the actual cash value agreed upon as the loss to SLDMWA resulting from CMGC's delay.
- E. Liquidated-Damages Rates. The daily liquidated damages amount for each Task, and for any interim milestones if used, will be stated in the applicable GMP Amendment for that Task (the "LD Schedule"). Unless the GMP Amendment states otherwise, liquidated damages accrue per calendar day from the required date of Substantial Completion in the Notice to Proceed for that Task until the date Substantial Completion is achieved. Liquidated damages are a reasonable estimate of SLDMWA's damages at the time the GMP Amendment is executed and are not a penalty.
- F. The provision for liquidated damages shall not act as a limitation on SLDMWA if CMGC abandons the Work, and shall not stop accruing if CMGC abandons the Work. In such event, CMGC shall be liable to SLDMWA for all losses incurred, including but not limited to liquidated damages for delay through completion.
- G. Both the CMGC and the CMGC's surety shall be liable for the total amount of assessed liquidated damages. SLDMWA shall have the right to deduct the amount of accrued liquidated damages from any money due or to become due to the CMGC.

XII. PERFORMANCE AND PAYMENT BONDS

This Article applies only to construction Work authorized by a GMP Amendment for a Task.

- A. As a condition of Board approval of the GMP Amendment for that Task, CMGC shall submit two bonds to SLDMWA, in substantially the form attached hereto as Exhibit G. These bonds shall be issued by a Surety Company authorized to do business in the State of California, and shall be maintained from issuance through Final Completion of that Task and the correction period at the expense of the CMGC.
 - 1. One bond shall be the Performance Bond in the amount of at least one hundred percent (100%) of the GMP and shall guarantee the faithful performance of the Contract. The Performance Bond shall be updated each time the GMP is amended to include the amount for construction of any additional Task.
 - 2. The second bond shall be the Payment Bond required by Part 6, Title 3, Chapter 5, Division Four of the Civil Code of the State of California, commencing with section 9550, and shall be in the amount of at least one hundred percent (100%) of the GMP. The Payment Bond shall be updated each time the GMP is amended to include the amount for construction of any additional Task.
- B. Any proposed increase in GMP, including the proposed increase to add construction of Tasks 2, 3, and/or 4, shall not operate to release the surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code.
- C. Bonds shall only be accepted from an “*Admitted surety insurer*,” which means an insurer to which the Insurance Commissioner has issued a certificate of authority to transact surety insurance in this state. **CMGC must submit the following with the bonds:** The original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws or other instrument entitling or authorizing the person who executed the bond to do so.

XIII. LABOR CODE COMPLIANCE

SLDMWA affirmatively identifies this project as a “public work” as that term is defined by Labor Code section 1720, and the project is, therefore, subject to prevailing wages under Labor Code section 1771. As addressed in greater detail in the General Conditions, CMGC and its Subcontractors shall fully comply with all the provisions of the California Labor Code governing the performance of public works contracts including, but not limited to, payment of prevailing wages, limitations on time worked, compliance with apprentice requirements, maintenance of payroll records, posting of wages at job site, and prohibitions against discrimination.

XIV. UNFAIR COMPETITION

The following provision is included in this Agreement pursuant to California Public Contract Code §7103.5.

"In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the CMGC or Subcontractor offers and agrees to assigning to the awarding body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the awarding body tenders final

payment to the CMGC, without further acknowledgment by the parties."

XV. MISCELLANEOUS

- A. Assignment. Neither this Agreement nor any rights herein of CMGC shall be assigned without the written consent of SLDMWA first obtained.
- B. No Third-Party Beneficiaries. This Agreement is entered into solely between the SLDMWA and CMGC. There are no third-party beneficiaries, intended, unintended, or otherwise, to this Agreement.
- C. Agreement Binding. This Agreement shall bind and insure to the heirs, devisees, assignees and successors in interest of CMGC and to the successors in interest of SLDMWA in the same manner as if such parties had been expressly named herein.
- D. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California.
- E. Severability. If any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof, unless elimination of such invalid provision materially alters the rights and obligations embodied in this Agreement.
- F. Execution in Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
- G. Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions of this Agreement.
- H. Interpretation. The Parties agree and acknowledge that the provisions of this Agreement and its Exhibits have been arrived at through negotiation, and that each Party had a full and fair opportunity to revise portions of this Agreement and its Exhibits and to have such provisions reviewed by legal counsel. Therefore, the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not apply in construing or interpreting this Agreement and its Exhibits.

////SIGNATURE PAGE FOLLOWS////

IN WITNESS WHEREOF, the parties hereto have signed the Agreement on the date set forth opposite their names.

Contractors are required by law to be licensed and regulated by the Contractors State License Board, which has jurisdiction to investigate complaints against contractors if a complaint is filed within three years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors State License Board, P.O. Box 26000, Sacramento, California 95826.

CMGC:

(California Corporations: must be signed by company's 1) CEO or President or 2) by its Vice President *as well as* the Secretary or CFO.)

Date

Tax I.D. Number

Signature

Signature

Print Name

Print Name

Title

Title

**SAN LUIS & DELTA-MENDOTA WATER
AUTHORITY, A Joint Powers Agency:**

Date

ATTEST:

Federico Barajas, Executive Director

CERTIFICATE OF ACKNOWLEDGMENT pursuant to Civil Code, Section 1189, must be provided for CMGC's signature.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

CERTIFICATE OF ACKNOWLEDGMENT

State of _____

County of _____

On _____, 20__, before me, _____, **Notary Public**, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY of PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

Exhibit A

Section 00 72 00 - GENERAL CONDITIONS

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ARTICLE 1. DEFINITIONS AND PRINCIPLES OF INTERPRETATION

SECTION 1.01. GENERAL.

Where a location is not specified with the words “shown,” “specified,” or “described”, interpret:

1. “Shown” as “shown on the plans.”
2. “Specified” as “specified in the Specifications.”
3. “Described” as “described in the Contract Documents.” “Described” means “shown, specified or both.”

Whenever the following terms, titles, or abbreviations are used in the Contract Documents, the intent and meaning shall be as herein defined.

SECTION 1.01. ABBREVIATIONS

AASHTO	American Association of State Highway and Transportation Officials
AC	Asphalt Concrete
ACI	American Concrete Institute
ADA	Americans with Disabilities Act
AISC	American Institute of Steel Construction
AISI	American Iron and Steel Institute
APA	American Plywood Association
ARB	California Air Resources Board
ASA	American Standards Association
ASME	American Society of Mechanical Engineers
ASTM	American Society for Testing and Materials
AT&T	American Telephone and Telegraph
AWG	American Wire Gage
AWS	American Welding Society
AWWA	American Water Works Association
BMP	Best Management Practice
California- MUTCD	California Manual of Uniform Traffic Control Devices
Cal-OSHA	California Occupational Safety and Health Administration
Caltrans	California Department of Transportation
CDFW	California Department of Fish and Wildlife
CEQA	California Environmental Quality Act of 1970
CL	Centerline
CPM	Critical Path Method
CSI	Construction Specifications Institute
CWA	Clean Water Act
CY	Cubic Yards
DI	Drop Inlet
DIR	California Department of Industrial Relations
DLSE	Division of Labor Standards Enforcement
DWR	Daily Work Report
EA	Each
EP	Edge of Pavement
ESCP	Erosion and Sediment Control Plan
FS	Federal Specifications
IEEE	Institute of Electrical and Electronic Engineers
LF	Linear Feet
LS	Lump Sum
MSDS	Material Safety Data Sheet
NEC	National Electrical Code
NEMA	National Electrical Manufacturers Association
OSHA	Occupational Safety and Health Act

OPRL	DIR, Director's Office of Policy, Research and Legislation
PCC	Portland Cement Concrete
PG&E	Pacific Gas & Electric
PS	Pump Station
QC	Quality Control
QSD	Qualified SWPPP Developer
QSP	Qualified SWPPP Practitioner
SD	Storm Drain or Storm Drainage
SF	Square Foot/Feet
SS	Sanitary Sewer
STA	Station
SWPPP	Storm Water Pollution Prevention Plan
SWRCB	State Water Resources Control Board
TCP	Traffic Control Plan
Title 8	Title 8 (Construction Safety Orders) of the California Code of Regulations
Title 19	Title 19 (Public Safety) of the California Code of Regulations
Title 24	Title 24 (Building Standards) of the California Code of Regulations
TOC	Top of Curb
Typ. or TYP	Typical
UL	Underwriters' Laboratories, Inc.
UBC	Uniform Building Code (latest edition)
UMC	Uniform Mechanical Code (latest edition)
UPC	Uniform Plumbing Code (latest edition)
USA	Underground Service Alert

All references to the specifications, standards, or other publications of any of the above are understood to refer to the current issue as revised or amended at the date of receipt of bids.

Unless otherwise noted, all references to statutes are to the laws of the State of California and/or of the United States as codified in the various specified codes.

SECTION 1.02. DEFINITIONS.

Whenever the following terms, titles, or phrases are used in the Contract Documents, the intent and meaning thereof shall be as defined in this article.

Acceptance, Final Acceptance.

“Acceptance” or “Final Acceptance” shall mean formal action of the SLDMWA in determining that the CMGC’s work has been completed in accordance with the Contract Documents and in notifying the CMGC in writing of the acceptability of the Work.

Addendum/Addenda.

“Addendum” or “Addenda” are written documents furnished by the SLDMWA before award of the Contract, interpreting or modifying plans and specifications or answering questions of intended bidders, and shall be incorporated in and are a part of the Contract Documents.

Agreement.

The “Agreement” is the written agreement signed by the SLDMWA and the CMGC covering the Work.

Allowance.

An “Allowance” is an amount of money set aside under the Contract for a special purpose identified in the Contract.

As Approved, Etc.

Where "as directed," "as permitted," "as approved," or words of similar import are used, they shall mean the written direction, permission, or approval of the SLDMWA.

Bid.

“Bid” shall mean the proposal or other offer of the CMGC to do the work in response to the Solicitation Documents, including all documents that comprise a portion of the proposal, and which is the basis for the Contract.

Change Order.

“Change Order” shall mean a written amendment approved by the SLDMWA that includes, but is not limited to, alterations, deviations, additions to, or deletions from, the Contract which are required for the proper completion of the Work. A Change Order may include adjustments to the Contract Time and/or to the Contract Sum. A fully executed Change Order shall constitute an amendment to the Contract.

Closeout Documents.

Documents as required to meet the requirements of final completion as referenced in Section 7.22 of these General Conditions.

CMGC.

“The CMGC” shall mean the person or persons, partnership, or corporation, who have entered into the Contract for the Work with the SLDMWA or its legal representatives, or successors, assigns, executors, or heirs. The CMGC is required by law to be licensed and will perform work or render services as a prime contractor in or about the construction of the Work.

Completion.

“Completion” is the point in the Project at which the Work, including punch list items and final cleaning, and all required close-out reports and submissions are 100% performed. The date of Completion, for the purpose of determining when the Work is complete, is the completion date stated on any Notice of Completion filed by the SLDMWA. If no Notice of Completion is filed, the date of Completion shall be the date that the Work is complete in accordance with Public Contract Code section 7107(c).

Construction.

“Construction” means all labor and services necessary for the construction and delivery of the Project, and all materials, equipment, tools, supplies and incidentals incorporated or to be incorporated in such construction as described in the Construction Documents. Unless otherwise expressly stipulated, the CMGC shall perform all Work and provide and pay for all materials, labor, tools equipment and utilities, including, but not limited to, light, water and power, necessary for the proper execution and completion of the Project pursuant to the Construction Documents.

Construction Change Directive (CCD).

“Construction Change Directive” (“CCD”) or “Directive” or “Field Directive” shall mean a written order to the CMGC, issued after execution of the Contract, signed by the SLDMWA or the SLDMWA’s Representative directing a change in the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both, and which shall be used in the absence of total agreement with the CMGC on the terms of a Change Order or when time does not permit processing of a Change Order prior to implementation of the change.

Construction Documents.

The “Construction Documents” shall include the Plans and Specifications including any addenda, these General Conditions, Change Orders, Interpretations, Directives, Supplemental Drawings, the CMGC’s Guarantee Form, Instruction Bulletins, the Performance Bond and the Payment Bond, and other documents as defined in the Contract to be prepared and/or assembled by Engineer and the SLDMWA, with input from CMGC during Preconstruction Services, to define the Work to be constructed as part of the Project.

Contract.

The “Contract” is the entire binding agreement and contract between the SLDMWA and CMGC relating to the Project, including the Agreement, and all documents incorporated into the Agreement by reference and all Contract Documents.

Contract Documents.

The “Contract Documents” shall include the Request for Proposals, Addenda, the Bid, Escrow Agreement for Security Deposits in Lieu of Retention (if used), the Agreement, the Performance Bond, the Payment Bond, Guarantee Form, the General Conditions, the Special Provisions, Specifications, Exhibits, Permits from other agencies that may be required by law, the Contract Drawings and Plans, Storm Water Pollution Prevention Plan (whether prepared by the SLDMWA or the CMGC), the Notices to Proceed, the Contract Schedule, and any and all supplemental agreements amending or extending the Work contemplated and which may be required to complete the Work in an acceptable manner. Supplemental agreements are written agreements covering alterations, amendments or extensions to the Contract Documents and include Change Orders, Construction Change Directives, Field Directives, Field Orders, Bulletins and supplemental drawings.

Contract Drawings or Plans.

The “Contract Drawings” (sometimes referred to as “Drawings” or “Plans”) are the graphic and pictorial portions of the Contract Documents, showing the design, location and dimensions of the Work, generally including plans, elevations, sections, details, schedules and diagrams. This information may be developed and stored in a 3D or 4D model of the Project. Once approved, all such drawings are incorporated into and become a part of the Contract Documents.

Contract Schedule.

The “Contract Schedule” is the schedule produced by the CMGC in response to the requirements of the Contract Documents.

Contract Sum.

“Contract Sum” is the total price for all Work under the Contract, including the GMP and compensation for Preconstruction Services, including any additions or subtractions via Change Orders.

Contract Time.

“Contract Time” shall mean the period specified for completion of the Work, as set forth in the Contract, reflected in any Notice to Proceed, and adjusted by any Change Order issued pursuant to the Contract Documents.

Delegated Design.

“Delegated Design” means the design of a specific component or system of the Permanent Work that the Contract Documents assign to the CMGC to complete to stated performance and interface criteria. The CMGC shall engage a Specialty Engineer who is a Professional Engineer licensed in California to prepare and seal the calculations, drawings, and submittals for the Delegated Design. Delegated Design covers only the assigned component or system. It does not relieve the Engineer of responsibility for the overall design shown in the Contract Documents. Review, comment, or approval by the Authority or the Engineer does not transfer responsibility for the Delegated Design, the CMGC’s means and methods, or safety.

Day.

Unless otherwise expressly identified as a “working day” or “business day,” “Day” shall mean every day of 24 hours shown on the calendar. When the Contract Time is stated in Days, every Day will be charged toward the Contract Time.

Engineer.

The “Engineer” is a person or persons, firm, partnership, joint venture, corporation, agency, or combination thereof or authorized representative thereof, acting in the capacity designated by the SLDMWA. For Work affecting the Delta-Mendota Canal, the Engineer is the United States Bureau of Reclamation Technical Services Center. The Engineer issues directions to the CMGC through the SLDMWA. When the Contract Documents require approval by the Engineer, the request will be transmitted through SLDMWA, the approval will be issued by the Engineer, and SLDMWA will record the approval. Contractual approvals, including Change Orders, Construction Change Directives, and payments, are issued by SLDMWA.

Equal (as in “or equal”).

“Equal” shall mean a system, process, product or material which is similar in all material respects to that shown or specified but produced by a manufacturer not listed in the specification. See also: Substitution.

Guaranteed Maximum Price (GMP)

“Guaranteed Maximum Price” or “GMP” shall mean the amount proposed by the CMGC, when agreed upon by the SLDMWA Board, establishing the total price for construction of the Work, as that amount may be amended to include the cost of each subsequent Task for which a Notice to Proceed is issued.

Hazardous Waste.

“Hazardous Waste” shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.

Inspector.

The “Inspector” or “Project Inspector” shall mean the person or persons authorized to act as agent(s) for the SLDMWA in the inspection of the Work.

Instruction Bulletin or Bulletin.

“Instruction Bulletins” or “Bulletins” are supplemental drawings, clarifications, instructions, explanations or interpretations which may be issued by the Engineer as necessary from time to time pursuant to Article 5 to make clear or define in greater detail the intent of the Contract Drawings and Specifications. There may be a change in Contract Sum or Contract Time involved with the work shown in the Bulletin.

Legal Holidays.

Legal Holidays shall include the following holidays designated by the SLDMWA: New Year’s Day, Martin Luther King Jr. Day, President’s Day, Memorial Day, Independence Day, Labor Day, Veteran’s Day, Thanksgiving Day, the day after Thanksgiving, and Christmas Day.

Notice to Proceed.

“Notice to Proceed” or “NTP” is the written authorization by the SLDMWA to the CMGC specifying the date the Work of any Task may begin and any conditions regarding the beginning of the Work.

Preconstruction Services

“Preconstruction Services” shall mean all services to be performed by the CMGC for the amounts stated in the Bid, as set forth in detail on Exhibit D to the Agreement.

Progress Schedule.

The Progress Schedule is the CMGC’s schedule indicating the current status of the Work and the projected activities, tasks, and durations planned to complete the Work in accordance with the Contract Time of Completion dates.

Project.

“Project” means the overall undertaking described in the Contract Documents for which the Work is to be performed. The Project may include Preconstruction Services, Construction, or both, and may be delivered in one or more phases or under one or more separate contracts.

Proposed Change Order (PCO).

A “Proposed Change Order” (“PCO”) is a document issued by the CMGC proposing a change to the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. A PCO shall be used by the CMGC to respond to a Request for Proposal, a Request for Information or an Instructional Bulletin. A PCO is not effective to authorize the proposed change to the Work, to the Contract Sum or to the Contract Time unless it is accepted in writing by the SLDMWA.

Record Drawings.

“Record Drawings” are drawings prepared by the CMGC that document changes to, additions to, or deductions from the Plans and that represent the Work as constructed, including, but not limited to existing utilities found during construction of the Work.

Request for Information (RFI).

“Request for Information” (“RFI”) is a document issued by the CMGC seeking clarification and/or additional information regarding an aspect of the Work. An RFI is not to be used to request materials/equipment substitutions or value engineering/cost reduction incentive proposals. The response to the RFI does not constitute authorization or direction to proceed with any changed or additional work. Changed or additional work must be separately authorized by the SLDMWA.

Request for Proposal.

A “Request for Proposal” or “RFP” is the name given to a document issued by the SLDMWA Representative requesting pricing information and/or an adjustment in Contract Time for a described scope of work. An RFP is not a Change Order, a Directive, or a direction to proceed with the scope of work described in the RFP. The CMGC’s response to the RFP shall be in the form of a Proposed Change Order.

Schedule of Values.

“Schedule of Values” is the statement furnished by the CMGC to the SLDMWA reflecting the portions of the Contract Sum allotted for the various parts of the Work, separated by Task, for each work activity contained on the Contract Schedule. Unless otherwise indicated in the Specifications, the total of the Schedule of Values shall equal the GMP, including all labor, material, equipment, overhead, and profit. The Schedule of Values is the basis for reviewing the CMGC’s application for progress payments.

SLDMWA.

“SLDMWA” shall mean the San Luis & Delta-Mendota Water Authority. References in the Contract Documents to “SLDMWA” or “Authority” are interchangeable and refer to the same entity.

SLDMWA Representative.

“SLDMWA Representative” shall mean the SLDMWA’s designated agent, which may be a third-party consultant, engaged to perform all functions delegated to the SLDMWA Representative by the Contract Documents. The SLDMWA Representative may or may not be a Construction Manager or Project Manager. The SLDMWA Representative will be the CMGC’s primary contact during construction of the Project.

Solicitation Documents.

“Solicitation Documents” shall mean the Request for Proposals, proposal form, subcontractor listing form, non-collusion affidavit, Iran Contracting Act certification, and all Contract Documents available at or before the Bid due date.

Special Provisions.

“Special Provisions” include the requirements for federal grant projects, as well as any Special Provisions that may be developed during the preconstruction phase to include specific clauses setting forth conditions or requirements peculiar to the Work and supplementary to the General Conditions.

Specifications.

“Specifications” include any Special Provisions developed during the preconstruction phase, General Requirements, and Technical Specifications applicable to the Work.

Subcontractor.

“Subcontractor” shall mean each person or firm who is required by law to be and who is licensed to and will perform work, labor, or render services to the CMGC in or about the construction of the Work, or who, under subcontract to the CMGC, fabricates and installs a portion of the work or improvement. “Subcontractor” shall include all persons or firms within the authority of the Subletting and Subcontracting Fair Practices Act, Chapter 2 of Division 5, Title I of

the Public Contract Code, commencing with Section 4100. "Subcontractor" does not include a material supplier, unless expressly stated. Subcontractors may be identified in the Bid, or may be identified as part of determining the GMP during Preconstruction Services.

Substantial Completion.

"Substantial Completion" is the stage in the progress of the Work when the Work or Task is sufficiently complete in accordance with the Contract Documents so the SLDMWA can utilize the Work for its intended use, and only minor corrective Work remains to be performed, all required approvals, certificates of occupancy and other sign-off from any other public agencies with jurisdiction have been obtained, (provided such approvals are not delayed as a result of causes unrelated to CMGC's or its Subcontractors', sub-subcontractors', or suppliers' performance or failure to perform the Work or to satisfy its obligations under the Contract Documents), and CMGC has cleaned up and removed all equipment, tools and other materials from the Work area. CMGC shall secure and deliver to the SLDMWA written warranties and guaranties from its Subcontractors, sub-subcontractors and suppliers bearing the date of Substantial Completion or some other date as may be agreed to by the SLDMWA and stating the period of warranty as required by the Contract Documents.

Substitution.

"Substitution" shall mean a system, process, product or material similar in form or function and equal in quality and performance to that shown or specified, but differing in some essential element, e.g., chemical composition, mechanism of action, surface finish, dimensions, durability, electrical or mechanical or plumbing requirements. See also: Equal.

Technical Specifications.

"Technical Specifications" are the provisions of the Specifications that describe the technical aspects of the Work, including all technical references contained therein.

Temporary Works.

"Temporary Works" means all temporary structures, systems, utilities, and procedures needed to construct the Work and to protect the Project, workers, and the public. Temporary Works include falsework, formwork, shoring, bracing, scaffolding, cofferdams, dewatering, access trestles, working platforms, temporary bridges, traffic control, haul roads, staging areas, temporary supports and underpinning, temporary power and water, weather protection, and environmental controls. Temporary Works are designed, furnished, installed, and removed by the Contractor, and are not part of the Permanent Work unless the Contract Documents state otherwise. The Contractor is solely responsible for the adequacy, safety, and performance of the Temporary Works, and shall use a Professional Engineer licensed in California where required by law or by the Contract Documents. Review, comment, or approval by SLDMWA or the Engineer does not transfer that responsibility.

Time.

"Time" if stated as a number of days, calculated using calendar days, unless otherwise specified, and will include Saturdays, Sundays, and legal holidays. However, if the last day falls on a Saturday, Sunday, or legal holiday, then the period shall include the next working day.

Work.

The "Work" shall mean all obligations and/or actions which the CMGC is contractually required to fulfill and/or perform as specified, indicated, shown, contemplated, or implied in the Contract, including but not limited to (1) all Preconstruction Services, (2) all alterations, amendments, or extensions made by Change Order or other written directives or directives of the SLDMWA; (3) furnishing of all materials, supplies, equipment, tools, labor, transportation, supervision, and all incidentals necessary to perform all construction required by the Contract; (4) all other tasks, duties and obligations required by the Contract; and (5) closing documents for the Contract such as complete Record Drawings and submission of all manuals.

Working Day.

"Working Day shall mean any day except: (a) Sundays, and Legal Holidays; (b) days on which the CMGC is specifically required by the Contract Documents or by law to suspend construction operations; or (c) days on which

the CMGC is prevented from proceeding with the current controlling operation or operations of the Work for at least five (5) hours per day due to inclement weather, or conditions resulting immediately therefrom.

Working Drawing.

“Working Drawings” detail a particular item of work and the manner in which it is to be accomplished or performed. Working Drawings are prepared by the CMGC as a submittal or a portion of a submittal and may be specifically requested by the SLDMWA or required in the Contract or a Field Directive or other written directive.

ARTICLE 2. BID REQUIREMENTS AND CONDITIONS

SECTION 2.01. BID FORM.

The Contract was awarded based on the CMGC's Bid submitted on the SLDMWA Proposal Form.

SECTION 2.02. RELIANCE ON THE BID.

By submission of a Bid, and as represented in the Bid, the CMGC acknowledged acceptance of the nature and location of the Work, the general and local conditions, conditions of the site, the character, quality and scope of work to be performed, the availability of labor, electric power, water, the kind of surface and subsurface materials on the site, the materials and equipment to be furnished, and all requirements of the Contract or other matters which may affect the Work. Any failure of the CMGC to become acquainted with all of the available information concerning conditions does not relieve the CMGC from the responsibility for estimating properly the difficulties or cost of the Work. SLDMWA relied on this representation in awarding the Contract.

SECTION 2.03. NOT USED.

SECTION 2.04. SUBSURFACE CONDITIONS.

Where investigations of subsurface conditions have been made by the SLDMWA with respect to subsurface conditions, utilities, foundation, or other structural designs, and that information is shown in the Plans, it represents only a statement by the SLDMWA as to the character of materials which have actually been encountered by the SLDMWA's investigation. This information is only included for the convenience of Bidders.

Investigations of subsurface conditions are made for the purpose of design only. The SLDMWA assumes no responsibility with respect to the sufficiency or accuracy of borings or of the log of test borings or other preliminary investigations or of the interpretation thereof. There is no guaranty, either expressed or implied, that the conditions indicated are representative of those existing throughout the Work, or any part of it, or that unanticipated conditions may not occur. When a log of test borings is included in the Plans, it is expressly understood and agreed that said log of test borings does not constitute a part of the Contract. The log of test borings represents only an opinion of the SLDMWA as to the character of the materials to be encountered, and is included in the Plans only for the convenience of the Bidders. The CMGC must satisfy itself through its own investigations as to conditions to be encountered.

SECTION 2.05. CMGC/SUBCONTRACTORS REQUIRED TO BE LICENSED AND REGISTERED.

The CMGC shall be licensed throughout the performance of Project Work under the provisions of Chapter 9, Division 3, of the Business and Professions Code to do the type of work contemplated in the Project, and shall be skilled and regularly engaged in the general class or type of work called for under the Contract.

All Subcontractors engaged to perform portions of the Work shall be licensed throughout performance of Project Work under the provisions of Chapter 9, Division 3, of the Business and Professions Code to do the type of work for which they are subcontracted, and shall be skilled and regularly engaged in the general class or type of work called for under their subcontracts.

The Project is a public works project within the requirements of Division 2, Part 7, Chapter 1 of the California Labor Code. The CMGC and each listed Subcontractor is required to be registered pursuant to Labor Code section 1725.5 throughout performance of Project Work. Failure of the CMGC to be registered at any time during Contract performance shall be a material breach and grounds for terminating the Contract. An unregistered Subcontractor will not be permitted to work on the Project and CMGC may be required to substitute, at its cost and with no adjustment in the Contract Sum, an unregistered Subcontractor with a registered Subcontractor.

SECTION 2.06. COMPETENCY OF CMGC.

By submitting its Bid, the CMGC represented that it has the requisite experience and ability, and has sufficient capital, facilities, and plant to enable the CMGC to prosecute the Work successfully and promptly, and to complete the Work within the time stated in the Contract. The SLDMWA relied on this representation in awarding the Contract.

If any question as to the CMGC's ability or capacity to perform arises during Contract performance, the SLDMWA may request, and CMGC agrees to provide, relevant evidence that the CMGC, and/or its key personnel assigned to the Project, and/or the Subcontractor(s), has sufficient experience and resources to satisfactorily perform the Work.

SECTION 2.07. NOT USED.

SECTION 2.08. SUBCONTRACTORS.

Except as noted otherwise in the Contract Documents, the CMGC shall perform, with the CMGC's own organization and with workers under the CMGC's immediate supervision, work of a value not less than twenty-five percent (25%) of the value of the GMP, as the GMP may be amended for various Tasks, less "Specialty Items." "Specialty Items" may be performed by subcontract and the cost of any "Specialty Items" so performed must be identified in the proposed GMP for any Task, prior to approval by the SLDMWA Board. The CMGC is obligated to use each approved first tier Subcontractor performing more than one-half of one percent of the construction Work, whether listed in the Bid or listed in the proposed GMP for any Task, for the portion of work for which the Subcontractor was listed, unless and until the CMGC requests and receives authority from the SLDMWA to substitute the listed Subcontractor in accordance with the requirements of the Subletting and Subcontracting Fair Practices Act, Public Contract Code sections 4100 *et seq.* (the "Act").

If after the award of the Contract or approval of the GMP for any Task, the CMGC subcontracts any portion of the Work, except as provided in Section 4107 or 4109 of the Act, the CMGC shall be subject to the penalties specified in Section 4111 of the Act.

Pursuant to Public Contract Code Section 6109, a CMGC may not perform work with a Subcontractor who is ineligible to perform work on public works projects pursuant to Labor Code Section 1777.1.

The CMGC shall include provisions in every subcontract and/or purchase order that the Contract between the CMGC and the SLDMWA is part of the subcontract or purchase order, and that all terms and provisions of the Contract are incorporated in the subcontract or purchase order. Copies of all subcontracts and purchase orders shall be available to the SLDMWA upon written request.

SECTION 2.09. ADDENDA.

Any correction of any material discrepancies in, or material additions to/omissions from, the Plans, Specifications, or other Contract Documents, or any interpretation thereof, made during the bidding period by an Addendum issued by the SLDMWA shall continue to be binding throughout performance of Project Work.

SECTION 2.10. ASSIGNMENT OF ANTITRUST ACTIONS.

In accordance with Public Contract Code Section 7103.5(b), by execution of the Contract Documents, or any subcontract awarded by the CMGC, the CMGC and any Subcontractor offers and agrees to assign and hereby does assign to the SLDMWA all rights, title, and interest in and to all causes of action the CMGC or Subcontractor may have under Section 4 of the Clayton Act (15 USC Section 15) or under the Cartwright Act (Chapter 2 of Part 2 of Division 7 of the Business and Professions Code, commencing with Section 16700), arising from purchases of goods, services, or materials pursuant to this public works contract or subcontract. This assignment shall be made and shall become effective at the time the SLDMWA tenders final payment to the CMGC for each Task, without further acknowledgment by the parties.

SECTION 2.11. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, PROPOSED DEBARMENT OR SUSPENSION AND OTHER RESPONSIBILITY MATTERS.

As stipulated in the Certification Regarding Debarment, Suspension, Proposed Debarment or Suspension submitted with the Bid, the CMGC certified, to the best of its knowledge and belief, except as expressly disclosed the referenced Certificate, that the CMGC and/or any of its Principals (as defined in the Certification):

1. Was not debarred, suspended, proposed for debarment or suspension, or declared ineligible for award of the contract by any Federal, State, or local agency.

2. Had not, within a three-year period preceding the Bid, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract or subcontract; violation of Federal or State antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, or receiving stolen property.
3. Was not indicted for, or otherwise criminally or civilly charged by a government entity with, commission of any of the offenses enumerated in Item 2. above.
4. The CMGC had not, within a three-year period preceding the Bid, had one or more contracts terminated for default by any Federal, State, or local agency.

The CMGC shall provide immediate written notice to the SLDMWA if the CMGC learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

The Certification was a material representation of fact upon which SLDMWA relied when awarding the Contract. If it is later determined that the CMGC knowingly rendered an erroneous certification, in addition to other remedies available to the SLDMWA, the SLDMWA may terminate the Contract for default.

ARTICLE 3. BONDS AND INSURANCE

SECTION 3.01. PERFORMANCE AND PAYMENT BONDS.

Prior to beginning construction work, CMGC shall furnish a Performance Bond and a Payment Bond in the forms attached to the Agreement as Exhibit G. Bonds shall be executed by a surety company authorized to do business in the State of California and listed in the current Federal Department of Treasury Circular 570. The bonds must include the original, or a certified copy, of the unrevoked appointment, power of attorney, bylaws or other instrument entitling or authorizing the person who executed the bond to do so.

The CMGC shall provide to SLDMWA local contact information for the surety on the Performance and Payment Bonds, including a local contact name, telephone number, email address, and address to which legal notices may be sent.

SECTION 3.02. Performance Bond.

The Performance Bond, to guarantee the performance of all covenants and stipulations of the Contract, shall be on the form provided by the SLDMWA and shall be in a sum not less than one hundred percent (100%) of the GMP. The Performance Bond amount shall be updated each time the GMP is amended to include the amount for construction of any additional Task.

SECTION 3.03. Payment Bond.

The Payment Bond, to guarantee the payment of wages and of bills contracted for materials, supplies, or equipment used in the performance of the Contract, shall be on the form provided by the SLDMWA, which in all respects complies with Civil Code sections 3247-3252, inclusive, and shall be in a sum not less than one hundred percent (100%) of the GMP. The Payment Bond amount shall be updated each time the GMP is amended to include the amount for construction of any additional Task.

SECTION 3.04. NOTIFICATION OF SURETY COMPANIES.

The surety company shall be familiar with all the provisions and conditions of the Contract, including without limitation that the Contract includes up to four separate Tasks, each of which would add to the GMP. It is understood and agreed that the surety company waives notice of change, extension of time, alteration or addition to the terms of the Contract or to the work to be performed thereunder or to the specifications accompanying the same, or any other act or acts by the SLDMWA or the SLDMWA's authorized agents under the terms of the Contract; and failure to so notify the surety company of changes shall in no way relieve the surety company of its obligations under the Contract. Any alteration or alterations made in any provision of this Contract shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of Section 2819 of the Civil Code.

SECTIONS 3.05 through 3.08. NOT USED.

SECTION 3.09. INSURANCE.

The CMGC shall procure, maintain, and keep in force at all times during the term of the Contract and any guarantee period (or during such longer period specified below), with insurance companies acceptable to the SLDMWA and at the CMGC's sole expense, the insurance specified below. Nothing contained in these insurance requirements is to be construed as limiting in any way the extent to which CMGC or any Subcontractor may be held responsible for payment of damages resulting from its or their operations under this Contract.

Where insurance is required to include an "additional insured" endorsement, "Additional Insured" shall mean the SLDMWA, the Construction Manager (if any), and each of their officers, officials, directors, trustees, agents, employees, and volunteers, Engineer, the Construction Manager (if any), and each of their officers, officials, directors, trustees, agents, employees, and volunteers.

SECTION 3.09A. Commercial General Liability.

CMGC shall provide and require its Subcontractors to provide Commercial General Liability insurance including, but not limited to, protection for premises and operations; claims of bodily injury and broad form property damage liability; personal and advertising injury liability; contractual liability applicable to the CMGC’s assumed liability under the Contract; coverage for explosion, collapse, subsidence, and underground hazards; and products and completed operations liability. Coverage shall be at least as broad as “Insurance Services Office Commercial General Liability Coverage Form CG 0001” (occurrence). The policy shall be maintained in full force and effect at all times during prosecution of the Work and for no less than ten (10) years following SLDMWA’s acceptance of the Work. The limits of liability shall be not less than:

Each Occurrence	Five Million Dollars (\$5,000,000) combined single limits for Bodily Injury and Property Damage
Personal and Advertising Injury	One Million Dollars (\$1,000,000)
Products and Completed Operations Aggregate	Five Million Dollars (\$5,000,000) combined single Limits for Bodily Injury and Property Damage
General Aggregate	Ten Million Dollars (\$10,000,000) combined single limits for Bodily Injury and Property Damage
Fire Damage	One Hundred Thousand Dollars (\$100,000)

The CMGC shall procure and maintain Products and Completed Operations Coverage with a carrier acceptable to the SLDMWA through the expiration of the patent deficiency in the statute of repose set forth in the Code of Civil Procedure section 337.1, if such period is greater than three (3) years.

“Modified occurrence” or “claims made” policies are not acceptable.

The policy or policies shall include duty to defend **in addition to** (without reducing) the limits of the policy. The policy shall include coverage for all independent contractors, and shall include “action over” coverage.

If the Work is to be performed within fifty (50) feet of any railroad, CMGC’s policy shall be endorsed to delete the exclusion for work performed within fifty (50) feet of a railroad.

Additional Insured endorsements must be furnished, naming each as an Additional Insured on a primary and noncontributing basis. Coverage for Additional Insureds shall be provided via ISO form CG 20 10 11 85 or via a combination of ISO forms CG 20 10 07 04 and CG 20 37 07 04. The primary and noncontributory endorsement shall be at least as broad as ISO form CG 20 01.

SECTION 3.09B. Automobile Liability.

CMGC shall provide and require its Subcontractors to provide Automobile Liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, leased, hired, and non-owned automobiles as well as trucks and trailers or semi-trailers, including any machinery or apparatus attached thereto. Coverage shall be at least as broad as “Insurance Services Office Business Auto Coverage Form CA 0001,” symbol 1 (any auto) and shall include, without limitation, contractual liability coverage. Additional Insured endorsements must be furnished naming each on a primary and noncontributing basis. The Additional Insured endorsement shall be at least as broad as ISO form CA 20 48 02 99. The limits of liability shall not be less than:

Bodily Injury and Property Damage Combined Single Limit	One Million Dollars (\$1,000,000)
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If CMGC transports any hazardous materials, substances, or waste, the automobile liability policy shall include endorsement forms MCS-90 and ISO CA 99 48 or equivalent endorsements providing coverage for environmental and pollution claims.

SECTION 3.09C. Workers' Compensation.

In accordance with the provisions of Article 5, Chapter 1, Part 7, Division 2 (commencing with Section 1860) and Chapter 4, Part 1, Division 4 (commencing with Section 3700) of the California Labor Code, the CMGC and Subcontractors are required to secure the payment of compensation to their employees and, for that purpose, to obtain and keep in effect adequate Workers' Compensation Insurance.

CMGC shall provide and require its Subcontractors to provide Workers' Compensation insurance, with coverage as required by the State of California (unless the CMGC is a qualified self-insurer with the State of California), and Employers' Liability coverage. The limits of Employers' Liability shall not be less than:

Each Accident	One Million Dollars (\$1,000,000)
Disease Each Employee	One Million Dollars (\$1,000,000)
Disease Policy Limit	One Million Dollars (\$1,000,000)

The Workers' Compensation policy required hereunder shall be endorsed to state that the Workers' Compensation carrier waives its right of subrogation against the SLDMWA, its officers, officials, directors, employees, agents, authorized representatives or volunteers.

In the event the CMGC is self-insured, the CMGC shall furnish a Certificate of Permission to Self-Insure by the Department of Industrial Relations Administration of Self-Insurance, Sacramento. CMGC shall provide evidence of waiver of its right of subrogation against the SLDMWA, its offices, officials, employees, agents, or volunteers as a self-insurer.

SECTION 3.09D. Excess or Umbrella Liability.

CMGC must carry, maintain and keep in force at all times during the term of the Contract, at the CMGC's sole expense, an Excess or Umbrella Liability policy in the amount of \$10 Million Dollars (\$10,000,000).

SECTION 3.09E. CMGC's Equipment.

The CMGC, and each of its Subcontractors, shall separately insure its own equipment for loss and damage. The CMGC's Property and Inland Marine policies shall include, or be endorsed to include, a waiver of subrogation against the SLDMWA, its officers, officials, directors, employees, agents, authorized representatives and volunteers which might arise by reason of damage to the CMGC's property or equipment (owned, leased, or borrowed) in connection with work performed under this Contract by the CMGC.

SECTION 3.09F. Railroad Protective Liability.

The CMGC shall procure, maintain, and keep in force at all times during the term of the Contract, at the CMGC's sole expense, Railroad Protective Liability insurance with limits of liability as set forth in the Contract Documents.

SECTION 3.09G. Builder's Risk Insurance.

The CMGC may be required to procure, maintain, and keep in force at all times during the term of the Contract and until the date of transfer of the insurable interest to and acceptance by the SLDMWA, at the CMGC's sole expense, Builder's Risk insurance with limits of liability equal to one hundred percent (100%) of the full replacement cost of the Work, without deduction for depreciation, and shall also provide coverage for "soft costs" such as but not limited to design and engineering fees and inspection costs caused by an insured peril, up to a maximum total for all soft costs of \$750,000. The Builder's Risk Insurance may contain sub-limits not less than the following: Debris removal - \$250,000; Pollution Clean-up cost - \$25,000.

Coverage shall be written on a Replacement Cost basis without application of coinsurance and shall cover the Project site against losses included in perils usually included in a "Special Form" policy format. In addition, the policy shall include:

- a. Loss that ensues from fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, smoke damage, damage by aircraft or vehicles, vandalism and malicious mischief, theft, collapse, and flood, without excluding damages resulting from design error, defective materials, or faulty workmanship.
- b. Collapse, falsework, and temporary buildings.
- c. Debris removal, including demolition as may be made reasonably necessary by the application of any law, ordinance, or regulation.
- d. Mechanical breakdown or electrical damage, including start up and testing, magnetic disturbance and changes in temperature or humidity disturbance, and changes in temperature or humidity.
- e. Reasonable compensation for engineers, and other design professionals required as a result of such insured loss.
- f. Terrorism coverage.

The property covered shall include the Work and appurtenances, including any materials, equipment, or other items to be incorporated therein while the same are located at the construction site, stored off site, while in transit or at the place of manufacture. The policy shall contain a provision that the interests of the SLDMWA and the CMGC, Subcontractors and material suppliers are insureds under the policy and that any loss shall be payable to the insureds as their interests may appear.

When stated as a requirement in the Contract Documents, Builder's Risk Insurance shall include Delay in Opening coverage with limits of liability, and for the period of time, as set forth in the Contract Documents. Coverage shall include debt service, expense, loss of earnings or rental income or other loss incurred by the SLDMWA, without deduction, due to the failure of the Project being completed on schedule.

If the Project **is not** financed by revenue bonds **and** the Contract Documents do not require earthquake insurance, then the maximum amount for which the CMGC is liable as a result of "Acts of God," as defined in California Public Contract Code section 7105 shall be five percent (5%) of the Contract Sum.

The maximum deductible for all other perils allowable under this policy shall be ten thousand dollars (\$10,000), unless expressly approved by the SLDMWA in writing. All deductibles shall be borne solely by the CMGC, Subcontractors, or material suppliers, and the SLDMWA shall not be responsible to pay any deductible, in whole or in part.

In the event of a covered loss, proceeds of Builder's Risk insurance shall be applied first to reimburse actual costs of demolition, debris removal, reconstruction, and repair or replacement incurred in the discharge of the CMGC's obligations of repair or replacement. Insurance proceeds shall be deposited in a separate account in a local bank satisfactory to the SLDMWA and shall be withdrawn only with the SLDMWA's written approval to reimburse such actual costs as the Builder's Risk carrier has agreed to reimburse. The SLDMWA shall have no liability for failure of the Builder's Risk carrier to pay for any particular cost of repairs. In the event of the termination of the CMGC for default, the CMGC shall forfeit all rights to Builder's Risk insurance proceeds and the SLDMWA may expend such proceeds to complete the Project as if they were unpaid contract monies.

The SLDMWA and the CMGC waive all rights against each other and against all other CMGCs for loss or damage to the extent reimbursed by Builder's Risk insurance or any other property or equipment insurance applicable to the Work, except such rights as they may have to the proceeds of such insurance. If the policies of insurance referred to in this section require an endorsement or consent of the insurance company to provide for continued coverage where there is a waiver of subrogation, the owners of such policies will cause them to be so endorsed to obtain such consent.

If not covered by Builder's Risk insurance or any other property or equipment insurance required by this Contract, the CMGC shall procure, maintain, and keep in force at all times during the term of the Contract, at the CMGC's sole expense, property insurance for portions of the CMGC's work and/or equipment to be incorporated therein stored offsite or in transit.

SECTION 3.09H. Environmental Liability Insurance/Pollution Liability Endorsement.

The CMGC shall procure, maintain, and keep in force at all times during the term of the Contract, at the CMGC's sole expense, Environmental Liability insurance, using an occurrence form (Claims Made forms are not acceptable unless expressly allowed by the SLDMWA), which includes coverage for sudden and accidental pollution arising out of the handling of hazardous materials or hazardous wastes; non-hazardous materials or non-hazardous wastes that, when released into the environment, violate regulatory standards of the Federal, State or Local Government; and coverage for liability arising out of any hazardous materials remediation, such as the handling of asbestos or removal of lead contamination.

CMGC's Pollution Liability limits: CMGC shall provide \$10,000,000 each loss and annual aggregate for bodily injury, property damage, or environmental damage caused by pollution conditions resulting from CMGC's operations or operations of anyone or entity employed or hired by CMGC, including its agents and representatives.

Pollution Legal Liability Endorsement: \$10,000,000 combined single limit, annual aggregate for bodily injury, sickness, disease, mental anguish or shock, property damage and defense costs; with a minimum of \$5,000,000 per occurrence. Pollution Legal Liability insurance shall cover liability of the insured disposal or treatment facility that is accepting any waste or soil under this Project. CMGC shall require such disposal or treatment facilities to furnish proof of the required coverage or CMGC provides proof of coverage for Pollution Legal Liability for Non-Owned Disposal Site.

If coverage for Environmental Liability insurance is allowed by the SLDMWA to be written on a claims-made form, the following provisions apply:

Limit of coverage shall be not less than twenty million dollars combined single limits for Bodily Injury and Property Damage (\$20,000,000).

Insurance must be maintained and evidence of insurance must be provided for at least ten (10) years after completion of the Work. Additional provisions, including Project specific coverage may be required at the sole discretion of the SLDMWA.

SECTION 3.09(I). Other Provisions.

The CMGC's General Liability, Automobile Liability, and any Excess or Umbrella Liability or other insurances required in the Contract Documents, shall contain the following provisions:

- a. Additional Insured endorsements as respects to liability arising out of the activities performed by or on behalf of the CMGC, products and completed operations of the CMGC, premises owned, occupied, or used by the CMGC, or automobiles owned, leased, hired, or borrowed by the CMGC. The policy shall contain no special limitations on the scope of coverage afforded to Additional Insureds. All policies shall name the SLDMWA, its officers, officials, directors, agents, authorized volunteers, representatives and employees as additional insured.
- b. For any claims related to this Contract, the CMGC's insurance coverage shall be primary insurance as respects Additional Insureds. The Additional Insured endorsement shall state that the policy is primary and that any insurance or self-insurance maintained by the SLDMWA or other Additional Insureds shall be excess of the CMGC's (or Subcontractor's) insurance and shall not be called upon to contribute to any loss.

Any failure to comply with reporting or other provisions of the policies on the part of the CMGC, including breaches of warranties, shall not affect coverage provided to the Additional Insureds.

The CMGC's General Liability and any Excess or Umbrella Liability insurance policies shall contain an endorsement stating that any aggregate limits shall apply separately to each project for which the CMGC provides services away from premises owned by or rented to the CMGC per ISO form CG 25 03 11 85 or equivalent. If the CMGC elects not to provide a separate aggregate, the general aggregate limit shall be twice the required general aggregate limit noted above.

CMGC waives its rights of recovery from the SLDMWA with regard to all causes of property and/or liability loss and all of CMGC's insurance policies shall provide, by endorsements or otherwise, that the insurer(s) waive any and all of its or their rights of recovery, by subrogation or otherwise, against the SLDMWA and any Additional Insureds. CMGC will also require its Subcontractors to include a similar waiver their rights of recovery and to include a waiver of subrogation endorsement to be provided in favor of the SLDMWA and any Additional Insureds on all insurance. The Waiver of Subrogation endorsement must be at least as broad as ISO form CG 24 04.

The CMGC's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

Each insurance policy by endorsement or provision shall state that coverage shall not be suspended, voided, cancelled, reduced in scope of coverage or in limits, non-renewed, or materially changed unless the insurer(s) provide thirty (30) Calendar Days written notice by certified mail to the SLDMWA prior to such change. Ten (10) Calendar Days prior written notice by certified mail shall be given to the SLDMWA in the event of cancellation due to nonpayment of premium.

All of the CMGC's insurance coverage, except as noted below, shall be placed with insurance companies with a current A.M. Best rating of at least A-:VII.or equivalent and that are admitted to do business and in good standing in California, unless otherwise approved by the SLDMWA.

Exception: Workers' Compensation which is provided through a State Compensation Insurance Fund or a qualified self-insurer for Workers' Compensation under California law.

The CMGC shall sign and file with the SLDMWA the following certification prior to commencing performance of 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 the Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

Said certification is included in the Contract, and signature and return of the Contract shall constitute signing and filing of the said certification.

The SLDMWA, at its discretion, may require new types of insurance coverage or increase the limits of insurance coverage required hereunder at any time during the term of the Contract by giving thirty (30) Calendar Days written notice to the CMGC. CMGC shall immediately procure such insurance or increase the limits of coverage and provide certificates of insurance, including copies of all required endorsements, to the SLDMWA within thirty (30) Calendar Days of receipt of the SLDMWA's request.

The required insurance coverage shall be subject to the approval of the SLDMWA, but any acceptance of insurance certificates by the SLDMWA shall in no way limit or relieve the CMGC of its duties and responsibilities in this Contract.

Regardless of the Contract minimum insurance requirements, the CMGC and its insurer shall agree to commit the CMGC's full policy limits, and the minimum requirements shall not restrict the CMGC's liability or coverage limit obligations to the SLDMWA.

If the CMGC fails to procure or maintain insurance as required by this Section 3.09 and each of its subsections and any Contract Documents, or fails to furnish the SLDMWA with proof of such insurance, the SLDMWA, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the SLDMWA shall be deducted and retained from any sums due the CMGC under the Contract. Failure of the SLDMWA to obtain such insurance shall in no way relieve the CMGC from any

of the CMGC's responsibilities under the Contract. Any failure of the CMGC to maintain any item of the required insurance is sufficient cause for termination of the Contract as a material breach.

The making of progress payments to the CMGC shall not be construed as relieving the CMGC of responsibility for loss, damage, or destruction occurring prior to final acceptance by the SLDMWA.

The SLDMWA is authorized to execute amendments and waivers, with or without conditions, to the insurance requirements of the Contract. The SLDMWA will provide such amendments or waivers in writing to the CMGC.

The failure of the SLDMWA to enforce in a timely manner any of the provisions of this Section 3.09 and/or any of its subsections shall not act as a waiver to enforcement of any of these provisions at any time during the term of the Contract.

SECTION 3.09J. Deductibles and Self-Insurance Retention.

Any deductible or self-insured retention over \$10,000 that applies to General Liability or Automobile Liability must be declared to and approved by the SLDMWA in writing.

SECTION 3.09K. Subcontractor's Insurance.

The CMGC is responsible for the acts and omission of all of its Subcontractors and shall require all of its Subcontractors to maintain adequate insurance in accordance with the policy limits and other requirements specified above, including without limitation "Other Provisions" (Section 3.09I), unless otherwise approved by the SLDMWA. Notwithstanding the foregoing, Subcontractors CGL insurance may be a minimum of one million dollars (\$1,000,000.00) per occurrence for bodily injury and property damage, two million dollars (\$2,000,000.00) aggregate.

The CMGC shall not allow any Subcontractor to commence work on its subcontract until the Subcontractor has provided the insurance specified herein. The CMGC shall require each of its Subcontractors to procure and to maintain, during the life of the subcontract, bodily and personal injury liability and property damage insurance, and workers' compensation insurance, of the type and in the same amount as specified in above, including, without limitation, the requirement that the Subcontractor's policy shall be endorsed to include Additional Insureds.

Should any Subcontractor's work include elements that may give rise to a pollution claim, the Subcontractor shall be required to carry Pollution Liability coverage with limits of at least \$2,000,000 per pollution event. The SLDMWA may require higher limits by written request. The policy shall be endorsed to include the Additional Insureds, and shall include a waiver of subrogation endorsement in favor of the Additional Insureds.

All submittals required of CMGC which are to be prepared by a licensed California engineer shall be prepared only by a licensed engineer who is covered by a professional liability insurance policy issued by a California-admitted carrier or a carrier authorized to do business in California with a Best's rating of A-VII or better, with a limit per claim of at least \$1,000,000. Such insurance shall be maintained in effect by said engineer at all times while performing work on the Project and for at least three (3) years after final completion and acceptance of the Project. CMGC shall submit an insurance certificate for such engineer at any time upon request of the SLDMWA.

It shall be the responsibility of the CMGC to ensure that all Subcontractors comply with this provision, and to verify their compliance when requested by the SLDMWA.

If requested by the SLDMWA, the CMGC shall deliver certificates of insurance or copies of the insurance policies and endorsements of all Subcontractors; provided, however, that this authority shall not relieve the CMGC of its obligation to ascertain the existence of such insurance.

SECTION 3.09L. Notification of Accident or Occurrence.

The CMGC shall report by telephone and email to the SLDMWA within twenty-four (24) hours and also report in writing to the SLDMWA within fifteen (15) Calendar Days after the CMGC or any Subcontractors or agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess

of ten thousand dollars (\$10,000) to the Work, property of the SLDMWA or others, arising out of any work done by or on behalf of the CMGC as part of the Contract. Such report shall contain:

1. The date and time of the occurrence,
2. The names and addresses of all persons involved, and
3. A description of the accident or occurrence and the nature and extent of injury or damage.

The report to be provided within 24 hours shall include as much information as is available at the time.

The CMGC shall furnish the SLDMWA with a copy of the Employer's Report of Injury immediately following any incident requiring the listing of said report on the OSHA Log during the prosecution of the Work under this Contract. The CMGC shall also furnish the SLDMWA with a copy of the Employer's Report of injury involving any Subcontractor on the Project.

SECTION 3.09M. Notification of Claim.

If any claim for damages is filed with the CMGC or if any lawsuit is instituted against the CMGC that arises out of or is in any way connected with the CMGC's performance under this Contract and that in any way, directly or indirectly, contingently or otherwise, affects or might reasonably affect the SLDMWA, CMGC shall give prompt and timely notice thereof to the SLDMWA. Notice shall be prompt and timely if given as soon as the CMGC is reasonably aware that SLDMWA may be entitled to notice under this Section, but no later than thirty (30) Calendar Days following the date of receipt of a claim or ten (10) Calendar Days following the date of service of process of a lawsuit.

ARTICLE 4. SCOPE OF WORK

SECTION 4.01. THE CONTRACT.

The Contract Documents form the Contract, which represents the entire and integrated agreement between the SLDMWA and the CMGC and supersedes all prior negotiations, representations or agreements, either written or oral. The Contract may be amended or modified only by a Change Order, including an amendment to add or increase the GMP when each Task is authorized. Nothing contained in the Contract Documents shall create any contractual relationship between the SLDMWA, the SLDMWA Representative, or the Engineer and any Subcontractor or sub-Subcontractor, or between the SLDMWA Representative or the Engineer and the CMGC.

SECTION 4.02. INTENT OF CONTRACT DOCUMENTS.

It is the overriding intent of the Contract Documents that the work performed shall result in a complete and operable project in satisfactory condition for use, with all components in functional operating condition and fit for the use for which it is intended, and which complies in all respects with the Contract Documents. No extra compensation will be allowed for anything omitted but fairly implied to be included in the Contract Documents. The prices paid for the various items in the bid shall include full compensation for furnishing all labor, materials, tools, equipment and incidentals, and doing all items necessary to complete the Work as provided by the Contract Documents. The prices paid include all overhead, markups, and profit.

Unless otherwise specified, the CMGC agrees to do all of the work and furnish and pay for all materials, supplies, equipment, tools, labor, transportation, supervision, resources, and everything else necessary or proper to perform and complete the Work herein required, including any Change Order work or disputed work directed by the SLDMWA, within the time specified and in a good and workmanlike manner to the satisfaction of the SLDMWA, in the manner designated, and in strict conformity with the Plans, Specifications, and all provisions of the Contract and any applicable code or statute, whether or not specifically described herein, as long as same is reasonably inferable therefrom as being necessary to produce the intended results, whether temporary or permanent, and whether or not incorporated or to be incorporated in the Work.

When portions of the Work are described in general terms, but not in complete detail, it is understood that the CMGC will employ only the best general practice and incorporate only the best quality materials and workmanship in the Work.

Scale drawings, full-size details, and specifications are intended to be fully coordinated and to agree. Where not specifically stated otherwise, all work and materials necessary for each unit of construction, even though only briefly mentioned or indicated, shall be furnished and installed fully and completely, including, but not limited to, the manufacturer's instructions and/or recommendations, as part of this Contract.

If the Contract does not specifically allow the CMGC a choice of quality or cost of items to be furnished, but could be interpreted to permit such a choice, the CMGC shall furnish the highest quality under current industry standards, regardless of the cost of the item.

If the CMGC discovers any discrepancies during the course of the Work between the Plans and conditions in the field, or any errors or omissions in the Plans and conditions in the field, or any errors or omissions in the Plans, the Specifications, or in the layout given by stakes, points, or instructions, it shall be the CMGC's duty to inform the SLDMWA immediately, and the SLDMWA shall promptly verify the same. Any work done after such discovery, until authorized by the SLDMWA, will be done at the CMGC's risk.

SECTION 4.03. CONFORMANCE WITH CODES AND STANDARDS.

See also Specification Section 01 42 10.

The Work shall be in full compliance with the latest adopted edition of the following applicable standards and regulations:

- The State Fire Marshal
- The UBC
- Title 8
- Title 22
- Title 24
- The NEC
- The UPC
- Storm Water Pollution Plans and Standards
- Other codes, laws or regulations applicable to the Work or the Contract.

Nothing in the Contract is to be construed to permit work not conforming to these requirements. When the Work detailed in the Plans and Specifications differs from governing codes, the CMGC shall complete the Work in accordance with the higher standard. If the higher standard is more expensive than the Work detailed in the Plans and Specifications, the CMGC will be compensated for the CMGC's additional costs by Contract Change Order as provided in Article 9, "Changes and Claims," of these General Conditions.

SECTION 4.04. DIAGRAMMATIC DRAWINGS.

Drawings showing the locations of equipment, wiring, piping, etc., unless dimensioned, are diagrammatic, and conditions will not always permit their installation in the exact location shown. In such event, the CMGC shall submit an RFI and obtain a response before proceeding with the work in question. Unless there is a material increase in the CMGC's scope of work, installation as specified in the response to the RFI shall be without any additional compensation to the CMGC and without any increase in the Contract Time. Any work done after discovery of the issue, until authorization to proceed based on the response to the RFI, will be done at the CMGC's risk.

SECTION 4.05. INSTRUCTION BULLETINS AND DRAWINGS.

In addition to the Drawings incorporated in the Contract Documents, the Engineer may furnish such supplemental drawings or instructions from time to time as may be necessary to make clear or to define in greater detail the intent of the Contract Drawings and Specifications. In furnishing additional drawings or instructions, the Engineer shall have the authority to make minor changes in the Work, not involving any extra cost, and not inconsistent with the overall design of the Project. If extra cost is known to be involved, these instructions will be accompanied by an RFP. These supplemental drawings and instructions shall become a part of the Contract Documents; the CMGC shall make its work conform to them.

SECTION 4.06. FIELD DIRECTIVES OR OTHER WRITTEN DIRECTIVES.

The SLDMWA may issue Field Directives or other written directives from the office or field during the course of the Work, and the CMGC shall immediately comply with the Field Directive or other written directive. CMGC must perform all work directed by a field directive, whether or not CMGC believes the work is included in the Contract and regardless of any disputes regarding money, time and/or other issues. CMGC acknowledges that continued progress of the Work is of high importance and that such disputes can be resolved as the Work progresses.

A Field Directive or other written directive may be used to add, delete, modify, or reject work, to note deficiencies in work, to clarify the Contract or to order work to be performed. Work required by a Field Directive or other written directive shall be in accordance with the Contract and any previously executed Change Orders, except as delineated otherwise in the directive. Drawings included with Field Directives or other written directives are part of the Contract and shall be incorporated into the Record Drawings.

If the CMGC refuses or neglects to comply with or make progress in the execution of any Field Directive or other written directive, the SLDMWA, in addition to all other rights under the Contract and/or applicable law, may employ

any person or persons to perform such work at CMGC's cost, and the CMGC shall not interfere with the person or persons so employed.

At appropriate intervals, Field Directives and/or other written directives that alter the Contract may be grouped to form a Change Order as described in Article 9, "Changes and Claims," of these General Conditions.

SECTION 4.07. COMPLEMENTARY FEATURE OF CONTRACT DOCUMENTS; ORDER OF PRECEDENCE.

The Contract Documents, including the Specifications and Plans and Drawings, are complementary and what is called for by any one shall be as binding as if called for by all. In case of conflict, the following order of precedence will govern interpretation of the Contract:

1. Permits from other agencies as may be required by law;
2. The Special Provisions containing the requirements for federally funded projects;
3. The Agreement for Construction, as amended by Change Orders and any other Contract amendments;
4. Special Provisions that may be developed during preconstruction services;
5. Technical Specifications;
6. Plans and Drawings;
7. General Conditions;
8. Request for Proposals, including attachments and addenda;

In addition, the following shall also apply:

1. Written numbers and notes on a drawing shall govern over graphics.
2. A detail drawing governs over a general drawing.
3. A detail specification governs over a general specification.
4. A specification in a section governs over a specification referenced by that section.
5. Changes last in time govern prior requirements.

In case of conflict between the Project Plans and Technical Specifications, the Plans shall govern in matters of quantity and size, the Technical Specifications in matters of quality. In case of conflict within the Plans involving quantities or within the Technical Specifications involving quality, the greater quantity and the higher quality shall be provided.

Where on any Drawing a portion of the Work is drawn out and the remainder is indicated in outline, the drawn out parts shall apply to all other like portions of the Work. Where ornament or other detail is indicated as starting, such detail shall be continued throughout the courses or parts in which it occurs and shall also apply to other similar parts in the Work, unless otherwise indicated.

All work shown on the Plans, the dimensions of which are not figured, shall be accurately followed to the scale to which the drawings are made; however, figured dimensions shall in all cases be followed, even if they differ from scaled measurements. Full-size drawings shall be followed in the execution of the Work.

Any material specified by reference to the number, symbol, or title of a specified standard such as a Commercial Standard, a Federal Specification, a trade association standard, or other similar standards, shall comply with the requirements in the latest approved revision thereof and any amendments or supplements thereto in effect on the date of Notice Inviting Bids, except as limited to type, class, or grade, or modified in such reference. The standards referred to, except as modified in the Specifications, shall have full force and effect as though printed in these Specifications.

SECTION 4.08. INTERPRETATION AND ADDITIONAL INSTRUCTIONS; REQUESTS FOR INFORMATION.

SECTION 4.08A. General.

CMGC shall prepare a Request for Information (RFI) when additional information, clarification, or interpretation of the Contract is required. RFIs may also be used for apparent conflicts, inconsistencies, ambiguities, or omissions.

RFIs shall be submitted to the SLDMWA sufficiently in advance of the work to permit time for investigation and preparation of a response. Any work undertaken prior to receipt of a response to an RFI will be at the CMGC's risk.

RFIs shall not be used for submittals or for substitution of material or equipment, or for waiving of requirements.

SECTION 4.08B. Procedure.

An RFI shall be submitted on an approved form as defined at the preconstruction meeting, and shall be numbered consecutively. A status log shall be prepared and updated by the CMGC and reviewed with the SLDMWA at each progress meeting. Each RFI shall deal with only one topic, item, issue, or system. The RFI shall clearly describe and specifically state what is being requested. Relevant portions of the Contract shall be cited, marked-up, and attached.

The CMGC shall review each RFI before submittal and compare it with the Contract to verify that a response is required. RFIs will only be accepted from the CMGC and not from Subcontractors or suppliers. A recommendation or proposed solution may be included when appropriate or expedient. RFIs that are not clear or RFIs for which a response is clearly identified in the Contract will not be accepted.

SECTION 4.08C. Response.

The SLDMWA will normally respond within fifteen (15) Working Days. The SLDMWA will provide a written response, and that response shall control. The CMGC shall indicate a priority for responses to RFIs if more than five (5) RFIs are pending at the same time. In case of a dispute between the CMGC and the SLDMWA, protest may be made as provided in Section 9.15, "Dispute Regarding Contract Requirements," of these General Conditions.

Subsequent resubmittals of an RFI shall be identified with the same RFI number and a letter designation. Resubmittals shall clearly state the reason for the resubmittal.

Responses to RFIs indicating a change to drawings shall be recorded by the CMGC on the Record Documents.

SECTION 4.09. NOTIFICATION OF DISAGREEMENT REGARDING SCOPE OF WORK.

If agreement cannot be reached as to cost, and the CMGC does not agree that work due to an interpretation or supplemental drawing or instruction or directive is within the scope of the Contract Documents, the CMGC shall, within seven (7) days after receipt of the interpretation, supplemental drawing, instruction or directive, submit a Proposed Change Order to the SLDMWA specifying in detail in what particulars the Contract requirements were exceeded and the change in cost resulting therefrom. The SLDMWA shall then determine whether a Change Order shall be issued in accordance with Article 9 of these General Conditions. The CMGC shall nevertheless perform such work without delay.

The time during which the disagreement is pending shall not affect the Contract Time.

SECTION 4.10. DELETED ITEMS.

The SLDMWA may delete from the Work any one or more items of work. The CMGC will be paid for all work done toward the completion of the item prior to such deletion, as provided in Article 9, "Changes and Claims," of these General Conditions, but in no event will the amount paid exceed the Bid or Schedule of Values amount less the value of the deleted work. The CMGC shall make no claim, nor receive any compensation for profits, for loss of profit, for damages, or for any extra payment whatever because of any deleted items of work.

SECTION 4.11. EXTRA WORK.

Work not covered by the Contract but necessary for the proper completion of the Project will be classed as extra work and shall be performed by the CMGC when directed in writing by the SLDMWA. Extra work shall be performed in accordance with the Contract and as directed by the SLDMWA.

Extra work must be authorized in writing by the SLDMWA before the work is started. Payment for extra work will not be made unless such prior written authorization is obtained.

In the event of an emergency or other situation that endangers the Work or endangers public safety, the SLDMWA will direct the CMGC to perform such extra work necessary to protect the Work or the public.

SECTION 4.12. USE OF COMPLETED PORTIONS.

The SLDMWA has the right during the progress of the Work to occupy and/or use any completed or partially completed portion of the Work. Such use shall not be deemed acceptance of that portion, nor of any other portions of the Work, nor of work not completed in accordance with the Contract.

Under unusual circumstances on an exception basis, and only by written approval of the SLDMWA, the SLDMWA may provide a field acceptance of a completed portion of the Work under Section 7.21, "Final Inspection and Field Acceptance," of these General Conditions, such that the warranty period for that portion will be considered to commence and the CMGC will be relieved of any further maintenance and protection of that portion. No final payment shall occur for a limited portion of the work. The CMGC will not be relieved of the Contract requirements for repairing or replacing defective work and materials in accordance with Sections 7.21 and 7.23, "Warranty Work," of these General Conditions.

SECTION 4.13. LANDS AND RIGHTS-OF-WAY.

The SLDMWA shall provide the lands, rights-of-way, and easements upon which the Work is to be done, and such other lands as may be designated on the Plans for the use of the CMGC. The CMGC shall confine its operations to within these limits. The CMGC shall comply with the terms and conditions of right of entry, right of way and easement documents. The SLDMWA shall provide photocopies of these documents to the CMGC prior to the CMGC's use of, or commencement of Work, in the lands in question.

The CMGC shall provide at the CMGC's own expense any additional land and access that is required for temporary construction facilities or storage of materials. The CMGC shall obtain all required permissions for use of private property prior to taking possession or use. The permission shall be obtained in writing and a copy forwarded to the SLDMWA prior to the CMGC taking possession of said property.

SECTION 4.14. WARRANTY.

Unless otherwise specified in the Contract Documents, the warranty time period will be one year after the SLDMWA acceptance of Work (see Section 7.22, "Final Acceptance and Notice of Completion," of these General Conditions) and subject to the terms of the CMGC Guarantee Form. The Performance Bond furnished by the CMGC as part of the execution of the Contract shall include the terms and time period of the Warranty of the CMGC's work. In lieu of continuing the original performance bond through the warranty period, the CMGC may submit a warranty bond, on a form substantially the same as the Performance Bond, for a minimum of ten percent (10%) of the total project value to be valid for one year from the date of acceptance by the SLDMWA, subject to extension in accordance with the CMGC Guarantee Form for corrected defective work.

If required by the Contract Documents, the CMGC shall enter into and sign Warranty statements in the form provided to warranty various segments of the Work for the time specified.

If failure of any portion of the Work can be attributed to faulty materials, poor workmanship, defective equipment, or any other reason that can be attributed to CMGC's performance, and this failure occurs prior to the end of the specified warranty period, the CMGC shall promptly make the needed repairs at the CMGC's expense in accordance with Section 7.23, "Warranty Work," of these General Conditions.

ARTICLE 5. CONTROL OF WORK AND MATERIALS

SECTION 5.01. AUTHORITY OF SAN LUIS AND DELTA-MENDOTA WATER AUTHORITY.

The SLDMWA will decide all questions regarding the quality and acceptability of materials furnished, work performed, and rate of progress of the Work. The SLDMWA will decide all questions regarding the interpretation and fulfillment of the Contract on the part of the CMGC, and all questions as to the rights of different CMGCs that may be involved with the Work.

The SLDMWA will determine the amount and quality of the Work performed and materials furnished for which payment is to be made under the Contract.

The SLDMWA will administer its authority through a duly designated representative identified at the preconstruction meeting. The CMGC and the SLDMWA Representative shall make good faith attempts to resolve disputes that arise during the performance of the Work.

Any order given by the SLDMWA not otherwise required by the Contract to be in writing will be given or confirmed by the SLDMWA in writing at the CMGC's request. Such request shall state the specific subject of the decision, directive, instruction, or notice and, if it has been given orally, its date, time, place, author, and recipient.

SECTION 5.02. ATTENTION AND COOPERATION OF CMGC.

The CMGC shall comply with any written instruction delivered to the CMGC or the CMGC's authorized representative by appropriately authorized representatives of the SLDMWA.

SECTION 5.03. SUGGESTIONS TO CMGC.

Any plan or method suggested to the CMGC by the SLDMWA, but not specified or required in writing, if adopted or followed in whole or in part by the CMGC, shall be used at the risk and responsibility of the CMGC. The SLDMWA assumes no responsibility.

SECTION 5.04. SEPARATE CONTRACTS.

The SLDMWA reserves the right to award other contracts in connection with the Work, including awarding a separate contract or contracts for Tasks initially anticipated to be performed by CMGC. The CMGC shall afford other contractors reasonable opportunity for the delivery and storage of their materials and the execution of their work and shall properly connect and coordinate its work with the other contractors.

If any part of the CMGC's work depends upon the work of any other contractor for proper execution or results, the CMGC shall inspect and promptly report to the SLDMWA any defects in such work that render the other contractor's work unsuitable for proper execution and results. The CMGC's failure to so inspect and promptly report shall constitute an acceptance of the other contractor's work as fit and proper for the reception of the CMGC's work, unless defects develop in the other contractor's work after the execution of the CMGC's work.

SECTION 5.05. COOPERATION WITH OTHER CONTRACTORS.

Other contractors and other forces, including the SLDMWA and/or adjacent property owners, may perform work adjacent to or within the Work area concurrent with the CMGC's operations. The CMGC shall conduct operations to minimize interference with the work of other forces or contractors. Any disputes or conflicts between the CMGC and other forces or contractors retained by the SLDMWA which create delays or hindrance to each other shall be referred to the SLDMWA for resolution. If the CMGC's work is delayed because of the acts or omissions of any other force or contractor, the CMGC shall have no claim against the SLDMWA other than for an extension of time (see Section 7.18, "Extension of Time," of these General Conditions).

SECTION 5.06. SUPERVISION PROCEDURES.

The CMGC shall supervise and direct the Work using its best skill and attention. The CMGC shall be solely responsible for all construction means, methods, techniques, and procedures and for coordinating all portions of the Work under the Contract.

The CMGC shall be responsible to the SLDMWA for the acts and omissions of its employees, Subcontractors, their agents and employees, and other persons performing any of the Work.

It is prohibited to hire undocumented workers. The CMGC shall secure and cause its Subcontractors to secure proof of eligibility/citizenship to work from all workers.

The CMGC shall not be relieved from its obligations to perform the Work in accordance with the Contract Documents either by the activities or duties of the Engineer or the SLDMWA Representative in their administration of the Contract or by inspections, tests, or approvals (or the lack thereof) required or performed by persons other than the CMGC.

SECTION 5.07. SKILLED LABOR.

All non-apprentice labor shall have the skills of a journeyman in the applicable trade. All workmanship shall be of the highest quality and finish in all respects.

SECTION 5.08. CMGC'S DISMISSAL OF UNSATISFACTORY EMPLOYEES.

If any person employed by the CMGC or any Subcontractor shall fail or refuse to carry out the directions of the SLDMWA or the provisions of the Contract; or is, in the opinion of the SLDMWA, incompetent, unfaithful, intemperate, or disorderly; or uses threatening or abusive language or conduct to any person on or associated with the Work or with the public; or is acting or working in a manner that compromises the safety of the public, Work, or persons or property involved with the Work; or is otherwise unsatisfactory, the CMGC shall, when requested by the SLDMWA, remove the worker from the Work site immediately, and shall not again employ the removed worker on the Project, under this contract or any other contract, except with the written consent of the SLDMWA.

SECTION 5.09. CMGC'S EQUIPMENT.

The CMGC shall provide adequate and suitable equipment, labor, and means of construction to meet all the requirements of the Work, including completion within the Contract Time. Only equipment suitable to produce the quality of work required will be permitted to operate on the Project. Specific types of equipment may be requested by the SLDMWA on component parts of the Work.

The SLDMWA may, at the SLDMWA's option, permit the use of new or improved equipment, at the CMGC's cost. If such permission is granted, it is understood that it is granted for the purpose of testing the quality and continuous attainment of work produced by the equipment, and the SLDMWA shall have the right to withdraw such permission at any time that the SLDMWA determines that the alternative equipment is not producing work that is equal in all respects to that specified, or will not complete the Work in the time specified in the Contract. The cost for mobilizing and demobilizing new or improved equipment shall be borne by the CMGC.

In any case where the use of a particular type or piece of equipment has been banned, or in cases where the SLDMWA has condemned for use on the Work any piece or pieces of equipment, the CMGC shall promptly remove such equipment from the site of the Work at its cost. Failure to do so within a reasonable time may be considered a breach of contract. The cost for mobilizing and demobilizing replacement equipment shall be borne by the CMGC.

SECTION 5.10. CMGC'S SUBMITTALS.

SECTION 5.10A. Submittals – General.

The CMGC shall furnish all working drawings, plans, specifications, descriptive data, certificates, samples, tests, methods, schedules, and manufacturer's instructions as required in the Contract, and any other information required to demonstrate that the materials and equipment to be furnished and the methods of work comply with the provisions and intent of the Contract. Submittals shall be submitted by the dates specified in the Contract.

Submittals for systems shall be bound together and include all information for the system.

For any sample or other submittal that is not submitted electronically, a minimum of five (5) copies of all submittals shall be furnished, two (2) of which will be returned after review. Depending on the complexity of the submittal, the number of submittals, and the express needs of the CMGC as reflected in the schedule and noted in the submittal, the submittal will be returned to the CMGC within twenty-eight (28) Calendar Days unless otherwise specified in the Contract Documents, exclusive of any time awaiting clarification or further information. Submittals shall be transmitted using submittal transmittal forms provided by the SLDMWA. Unless otherwise agreed to by the CMGC and the SLDMWA or required by the nature of the submittal (*e.g.*, the requirement to submit a sample), the CMGC will make all submittals using an electronic submittal transmittal form. The SLDMWA will provide the CMGC with an electronic copy of its submittal log. Where any item of the work is required to be installed in accordance with the manufacturer's recommendations and the manufacturer's recommendations are not available electronically, the CMGC shall furnish five (5) complete paper sets of the manufacturer's installation recommendations to the SLDMWA prior to starting the installation, which paper copies will be retained by the SLDMWA.

If the information furnished in a submittal shows any deviation from the Contract requirements, the CMGC shall, by a statement in writing accompanying the information, advise the SLDMWA of the deviation and state the reasons. It shall be the CMGC's responsibility to ensure there is no conflict with other submittals and to notify the SLDMWA in any case where the CMGC's submittal may concern work by another CMGC, adjacent property owners, other forces, or the SLDMWA.

The CMGC is solely responsible for coordination of submittals among all related crafts performing the Work. The CMGC shall verify that its Subcontractors' submittals are complete in every way and meet the requirements of the Contract.

Direction from the SLDMWA to proceed following return of the CMGC's submittals shall not relieve the CMGC of responsibility for any error or of any obligation for accuracy of dimensions and details; for agreement with and conformity to the Contract; or responsibility to fulfill the Contract as prescribed; nor shall such direction be considered as approval of any deviation or conflict in the submittal unless the SLDMWA has been expressly advised in writing of the same as set forth immediately above, and the SLDMWA has expressly approved such deviation or conflict in writing.

The CMGC shall make no changes to any approved submittal after it has been returned, and the equipment or materials shall not deviate in any way except with written approval by the SLDMWA. Fabrication or other work performed in advance of return of the submittal with a direction to proceed shall be done entirely at the CMGC's risk.

Minimum requirements for submittals are contained in these Specifications. Additional and/or project-specific requirements may be contained in the Contract. The CMGC is responsible for identifying and providing all required submittals.

SECTION 5-10B. Resubmittals.

Resubmittals shall address all comments from the SLDMWA. Partial resubmittals may be returned 'REVISE AND RESUBMIT.' The CMGC is responsible for the SLDMWA's review costs for each resubmittal in excess of the first resubmittal. These costs will be charged to the CMGC and will be deducted from progress payments.

SECTION 5.10C. Submittals Containing Proprietary Information.

All required information shall be provided even though some or all of such information may be considered proprietary. If any of the information required herein is considered proprietary, then it shall be clearly identified as such by the CMGC, who shall clearly mark the material as “confidential” or with similar other notation, but only to the extent that the material is proprietary. Such material shall be kept confidential by the SLDMWA unless disclosure is required by another government agency or ordered by a court of competent jurisdiction. If any individual or entity seeks disclosure of material marked “proprietary,” then the SLDMWA will make reasonable attempts to notify the CMGC prior to disclosure to allow the CMGC to defend its “proprietary” marking. Proprietary information is defined as any information or data describing or defining a product, process, or system which 1) was developed at the expense of the CMGC, a Subcontractor, or supplier; 2) is not generally available in the industry; and 3) is kept secret by its owner for purposes of preventing its use by others. Application software and all other documentation, or any other product prepared by the CMGC, Subcontractor, or supplier at the expense of the SLDMWA for specific use on the facility being constructed under the Contract, shall not be considered proprietary.

All submitted proprietary information shall describe the final record Work. No part of the Work identified as “proprietary” shall be modified after proprietary submittal acceptance until updated proprietary information has been submitted by the CMGC and accepted by the SLDMWA. Updated proprietary information shall fully document all modifications to be implemented. All proprietary data shall be marked “PROPRIETARY” by the CMGC.

SECTION 5.10D. NOT USED**SECTION 5.10E. Operations and Maintenance (O&M) Submittals.**

For use in subsequent operations and maintenance, the CMGC shall furnish, unless otherwise provided for in the Contract Documents, one (1) original and two (3) copies, all bound and indexed, and one bookmarked electronic copy in pdf format, of maintenance and operation information, including all the highest level of factory maintenance manuals (greatest level of detail) that are available to factory representatives with a three-year subscription to newsletters and updates supplied by the manufacturer covering all equipment and systems included in the Contract. The SLDMWA may withhold up to ten percent (10%) of the GMP amount attributable to the Task until O&M submittals have been submitted and approved. The submittal shall include at a minimum:

- Drawings
- Illustrations
- Parts lists
- Wiring diagrams of systems
- Internal wiring diagrams and circuit board schematics and layout drawings
- Manufacturer's recommended spare parts lists
- Name, address, and phone number of nearest parts and service provider
- Systems balance data
- Maintenance and service instructions
- Operation instructions
- Software, including annotated source lists and programs

The submittal of maintenance and operation information is required for all mechanical, electrical, instrumentation, control, communications, sound, or special equipment and systems.

The CMGC shall obtain approval of the required data at least thirty (30) Calendar Days prior to any required training or the final inspection date.

SECTION 5.11. DAILY REPORTS.

No less than on a weekly basis, the CMGC shall submit, upon request of the SLDMWA, to the SLDMWA daily reports, which shall include, without limitation, the identity of Subcontractors on the site, an accurate headcount of workers on the site, materials and equipment delivered to the site, visitors to the site, work performed, any problems encountered, and representative photos.

SECTION 5.12. SURVEYS.

SECTION 5.12A. Surveys.

Except as set forth in this Section or in the Contract Documents, the CMGC shall be responsible for performing all necessary surveys to lay out and control the Work to the locations, elevations, lines, and dimensions shown or specified in the Contract. Any deviations must receive prior written approval of the SLDMWA. All surveys affecting the line or elevation of underground drainage, sewers, or utilities, and all other work within public rights-of-way or easements, shall be performed by or under the direction and supervision of a California Registered Civil Engineer authorized to practice land surveying or a California Licensed Land Surveyor. The CMGC shall be responsible for protecting and perpetuating survey monuments affected by construction activities in accordance with Business and Professions Code Section 8771(b). The CMGC shall be responsible for the accuracy of the CMGC's own layout work, and shall be liable for the preservation of all established lines and grades.

Stakes damaged or destroyed by the operations of the CMGC shall be replaced at the CMGC's expense.

Dimensions for existing structures, piping, paving, and other nonstructural items are taken from the available information during the SLDMWA's planning and design.

- CMGC shall field verify dimensions and conditions in advance of any construction in the area.
- Any discrepancy between the field survey and the information indicated in the Contract Documents shall be immediately brought to the attention of the SLDMWA Representative by written notification.
- In questions arising as to proper location of lines and grades, the decision of SLDMWA's Representative will be final.

Accuracy of the CMGC's stakes, alignments, and grades may be periodically and randomly checked by SLDMWA's Representative.

- If requested by SLDMWA's Representative, the CMGC shall supply field labor as required, at no extra charge to the SLDMWA, to aid and assist SLDMWA's Representative in checking location and grades of the work as set by the CMGC. This shall include postponing parts of the Work affected by survey check and moving materials and equipment that interfere with a clear line of sight between horizontal control points and the construction work.
- The CMGC is not to assume that SLDMWA's Representative's check substitutes for or complements the CMGC's required field quality control procedures.

The CMGC's registered land surveyor shall check the line and grade of the slab or footing concrete forms prior to the first slab or footing pour at each structure.

SECTION 5.12B. Survey Monuments.

The SLDMWA shall show on the construction Plans, to the best of its knowledge, the location and character of survey monuments located within the construction area. It is the CMGC's responsibility to arrange and pay for a diligent and thorough search for survey monuments. This shall be performed by or under the direction of a California Licensed Land Surveyor or a California Registered Civil Engineer authorized to practice Land Surveying, prior to the beginning of construction or maintenance work that could disturb or destroy a survey monument. Any monuments found shall be referenced and reset by or under the direction of a California Licensed Land Surveyor or a California Registered Civil Engineer authorized to practice Land Surveying in accordance with Business and Professions Code Section 8771.

On thin surface treatments, such as chip seals, the monuments can be covered in advance of the maintenance treatment with a suitable material and then removed to expose the monument.

When survey monuments not shown on the Plans are discovered, the CMGC shall bring them to the attention of the SLDMWA prior to damaging them. Any SLDMWA survey monuments damaged or destroyed by the CMGC shall be reset by the SLDMWA or CMGC at the CMGC's expense. Any other damaged or destroyed survey monuments shall be reset by the CMGC at its sole expense in accordance with the Land Surveyors Act (Business & Professions Code 8700 et seq.).

When the Contract Documents require that the CMGC provide all surveys, the CMGC shall be responsible for referencing, resetting, and filing of corner records for all survey monuments disturbed or destroyed by construction activities in accordance with Business and Professions Code Section 8771.

All survey monuments and references shall be set or reset by or under the direction of a California Licensed Land Surveyor or a California Registered Civil Engineer authorized to practice Land Surveying.

SECTION 5.12C. Documentation.

CMGC shall furnish SLDMWA's Representative with one (1) copy of all land surveyor notes, calculations, sketches, and drawings within 48 hours after completion of each survey task.

CMGC shall prepare, maintain, and submit Record Documents as required in the Contract Documents. CMGC's land surveyor is to affix its signature and registration number to applicable record drawings certifying the accuracy of lines and grades shown.

CMGC shall submit survey Record Drawings before final completion.

SECTION 5.13. RESPONSIBILITY FOR ACCURACY.

The CMGC shall obtain all necessary measurements for and from the Work, and shall check dimensions, elevations, and grades for all layout and construction work and shall supervise such work; the accuracy for all of which the CMGC shall be responsible. The CMGC is responsible for adjusting, correcting, and coordinating the work of all Subcontractors so that no discrepancies result.

SECTION 5.14. DUTIES AND POWERS OF INSPECTORS.

Inspectors are the authorized representatives of the SLDMWA. Their duty is to inspect materials and workmanship of those portions of the Work to which they are assigned, either individually or collectively, under instructions of the SLDMWA, and to report all deviations from the Contract.

The Project Inspector shall have the authority to order the work designated for inspection stopped if a determination is made that work is proceeding in violation of the Contract Documents or any orders issued by the SLDMWA, its representatives, or the Engineer. The failure of the Project Inspector to order the work stopped does not excuse the CMGC from complying with the Contract Documents for that work.

Upon issuing a stop work notice, the Project Inspector shall notify the Engineer, who shall inspect the work in question and determine whether it does or does not comply with the Contract Documents. The decision of the Engineer shall be final, subject to the disputes procedures in Article 9, "Changes and Claims," of these General Conditions. The CMGC shall thereafter comply with the instructions of the Engineer regarding corrections needed to cure the defect. The suspended work shall be resumed only when the Engineer's instructions are fulfilled. The CMGC shall not be entitled to an extension of time in the event of such suspension of work, provided the stop work notice is determined to be supported by the facts.

The SLDMWA work site inspections will only be conducted Monday through Friday from 7:00 am to 5:30 pm, excluding weekends and Legal Holidays. Any inspections outside of these hours shall be requested at least three (3)

days prior, must be approved by the Project Manager, and all added costs associated with the inspections outside specified times shall be paid by the CMGC.

SECTION 5.15. INSPECTION.

The inspection of the Work does not relieve the CMGC of the obligation to fulfill all Contract requirements. The purpose of inspection is not to assure CMGC that all of the Work is meeting all of the Contract requirements.

All work and materials furnished pursuant to the Contract shall be subject to inspection and approval by the SLDMWA. The CMGC shall provide the SLDMWA and Inspectors with access to the Work during construction and shall furnish every reasonable facility and assistance for ascertaining that the materials, equipment and the workmanship are in accordance with the requirements and intent of the Contract. Any work, materials, or equipment not meeting the requirements and intent of the Contract will be rejected, and unsuitable work, equipment, or materials shall be made good, notwithstanding the fact that such work, materials, or equipment may have been previously inspected or approved and /or payment may have been made. The CMGC shall be solely responsible for any costs associated with the removal of any defective work, equipment, or materials discovered during the inspection and the complete cost of reconstruction.

Unless authorized in writing by the SLDMWA, any work done in the absence of an Inspector, whether completed or in progress, shall be subject to inspection. The CMGC shall furnish all tools, labor, materials, access facilities, and other facilities necessary to allow such inspection, even to the extent of uncovering or taking down completed portions of the Work. The CMGC shall pay all costs incurred, whether or not any defective work is discovered. The CMGC shall also be solely responsible for any costs associated with the removal of any defective work discovered during the inspection and the complete cost of reconstruction.

Reexamination of any part of the Work may be ordered by the SLDMWA, and such part of the Work shall be uncovered by the CMGC. The CMGC shall pay the entire cost of such uncovering, reexamination, and replacement if the reexamined work does not conform to the Contract.

The CMGC shall notify the SLDMWA of the time and place of any factory tests and submit test procedures for approval thirty (30) Calendar Days in advance for any tests that are required by the Contract. The CMGC shall report the time and place of preparation, manufacture, or construction of any material for the Work, or any part of the Work, that the SLDMWA wishes to inspect. The CMGC shall give five (5) Working Days' notice in advance of the beginning of work on any such material or of the beginning of any such test to allow the SLDMWA to make arrangements for inspecting and testing or witnessing.

SECTION 5.16. QUALITY OF MATERIALS AND WORKMANSHIP.

Unless otherwise allowed or required by the Contract Documents, all equipment and materials shall be new and of a quality at least equal to that specified. All workmanship shall also be of the highest quality. When the CMGC is required to furnish equipment, materials, or manufactured articles or to do work for which no detailed specifications are set forth, the equipment, materials, or manufactured articles shall be of the best grade in quality and workmanship obtainable in the market. If not ordinarily carried in stock, the articles shall conform to the usual standards for first-class materials or articles of the kind required. The work performed shall secure the best standard of construction and equipment of the Work as a whole or in part.

Materials shall be furnished in sufficient quantities and at such times to ensure uninterrupted progress of the Work. All required spare parts shall be delivered in new condition, not in a used or unknown condition, and with any certificates required. Materials, supplies, and equipment shall be stored properly and protected as required. The CMGC shall be entirely responsible for damage or loss by weather or other causes.

SECTION 5.17. SUBSTITUTIONS.

Certain materials, articles, or equipment may be designated in the Contract by brand or trade name or manufacturer together with catalog designation or other identifying information. Substitute material, article, or equipment which is of equal quality and of required characteristics for the intended purpose may be proposed for use, provided the CMGC complies with the requirements of the following paragraphs. Notwithstanding the foregoing, all known requests for

substitutions are expected to be made during preconstruction services. Such substitutions approved during preconstruction services shall not be subject to the following process.

SECTION 5.17A. Written Request.

The CMGC shall submit any request for substitution in writing.

SECTION 5.17B. Documentation.

A proposal for substitution must be accompanied by complete information and descriptive data, including cost of operation, cost of maintenance, and physical requirements necessary to determine the equality of offered materials, articles, or equipment.

The CMGC shall also submit such shop drawings, descriptive data, and samples as requested. The burden of proof of comparative quality, suitability, and performance of the offered proposal shall be upon the CMGC. The determination of equal quality, suitability, and performance shall be at the sole discretion of the SLDMWA. The SLDMWA will examine such submittals with reasonable promptness. If the SLDMWA rejects the request for such substitution, then one of the particular products designated by brand name in the Contract shall be furnished. Acceptance of substitution by the SLDMWA shall not relieve the CMGC from responsibility for deviations from the Plans and Specifications or from responsibility for errors in submittals. Failure by the CMGC to identify deviations in the request material from the Plans and Specifications shall void the submittal or request for substitution and any action taken thereon by the SLDMWA.

Changes required for proper installation and fit of substitute materials, articles, or equipment, or because of deviations from the Contract, shall not be made without the written consent of the SLDMWA and shall be made by the CMGC without additional cost to the SLDMWA. The CMGC shall pay the costs of design, drafting, engineering services, and alterations of the construction required to accommodate any CMGC substitution or construction error to maintain the original function and design.

SECTION 5.18. PREPARATION FOR TESTING.

The CMGC shall maintain proper facilities and provide safe access for inspection by the SLDMWA to all parts of the Work and to the shops wherein parts of the Work are in preparation.

Where the Contract requires work to be tested or approved, such work shall not be tested or covered up without at least a five (5) Working Day notice to the SLDMWA of its readiness for inspection, unless the written approval of the SLDMWA for such testing or covering is first obtained.

SECTION 5.19. MATERIALS SAMPLING AND TESTING.

Materials to be used in the Work will be subject to sampling and tests by the SLDMWA. The CMGC shall furnish the SLDMWA with a list of the CMGC's sources of materials and the locations at which such materials will be available for inspection. The list shall be furnished to the SLDMWA in time to permit the inspection and testing of materials in advance of their use.

Testing shall be done to such standards as set forth in the Plans, Specifications, or Special Provisions. References made in these documents to standard methods of testing materials shall make such standards a part of the Specifications.

Whenever a reference is made in the Specifications to a specification or test designation of any recognized State or national organization or State of California agency, and the number or other identification representing the year of adoption or the latest revision is omitted, it shall mean the specification or test designation in effect on the date of the original Notice Inviting Bids for the Work.

When requested by the SLDMWA, samples or test specimens of the proposed materials shall be prepared at the expense of the CMGC and furnished by the CMGC in such quantities and sizes required for proper examination and tests, and with complete information describing type, kind, or size of material, and its source. All samples shall be submitted in time to permit the making of proper tests, analyses, or examinations before incorporating the materials into the Work. No material shall be used in the Work unless or until it has been approved by the SLDMWA. All

material tests shall be made by the SLDMWA in accordance with recognized standard practice. The CMGC shall pay the cost of any retest of any area or material. The SLDMWA will secure and test samples whenever necessary.

SECTION 5.20. APPROVAL OF MATERIALS OR EQUIPMENT.

SECTION 5.20A. Sources of Supply.

The SLDMWA's approval at the source of supply may be required prior to procurement. Such approval shall not prevent subsequent disapproval or rejection of materials or equipment by the SLDMWA if the quality is less than required by the Contract.

SECTION 5.20B. Plant Inspection.

The SLDMWA assumes no obligation to inspect materials or equipment at the source of supply. The CMGC is responsible for incorporating satisfactory materials and equipment into the Work, notwithstanding any prior inspections or tests.

The SLDMWA will inspect materials or equipment at the source if the CMGC submits a written request and if the SLDMWA deems the inspection necessary. The CMGC and the supplier will cooperate with and assist the SLDMWA while performing the inspection. The SLDMWA shall have access to all production areas of the material or equipment source or place of manufacturing.

SECTION 5.21. PROVISIONS FOR EMERGENCIES.

The SLDMWA may provide necessary labor, material, and equipment to correct any emergency resulting from the CMGC's operation including non-compliance with the Contract, public convenience, safety, and protection of Work, persons, environment, and property. The nature of the emergency may prevent the SLDMWA from notifying the CMGC prior to taking action. The costs of such labor, material, and equipment shall be borne by the CMGC and will be deducted from progress payments.

The performance of such emergency work under the direction of the SLDMWA shall not relieve the CMGC from any damages resulting from the emergency.

SECTION 5.22. RIGHT TO RETAIN IMPERFECT WORK.

If any portion of the work done or materials or equipment furnished under the Contract shall prove defective or not in accordance with the Contract, and a) if the defect in the work, materials, or equipment is not of sufficient magnitude or importance to make the work, materials, or equipment dangerous or undesirable, or b) if the removal of such work, materials, or equipment is impracticable or will create conditions which are dangerous or undesirable, then the SLDMWA shall have the right and authority to retain the work, materials, or equipment instead of requiring it to be removed and reconstructed or replaced. Progress payment deductions will be made as described in Section 8.09, "Deductions for Imperfect Work," of these General Conditions.

SECTION 5.23. REMOVAL OF REJECTED MATERIALS OR WORK.

The CMGC shall remove all rejected or condemned materials, equipment, or Work within two (2) Working Days of the SLDMWA's written directive, unless otherwise specified in the directive. No such rejected or condemned materials or equipment shall again be offered for use in the Work. The CMGC shall, at the CMGC's expense, bring into Contract compliance all rejected material, equipment, or Work in a manner acceptable to the SLDMWA.

The SLDMWA may bring into Contract compliance the rejected material or equipment if the CMGC fails to comply with this Section. All costs shall be borne by the CMGC and will be deducted from the Progress Payment.

SECTION 5.24. TEMPORARY SUSPENSION OR DELAY OF WORK.

The SLDMWA has the authority to suspend or delay the Work, wholly or in part, for any period the SLDMWA deems necessary. The CMGC shall immediately comply with the SLDMWA's written directive to suspend or delay the Work. The suspended or delayed work shall be resumed only when conditions are favorable or methods are corrected, as ordered or approved in writing by the SLDMWA. Public safety and convenience must be maintained throughout the suspension or delay.

Delays due to suspension of work shall be classified as Inexcusable or Excusable Delays in accordance with Section 7.12, "Delays," of these General Conditions. Such suspension shall not relieve the CMGC of the CMGC's responsibilities as described in the Contract.

SECTION 5.25. TERMINATION.

SECTION 5.25A. Reasons for Termination.

The SLDMWA reserves the right to terminate the Contract, any Task, the CMGC's right to proceed, and/or the CMGC's control over the Work or any Task for any of the reasons listed below.

SECTION 5.25A.1. Termination for Convenience.

The SLDMWA may at any time and for any reason terminate the Contract or the CMGC's performance of the Work or any Contract Task, in whole or in part, for the SLDMWA's convenience by written notice to the CMGC. Upon receipt of such notice, the CMGC shall, unless the notice directs otherwise, immediately discontinue its work and the placing of orders for materials and supplies in connection therewith, and shall, if requested, make every reasonable effort to cancel all existing orders or contracts upon terms satisfactory to the SLDMWA, or, at the option of the SLDMWA, the SLDMWA shall have the right to assume those obligations directly, including all benefits to be derived therefrom. The CMGC hereby assigns to the SLDMWA all of its interest in said orders and/or contracts, and the assignment of said orders and/or contracts shall be effective upon notice of acceptance by the SLDMWA in writing, and only as to those orders and/or contracts which the SLDMWA designates in writing. Following receipt of notice of termination for convenience, the CMGC shall thereafter do only such work as may be necessary to preserve and protect portions of its work already in progress and to protect materials and equipment on or in transit to the Project.

Upon such termination, the CMGC shall be entitled to payment as follows: 1) the CMGC's unpaid Contract price for the Task completed in accordance with the Contract, but in no event to exceed the amount of the GMP allocable to the portion of the Task completed in conformity with the Contract; plus 2) previously unpaid costs of materials delivered to the Site or which have been ordered that the SLDMWA elects to accept, without markup; plus 3) reasonable costs of terminating subcontracts and material supply contracts, including without limitation reasonable restocking fees; plus 4) reasonable costs of securing the Site upon termination; plus 5) reasonable demobilization costs. The costs referred to in this Section shall be calculated and documented as required for a change order. The CMGC shall not be entitled to any claim for lost profits or unrecovered overhead as a consequence of the termination for convenience.

If the Contract or any Task or the CMGC's control over the Work is terminated for cause and if it is later determined that the termination for cause was wrongful, such termination for cause automatically shall be converted to and treated as a termination for convenience. In such event, the CMGC shall be entitled to receive only the amount payable under this Section, and the CMGC specifically waives any claim for any other amounts or damages, including any claim for consequential damages or lost profits.

SECTION 5.25A.2. Termination for Cause.

The SLDMWA may terminate the Contract or any Task or the CMGC's control over the Work and so notify the CMGC's sureties for the following causes:

- The CMGC is adjudged bankrupt or makes an assignment for the benefit of the CMGC's creditors, or if a receiver is appointed because of the CMGC's insolvency.
- The SLDMWA has made a determination that the CMGC will be unable to complete the Work or any Task on or before the completion date as adjusted by Change Order, or the CMGC has not completed the Work or any Task on or before the completion date as adjusted by Change Order.
- The CMGC abandons the Work.
- The Work or any portion is sublet or assigned without the SLDMWA's consent.
- The rate of progress is not in accordance with the Contract.

- Any portion of the Work is unnecessarily delayed.
- The CMGC willfully violates any terms or conditions of the Contract.
- The CMGC does not supply sufficient materials or properly skilled and staffed labor.
- The CMGC fails to promptly pay its Subcontractors.
- The CMGC disregards laws, ordinances, or orders of the SLDMWA or other government agency with authority over the Work.
- The CMGC fails to correct defective work in response to defective work notices.
- The CMGC fails to comply with written directives.

SECTION 5.25B. Termination After Contract Time.

In addition to any other rights it may have, the SLDMWA may terminate the Contract or any Task or the CMGC's right to proceed at any time after the expiration of the Contract Time attributable to any Task(s), as adjusted by Change Order. Upon such termination, in addition to the CMGC's other obligations under the Contract, the CMGC shall not be entitled to receive any compensation after such termination until the Work is completed, and the CMGC shall be liable to the SLDMWA for liquidated damages for all periods of time from the expiration of the Contract Time attributable to any Task(s), as adjusted by Change Order, until the date of Completion, as well as for all losses incurred by the SLDMWA in completing the Work, as set forth in Section 5.25D of these General Conditions.

SECTION 5.25C. Notice of Termination; SLDMWA Completion.

If grounds exist to terminate under Sections 5.25A.2 or 5.25B above, then the SLDMWA may issue to the CMGC and its sureties a Notice of Default and Intent to Terminate the Contract or the CMGC's Control Over the Work for Cause ("Notice"). The Notice shall state the grounds for default that exist and demand that CMGC cure the grounds, or make satisfactory arrangement for cure of the grounds, within ten (10) days of the date of the Notice, or else the SLDMWA will terminate the Contract or the CMGC's control over the Work.

If the CMGC fails to cure the grounds, or make satisfactory arrangement for cure of the grounds, stated in the Notice within ten (10) days of the date of the Notice, the SLDMWA may give written Notice of Termination for Cause to the CMGC and the CMGC's sureties that the Contract, or a portion of the Contract, has been terminated and/or that the CMGC's control over the Work, or a portion of the Work, has been terminated for the reasons stated in the Notice of Termination. The Notice of Termination shall also demand that CMGC's surety take over and perform the Work through Completion. The CMGC's surety shall then have the right to take over and perform the Work through Completion. The SLDMWA may take over the Work through Completion at the CMGC's and surety's expense if the surety does not commence performance within thirty (30) Calendar Days from the date of mailing the Notice of Termination or if immediate resumption of the Work is necessary to avoid significant additional cost.

If the SLDMWA is forced to take over the Work, it may prosecute the same to completion by day labor, by contract or by any other method it may deem advisable, for the account and at the expense of the CMGC and its sureties, and the CMGC and its sureties shall be liable to the SLDMWA for any excess costs, including management, supervision, and design support, occasioned thereby. In such event, the SLDMWA may, without liability, take possession of and utilize in completing the Work, the CMGC's materials whether stored at the Site or elsewhere, that are necessary for completion. The SLDMWA may also take possession of and use all or any part of the CMGC's tools, equipment, and appliances on the premises to complete the Work. The SLDMWA assumes the responsibility for returning such equipment in as good condition as when it was taken over, reasonable wear and tear excepted. The items shall be returned to the CMGC when the Work is complete or sooner, at the SLDMWA's discretion. The SLDMWA agrees to pay a reasonable amount for the use of such tools and equipment.

The CMGC hereby assigns to the SLDMWA all of its interest in orders and/or contracts existing at the time of termination. The assignment of said orders and/or contracts shall be effective upon notice of acceptance by the SLDMWA in writing, and only as to those orders and/or contracts which the SLDMWA designates in writing.

Whenever the Contract or the CMGC's control over the Work is terminated for cause, the CMGC and its sureties and shall be liable to the SLDMWA for liquidated damages for all periods of time from the expiration of the Contract Time, as adjusted by Change Order, until the date of Completion, as well as for all losses incurred by the SLDMWA in completing the Work, as set forth in Section 5.25D of these General Conditions.

Immediately upon receipt of a Notice of Termination for Cause or for Convenience, except as otherwise directed in writing by the SLDMWA, the CMGC shall:

1. Stop work under the Contract on the date and to the extent specified in the Notice of Termination.
2. Place no further orders or subcontracts for materials, services, or facilities except as necessary to complete the portion of the Work that is not terminated.
3. Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the Notice of Termination.
4. Assign to the SLDMWA, in the manner, at the times, and to the extent directed by the SLDMWA, all of the rights, titles, and interests of the CMGC under the orders and subcontracts so terminated. The SLDMWA shall have the right, at its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts.
5. Settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts with the approval or ratification of the SLDMWA. The SLDMWA's approval or ratification shall be final.
6. Transfer title to the SLDMWA, and deliver in the manner, at the times, and to the extent directed by the SLDMWA, fabricated or unfabricated parts, work in process, completed work, supplies, other material produced as a part of, or acquired in connection with, the terminated work, and the completed or partially completed drawings, information, and other property that, if the Contract had been completed, would have been submitted to the SLDMWA.
7. Sell, in the manner, at the times, to the extent, and at the price that the SLDMWA directs or authorizes, any property of the types referred to in Item 6 of this Section (Section 5.25C). The CMGC is not required to extend credit to any purchaser, and may acquire any such property under the conditions prescribed and at a price approved by the SLDMWA. The proceeds of any such transfer or disposition shall be used to reduce any payments made to the CMGC under the Contract or be credited to the cost of the work covered by the Contract or paid as the SLDMWA directs.
8. Complete performance of the Work not terminated by the Notice of Termination.
9. Take necessary action, or as the SLDMWA directs, to protect and preserve the property related to the Contract in which the SLDMWA has an interest.

SECTION 5.25D. Payments to CMGC Upon Termination for Cause.

In the event of a termination for cause, the CMGC is not entitled to receive any portion of the amount to be paid under the Contract until it is fully completed. After completion, if the unpaid balance exceeds the sum of the amount expended by the SLDMWA in finishing the work, plus all damages sustained or to be sustained by the SLDMWA, including, without limitation, legal expenses, the SLDMWA forces, administration, and management, direct and indirect, plus liquidated damages, plus any unpaid claims on account of labor, materials, tools, equipment, or supplies contracted for by the CMGC for the Work, provided that sworn statements of said claims shall have been filed as required by Article 9, "Changes and Claims," of these General Conditions, the excess not otherwise required by the Contract Documents to be retained shall be paid to the CMGC. If the sum so expended to complete, plus the SLDMWA's damages as described herein, plus liquidated damages, plus unpaid claims as described herein exceeds the unpaid balance of the Contract Sum, the CMGC and the CMGC's surety are liable to the SLDMWA for the amount of such excess.

SECTION 5.25E. Completion Not a Waiver of SLDMWA Rights.

No act by the SLDMWA before the Work is finally accepted shall operate as a waiver or stop the SLDMWA from acting upon any subsequent event, occurrence, or failure by the CMGC to fulfill the terms and conditions of the

Contract. The rights of the SLDMWA pursuant to this Section 5.25 and all of its subsections are in addition to all other rights of the SLDMWA pursuant to the Contract, and at law or in equity.

SECTION 5.25F. Survival of Obligations.

No termination of this Contract or of the CMGC's control over the Work shall excuse or otherwise relieve the CMGC of its responsibilities under the Contract with respect to any Work performed prior to the date of termination, including, without limitation, its obligation to perform the Work in a good and workmanlike manner, free of defects, and in accordance with the Contract, its warranty obligations with respect to the Work, and its obligation to make all payments due. All of the CMGC's responsibilities under the Contract with respect to the Work performed prior to the date of termination shall survive any termination.

SECTION 5.26. TERMINATION OF UNSATISFACTORY SUBCONTRACTS.

When any portion of the Work subcontracted by the CMGC is not prosecuted in a satisfactory manner, the CMGC shall immediately terminate the subcontract upon written notice from the SLDMWA. The Subcontractor shall not again be employed for any portion of the Project on which the Subcontractor's performance was unsatisfactory. Substitution of a new Subcontractor shall be accomplished in accordance with California Public Contract Code sections 4100 *et seq.*, and at the CMGC's expense.

ARTICLE 6. LEGAL RELATIONS AND RESPONSIBILITIES

SECTION 6.01. COMPLIANCE WITH LAWS AND REGULATIONS.

The CMGC shall be familiar and comply with all Federal, State, and local laws, ordinances, codes, and regulations which in any manner affect the Work, those engaged or employed in the Work, or the material or equipment used in or upon the Work, or in any way affect the conduct of the Work. No pleas of misunderstanding of such laws, ordinances, codes, or regulations or of ignorance of the same on the part of the CMGC shall modify the provisions of the Contract. The CMGC and the CMGC's surety shall indemnify, defend, and save harmless the SLDMWA and the SLDMWA's officers, officials, agents, employees, volunteers, members, affiliates, and their duly authorized representatives against any claim for liability arising from, or based upon, the violation of any such law, ordinance, regulation, decree, or order, whether by the CMGC or by the CMGC's employees, Subcontractors, or suppliers.

The attention of the CMGC is directed to certain laws that affect the Contract. The listing of these laws in this Article is not to be construed as a listing of all applicable laws. The CMGC is solely responsible for familiarity and compliance with all applicable laws.

See also Special Provisions.

SECTION 6.02. WAGES, HOURS AND EQUAL OPPORTUNITY

See also Special Provisions regarding compliance with the Davis-Bacon Act. In accordance with the Davis-Bacon Act, CMGC must pay the required wages not less than once per week.

SECTION 6.02A. Hours of Labor.

Eight (8) hours of labor shall constitute a legal day's work and the CMGC or any Subcontractor under the CMGC, in the execution of the Contract, shall not require more than eight (8) hours of labor in any Calendar Day, and forty (40) hours of labor in any calendar week, from any person employed by the CMGC in the performance of the Work under the Contract, except as permitted under the provisions of California Labor Code Sections 1810 through 1815. The CMGC shall forfeit, as penalty to the SLDMWA, the amount specified in Labor Code section 1813 for each worker employed by the CMGC or any Subcontractor under the CMGC in the execution of the Contract for each Calendar Day during which any worker is required or permitted to labor more than eight (8) hours and for each calendar week during which any worker is required or permitted to labor more than forty (40) hours in violation of the provisions of Labor Code Sections 1810 to 1815.

Overtime shall be paid at the rate of not less than one and one half (1 1/2) times the basic rate of pay, or at such higher rate as may be required by the DIR, applicable statutes, or collective bargaining agreements.

The SLDMWA reserves the right to approve or disapprove the days scheduled for work, and the hours during which work is in progress. Overtime and shift work may be established by the CMGC with reasonable notice and the written permission of the SLDMWA. No work other than overtime and shift work shall be done between the hours of 6:00 p.m. and 7:00 a.m., except such work as is necessary for the proper care and protection of the work already performed, in case of an emergency, or as approved in writing by the SLDMWA. Failure of the CMGC to perform the work in accordance with this policy shall be deemed to be a failure on the CMGC's part to comply with the Contract and is cause for termination.

SECTION 6.02B. Prevailing Wage.

Pursuant to Labor Code Section 1772, workers employed by CMGCs or Subcontractors in the execution of any contract for public work are deemed to be employed upon public work as defined in Labor Code Sections 1720 through 1725. Therefore, the CMGC and all Subcontractors on the Project shall pay not less than the prevailing rate of per diem wages, including, but not limited to, overtime, Saturday, Sunday, and holiday work, travel and subsistence, as determined by the Director of the DIR pursuant to Labor Code Section 1773. If the Special Provisions make this Contract subject to Federal Davis-Bacon Act requirements (40 U.S.C. sections 3141-3148, as supplemented by 20 C.F.R. Part 5), then, in any conflict between the Davis-Bacon Act and the provisions in this Section 6, the higher requirements will apply. Copies of such prevailing rate of per diem wages are available upon request at the office of the SLDMWA at 15990 Kelso Road, Byron, CA 94514 or on the Internet at <http://www.dir.ca.gov/OPRL/PWD> or, in the case of Davis Bacon, at www.wdol.gov/dba.aspx.

The CMGC shall obtain and post copies of these prevailing wage rates in a prominent place at the job site, in accordance with the regulations of the DIR.

The responsibility to check prevailing wage rates is the CMGC's. Pursuant to Labor Code Section 1773.4 the CMGC may file with the Director of DIR or the Chief of the Division of Labor Standards Enforcement ("DLSE") a petition to review a determination of any rate or rates made by the Director of DIR. The CMGC may also petition the Director of DIR to make a determination for a particular craft, classification, or type of work not covered by a general determination. Pending the review or determination, the wages may be assumed to be those in the applicable collective bargaining agreement, but no adjustment in the Bid or Contract Sum shall be made if such assumption is incorrect.

The wage rates determined by the Director of the California DIR refer to expiration dates. Prevailing wage determinations with a single asterisk (*) after the expiration date that are in effect on the date of establishing the GMP for any Task remain in effect for the duration of the Project. Prevailing wage determinations with double asterisks (**) after the expiration date indicate that the basic hourly wage rate, overtime and holiday wage rates, and employer payments to be paid for work performed after this date have been determined. If work extends past this date, the new rate shall be paid and should be incorporated in contracts entered into for the Project. The CMGC should contact the DIR as indicated in the prevailing wage determinations to obtain predetermined wage changes. All determinations that do not have double asterisks (**) after the expiration date remain in effect for the duration of the Project.

The CMGC agrees that in the event of underpayment of wages to any employee on the Project, whether by the CMGC or any Subcontractor, the SLDMWA may retain from payments due to the CMGC an amount sufficient to pay such worker the difference between the wages required to be paid by the DIR and the wages actually paid such worker for the total number of hours worked. The SLDMWA may disburse such retention to such employees.

For each worker paid less than the applicable prevailing wages for any work done under this Contract by the CMGC or any Subcontractor, the CMGC shall forfeit to the SLDMWA as a penalty the sum determined by the Labor Commissioner in accordance with the considerations set forth in Labor Code Section 1775, over and above any retention or withholds otherwise authorized by the Contract. If a worker employed by a Subcontractor is paid less than the prevailing wages by the Subcontractor, the CMGC is not subject to this penalty assessment if the CMGC can demonstrate that it did not have knowledge of that failure of the Subcontractor to pay the prevailing wages and that it strictly complied with the requirements of Labor Code Section 1775(b). In addition to applicable penalties, the CMGC or Subcontractor shall pay each worker the difference between the prevailing wage and the amount paid for every hour the worker was paid less than the prevailing wage.

SECTION 6.02C. Payroll Records.

CMGC shall comply with Labor Code Section 1776. Regulations implementing Section 1776 are located in Section 16000 and Sections 16401 through 16403 of Title 8, California Code of Regulations. The CMGC shall be responsible for compliance by all Subcontractors on the Project.

The CMGC and Subcontractors shall keep accurate payroll records, showing the name, address, Social Security number, work classification, dates of payroll period, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the CMGC and by each Subcontractor in connection with the Work. Such records shall be certified under penalty of perjury that the information contained in the payroll record is true and correct and that the employer has complied with the requirements of Labor Code sections 1771, 1811, and 1815 for any work performed by its employees, and shall be available for inspection at all reasonable hours at the principal offices of the CMGC and Subcontractors in a manner set forth in Labor Code Sections 1776 and 1812.

Upon a written request, the CMGC and Subcontractors shall file a certified copy of the records enumerated above with the SLDMWA no later than ten (10) Days after receipt of the written request. The CMGC shall be held responsible for all Subcontractors' compliance with this requirement.

Failure to submit timely, complete certified payrolls shall subject the CMGC and/or Subcontractor to the penalties specified in subdivision (h) of Labor Code section 1776, which penalties may be deducted from progress payments to the CMGC.

The CMGC shall not carry on its payrolls any person not actually employed by the CMGC, nor shall it carry on its payroll employees of a Subcontractor. The CMGC shall show on its payrolls all persons actually employed by the CMGC on the Project, in any capacity. The CMGC shall supervise all Subcontractors to ensure that all Subcontractors comply with this Section.

In accordance with Government Code Section 8546.7, or any amendments thereto, all books, records, and files of the CMGC, or any Subcontractor connected with the performance of this Contract, shall be subject to examination and audit by the California State Auditor and/or by the United States Department of Labor. CMGC shall preserve and cause to be preserved such books, records and files for a period of three (3) years after final payment unless additional time is requested by the California State Auditor or the United States Department of Labor.

SECTION 6.02D. Additional Requirements for Labor Compliance.

The CMGC shall comply with all applicable and current requirements of the DIR and the DLSE, including without limitation the following additional requirements, and shall cause all Subcontractors on the Project, whether under contract with the CMGC or under contract with any Subcontractor, to comply.

The records kept by the Contactor and all Subcontractors of the hours and wages of all employees employed on Project also shall be open at all times for inspection by the DIR and DLSE, in accordance with Sections 1776 and 1812 of the Labor Code. Such records shall be furnished electronically to the Labor Commissioner of the DIR monthly, unless more frequent submission is required herein, and shall be furnished within 10 days of any separate request by the DIR or DLSE. Payroll records shall be furnished in a format prescribed by the DIR and uploaded into the electronic certified payroll reporting (eCPR) system.

On a random basis and at such other times as it deems appropriate, the DIR also may confirm the accuracy of payroll reports, including by corroboration of information in payroll reports through independent sources, including without limitation worker interviews, examination of any time and pay records found within the definition of "Payroll Records" in section 16000 of Title 8 of the California Code of Regulations, direct verification of "Employer Payments" (as defined at section 16000 of Title 8 of the California Code of Regulations) through third-party recipients of those payments, or any other legal and reasonable method of corroboration. As part of its confirmation process, the DIR may require the CMGC and any of its Subcontractors to furnish for inspection itemized statements prepared in accordance with Labor Code Section 226. The DIR may conduct random confirmation based on a recognized statistical sampling of the records submitted.

The DIR may conduct in-person inspection(s) at the site or sites at which the Work of the Project is being performed ("On-Site Visits"). On-Site Visits may include visual inspection of required job site notices, including but not limited to (1) the determination(s) of the Director of DIR of the prevailing wage rate of per diem wages required to be posted at each job site in compliance with Labor Code Section 1773.2; (2) the Notice of pay days and time and place of payment required by Labor Code Section 207; and (3) any other notices prescribed by law. On-Site Visits may also include inspections of records, inspections of the work site and observation of work activities, interviews of workers and others involved with the Project, and any other activities deemed necessary by the DIR to ensure compliance with prevailing wage requirements. In accordance with Labor Code Section 90, the Labor Commissioner and his deputies and agents shall have free access to any construction site or other place of labor and may obtain any information or statistics pertaining to the lawful duties of the Labor Commissioner, including but not limited to evidence of compliance with Labor Code Section 226 (itemized wage statements for employees) and any other laws enforced by the Labor Commissioner.

In accordance with Section 16463 of Title 8 of the California Code of Regulations ("8 CCR Section 16463"), the SLDMWA may, on its own or if required by the Labor Commissioner, withhold funds due to the CMGC when payroll records are delinquent or inadequate. The amount withheld shall be those payments due or estimated to be due to the CMGC or Subcontractor whose payroll records are delinquent or inadequate, plus any additional amount that the

Labor Commissioner has reasonable cause to believe may be needed to cover a back wage and penalty assessment against the CMGC or Subcontractor whose payroll records are delinquent or inadequate. The CMGC shall cease all payments to a Subcontractor whose payroll records are delinquent or inadequate until the Labor Commissioner provides notice that the Subcontractor has cured the delinquency or deficiency. When payments are withheld under 8 CCR Section 16463, the Labor Commissioner will provide the CMGC and Subcontractor, if applicable, with immediate written notice that includes all of the following: (1) a statement that payments are being withheld due to delinquent or inadequate payroll records, and that identifies what records are missing or states why records that have been submitted are deemed inadequate; (2) specifies what amounts the SLDMWA has been directed to withhold; and (3) informs the CMGC or Subcontractor of the right to request an expedited hearing to review the withholding of payments under Labor Code Section 1742, limited to the issue of whether the records are delinquent or inadequate or the Labor Commissioner has exceeded his or her authority under 8 CCR Section 16463. Where the violation is by a Subcontractor, the CMGC shall be notified of the nature of the violation and reference shall be made to CMGC's rights to withhold or recover payments from the Subcontractor under Labor Code Section 1729. The withholdings under 8 CCR Section 16463 do not preclude assessment of penalties under Labor Code Section 1776(g) for failure to timely comply with a written request for certified payroll records, as set forth above.

SECTION 6.02D. Nondiscrimination.

The CMGC shall comply with Section 1735 of the Labor Code, which provides as follows:

A CMGC shall not discriminate in the employment of persons upon public works on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code. Every CMGC for public works who violates this section is subject to all the penalties imposed for a violation of this chapter.

SECTION 6.02E. Apprentices.

Attention is directed to the provisions of Sections 1777.5, 1777.6, and 1777.7 of the Labor Code concerning the employment of apprentices by the CMGC or any Subcontractor.

The CMGC and all Subcontractors shall comply with the requirements of Section 1777.5 and Section 1777.6 in the employment of apprentices. Violation of these requirements shall subject the CMGC and/or Subcontractor to the penalties set forth in Section 1777.7 of the Labor Code and/or otherwise provided by law or Contract.

Information relative to apprentice standards, wage schedules, and other requirements may be obtained from the Director of DIR, *ex officio* the Administrator of Apprenticeship, San Francisco, California, or from the Division of Apprenticeship Standards and its branch offices and/or on the OPRL website at www.dir.ca.gov/OPRL/PWD. Apprentices employed on the Project must at all times work with or be under the direct supervision of one or more journeypersons.

SECTION 6.02F. Workers' Compensation.

Pursuant to Labor Code Section 1860, in accordance with the provisions of Section 3700 of the Labor Code, the CMGC is required to secure the payment of compensation to its employees.

SECTION 6.02G. Fair Labor Standards.

The CMGC shall comply with the Fair Labor Standards Act of 1938 as amended (29U.S.C. 3201 et seq.) as applicable.

SECTION 6.02H. Reporting Requirements and Sanctions.

Failure to provide specific information, records, reports, certifications, or any other documents required for compliance with the Contract will be considered noncompliance. At a minimum, documents required include:

1. List of Subcontractors

A list is required from the CMGC of all Subcontractors, including all lower tier Subcontractors, who are or will be performing work on the Project. This list is due prior to authorization to proceed with each Task.

2. Certified Payroll Reports

Certified Payroll Reports are required to be maintained by the CMGC and each Subcontractor, regardless of the subcontract amount or the type of procurement, for every payroll period in which work is performed, in accordance with Section 6.02C above. These reports are due to the SLDMWA no later than ten (10) Days after receipt of a request.

3. Fringe Benefit Statement

A Fringe Benefit Statement is required from the CMGC and each Subcontractor if fringe benefits are paid to an approved plan, fund, or program. The statement is due to the SLDMWA within ten (10) Days of a request and shall include the statement applicable to the first certified payroll report and any time the fringe benefit amounts change. The statement is not required if the fringe benefits are paid in cash to the employees.

4. Other Documentation

When required by the Special Provisions, other reporting documentation may be required depending on the source of funding for the project.

If the CMGC fails to comply with the provisions of this Section, the CMGC will be advised of the specific deficiencies and requested to make immediate corrections. The CMGC will also be advised that monetary deductions will be made for failure to effect corrections or delinquencies.

If the CMGC fails to correct a deficiency in the reporting requirements within fifteen (15) Days after notification, a deduction may be made. In such cases, the deduction will be ten percent (10%) of the estimated value of the work done during the month, except that the deduction will not exceed ten thousand dollars (\$10,000), nor be less than one thousand dollars (\$1,000), and will be deducted from the next progress payment.

Deductions for non-compliance will be in addition to all other deductions provided for in the Contract and will apply irrespective of the number of instances of noncompliance. Deductions will be made separately and cumulatively for each estimate period in which a new deficiency appears. When all deficiencies for a period have been corrected, the deduction covering that period will be released on the next progress payment. Otherwise, the deduction will be retained.

SECTION 6.03. SUBCONTRACTING.

The CMGC shall comply with all requirements of the Subletting and Subcontracting Fair Practices Act, Chapter 4 of Part 1 of Division 2 of the Public Contract Code, commencing with Section 4100, forbidding bid shopping and bid peddling, requiring accurate listing of all Subcontractors, and requiring Subcontractors to be licensed. The CMGC shall not, without the written consent of the SLDMWA: (a) substitute any party as Subcontractor in place of the Subcontractor designated in connection with the approval of the GMP; (b) permit any such subcontract to be assigned or transferred; or (c) allow the subcontracted work to be performed by anyone other than the original Subcontractor listed on the bid, including the CMGC itself. Consent for substitution or subletting shall only be given pursuant to Section 4107 of the Public Contract Code. Should the CMGC violate any of the provisions of this Section, the violation shall be deemed a breach of this Contract and the SLDMWA shall have all remedies provided by California law, including but not limited to those provided in Public Contract Code Section 4110, allowing termination of the Contract or a penalty assessment of ten percent (10%) of the subcontract amount.

SECTION 6.04. USE OF PESTICIDES.

The CMGC shall comply with all rules and regulations that govern the use of pesticides required in the performance of the Work, including any certifications that may be required for purchase, use, storage, or application.

Pesticides include, but are not limited to, herbicides, insecticides, fungicides, rodenticides, germicides, nematocides, bactericides, inhibitors, fumigants, defoliant, desiccants, soil sterilants, and repellants.

Any substance or mixture of substances intended for preventing, repelling, mitigating, or destroying weeds, insects, diseases, rodents, or nematodes, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant, shall be considered a pesticide.

SECTION 6.05. OCCUPATIONAL SAFETY AND HEALTH.

The CMGC must comply with all applicable provisions of the California Occupational Safety and Health Act (Labor Code Sections 6300 et seq.). The foregoing includes, but is not limited to, all applicable Title 8 Safety Orders issued by the State of California Occupational Safety and Health Administration (Cal/OSHA). Failure of the SLDMWA to suspend the work or notify the CMGC of the inadequacy of the safety precautions or non-compliance with existing laws and regulations shall not relieve the CMGC of this responsibility.

SECTION 6.06. INDEMNIFICATION.

SECTION 6.06A. CMGC's Performance.

To the fullest extent permitted by law, the CMGC shall indemnify, defend with counsel acceptable to the SLDMWA, and hold harmless the SLDMWA, its officers, officials, employees, agents, and volunteers from and against any and all losses, claims, demands, damages, costs, expenses, attorney's fees, or liability of every nature arising out of or in any way connected with the performance or attempted performance of the provisions of this Contract, caused in whole or in part by any negligent or willful act or omission of the CMGC, its officers, employees, or agents, or anyone directly or indirectly acting on behalf of the CMGC, regardless of whether caused in part by a party indemnified hereunder. Nothing contained in the foregoing indemnity provisions shall be construed to require the CMGC to indemnify the indemnified party in contravention of Section 2782 of the Civil Code for the active or sole negligence or willful misconduct of that indemnified party.

To the fullest extent permitted by law, the CMGC's duty to defend shall extend, without limitation, to any suit or action founded upon any losses, claims, demands, damages, costs, expenses, attorney's fees, or liability of every nature arising out of or in any way connected with the performance or attempted performance of the provisions hereof, or in any way arising out of or connected with this Contract.

The defense and indemnity obligations expressly extend to and include any and all claims, demands, damages, costs, expenses, or liability occasioned as a result of damages to adjacent property caused by the conduct of the Work.

The defense and indemnity obligations expressly extend to and include any and all claims, demands, damages, costs, expenses, or liability occasioned as a result of the violation by the CMGC, the CMGC's agents, employees, or independent contractors, Subcontractors, or suppliers of any provisions of federal, State, or local law, including applicable administrative regulations.

The defense and indemnity obligations also expressly extend to and include any claims, demands, damages, costs, expenses, or liability occasioned by injury to or death of any person, or any property damage to property owned by any person while on or about the site or as a result of the Work, whether such persons are on or about the site by right or not, whenever the Work is alleged to have been a contributing cause in any degree whatsoever.

In claims against any person or entity herein indemnified that are made by an employee of the CMGC or an employee of any of the CMGC's agents, independent contractors, Subcontractors, or suppliers, a person indirectly employed by the CMGC or by any of the CMGC's agents, independent contractors, Subcontractors, or suppliers, or anyone for whose acts the CMGC or any of the CMGC's agents, independent contractors, Subcontractors, or suppliers may be liable, the defense and/or indemnification obligation herein shall not be limited by any limitation on amount or type of damages, compensation, or benefits payable by or for the CMGC or the CMGC's agents, independent contractors, Subcontractors, or suppliers under workers' compensation acts, disability acts, or other employee benefit acts.

The defense and indemnification obligations herein shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty.

The defense and indemnities set forth herein shall not be limited by the insurance requirements, including without limitation the amount of insurance required, set forth in the Contract.

The defense and indemnification requirements herein set forth shall extend to claims occurring after this Contract is terminated as well as while it is in force.

SECTION 6.06B. Indemnification of Adjacent Property Owners.

In the event the CMGC enters into any agreement with the owners of any adjacent property to enter upon or adjacent to such property for the purpose of performing this Contract, the CMGC shall fully indemnify, defend, and save harmless such person, firm, corporation, or State or other governmental agency which owns or has any interest in the adjacent property. The form and content of the indemnification agreement shall be approved by the SLDMWA prior to commencement of any work on or about such property. The CMGC also shall indemnify the SLDMWA and other indemnities identified in Section 6.06A as provided in the Contract. These provisions shall be in addition to any other requirements of the owners of adjacent property.

SECTION 6.07. CMGC'S LEGAL ADDRESS; WRITTEN NOTICE.

The CMGC's address stated in the Agreement is designated as places that samples, notices, letters, or other articles or communications to the CMGC may be mailed or delivered. Written notice may be accomplished by personal delivery, United States mail, overnight mail, delivery receipt email, or any other form of commercially accepted communication. The written notice shall become effective upon delivery. Delivery is complete when the notice is hand delivered; one business day after mailing by overnight mail (unless a signature on a delivery receipt reflects a different date, in which case the delivery date shall control); five business days after mailing by U.S. Mail; or upon actual email delivery during normal business hours, or on the following business day if delivered outside of normal business hours, as evidenced by a delivery receipt.

The address may be changed at any time by written notice from the CMGC to the SLDMWA. Nothing herein shall be deemed to preclude or render inoperative the service of any drawing, sample, notice, letter, or other article or communication to the CMGC at a specified address sent prior to the time any change is communicated to the SLDMWA.

SECTION 6.08. CMGC NOT AN AGENT OF SLDMWA.

The CMGC shall be an independent contractor and not an employee, agent, or other representative of the SLDMWA. Nothing in the Contract shall be construed to create any relationship of joint venture, partnership, or any other association of any nature whatsoever between the SLDMWA and the CMGC other than that of owner and independent contractor.

The SLDMWA shall have the right to direct the CMGC as provided in the Contract. The aforementioned right of supervision shall not reduce or abrogate the CMGC's liability of all damage or injury to persons, public property, or private property that may arise directly or indirectly from the CMGC's execution of the Work.

SECTION 6.09. ASSIGNMENT OF CONTRACT.

The Contract or the performance of the Contract may be assigned by the CMGC, but only upon written consent of the SLDMWA and the CMGC's surety, unless the surety has waived its right of notice of assignment. Award of the Contract constitutes written consent by the SLDMWA to all subcontracting identified in the CMGC's Bid. No such assignment or subcontracting shall be permitted that would relieve the CMGC or the CMGC's surety of their responsibilities under the Contract.

SECTION 6.10. ASSIGNMENT OF MONIES.

The CMGC may assign monies due the CMGC under the Contract, and such assignment will be recognized by the SLDMWA, if given proper written notice, to the extent permitted by law. Any assignment of monies shall be subject to all deductions provided for in the Contract. All money withheld may be used by the SLDMWA for the completion of the Work if the CMGC defaults.

SECTION 6.11. PROTECTION OF SLDMWA AGAINST PATENT CLAIMS.

The CMGC shall assume all costs arising from the use of patented materials, equipment, devices, and processes on or incorporated in the Work and shall indemnify and hold harmless the SLDMWA and the SLDMWA's officers, officials, agents, employees, volunteers, members, affiliates, and their duly authorized representatives from all actions for, or on account of, the use of any patented materials, equipment, devices, or processes in the construction of, or subsequent operation of, the Work. Before final payment, if requested by the SLDMWA, the CMGC shall furnish

acceptable proof of a proper release from all costs or claims arising from the use of patented materials, equipment, devices, or processes used on or incorporated in the Work.

SECTION 6.12. RIGHTS AND REMEDIES.

The duties and obligations of the CMGC imposed by the Contract Documents and the rights and remedies of the SLDMWA available thereunder shall be in addition to, and not a limitation of, any duties, obligations, rights, and remedies otherwise imposed or available by law.

The failure of the SLDMWA, the SLDMWA Representative, the Project Inspector, or the Engineer to insist in any one or more instances upon the strict performance of any one or more of the provisions of this Contract, or to exercise any right herein contained or provided by law, shall not be construed as a waiver or relinquishment of the performance of such provision or right(s) or of the right to subsequently demand such strict performance or exercise such right(s) and the rights shall continue unchanged and remain in full force and effect.

The CMGC agrees that it can be adequately compensated by money damages for any breach of this Contract which may be committed by the SLDMWA and hereby agrees that no default, act or omission of the SLDMWA, the SLDMWA Representative, the Project Inspector, or the Engineer, shall constitute a material breach of the Contract entitling the CMGC to cancel or rescind the provisions of the Contract or to suspend or abandon performance of all or any part of the Work. The CMGC hereby waives any and all rights and remedies to which it might otherwise be or become entitled, saving only its right to money damages.

SECTION 6.13. UNENFORCEABILITY OF ANY CLAUSE.

If any clause or provision of the Contract Documents is held to be unenforceable or invalid, then that provision of the Contract shall be stricken and the remaining portion shall remain in full force and effect.

SECTION 6.14. RESPONSIBILITY OF THE CMGC.

The CMGC shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, procedures, and coordination of all portions of the Work under the Contract, unless otherwise provided in the Contract.

The Work shall be under the CMGC's responsible care and charge until completion and final acceptance, and the CMGC shall bear the entire risk of injury, loss, or damage to any part by any cause. The CMGC shall rebuild, repair, restore, and make good all injuries, losses or damage to any portion of the Work, equipment, or the materials occasioned by any cause, and shall bear the entire expense, *except that*, if the CMGC's liability for "Acts of God" is limited in accordance with Public Contract Code section 7105 and insurance covering such causes is not required, then CMGC's liability for damages arising from such Acts of God shall be limited to five percent (5%) of the Contract Sum.

In no case shall the CMGC's use of Subcontractors in any way alter the position of the CMGC or the CMGC's sureties with relation to the Contract. When a Subcontractor is used, the responsibility for every portion of the Work shall remain with the CMGC. No Subcontractor will be recognized as having a direct contractual relationship with the SLDMWA. All persons engaged in the Work under the Contract will be considered as employees of the CMGC and their work shall be subject to all the provisions of the Contract. The SLDMWA will deal only with the CMGC who is responsible for the proper execution of the Work. The CMGC shall pay when due all valid claims of Subcontractors, suppliers, and workmen with respect to the Work.

The mention herein of any specific duty or responsibility imposed upon the CMGC shall not be construed as a limitation or restriction of any other responsibility or duty imposed upon the CMGC by the Contract, said reference being made herein merely for the purpose of explaining the specific duty or responsibility.

The CMGC shall do all of the work and furnish all labor, materials, tools, equipment, and appliances, except as otherwise herein expressly stipulated, necessary, or proper for performing and completing the Work herein required, including any change order work or disputed work directed by the SLDMWA in conformity with the true meaning and intent of the Plans, Specifications, and all provisions of the Contract, within the time specified.

If the CMGC discovers any discrepancies during the course of the Work between the Plans and conditions in the field, or any errors or omissions in the Plans and conditions in the field, or any errors or omissions in the Plans, the Specifications, or in the layout given by stakes, points, or instructions, it shall be the CMGC's duty to inform the SLDMWA immediately, and the SLDMWA shall promptly verify the same. Any work done after such discovery, until authorized by the SLDMWA, will be done at the CMGC's risk.

SECTION 6.15. CMGC'S LICENSE.

The CMGC shall comply, and requires all Subcontractors to comply, with Chapter 9 of Division 3 of the Business & Professions Code.

SECTION 6.16. PERMITS AND LICENSES.

Except as set forth in the Contract Documents, the CMGC shall, at the CMGC's sole expense, obtain all necessary permits and licenses for the construction of the Work, give all necessary notices, pay all fees required by law, and comply with all laws, ordinances, rules and regulations relating to the Work and to the preservation of the public health and safety. The CMGC shall also procure all permits and licenses necessary for the normal conduct of the CMGC's business and construction operations.

The California Environmental Quality Act of 1970 (CEQA) may be applicable to permits, licenses, and other authorizations that the CMGC shall obtain from local agencies in connection with performing the Work. The CMGC shall comply with the provisions of CEQA in obtaining such permits, licenses, and other authorizations, which will be obtained in time to prevent delays to the Work. The CMGC shall also comply with all mitigation measures identified in the Special and/or Technical Provisions.

SECTION 6.17. SAFETY REQUIREMENTS.

SECTION 6.17A. Ensuring Safety; Compliance With Safety & Health Regulations.

Safety is a prime consideration in all SLDMWA contracts. The CMGC shall conform to all applicable occupational safety and health standards, rules, regulations, and orders established by the State of California or Federal Government and shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work, for maintaining all safety and health conditions on the site, and for ensuring against and/or correcting any hazardous conditions on the site. The CMGC shall at all times, until final acceptance and payment hereunder, maintain adequate protection against (1) injury to persons, including employees, inspectors, and all other persons who may enter the site, and (2) damage to property, on or near the Project, or adjacent to the site. In no case shall the SLDMWA or any of its agents, officials, officers, employees, independent contractors, or representatives have either direct or indirect responsibility for the means, methods, techniques, sequences, or procedures utilized by the CMGC, or for safety precautions and programs in connection with the Work, or for maintaining any safety or health conditions on the site, or for ensuring against or correcting any hazardous conditions on the site. The SLDMWA or any of its agents, employees or independent contractors may call to the attention of the CMGC any safety, health, or hazardous conditions at the site but, by doing so, they do not assume any liability or responsibility for remediation or correction of the condition, which liability and responsibility lie solely with the CMGC.

The CMGC shall designate a responsible member of its organization at the site whose duty shall be the prevention of accidents and overall jobsite safety for CMGCs/Subcontractors, employees, and visitors and who shall have the authority to make decisions regarding safety and health concerns on the project and to direct the CMGC's personnel to abate any hazard identified by the SLDMWA. This person shall be the CMGC's superintendent unless otherwise designated by the CMGC in writing to the SLDMWA.

The CMGC shall submit to the SLDMWA a written safety program in accordance with Specification Section 01-35-20 and shall submit to the SLDMWA all updates and revisions thereto for review. The CMGC is required to fulfill the requirements of its safety program during the prosecution of the work.

SECTION 6.17B. 24-Hour Contact Information.

The CMGC shall have on record with the SLDMWA twenty-four (24) hour emergency contact telephone numbers for 1) the CMGC's representative who has the authority to make decisions and the ability to respond to an emergency at

the Project at any time and 2) the CMGC's safety representative. If the CMGC's representative and the safety representative are the same person, then the CMGC shall designate a second, back-up emergency contact and provide telephone contact information for that person.

SECTION 6.17C. Protection and Repair of Work.

The CMGC shall protect the SLDMWA's structures, facilities, equipment, tools, materials, and any other property on or adjacent to the site against damage, loss, or theft by providing adequate security measures for its work. The CMGC shall, until final payment hereunder, maintain protection of all of its work and work performed by others under this Contract from damage, loss, defacement, or vandalism. The CMGC shall provide protection of completed work which may be subject to damage as a result of the CMGC's failure to perform as scheduled.

The CMGC shall repair or replace any damage and remove any damaged or defaced material and/or equipment from the Site at no cost to the SLDMWA.

SECTION 6.17D. Protection of Workers.

The CMGC shall take every precaution for the safety of all employees and others on the Work, and to comply with all applicable provisions of federal, state and local safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent to the premises where the Work is being performed.

The CMGC shall erect and properly maintain at all times, as required by the conditions and progress of the Work, all necessary safeguards for the protection of workers and the public, and shall post danger signs warning against hazards created by construction including, but not limited to, protruding nails or reinforcing steel, hod hoists, elevator hatchways, scaffolding, window openings, stairways, and falling materials.

The CMGC shall immediately replace or repair any unsafe ladder, scaffolding, shoring, or bracing, and correct any other dangerous or hazardous situation that may exist.

SECTION 6.17E. Working Limits and Regulations.

The CMGC shall confine its apparatus, storage and materials, and construction operations within the limits established by the SLDMWA and shall not unreasonably encumber the site or adjacent areas with its materials and/or equipment.

The CMGC shall enforce any instructions from the SLDMWA regarding fires, placement of signs, danger signals, barricades, radios, noise, and smoking.

SECTION 6.17F. Protection of Existing Improvements and Property.

The CMGC shall take all necessary precautions to protect all existing improvements, facilities, and property from any damage resulting from the operations, equipment, or workers of the CMGC during the course of the construction, and CMGC shall be strictly liable for failure to adequately protect any existing improvements and/or facilities. Trees and shrubbery that are to remain, pole lines, fences, signs, survey markers and monuments, buildings and structures, conduits, under- or above-ground pipelines, and any other improvements and facilities shall be protected from injury or damage. If ordered by the SLDMWA, the CMGC shall provide and install suitable safeguards to protect such objects from injury or damage.

The CMGC shall take all necessary precautions to protect existing facilities against the effects of the elements, and CMGC shall be strictly liable for failure to adequately protect any facility.

The CMGC shall clean the portions of existing improvements and facilities which are used by, traversed, or dirtied by the workers on the Work, normal maintenance due to use by SLDMWA employees or the public excepted.

All improvements, facilities, or property injured or damaged by reason of the CMGC's operations, shall be replaced, repaired, and restored to their original condition without additional cost to the SLDMWA and without an extension of the Contract Time.

SECTION 6.17G. Traffic Signals and Traffic Control.

Existing signs, lights, traffic signals, control boxes, hydrants, meters, and other similar items occurring within the street or sidewalk areas shall be kept free of obstructions and accessible at all times. All such items shall be protected from the CMGC’s operations and shall not be obliterated or obscured by its equipment or materials.

Should it be necessary to cover up, move, or alter such items, this shall be done only with permission of the authorities having jurisdiction over the items involved.

Should it be necessary to block a street or sidewalk, the CMGC shall first notify the SLDMWA and the police and fire departments and other agencies with jurisdiction, and shall comply with their instructions, including scheduling limitations.

SECTION 6.17H. Security of the Site.

The CMGC’s attention is directed to Specifications Section 01 14 19 regarding requirements for fencing the site, gates, and screening.

SECTION 6.17(I). Removal of Barricades.

Upon completion of the work, the CMGC shall remove from the site all materials used for barricades, temporary scaffolding, or any other temporary uses.

SECTION 6.17J. Protection of Adjacent Property; Notices.

In addition to any requirements imposed by law, the CMGC shall shore up, brace, underpin, and protect as may be necessary all foundations and other parts of all existing structures on the site or adjacent to the site which are in any way affected by the excavations or other operations connected with the completion of the Work.

Prior to commencing any work which in any way affects adjoining or adjacent land or buildings thereon, or public utilities, the CMGC shall notify the SLDMWA, who will send the occupants thereof a notice that specifies the type of work to be done, the schedule of the work, the impacts expected from the work, and the protective measures being taken by the CMGC. The notice shall also specify that any person receiving notice who has questions regarding it may contact the SLDMWA.

Whenever any notice is required to be given to any adjoining or adjacent landowner, utility, governmental agency, or other party before commencement of any work, the notice shall be given by the CMGC at least seven days in advance of the work, or longer if required by law or regulation, with a copy delivered to the SLDMWA.

The CMGC shall, at the written instruction of the SLDMWA, meet with any recipient of such notice to explain and discuss the proposed work.

SECTION 6.17K. Work on Private Property.

The CMGC must obtain written permission from the owner of any privately-owned property prior to beginning any work, storing materials, or otherwise conducting any operations on said property. The written approval from the property owner must be on file with the SLDMWA before any operations will be permitted on said property.

SECTION 6.17L. Fire Protection.

The CMGC shall take all steps necessary to protect all structures from fires and sparks originating from the Work, shall comply with all laws and regulations regarding fire protection, and shall comply with all instructions of the fire department with jurisdiction.

The CMGC shall notify the SLDMWA and the fire department in writing at least 72 hours prior to disconnection of either water or electrical service to the Project site, and shall comply with the fire department’s instructions regarding fire safety.

The CMGC must keep the fire and intrusion detection systems operational throughout the duration and scope of its work.

SECTION 6.17M. Repairs or Replacement.

Any damage to existing conditions, or to any other improvement or property above or below the surface of the ground, whether private or public, arising from performance of this Contract shall be repaired within 48 hours by the CMGC, without expense to the SLDMWA, unless disruption of SLDMWA operations or creation of a safety hazard has occurred, in which case damage will be corrected immediately.

If, in the opinion of the Engineer, the best interest of the SLDMWA requires that repairs be made prior to the execution of any further work, the SLDMWA will so notify the CMGC who shall delay or discontinue that part of the Work until the necessary repair has been made. Such delay shall be considered non-compensable, and no extension of the Contract Time will be granted therefore.

Upon the failure of the CMGC to comply with any such order, or upon the CMGC's failure to make immediate emergency repairs which are necessary to protect the Work, the SLDMWA may do that work itself as is necessary to protect life and property, in its sole discretion, and deduct the total cost of such work from the next progress payment. No prior notice to the CMGC shall be necessary for the SLDMWA to take this action.

SECTION 6.17N. Emergency Safety Actions.

In an emergency affecting the safety of life or property, including adjoining property, the CMGC, without previous instructions or authorizations from the SLDMWA, is authorized and shall act at its discretion and risk to prevent such threatened loss or injury, and the CMGC shall bear all costs of that action. The CMGC shall immediately notify the SLDMWA, and thereafter shall comply with any instructions issued by the SLDMWA.

SECTION 6.17(O). Work During Hours of Darkness.

Working areas utilized by the CMGC during the hours of darkness shall be illuminated to conform to the minimum illumination intensities established by Cal-OSHA, Construction Safety Orders, and the Traffic Control Plans (TCP).

SECTION 6.18. CONFINED SPACES.

SECTION 6.18A. CMGC Responsibilities and Qualifications.

When working in a confined space, the CMGC shall comply with all confined space requirements of Title 8, General Industry Safety Orders (Cal-OSHA), Article 108, Sections 5156 through 5159.

Prior to any confined space entry, the CMGC shall submit for SLDMWA review:

1. The CMGC's procedures for confined space operations.
2. Copies of all documents and certificates that qualify the CMGC to safely perform work in permit-required confined spaces. The CMGC shall also submit all applicable Material Safety Data Sheets (MSDS) and hazard information on chemicals, products, materials, or procedures.
3. Sufficient documentation and evidence that a permit-required confined space entry can be made in accordance with Article 108. Documentation shall include, but not be limited to the following:
 - Equipment availability, suitability, and integrity.
 - Personnel training.
 - Experience.
 - Supervision.
 - Safety.
 - Accident experience.
 - Permit-required confined space policy.
 - Hot work procedures (if applicable).

- Lock-out/tag-out procedures (if applicable).

The CMGC's submittal shall be made thirty (30) Calendar Days prior to any confined space entry.

The CMGC will not be allowed to make a permit-required confined space entry until the SLDMWA has reviewed the CMGC's qualifications and proposed methods.

The CMGC shall conform to the procedures established by the CMGC's submittal during all confined space operations. The CMGC shall provide all monitoring and safety equipment necessary to perform pre-entry checks of confined spaces. The CMGC shall also provide all monitoring, safety, and communications equipment required for confined space operations.

SECTION 6.18B. Existing Storm Sewers and Storm Drains.

Because of the potential danger of solvents, gasoline, and other hazardous material in existing sewers and storm drainpipes, these areas shall be treated as permit-required confined spaces unless it has been proven, through appropriate testing, that no hazards exist or are expected to develop.

SECTION 6.19. EXISTING UTILITIES.

SECTION 6.19A. General.

The CMGC shall coordinate and fully cooperate with the SLDMWA, utility owners, and governmental agencies for the location, relocation, and protection of utilities. The CMGC's attention is directed to the existence of utilities, underground and overhead, necessary for all buildings in the Work area. Before proceeding with trenching or other operations that may cause damage to existing utilities, CMGC shall, in accordance with Government Code Section 4216.2, arrange with utility owners for the location of existing utilities and shall arrange for the relocation of such facilities, if necessary, by the utility owner or the CMGC.

SECTION 6.19B. Maintenance and Protection.

Unless otherwise shown or specified in the Contract, the CMGC shall maintain in service all drainage, water, gas, sewer lines, power, lighting, telephone conduits, and any other surface or subsurface utility structure that may be affected by the Work. However, the CMGC, for convenience, may arrange with the SLDMWA to temporarily disconnect service lines or other facilities along the line of the Work. The cost of disconnecting and restoring such utilities shall be borne by the CMGC.

When connecting to existing utilities, CMGC shall expose all underground facilities that are to be connected to, or that might be affected by, the construction of the proposed improvements for verification of location and elevation prior to ordering materials.

Unless otherwise specified in the Contract Documents, the CMGC shall protect all existing utilities on all projects being constructed. The utility owner may elect to provide the necessary protective measures and bill the CMGC for the cost.

SECTION 6.19C. Exact Locations Unknown.

Where locations of existing utility facilities are shown on the Plans, they are approximate and represent the best information obtainable from utility maps and other information furnished by the various utility owners involved. The SLDMWA warrants neither the accuracy nor the extent of actual installations as shown on the Plans. There may be additional utilities on the property unknown to either party to the Contract. If, during the course of the Work, additional subsurface utilities are discovered, the SLDMWA may make adjustments to the Work. Compensation for such adjustments will be in accordance with Article 9, "Changes and Claims," of these General Conditions.

In accordance with Government Code Section 4215, the SLDMWA will compensate the CMGC for the costs of locating, repairing damage not due to the failure of the CMGC to exercise reasonable care, removing, relocating, or protecting existing main or trunk line utility facilities not indicated in the Plans and Specifications with reasonable accuracy, and for equipment on the Work necessarily idled during such work. In no event shall the SLDMWA be liable for any further or additional costs resulting directly or indirectly from any such occurrence.

Compensation will be in accordance with Article 9, "Changes and Claims," of these General Conditions. Nothing herein shall be deemed to require the SLDMWA to indicate the presence of existing utility services, laterals, or appurtenances whenever their presence can be inferred from other visible facilities such as buildings, meters, junction boxes, valves, service facilities, identification markings, and other indicators on or adjacent to the Work.

If the CMGC discovers utilities not identified in the Plans or Specifications, the CMGC shall immediately notify the SLDMWA and the utility owner by the most expeditious means available and later confirm in writing. If the completion of the Work is delayed by failure of the SLDMWA or the utility owner to remove, repair, or relocate the utility, such delay may be an excusable delay as defined and provided for in Section 7.12B, "Excusable Delays," of these General Conditions. Nothing herein shall preclude the SLDMWA from pursuing any appropriate remedy against the utility for delays that are the responsibility of the utility. The CMGC shall not be assessed liquidated damages for delay in completion of the Work for that portion of such delay as is caused by failure of the SLDMWA or the owner of a utility to provide for the removal or relocation of existing utilities.

SECTION 6.19D. Damage to Existing Utilities.

The CMGC shall notify the affected utility of any contact, scrape, dent, nick, or damage to their facility. Any operator or excavator who negligently violates Government Code Section 4215 is subject to a civil penalty in an amount not to exceed ten thousand dollars (\$10,000). Any operator or excavator who knowingly and willfully violates Government Code Section 4215 is subject to a civil penalty in an amount not to exceed fifty thousand dollars (\$50,000).

SECTION 6.20. EXCAVATION AND TRENCH SAFETY.

SECTION 6.20A. Permit.

The CMGC must obtain a permit from the Division of Industrial Relations per Labor Code Section 6500, as specified in California Code of Regulations, Title 8, Article 6, Section 1539 "Permits" of the Construction Safety Orders, for all excavations five feet (5') or deeper to which an employee is required to descend. The permit shall be kept at the construction site at all times.

SECTION 6.20B. Shoring, Bracing, Shielding, and Sheeting.

In accordance with Labor Code Section 6705, at least five (5) Working Days in advance of excavation of any trench or trenches five feet (5') or more in depth, with a total value of twenty-five thousand dollars (\$25,000) or more, the CMGC shall submit to the SLDMWA a detailed plan showing the design of shoring, bracing, sloping, or other provisions for worker protection from the hazard of caving ground during the excavation of such trench or trenches. If such plan varies from the shoring system standards, the plan shall be prepared by a California Licensed Professional Civil or Structural Engineer. A signed copy of the detailed plan shall be on the site at the time of the excavation. Nothing in this Section shall be deemed to allow the use of a shoring, sloping, or protective system less effective than that required by the Construction Safety Orders. Nothing in this Section shall be construed to impose tort liability on the SLDMWA or any of its employees. These systems must support the sides of the excavation and prevent soil movement that could cause injury to any person or structure. Any damage resulting from a lack of adequate shoring, bracing, shielding, or sheeting shall be repaired at the CMGC's expense.

The CMGC shall immediately replace or repair any unsafe ladder, scaffolding, shoring, or bracing, or correct any other dangerous or hazardous situation that exists.

A Competent Person, as defined in California Code of Regulations, Title 8, Construction Safety Orders, Section 1504, "Definitions," shall be on site at all times when the CMGC's employees are working within the trench. A "Competent Person" is one who is capable of identifying existing and predictable hazards in the surroundings, or working conditions which are unsanitary, hazardous, or dangerous to employees, and who has authorization to take prompt corrective measures to eliminate them.

The price bid for work that will require an excavation of five feet (5') or deeper (or less if conditions warrant) includes the cost of adequate sheeting, shoring, and bracing, or equivalent method conforming to applicable safety orders, unless a separate Bid Item for such work is included in the Bid.

SECTION 6.21. OVERLOADING.

The CMGC shall determine safe loading capacities and shall not overload any structure, equipment, pavement, or material beyond its safe capacity, or significantly deteriorate the preconstruction condition, during construction. In addition to assuming full responsibility for bodily injury resulting from any such overloading, the CMGC shall repair to the SLDMWA's satisfaction or reimburse the SLDMWA for the costs of repairing the damage.

SECTION 6.22. APPROVAL OF CMGC'S PLANS NO RELEASE FROM LIABILITY.

The review or approval by the SLDMWA of any submittal, working drawing or any method of work proposed by the CMGC shall not relieve the CMGC of any of the CMGC's responsibility for any errors and shall not be regarded as any assumption of risk or liability by the SLDMWA or any officer, official, agent, employee, member, volunteer, affiliate, or their duly authorized representatives. The CMGC shall have no claim under the Contract because of the failure or partial failure or inefficiency of any reviewed or approved plan or method. The SLDMWA review or approval means that the SLDMWA has no objection to the CMGC using the proposed plan or method at the CMGC's responsibility and risk.

SECTION 6.23. CMGC SHALL NOT MORTGAGE EQUIPMENT.

The CMGC shall not mortgage or otherwise convey the title of the plant, machinery, tools, appliances, supplies, or materials that may at any time be in use, or further required or useful, in the prosecution of the Work, without prior written consent of the SLDMWA.

SECTION 6.24. PROPERTY RIGHTS IN MATERIALS.

Nothing in the Contract shall be construed as vesting in the CMGC any right of property in the materials used after they have been installed, attached, or affixed to the Work, and on which partial payments have been made by the SLDMWA. All such materials shall be the property of the CMGC and the SLDMWA jointly as their interests may appear, and shall not be removed from the Work by the CMGC without the SLDMWA's consent.

SECTION 6.25. CONFLICT OF INTEREST.

No official of the SLDMWA who is authorized on behalf of the SLDMWA to negotiate, make, accept, or approve, any engineering, inspection, construction, or materials supply contract, or any subcontract in connection with the construction of the Project, or any land acquisition in connection with the Project, shall become directly or indirectly interested personally in this contract or in any part thereof.

No officer, employee, attorney, engineer, or inspector of or for the SLDMWA who is authorized on behalf of the SLDMWA to exercise any executive, supervisory, or other similar function in connection with the construction of the Project shall become directly or indirectly interested personally in this contract or any part thereof.

SECTION 6.26. NO AGREEMENTS.

No oral agreement or conversation with any officer, agent, or employee of the SLDMWA, either before, during, or after the execution of the Contract Documents, shall affect or modify any term or condition contained in the Contract Documents, nor shall such oral agreement or conversation entitle the CMGC to any additional payment or time to perform whatsoever under the terms of this agreement.

ARTICLE 7. PROSECUTION OF THE WORK

SECTION 7.01. BEGINNING OF WORK.

No work may take place prior to receipt of the prescribed bonds and insurance and executed Contract. A Notice to Proceed will be issued which will constitute authorization to begin work. The counting of Contract Time shall begin upon issuance of the Notice to Proceed or other date as specified in that notice.

SECTION 7.02. AMOUNT OF WORK UNDER CONSTRUCTION.

The CMGC shall not have more work under construction than can be undertaken properly with regard to the rights of the public and the safety and integrity of the Project.

SECTION 7.03. NOT USED.

SECTION 7.04. WORK TO BE UNDERTAKEN WITH ADEQUATE SUPERVISION, LABOR FORCE, EQUIPMENT AND METHODS.

The CMGC shall undertake the Work under the Contract with all materials, tools, machinery, apparatus, and labor necessary to complete the Work as described, shown, or reasonably implied under the Contract, or as directed by the SLDMWA, within the Contract Time.

If CMGC is not diligently proceeding with the prosecution of the Work as set forth in the construction schedule, CMGC shall, immediately and at no additional cost to SLDMWA, take all measures necessary to ensure completion within the Contract Time, including but not limited to increasing the number of employees, working overtime, working additional shifts or crews, and working Sundays, or holidays, subject to approval by the SLDMWA for any work outside normal working hours and other Contract requirements.

SECTION 7.04A. Superintendence.

The CMGC shall keep on the Work, throughout its progress, a competent superintendent who shall have complete authority to represent and act for the CMGC. Such superintendent shall be capable of reading and understanding the Contract, and shall receive and follow any instruction given by the SLDMWA.

Whenever the CMGC or the CMGC's superintendent is not present on a particular part of the Work where it may be desired to give direction, orders will be given by the SLDMWA and shall be received and obeyed by the foreman or other representative who may have charge of the particular work in reference to which the orders are given, or the SLDMWA may stop the work until the CMGC or the CMGC's superintendent arrives.

SECTION 7.04B. Labor.

Workers, laborers, or mechanics skilled in each class of work shall accomplish every part of the Work. The CMGC is responsible for the efficiency, safety, and adequacy of its labor force and those of all Subcontractors.

SECTION 7.04C. Equipment and Methods.

Only equipment and methods suitable to produce the quality required by the Contract will be permitted to operate on the Work. If any part of the CMGC's plant, equipment, or methods of executing the Work is unsafe, inefficient, or inadequate to ensure the required quality or rate of progress of the Work, the SLDMWA may order the CMGC to modify the CMGC's facilities or methods. The CMGC shall promptly comply with such orders at the CMGC's expense. However, neither compliance with such orders nor failure of the SLDMWA to issue such orders shall relieve the CMGC from the obligation to secure the degree of safety, the quality of the Work, and the rate of progress required by the Contract. The CMGC is responsible for the safety, adequacy, and efficiency of its plant, equipment, and methods.

SECTION 7.05. SCHEDULES.

The CMGC shall submit a baseline schedule and updated schedules in accordance with this Section 7.05, Section 5.10, "CMGC's Submittals," of these General Conditions, and Specifications Section 01 31 30, which shall illustrate the CMGC's planned schedule for carrying out each Task of the Work and completing the Task within the Contract Time allotted to the Task. The CMGC's updated schedules shall show the as-built schedule with actual start dates and completion dates for work completed.

All schedules must show completion by any milestone dates required in the Contract Documents and within the Contract Time.

CMGC expressly waives any early completion delay claim. CMGC has the right to try to complete the Work ahead of any milestone date and/or the scheduled Contract completion date, but, if CMGC is somehow delayed from doing so, CMGC may not base a claim for additional compensation on such delay.

CMGC acknowledges that a purpose of submitting reasonable, accurate and adequate schedules is to protect the SLDMWA and CMGC against unjustified delay and disruption claims or unjustified rejections of such claims. CMGC agrees to devote all resources necessary to provide scheduling services, as with any other item of Work on the project. CMGC agrees that its failure to submit reasonable, accurate and adequate schedules will bar claims by CMGC for additional compensation and/or time extensions based on the information contained in such a schedule, including but not limited to delay, disruption, or inefficiency claims.

The SLDMWA will review all schedules for conformance with the Contract. SLDMWA review and/or approval of a schedule does not relieve the CMGC of responsibility for the feasibility of the schedule or for accomplishing milestones and completion within Contract Time, nor does SLDMWA review and/or approval warrant or acknowledge the reasonableness of the schedule's logic, durations, labor estimates, or equipment productivity. SLDMWA review and/or approval of a schedule does not indicate approval by the SLDMWA of the schedule, nor does it relieve CMGC of responsibility for any characteristics of the schedule that breach the Contract or that are unreasonable, inaccurate, inadequate, or deficient.

If no separate item is provided in the Bid Form for scheduling, the cost for preparing the baseline schedule and preparing updates and revisions of the baseline schedule shall be included in payments for mobilization. If no bid item for mobilization is included in the Bid Form, conformance with this provision is incidental to and included in the various bid items and no additional payment will be made. Updates and revisions of the schedules are included in the prices paid for other items of work.

Because the SLDMWA places a high value on project scheduling information as a management tool, the SLDMWA may deduct 10 percent (10%) of the monthly progress payment, but not more than twenty-five thousand dollars (\$25,000), for failure by CMGC to timely obtain approval of the baseline Contract schedule or to submit any monthly updated progress schedule with each monthly progress payment request. These deductions are cumulative, and may be made for every month that CMGC fails to provide the required information. If CMGC does not correct the deficiency by providing an updated schedule within ten (10) Days of submitting the monthly progress payment request, the deduction may become permanent via a deductive Change Order.

SECTION 7.05A. Baseline (Contract) Schedule.

Within ten (10) Days after receiving the Notice to Proceed for each Task, the CMGC shall submit a detailed proposed baseline schedule presenting an orderly and realistic plan for completion of the Task, in conformance with the requirements of the Specifications. The proposed baseline schedule shall be in electronic, native format and pdf.

The proposed baseline schedule shall be a time scaled critical path method (CPM) schedule and is subject to SLDMWA acceptance. The SLDMWA will review the proposed baseline schedule for conformance with the requirements of the Contract and, within twenty-one (21) Days after receipt, will approve the proposed baseline schedule or will return it with comments. If the proposed baseline schedule is not approved, CMGC shall revise the schedule to incorporate comments and resubmit the schedule for approval within seven (7) Days after receipt of comments. The approved baseline schedule shall become the Contract Schedule.

The Contract Schedule shall be the basis for evaluating job progress, payment requests, and time extension requests. The CMGC is responsible for developing the Contract Schedule and monitoring actual progress as compared to the schedule. Failure of the Contract Schedule to include any element of the Work or any inaccuracy in the Contract Schedule will not relieve CMGC from responsibility for accomplishing all the Work in accordance with the Contract. Approval of the Contract Schedule will not relieve the CMGC of the responsibility for accomplishing the Work in accordance with the Contract and the Contract Time.

SECTION 7.05B. Progress Schedules.

The CMGC shall submit to the SLDMWA each month with its payment application an electronic (native format and pdf) and hard copy up-to-date Progress Schedule with a narrative describing the general status of the Work and addressing any problem areas or delays, with impacts on critical path items of work highlighted. A corrective course of action shall also be included when problem areas or delays are encountered. The Progress Schedule shall be in the same software format and version as that used to create the Contract Schedule and comply with the requirements of Specifications Section 01 32 10. In addition, the Progress Schedules shall show:

1. The CMGC's estimated percentage complete and remaining duration for each activity not yet complete.
2. Actual start/finish dates for activities as appropriate.
3. Identification of processing errors, if any on the previous update reports.
4. Revisions, if any, to the assumed activity durations including revisions for weather impact for any activities due to the effect of the previous update on the schedule.
5. Identification of activities that are affected by requested or proposed changes to the Work.
6. Resolution of conflict between actual work progress and schedule logic. When out of sequence activities develop in the Contract Schedule because of actual construction progress, the CMGC shall submit revisions to schedule logic to conform to current status and direction.

The SLDMWA will review the updated schedule information and meet with the CMGC each month, unless the SLDMWA requests more frequent meetings, to determine the status of the Work. If agreement cannot be reached on any issue, the CMGC will use the SLDMWA's determination in the processing of the update.

Progress payments pursuant to the Contract will be based on the Progress Schedules.

SECTION 7.05C. Schedule Revisions.

If the sequence of construction differs significantly, as determined by the SLDMWA, from the Contract Schedule, the CMGC shall submit within fifteen (15) Calendar Days a revised schedule to the SLDMWA for approval.

When a requested or proposed change to the Work will have an impact on the critical path, the CMGC shall submit a Time Impact Analysis in accordance with Specifications Section 01 32 10 showing this impact. If the requested or proposed change is accepted by the SLDMWA, the Time Impact Analysis shall be incorporated into the Contract Schedule. Time extensions will be considered only to the extent there is insufficient remaining float to accommodate these changes, and pursuant to Sections 7.12, "Delays," and 7.18, "Extension of Time," of these General Conditions. No additional cost beyond that provided in Article 9, "Changes and Claims," of these General Conditions will be allowed for the incorporation of approved changes into the Contract Schedule.

Should the CMGC, after approval of the Contract Schedule, intend to change its plan of construction, it shall submit its requested revisions to the SLDMWA, along with a written statement of the revision, including a description of the logic for rescheduling the work, methods of maintaining adherence to Intermediate milestones and other specific dates and the reasons for the revisions. If the requested changes are acceptable to the SLDMWA, they will be incorporated into the Contract Schedule in the next reporting period.

The SLDMWA will have no less than seven (7) Calendar Days to review any proposed schedule revisions.

SECTION 7.05D. Short Interval Schedules.

The CMGC shall, if required by the SLDMWA, prepare Short Interval Schedules (SIS) throughout the duration of Work. The SIS shall include all current activities and projected activities for the succeeding two (2) weeks. The SIS shall include actual start/finish dates for the preceding one (1) week. The SIS shall be submitted to the SLDMWA prior to each progress construction meeting. The CMGC shall participate in short interval scheduling coordination during the progress construction meetings.

SECTION 7.05E. Float.

All float in any activity or in the overall Schedule is owned by the Project and, as such, is a resource available to both the SLDMWA and the CMGC. Neither the SLDMWA nor the CMGC owns the float time.

Unless otherwise provided herein, float is synonymous with total float and total float is the period of time measured by the number of Working or Calendar Days (as specified in the Contract) any non-critical path activity may be delayed before it and its succeeding activities become part of the critical path. If a non-critical path activity is delayed beyond its float period, then that activity becomes part of the critical path and controls the completion date of the Work. Thus, delay of a non-critical path activity beyond its float period will cause delay to the Contract itself.

Acceptance of any schedule based on less time than the maximum time allowed for accomplishment of milestones or Contract completion within Contract Time does not serve to contractually change any Contract duration, nor does it serve as a waiver of either the CMGC's or the SLDMWA's right to utilize the full amount of time specified in the Contract.

SECTION 7.05F. SLDMWA's Right to Revise the Schedule.

In the event of a delay to critical path work which is not the fault of the CMGC, the SLDMWA may elect to re-sequence work or otherwise modify the Contract Schedule in an attempt to minimize the effect of the delay. It shall be the responsibility of the CMGC to cooperate in this effort. It is not the SLDMWA's responsibility to ensure the CMGC the ability to use "optimal" crew size throughout the Project, and no adjustment of the Contract Sum will be made for minor variations in crew size or claimed loss of efficiency or disruption that result from schedule adjustments. However, overtime work or weekend work required by the SLDMWA to meet schedule objectives other than those of the CMGC will be reimbursed per the provisions of Article 9, "Changes and Claims," of these General Conditions, provided that the CMGC has not contributed to the delay which the SLDMWA is seeking to overcome and the CMGC was not otherwise intending to perform overtime or weekend work to complete the required Work, or any portion thereof, within the scheduled time. If the CMGC contends that a schedule adjustment will cause a significant disruption of its work sequence or ability to perform work efficiently, it shall notify the SLDMWA within forty-eight (48) hours of receipt of the adjustment. Failure to provide timely notice constitutes a waiver by the CMGC of any claim for compensation arising out of the schedule adjustment.

SECTION 7.05G. Responsibility for Completion.

The CMGC shall furnish sufficient manpower, materials, facilities and equipment and shall work sufficient hours, including night shifts, overtime operations, Sundays, and holidays (in accordance with Section 7.08) as may be necessary to insure the progression and completion of the Work in accordance with the Contract Time. If work on the critical path is behind the currently updated Progress Schedule and it becomes apparent that the Work will not be completed within the Contract Time, the CMGC will implement whatever steps it deems necessary to make up all lost time at no additional cost to the SLDMWA. If the CMGC's solution is not successful, it will make further attempts using the following sequence of events:

1. Reschedule activities to achieve maximum practical concurrence of accomplishment of activities.
2. If the above cannot be achieved then;
 - a. The CMGC shall increase manpower in such quantities and crafts as will substantially eliminate, in the judgment of the SLDMWA, the backlog of work; or increase the number of working hours, shifts per working day, working days per week or the amount of equipment or any combination of the foregoing sufficiently to substantially eliminate in the judgment of the SLDMWA the backlog of work.

- b. In addition, the SLDMWA may require the CMGC to submit a recovery schedule demonstrating its program and proposed plan to make up a lag in scheduled progress and to ensure completion of the Work within the Contract Time. If the SLDMWA finds the proposed recovery schedule unacceptable, it may require the CMGC to submit a new plan and may require the CMGC to address any of the actions set forth in the previous paragraph.

Failure of the CMGC to comply with the requirements of this Section 7.05G shall be considered grounds for a determination by the SLDMWA that the CMGC is failing to undertake the Work with such diligence as will ensure its completion within the time specified and will subject the CMGC to all rights and remedies of the SLDMWA under the Contract Documents.

SECTION 7.06. UNUSUAL SITE CONDITIONS.

The CMGC shall promptly upon discovery, and before the following conditions are disturbed, notify the SLDMWA, in writing, of any:

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

Upon receipt of notice from the CMGC, the SLDMWA shall promptly investigate the conditions. If it is determined that the conditions do materially so differ or do involve hazardous waste, and that the conditions cause a decrease or increase in the CMGC's cost of, or the time required for, performance of any part of the Work, then the SLDMWA shall issue a Change Order or Directive under the procedures described in the Contract Documents.

In the event that a dispute arises between the SLDMWA and the CMGC as to whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in the CMGC's cost of, or time required for, performance of any part of the Work, the CMGC shall not be excused from any scheduled Completion Date provided for by the Contract Documents, but shall proceed with all work to be performed under the Contract Documents. The CMGC shall retain any and all rights provided either by the Contract Documents or by law which pertain to the resolution of disputes and protests between the contracting parties.

No contract adjustment which results in a benefit to the CMGC will be allowed unless the CMGC has provided the required written notice set forth in this Section 7.06.

No contract adjustment will be allowed under the provisions specified in this section for any effects caused on unchanged work.

No contract adjustment will be made if (a) the CMGC knew of the condition at the time of contracting, (b) the condition reasonably could have been discovered or revealed by any Site examination, investigation, exploration, test, or study expressly required by the Contract Documents to be performed by or for the CMGC before committing to price or time, or (c) the existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, or study of the Contract Documents and/or Reference Documents prior to execution of the Contract.

SECTION 7.07. PURSUANCE OF WORK DURING INCLEMENT WEATHER.

During inclement or unsuitable weather or other unfavorable conditions, the CMGC shall pursue only such portions of the Work that will not be damaged by the weather or unfavorable conditions. When the weather or unfavorable conditions creates hazardous travel or working conditions, as determined by the SLDMWA, the CMGC may be directed to stop that portion of the Work, in accordance with Section 5.24, "Temporary Suspension or Delay of Work," of these General Conditions, until the weather clears or the conditions are no longer unfavorable. The CMGC must keep roads safe and inspect and maintain stormwater pollution prevention and erosion control devices during

inclement weather or unfavorable conditions. Lane and road closures may not be allowed if the SLDMWA determines that the traffic controls will create unnecessary risk to the traveling public, the CMGC, and/or SLDMWA employees.

SECTION 7.08. PEAK HOURS, HOURS OF DARKNESS, HOLIDAYS, AND WEEKENDS.

SECTION 7.08A. Allowable Times and Hours of Work.

Unless otherwise noted in the Contract Documents or approved by the SLDMWA, no work shall be done between the hours of 6 p.m. and 7 a.m., or Sundays, or Legal Holidays.

SECTION 7.08B. Off-Period Work.

A written request to work between 6 p.m. and 7 a.m. or on Sundays, or Legal Holidays must be submitted at least two (2) Working Days in advance of the intended work. The SLDMWA will evaluate the CMGC's request to determine if there is a benefit to the SLDMWA, a nuisance or a hazard to the public, the Project, or the area surrounding the site, and if the CMGC should pay any SLDMWA overtime costs related to the off-period work. The SLDMWA may place conditions on any approval of off-period work based on this analysis.

SECTION 7.08C. Emergency Repairs.

An emergency repair is a repair to the Work required as a result of an unforeseen event that poses a danger to the public or jeopardizes the integrity of the Work, whether completed or not. The CMGC may be allowed to work at night, on Sundays, or Legal Holidays for an emergency repair. The CMGC must notify the SLDMWA within one (1) hour of dispatch of the CMGC's repair crews, and give their names, an emergency contact number, the location of the emergency repair, and a tentative completion date and time. The CMGC shall notify the SLDMWA when the emergency repair is completed. If an extension of time is required, the CMGC must identify the requested time extension and rationale for the proposed extension. If an adjustment to the Contract Sum is required, the CMGC shall notify the SLDMWA of all proposed adjustments necessitated by the emergency and emergency repair.

SECTION 7.08D. Revocation of Permission For Off-Period Work.

The SLDMWA may revoke permission for off-period work if the CMGC endangers the public, an employee, or themselves by violating a safety and health regulation, or fails to maintain an adequate work force and equipment for reasonable prosecution and inspection of such work.

SECTION 7.08E. Working Shifts.

Two- or three-shift operations may be established as a regular procedure by the CMGC upon written permission from the SLDMWA. Such permission may be revoked if the CMGC fails to comply with applicable safety and health regulations, fails to provide for adequate inspection of the Work, or fails to provide sufficient means and equipment, including artificial light, to permit the Work to be carried out safely and appropriately and to permit proper inspection.

SECTION 7.09. TEMPORARY FACILITIES AND SERVICES.

Unless specified otherwise in the Contract Documents, the CMGC shall be responsible for providing and maintaining necessary material storage facilities, utilities, field offices, temporary roads, fences, security, etc. for prosecuting the Work.

SECTION 7.10. PROTECTION OF WORK, PERSONS AND PROPERTY.

The CMGC shall protect the Work, equipment and materials from damage until completion and acceptance of the Work. Neither the SLDMWA nor any of its agents assume any responsibility for collecting funds from any person or persons that damages the CMGC's work.

The CMGC shall store materials and equipment in accordance with manufacturer's recommendations and erect such temporary structures as required to protect them from damage. The CMGC shall furnish guards, fences, warning signs, walks, and lights, and shall take all other necessary precautions to prevent damage or injury to persons or property.

SECTION 7.11. PROOF OF COMPLIANCE WITH CONTRACT.

When requested by the SLDMWA, the CMGC shall submit properly authenticated proof of the CMGC's compliance with the Contract.

SECTION 7.12. DELAYS.

The CMGC shall provide notification to the SLDMWA for any delays, in accordance with Section 7.13, “Notice of Delays,” of these General Conditions.

SECTION 7.12A. Inexcusable Delays.

The CMGC shall not receive any time extensions or additional monetary compensation for inexcusable delays. Inexcusable delays include, but are not limited to, the following:

1. Delays that affect only a portion of the Work but do not prevent or delay the prosecution of controlling items of work nor the completion of the whole Work within the Contract Time.
2. Delays associated with the reasonable interference of other CMGCs employed by the SLDMWA that do not necessarily prevent or delay the prosecution of controlling items of work or the completion of the whole Work within the Contract Time.
3. Delays associated with loss of time resulting from the necessity of submitting plans for SLDMWA approval or from SLDMWA surveys, measurements, inspections, and testing.
4. Delays that could have been avoided by the exercise of care, prudence, foresight, and diligence on the part of the CMGC or Subcontractors.

SECTION 7.12B. Excusable Delays.

The CMGC may be granted an extension of Contract Time for excusable delays, which are those that are determined to be beyond the control of the CMGC, impact a controlling item of work, could not be prevented by the exercise of care, prudence, foresight, and diligence, and only to the extent there is insufficient remaining float to accommodate the delay. These excusable delays may include SLDMWA acts, unusually severe weather or conditions resulting therefrom, Acts of God or of the public enemy, fire, epidemics, and labor strikes. Material shortages and delays in utility company relocations may be classified as excusable if the CMGC produces satisfactory evidence of acting in a timely manner.

The CMGC shall not receive any additional monetary compensation due to excusable delays unless the SLDMWA determines that the excusable delay resulted from an SLDMWA act, unusual site conditions as set forth in Section 7.06 of these General Conditions, or the discovery of archeological and cultural resources. The CMGC shall also not receive any additional monetary compensation due to excusable delays under the following circumstances:

1. The CMGC could have reasonably anticipated the delay and avoided the cost impacts of it.
2. When there are two (2) or more concurrent delays and at least one does not qualify for monetary compensation under Section 7.12.
3. The excusable delay does not affect controlling critical path tasks that would delay overall completion of the Work.

SECTION 7.13. NOTICE OF DELAYS.

The CMGC shall immediately notify the SLDMWA in writing delivered by personal delivery, or email, if the CMGC foresees any delay in the prosecution of the Work or if the CMGC learns of the occurrence of any excusable delay; but in no case shall the written notice be provided to the SLDMWA later than five (5) Working Days after the occurrence of the event that is the cause of the excusable delay. The CMGC shall describe in this notice the nature and cause of the delay and shall state the probability of the delay occurring (if foreseen ahead of time) so the SLDMWA may take steps to prevent the occurrence or continuance of the delay and may determine whether the delay is inexcusable or excusable, its duration, and its extent. Notification of delays in any other format than described herein, including, without limitation, in progress meetings and regardless of whether noted in the progress meeting minutes, is insufficient to constitute the required and proper notice.

In the event of a continuing delay, the CMGC is required to give only one notice.

The SLDMWA will assume that all delays were inexcusable unless the SLDMWA was notified as indicated above and through its investigation found them excusable. CMGC waives any and all claims for time extensions and/or monetary compensation based on delay if notice is not provided as described above. The CMGC acknowledges that SLDMWA has a strong interest in mitigation of delay impacts and in confirmation of the existence of delay; therefore, the CMGC agrees to submit these notices of delay and to waive claims if notice is not submitted as required.

SECTION 7.14. CARELESS DESTRUCTION OF STAKES AND MARKS NO CAUSE FOR DELAY.

If the CMGC or Subcontractors destroy stakes and marks causing a delay in the Work, the CMGC shall have no claim for damages or time extensions.

SECTION 7.15. TIME OF COMPLETION.

Time is of the essence on all SLDMWA contracts. The CMGC shall complete all of the Work called for under the Contract within the Contract Time.

SECTION 7.16. EXTENSION OF TIME NOT A WAIVER.

Time extensions granted for excusable delays or for the execution of extra or additional work shall not operate as a waiver of any of the SLDMWA's rights under the Contract.

SECTION 7.17. INCLEMENT WEATHER AND CONTRACT TIME.

The CMGC will be allowed a time extension if, in the opinion of the SLDMWA, inclement or unsuitable weather or its effects prevents working on the current critical path task at the beginning of the shift for at least five (5) consecutive hours, or for at least (5) hours during the shift. (A current critical path task or controlling operation is any feature of the Work (e.g., an operation or activity including settlement, curing periods, and submittal activities) that, if delayed or prolonged, will delay the time of completion of the Contract.)

SECTION 7.18. EXTENSION OF TIME.

Subject to the provisions of Section 7.12B, compliance with the required contractual notice provisions in Section 7.13, and subject to submission of a Time Impact Analysis in accordance with Specification Section 01 32 10 showing the impact on the critical path of the event giving rise to an excusable delay, the CMGC will be allowed a time extension to complete the Work equal to the sum of all excusable delays as determined in accordance with Section 7.12 to Section 7.17 of these General Conditions, plus any adjustments in Contract Time due to Change Orders as outlined in Section 9.11, "Time Extensions for Changes," of these General Conditions. During such time extension, the CMGC will not be charged for extra engineering and inspection or liquidated damages.

If the time extension is compensable, the Contract Sum will be adjusted as set forth in Section 9.09 of these General Conditions.

SECTION 7.19. SUBSTANTIAL COMPLETION.

When the CMGC considers the entire Work, or a specific Task, substantially complete, the CMGC shall certify in writing to the SLDMWA that the Work or Task is substantially complete and request that the SLDMWA grant substantial completion. Within five (5) Working Days, the SLDMWA and the CMGC shall inspect the Work of the Task to determine the status of completion. If the SLDMWA does not consider the Work ready for its intended use, the SLDMWA will notify the CMGC in writing, giving the SLDMWA's reasons. If the SLDMWA considers the Work ready for its intended use, the SLDMWA will grant Substantial Completion of the Task or the overall Work, and then the SLDMWA will provide a list of items to be completed or corrected (often referred to as a "deficiency list" or "punch list") before Final Acceptance and Final Payment. Immediately upon being provided a deficiency list, the CMGC shall proceed to correct or complete the items on the list.

Substantial Completion does not bar liquidated damages from being assessed and accruing. Liquidated and other damages may continue to accrue until Completion.

SECTION 7.20. CLEANING UP.

Throughout the construction period, the CMGC shall keep the site of the Work in a presentable condition, dispose of any surplus materials, keep roadways reasonably clear of dirt and debris, keep all sidewalk and other pedestrian areas clear of dirt, loose gravel, debris and any tripping hazards, clean out all drainage ditches and structures, and repair any fences or other property damaged during the progress of the Work, to the satisfaction of the SLDMWA.

The CMGC shall also keep the work site cleaned of all rubbish, excess material, and equipment. All portions of the work shall be left in a neat and orderly condition prior to requesting final inspection. The final inspection will not be made until final cleanup has been accomplished.

Construction and demolition debris may be properly disposed of by the CMGC using self-haul equipment to deliver the debris to an approved disposal site.

SECTION 7.21. FINAL INSPECTION AND FIELD ACCEPTANCE.

The CMGC shall notify the SLDMWA in writing when it believes that it has corrected all items on the deficiency (punch) list and has achieved Completion of the Task, and the SLDMWA shall promptly inspect the Work. The CMGC or the CMGC's representative shall be present at the final inspection for each Task. The CMGC will be notified in writing of any further defects or deficiencies and the CMGC shall proceed to correct such defects or deficiencies within ten (10) Calendar Days. When again notified that the CMGC has achieved Completion of the Task, the SLDMWA will again inspect the Work to ascertain that the corrections are in accordance with the Contract and Completion of the Task has occurred. The SLDMWA may delay additional inspections if the SLDMWA has reason to believe that the CMGC is not making a good faith effort to correct deficiencies. The Engineer will recommend acceptance of the Task to the SLDMWA if it finds all the corrections acceptable and Completion of the Task has occurred, including without limitation submittal of all close-out documents; otherwise, the Engineer shall continue to withhold field acceptance of the work until all deficiencies on the deficiency (punch) list are corrected and Completion of the Task is achieved.

SECTION 7.22. FINAL ACCEPTANCE AND NOTICE OF COMPLETION.

Upon Completion of all Tasks of the Work, including but not limited to acceptance of O&M manuals, Record Drawings, test reports, the Guarantee Form, and any other close-out documents required by the Contract Documents, the Engineer will recommend to the SLDMWA that it accept the Contract as complete. Upon acceptance by the SLDMWA, a Notice of Completion may be recorded with the County Recorder within fifteen (15) Calendar Days. Acceptance by the SLDMWA shall cause the commencement of warranty periods. Acceptance shall not relieve the CMGC from the responsibility of completing or correcting any work, nor from the responsibility to correct any patent or latent defects in the Work.

SECTION 7.23. WARRANTY WORK.

Should any defects or deficiency in material, equipment, or workmanship, such as faulty materials, poor workmanship, defective equipment, or any other reason that can be attributed to CMGC's performance, become apparent during the warranty period, the SLDMWA shall notify CMGC in writing of the defect before expiration of the warranty period. If so notified, CMGC has a duty to immediately correct, or immediately and satisfactorily commit to correct, the defect or deficiency to meet the Contract requirements at CMGC's sole expense. This duty to correct does not expire for any reason, including but not limited to expiration of the warranty period. A new warranty period, equivalent to the original warranty period, will apply to all corrected deficiencies.

The SLDMWA is hereby authorized to make such needed repairs if the CMGC fails to undertake, with due diligence, the needed repairs within ten (10) Calendar Days after the CMGC is given written notice of such failure and without notice to the surety; and the CMGC shall pay the entire costs for the SLDMWA's work. However, in case of an emergency where, in the opinion of the SLDMWA, delay would cause serious loss or damages or a serious hazard to the public, the SLDMWA may immediately make repairs or take other action without prior notice to the CMGC or surety; and the CMGC shall pay the entire costs for the SLDMWA's work.

ARTICLE 8. MEASUREMENT AND PAYMENT

SECTION 8.01. BASIS AND MEASUREMENT OF PAYMENT QUANTITIES.

It is the CMGC's responsibility to measure and/or compute the quantities of work completed, subject to verification by the SLDMWA, under the terms of the Contract. In computing quantities, the length, area, solid contents, number, weight, or time as specified in the Contract or the Schedule of Values shall be used.

SECTION 8.01A. Unit Price Tasks.

Payment for all work contracted at a price per unit of measurement will be based upon the actual quantities of work as measured upon completion. The SLDMWA does not express or imply that the actual amount of work or materials will correspond to any estimated quantities. The CMGC shall make no claim nor receive any compensation for anticipated profits, loss of profit, damages, or any extra payment due to any difference between the amount of work actually completed, or materials or equipment furnished, and the estimated quantities. See also Section 9.13, "Contract Change Order", of these General Conditions.

SECTION 8.01B. Lump Sum Tasks.

Progress Payments will be based on the Schedule of Values prepared by the CMGC and approved by the SLDMWA prior to acceptance of the first progress payment request (see Section 8.05, "Progress Payment Procedures," below). If requested by the SLDMWA, the CMGC shall furnish full copies of subcontracts showing actual costs. The Schedule of Values shall be consistent with the baseline progress schedule prepared by the CMGC pursuant to Section 7.05B, "Progress Schedules," of these General Conditions.

SECTION 8.01C. Payment for Mobilization.

Mobilization shall consist of preparatory work and operations, including, but not limited to, those necessary for the movement of personnel, equipment, supplies, and incidentals to the site; for the establishment of all offices, buildings, and other facilities necessary for the Work; and for all other work and operations which must be performed, or costs incurred, prior to beginning the Work.

Payment for mobilization will be as follows:

1. Mobilization Not a Pay Item

When the Contract does not include a separate pay item for mobilization, full compensation for mobilization will be included in the Contract lump sum price or in the prices paid for the various items of work in a unit price contract, and no additional compensation will be paid.

2. Mobilization a Pay Item

When the Contract or accepted Schedule of Values includes a separate item for mobilization, payment for mobilization will include full compensation for the furnishing of all labor, materials, tools, equipment, administrative costs, and incidentals for mobilization. The SLDMWA will pay no greater than five percent (5%) of the Contract Sum as a separate pay item for mobilization. In the event the CMGC submits a mobilization pay item greater than five percent (5%) of the Contract Sum, the SLDMWA will pay any excess mobilization amount with the final progress payment.

Absent SLDMWA approval, the SLDMWA will not pay additional mobilization compensation for work under a Change Order.

Payment for mobilization shall be subject to retention per Section 8.07, "Retention," of these General Conditions.

SECTION 8.01D. Payment for Close-Out Documents.

Close-out documents shall consist of O&M manuals, Record Drawings, test reports, the Guarantee Form, conditional waivers and releases on final payment in the form prescribed by Civil Code section 8136 from CMGC and all Subcontractors and suppliers for final unpaid amounts, unconditional waivers and releases on progress payment in the form prescribed by Civil Code section 8134 from CMGC and all Subcontractors and suppliers for all work through the prior progress payment, and any other close-out documents required by the Contract Documents.

The Schedule of Values shall include an item for close-out documents of not less than five percent (5%) of the Contract Sum. Payment for close-out documents shall not be due until all required close-out documents have been submitted, absent SLDMWA approval.

SECTION 8.02. SCOPE OF PAYMENT.

SECTION 8.02A. General.

Compensation under the terms of the Contract shall be full payment for the Work, including loss or damage arising from the nature of the Work, action of the elements, or unforeseen difficulties encountered during the prosecution of the Work and until its final acceptance; and all risks connected with the prosecution of the Work.

SECTION 8.02B. Unit Price Task.

Progress payments will be made based upon the unit price bid and measured quantities for work completed, plus work completed on approved Change Orders. For compensation for alterations in quantities of work, including deviations greater than twenty-five percent (25%), see Section 9.97B, "Payment for Changes – Unit Prices," in these General Conditions.

SECTION 8.02C. Lump Sum Task.

Progress payments will be based upon the approved Schedule of Values for work completed, plus work completed on approved Change Orders.

SECTION 8.02D. Allowances.

Allowances may be included for materials and/or work that may be added during the course of the Contract. The Allowance may be used in whole, in part, or not at all as determined by the SLDMWA. Whenever costs of the Work included in the Allowance item are more or less than the specified Allowance amount, the Contract Sum will be adjusted accordingly by Contract Change Order. The CMGC shall make no claim nor receive any compensation for anticipated profits, loss of profit, damages, or any extra payment due to any difference between the amount of work actually completed, or materials or equipment furnished, and the estimated quantities for the Allowance stated in the Solicitation Documents.

SECTION 8.02E. Payment for Material Not Incorporated in the Work.

No Progress payments will be made for materials and equipment not incorporated in the Work, unless specifically set forth in the Contract Documents or authorized by the SLDMWA.

SECTION 8.03. WORK TO BE DONE WITHOUT DIRECT PAYMENT.

Compensation for any portion of the Work not specifically identified in the Bid Form or Schedule of Values is understood to be included in the price for other items, unless specified in the Contract Documents as extra work. No additional compensation is allowed for additional shifts or premium pay necessary to ensure that the Work is completed within the time limits specified in the Contract.

SECTION 8.04. PAYMENT FOR USE OF COMPLETED PORTIONS OF WORK.

If the SLDMWA occupies or uses a portion of the Contract work under Section 4.12, "Use of Completed Portions," of these General Conditions, before it accepts Completion of the Work, the CMGC will only be compensated in accordance with this Article 8. No final payment shall occur for a limited portion of the work.

SECTION 8.05. PROGRESS PAYMENT PROCEDURES.

No progress payment will be made when, in the judgment of the SLDMWA, the Work is not proceeding in accordance with the provisions of the Contract or when the total work done since the last progress payment amounts to less than one thousand dollars (\$1,000). Unless otherwise agreed to at the preconstruction meeting or identified in the Contract Documents, the CMGC shall submit in writing monthly for SLDMWA review an estimate of the total amount and value of work done, including that done under approved Change Orders, and the acceptable materials furnished and incorporated in the work completed through the last day of the previous pay period. The Bid Form or Schedule of Values shall be used to prepare a progress payment request for the items, or portions of items, of the Work completed during the monthly progress period.

Any progress payment request must be accompanied by (1) an updated Progress Schedule that complies with the Contract; (2) record drawing update confirmations; (3) a conditional lien release in the form prescribed by law warranting that title to all work, labor, materials, and equipment covered by the request is free and clear of all liens, claims, security interests, and encumbrances; and (4) unconditional lien releases for all work through the prior progress payment. If CMGC fails to submit these documents with the progress payment request, then SLDMWA, in its sole discretion, may withhold part of the progress payment or reject the progress payment request with an explanation in writing of the reason. CMGC may resubmit the progress payment request with the required documents. SLDMWA has no obligation to process the progress payment request or make a progress payment if CMGC fails to provide these required documents.

If the required documents are submitted with the progress payment request, then the SLDMWA shall review any progress payment request submitted by CMGC to determine its accuracy and validity. Any payment request determined not to be a proper payment request suitable for payment shall be returned to the CMGC as soon as practicable, but not later than seven days, after receipt, along with a document stating the reasons why the payment request is not proper. Once the SLDMWA has an undisputed and properly submitted payment request from CMGC, the progress payment shall be made within 30 days of its submission.

Once the SLDMWA agrees with CMGC as to the amount of Work completed as of the date of the progress payment request, the SLDMWA shall deduct the following from the estimated total value of that amount of Work: All previous payments, the retention previously withheld pursuant to Section 8.07, "Retention," of these General Conditions, and other withholdings as permitted by the Contract. The SLDMWA will then approve the balance for payment to the CMGC, with retention being withheld from that approved payment as described in Section 8.07 of these General Conditions.

The payment of a progress payment or the acceptance thereof by the CMGC does not constitute acceptance by the SLDMWA of any portion of the Work, and does not reduce the CMGC's liability to replace unsatisfactory work, material, or equipment for any or the Work, whether or not completed. Approval by the SLDMWA of a progress payment request that contains an inadvertence or error by the CMGC will not release the CMGC or the CMGC's surety from damages arising from the work covered by the approved payment request or from enforcement of every provision of the Contract. The SLDMWA also has the right to correct any error made in any Progress Payment and may withhold as much payment as necessary to correct the error in later progress payments.

SECTION 8.06. INSPECTION AND PROGRESS PAYMENTS NOT A WAIVER OF CONTRACT PROVISIONS.

No inspection, order, measurement, approval, modification, payment, acceptance of work or material (including, but not limited to, acceptance of the entire Work), time extension, or possession of the Work or any part thereof shall be a waiver of any of the terms and conditions of the Contract, the powers reserved by the SLDMWA, or any right of the SLDMWA to damages or to reject the Work in whole or part. No waiver of any breach of this Contract or failure to enforce any Contract requirement in any instance shall be construed a waiver of any other or subsequent breach. All remedies provided in the Contract shall be cumulative and shall be in addition to all other rights and remedies that may exist at law or in equity.

SECTION 8.07. RETENTION.

SECTION 8.07A. Retention to Ensure Performance.

The SLDMWA will retain five percent (5%) of each approved progress payment to ensure performance under the Contract. The parties acknowledge that some of the purposes of retention under this Contract are to encourage the CMGC to reach Completion in accordance with the schedule, to ensure that CMGC completes the Work in its entirety, and to provide funds from which the SLDMWA may withhold for disputes, costs, and claims under Section 8.08, "Withholdings/Denial of Progress Payment Request," of these General Conditions.

Retention will be held by the SLDMWA until at least thirty-five (35) Calendar Days, but no more than sixty (60) Calendar Days, after recording of the Notice of Completion for each Task. However, the SLDMWA may continue to withhold some or all of the retention beyond 60 days to the extent that any disputed amounts or Stop Payment Notices

or liquidated damages exist, in which case the SLDMWA may withhold 150% of the disputed amount and 125% or more of outstanding Stop Payment Notices and full amount of liquidated damages.

SECTION 8.07B. Non-Compliance.

In addition to the five percent (5%) payment retention discussed above, the SLDMWA may also retain portions or all of a progress or final payment for CMGC's noncompliance with the Contract in an amount deemed appropriate by the SLDMWA.

SECTION 8.07C. Substitution of Securities.

At the request and expense of the CMGC, in accordance with Public Contract Code Section 22300, in lieu of the SLDMWA withholding the five percent (5%) retention defined in Section 8.07 of these General Conditions, the CMGC may: (1) substitute a deposit of securities at least equivalent to the retention to be paid, or (2) request that the SLDMWA pay the withheld retention directly to an escrow agent. If the CMGC elects either option, the CMGC and SLDMWA shall enter an escrow agreement in the exact form set forth in Public Contract Code Section 22300.

SECTION 8.08. WITHHOLDINGS/DENIAL OF PROGRESS PAYMENT REQUEST.

The SLDMWA may deny a progress payment request and/or withhold amounts from a progress payment and/or withhold a release of retention for any of the following reasons:

- Stop payment notices filed pursuant to Civil Code Sections 9350 et seq., including but not limited to a reasonable amount to provide for the SLDMWA's reasonable cost (including but not limited to attorneys' fees and experts' fees) of litigation based on the stop notice;
- Fines levied against CMGC or the Work by the SLDMWA or other entities;
- Third party claims against CMGC or the SLDMWA arising from the acts or omissions of CMGC or its Subcontractors;
- Defective Work not remedied;
- Previous overpayments to CMGC;
- Failure by the CMGC to make payments properly to employees or Subcontractors for labor, materials, or equipment;
- Any portion of the Work retained in accordance with Section 5.22, "Right to Retain Imperfect Work," of these General Conditions;
- The Work may not be completed for the unpaid balance of the Contract sum;
- The Work may not be completed within the Contract Time and the SLDMWA will incur actual and/or liquidated damages;
- Review of excessive resubmittals, and excessive inspections or tests;
- Replacement of survey stakes and excessive survey work;
- Failure by the CMGC to maintain and update Record Drawings;
- Damage to the SLDMWA or another CMGC;
- Failure by the CMGC to perform the Work in accordance with the Contract;
- Failure by CMGC to submit the necessary documents with a progress payment request, including failure to timely submit an unconditional waiver on final payment in the form required by Civil Code section 8138 for any Task which is complete and on which the CMGC has been paid retention;
- Cost of insurance purchased by SLDMWA due to cancellation or reduction of coverage of CMGC's insurance;
- Failure by CMGC to make proper submissions under the Contract;

- Any violation or non-compliance with CMGC’s legal responsibilities (see Article 6, “Legal Relations and Responsibilities,” of these General Conditions), including, without limitation, withholds for wages adjustments in accordance with the California Labor Code or the Davis-Bacon Act and any fines incurred by the SLDMWA as a result of the CMGC’s actions; and/or
- Any amounts otherwise necessary to protect the SLDMWA's interests and/or compensate the SLDMWA for past, present and future damages.

In addition to withholding a reasonable amount based on the above grounds, the SLDMWA may withhold an additional 50% of that reasonable amount from a progress payment or release of retention; except that it may withhold an additional 25% or more of the Stop Payment Notice amount to provide for its reasonable cost (including but not limited to attorneys’ fees and experts’ fees) of any litigation based on a Stop Payment Notice.

If, on Completion or termination of the Contract or termination of the CMGC’s control over the Work, sums withheld from the CMGC are insufficient to cover the SLDMWA’s charges against the CMGC, the SLDMWA has the right to recover the balance from the CMGC or the CMGC's surety.

SECTION 8.09. DEDUCTIONS FOR IMPERFECT WORK.

For any portion of the Work, materials, or equipment retained in accordance with Section 5.22 of these General Conditions, the SLDMWA will deduct from a Progress Payment a reasonable amount to represent the decreased or lost value to the SLDMWA.

SECTION 8.10. LIQUIDATED DAMAGES FOR DELAY.

If the Work or any identified Taks or other Milestone is not completed by the CMGC in the time specified in the Contract Documents, or within any period of extension authorized pursuant to this these General Conditions, the CMGC acknowledges and admits that the SLDMWA will suffer damage, and that it is impracticable and infeasible to fix the amount of actual damages. Therefore, it is agreed by and between the CMGC and the SLDMWA that the CMGC shall pay to the SLDMWA as fixed and liquidated damages, and not as a penalty, the sum specified in the Contract Documents for each Calendar Day of delay until the date of Completion of the Milestone or Contract work, as applicable, and that both the CMGC and the CMGC’s surety shall be liable for the total amount thereof, and that the SLDMWA may deduct Liquidated Damages from any monies due or that may become due to the CMGC. If it appears during the course of construction that the CMGC is behind schedule and the imposition of liquidated damages is likely, or if liquidated damages begin to accrue prior to the time for final payment, the SLDMWA may, at its discretion, withhold the amount accrued from any progress payment that would otherwise be due. This right to withhold funds is in addition to the SLDMWA’s other rights under the Contract Documents.

These liquidated damages provision shall apply to all delays of any nature whatsoever, save and except only delays found to be excusable or time extensions granted by the SLDMWA.

Pursuant to Government Code Section 4215, the CMGC shall not pay fixed and liquidated damages for delay in completing the Contract work caused by the failure of the SLDMWA or the owner of utility facilities located on the Project site to provide for removal or relocation of such facilities.

Payment by the SLDMWA of any progress payments after liquidated damages have accrued shall not constitute a waiver by the SLDMWA of its right to claim liquidated damages.

If the Contract, the CMGC’s control over the Work, or the CMGC’s right to proceed is terminated for cause, then the CMGC shall be liable to the SLDMWA for liquidated damages for all periods of time from the scheduled Contract completion date at the time of such termination, as that date may be adjusted by any extensions of time to which the CMGC is entitled, until Completion.

SECTION 8.11. FINAL ESTIMATE AND PAYMENT.

Subsequent to field acceptance as detailed in Section 7.21 of these General Conditions and submission of all required close-out documents referenced in Section 7.22 and Section 8.01D of these General Conditions, and within thirty (30) Calendar Days after field acceptance, the CMGC shall provide a proposed final payment request, segregated as to

Contract item and Change Order work. CMGC shall submit all previously unsubmitted documents required by the Contract with the request. The SLDMWA has the right to reject the proposed final payment request and require submission of these documents if the CMGC fails to submit all required documents with its request.

The SLDMWA will review the properly submitted proposed final payment request and, after withholding for all issues as permitted by Sections 8.08, 8.09 and 8.10 of these General Conditions and making other corrections as necessary, shall return its approved Final Payment request as modified, within fifteen (15) Calendar Days of receipt. All progress payments shall be subject to correction in the final payment. If the CMGC fails to file a final payment request within the time allotted, the SLDMWA may create and approve one based on the best information available to it.

Within fifteen (15) Calendar Days after the approved final payment request is submitted to the CMGC, the CMGC shall submit back to the SLDMWA a written approval of said request or a written statement of exceptions to be considered a “closeout” claim. The CMGC’s statement of exceptions shall be in sufficient detail for the SLDMWA to ascertain the basis and amount of the exceptions, and will include supporting documentation as detailed in Section 9.17C of these General Conditions. Failure to provide sufficient detail shall be cause for denial of the exceptions.

Any claim of the CMGC or Subcontractors or suppliers with respect to the performance or breach of the Contract or any alterations thereof (except for payment of the balance of the Contract price as set forth in the final payment request) not specifically set forth in the statement of exceptions, is waived by the CMGC. If the CMGC fails to file a statement of exceptions within the time allowed, CMGC waives its right to submit a statement of exceptions and the approved final payment request will be deemed to as accepted and approved by the CMGC.

The SLDMWA shall process the final payment and a release of retention in accordance with the approved final payment request. The payment of undisputed sums due for the final payment for each Task, and excluding any sums withheld for Stop Payment Notices, shall be made within thirty-five (35) days of the CMGC’s acceptance of the approved final payment request or within sixty (60) days after completion, as defined by Public Contract Code section 7107(c), of each Task, whichever is earlier. The release of retention shall be made in accordance with Section 8.07 of these General Conditions. If the CMGC submits a timely statement of exceptions, or if the SLDMWA withholds amounts due to disputed items and/or stop payment notices, then the SLDMWA shall process these payments as a semifinal action; otherwise, the payment shall be considered final.

The SLDMWA shall respond in accordance with the provisions of Section 9.18, “SLDMWA’s Decision,” of these General Conditions, with its final decision regarding the claims and exceptions set forth by CMGC. Should the SLDMWA’s final decision grant some or all of CMGC’s claims or exceptions, then, to the extent necessary, a supplemental final payment and/or supplemental final release of retention shall be processed within thirty (30) days.

Any claim or exception set forth by CMGC for which CMGC did not follow the required claim procedures in the Contract Documents shall be disallowed; by failing to follow the required claim procedures prior to CMGC's written statement of claims and exceptions, CMGC waives all rights to compensation (whether money or time) related to such claim or exception. If not already expired, the running of time for presenting a Government Code claim (see Government Code sections 900 et seq.) shall be tolled from the time of the CMGC’s timely statement of exceptions until the SLDMWA’s final decision on the statement of exceptions.

SECTION 8.12. FINAL PAYMENT TO TERMINATE LIABILITY OF SLDMWA.

If CMGC fails to timely submit a statement of exceptions, the CMGC’s acceptance of the final payment and final release of retention shall release the SLDMWA and the SLDMWA’s officers, officials, agents, employees, members, volunteers, affiliates, and their duly authorized representatives from all claims or liability on account of all Work performed or any alterations thereof. If CMGC timely submits a statement of exceptions, the CMGC’s acceptance of the semifinal payment and semifinal release of retention shall release the SLDMWA and the SLDMWA’s officers, officials, agents, employees, members, volunteers, affiliates, and their duly authorized representatives from all claims or liability on account of Work performed or any alterations thereof, except unresolved items set forth in the statement of exceptions.

SECTION 8.13. DISPUTED PAYMENTS.

The SLDMWA will decide disputes regarding payments under the Contract according to the procedures set forth in Article 9, "Changes and Claims," of these General Conditions. The decision of the SLDMWA will be final.

Neither the payment, the withholding, nor the retention of all or any portion of any progress payment shall relieve the CMGC from its obligations under the Contract Documents, or entitle the CMGC to any extension of time. The CMGC shall continue to diligently prosecute the Work notwithstanding any dispute over payment.

ARTICLE 9. CHANGES AND CLAIMS

SECTION 9.01. AUTHORITY FOR CHANGES.

The SLDMWA reserves the broad right to order or direct corrections, alterations, additions, modifications, deletions, or other changes as required for the proper completion of the Work. The order or directive may be issued prior to the final acceptance of the Contract without voiding the Contract, without notice to the CMGC's sureties, and in accordance with the provisions of Section 9.02, "Ordering of Changes," of these General Conditions.

The CMGC shall not perform corrections, alterations, additions, modifications, deletions, or other changes to the Work without a written directive or order from the SLDMWA, in accordance with Section 9.02 of these General Conditions. Payment for changed or extra work will not be made without the SLDMWA's written authorization.

SECTION 9.02. ORDERING OF CHANGES.

The SLDMWA may order or direct, including, without limitation, through a Field Directive or Construction Change Directive, a change, in writing, during the course of the Work, and the CMGC shall immediately comply with the order or directive. Changes to the Work shall in no way affect, vitiate, or make void the Contract or any part thereof, except that which is necessarily affected by such changes and is clearly the evident intention of the parties to the Contract.

Changes to the Work may be initiated as described in Section 4.06, "Field Directives or Other Written Directives," of these General Conditions. If the SLDMWA and CMGC agree that compensation in the form of an adjustment to the Contract Sum and/or the Contract Time is required, then the adjustment will be formalized in a Change Order, in accordance with Section 9.14, "Contract Change Order," of these General Conditions. Failure of the SLDMWA and CMGC to agree to terms of a Change Order based on an order or directive shall not relieve the CMGC of its obligation to complete all work specified in the order or directive.

SECTION 9.03. NOT USED

SECTION 9.04. PROSECUTION OF CHANGES TO THE CONTRACT.

If directed by the SLDMWA, within fourteen (14) Calendar Days of issuance of a Request for Proposal, the CMGC shall provide a Proposed Change Order with a cost and/or time proposal prepared in accordance with the requirements of this Section, and Sections 9.07 and 9.11 of these General Conditions. The CMGC's Proposed Change Order shall indicate the amount to be added or deducted from the Contract Sum, supported by complete details of all CMGC, Subcontractor, vendor, or supplier costs per Section 9.05, "Cost and Pricing Data," of these General Conditions. If the proposed change will affect work on the CMGC's other contracts for the Project, then the CMGC shall submit separate Proposed Change Orders for each other contract where the Contract Sum and/or Contract Time will be impacted by the proposed change.

If the CMGC does not submit a Proposed Change Order within fourteen (14) Calendar Days, and unless the SLDMWA is otherwise notified within fourteen (14) Calendar Days of a potential cost impact, the CMGC agrees to perform the work described in the change request with no additional compensation.

If the change causes a change in the monetary compensation or Contract Time, then SLDMWA will issue a Change Order in accordance with Section 9.13, "Contract Change Order," of these General Conditions. If a Field Directive or other written order is issued on a force account basis, the CMGC must immediately begin keeping records in accordance with Section 9.07C, "Force Account," of these General Conditions. When the SLDMWA and CMGC

cannot agree on the credit for work deleted by a written order, the SLDMWA's estimate will be deducted from the Contract Sum, unless the CMGC presents proof prior to the final payment that the SLDMWA's estimate is in error.

If agreement for a change in the Work is reached regarding payment, but not a time adjustment, the SLDMWA shall have the right to direct the CMGC to proceed with the change at the agreed price. The impact of the changed work on the project schedule will be considered by the SLDMWA in accordance with Section 9.11, "Time Extension for Changes," of these General Conditions.

Failure of the parties to reach agreement regarding the costs and time of the performing the change in the Work and/or any pending protest shall not relieve the CMGC from performing the change in the Work promptly and expeditiously. SLDMWA, may direct the CMGC in writing to perform changes in or additions to the scope of the Contract. The CMGC shall perform such work and shall be compensated pursuant to the provisions of Section 9.7, "Payment for Changes," of these General Conditions.

SECTION 9.05. COST AND PRICING DATA.

Cost and pricing data submitted by the CMGC shall be true, complete, accurate, and current. The SLDMWA may require a formal certification to verify CMGC-submitted cost and pricing data. Upon request by the SLDMWA, CMGC shall provide copies of the following information to support its submitted costs:

- Original quotations, purchase orders, or invoices to verify costs included in original bid.

- Quotations, purchase orders, or actual invoices to support new costs submitted.

- Subcontracts.

- Employee time records and wage rates paid.

- Insurance and bond costs resulting from change.

- Quantity takeoff sheets for materials, labor, and equipment.

- Certified payroll records.

- Certified composite wage rate statements, including employees' base rate and CMGC's contributions for fringe benefits, subsistence, and travel.

- A list of equipment with manufacturer's name and model number and the alphanumeric designation used in the Equipment Rental Rates prepared by the California Department of Transportation.

- Invoices for all rental equipment.

- Other information, as required, to document the labor, equipment, and materials used.

Additional requirements for cost and pricing data may also be included in the Contract Documents. The SLDMWA shall have access to the records supporting such cost and pricing data in accordance with the Section 9.06, "Access to Records," of these General Conditions.

SECTION 9.06. ACCESS TO RECORDS.

Upon reasonable notice and during normal business hours, the SLDMWA shall have access to the CMGC's and Subcontractors' records for the purpose of verifying, auditing, and evaluating the accuracy of cost and pricing data submitted by the CMGC. "Records" as used in this Section shall include, but not be limited to: original estimates, subcontract agreements, purchase orders, books, documents, accounting records, papers, project correspondence, project files, and scheduling information necessary to determine the direct and indirect costs, job site, area and home office overhead, delay, and impact costs. Records shall include the original Bid and all documents related to the Bid and its preparation, the as-planned construction schedule and all related documents. Such access shall include the right to examine and audit such records and make excerpts, transcriptions, and photocopies at the SLDMWA's cost.

SECTION 9.07. PAYMENT FOR CHANGES.

The method of payment agreed upon by the CMGC and the SLDMWA, or selected by the SLDMWA at its sole discretion in the absence of any other agreement, shall be set forth in the Request for Proposal or in the written order directing the change.

The three methods of payment are as follows:

SECTION 9.07A. Lump Sum Price.

The CMGC shall submit a lump sum price proposal. The proposal shall include an estimate of labor, material, equipment, Subcontractor, material supplier costs, and any surcharges and/or markups as allowed in Section 9.08, "Markups for Changed Work," in these General Conditions.

In the event that the parties are unable to agree as to the reasonable costs and time to perform the change in, or addition to, the Work based upon the CMGC's proposal, and if the Engineer and SLDMWA do not elect to have the change in the Work performed on a time and material basis, then the Engineer and SLDMWA shall make a unilateral determination of the reasonable cost and time to perform the change in the Work, based upon their own estimates, the CMGC's submission, or combination thereof.

SECTION 9.07B. Unit Prices.

If payment for Contract work is based on unit prices, payment for changed work will be made based on actual quantities of work done at the unit prices contained in the Contract or unit prices otherwise agreed upon by the SLDMWA and CMGC if none are contained in the Contract. Payment for changed work based on Contract or agreed upon unit prices includes the full cost of the item of work including profit and overhead; no additional payment or adjustment will be allowed. If the final quantity of any item of work required under the Contract varies from the Engineer's Estimate by twenty-five percent (25%) or more, or if part of the Work is eliminated in its entirety, then, in the absence of an executed Change Order specifying the compensation to be paid, the compensation will be adjusted as follows:

1. Increases of More Than 25 Percent

Should the total pay quantity of any item of work required under the Contract Documents exceed the Bid Schedule quantity by more than twenty-five percent (25%), the work in excess of 125 percent (125%) of the Bid Schedule quantity will be paid for by adjusting the Contract unit price, as hereinafter provided. At the SLDMWA's option, payment for the work involved in such excess will be made on the basis of force account as provided by Section 9.07C, "Force Account," of these General Conditions.

Such adjustment of the Contract unit price will be the difference between the Contract unit prices and the actual unit costs, which will be determined as hereinafter provided, of the total pay quantity of the item. If the costs applicable to such item of work include fixed costs, such fixed costs will be deemed to have been recovered by CMGC by the payments made for 125 percent of the Bid Schedule quantity for such item, and, in computing the actual unit cost, such fixed costs will be excluded. Subject to the above provisions, such actual unit cost will be determined by the SLDMWA in the same manner as if the work were to be paid for on a force account basis as provided in Section 9.07C, "Force Account," of these General Conditions or such adjustment will be as agreed to by CMGC and the SLDMWA.

When the compensation payable for the number of units of an item of work performed in excess of 125 percent of the Bid Schedule quantity is less than \$5,000 at the applicable Contract unit price, the SLDMWA reserves the right to make no adjustment in said price if it so elects, except that an adjustment will be further considered if requested in writing by CMGC.

2. Decreases of More Than 25 Percent

Should the total pay quantity of any item of work required under the Contract be less than seventy-five percent (75%) of the Bid Schedule quantity, an adjustment in compensation pursuant to this Section will not be made unless CMGC so requests in writing. If CMGC so requests, then the revised quantity will be paid for by

adjusting the Contract unit price as hereinafter provided. At the SLDMWA's option, payment for the quantity of the work of such item performed will be made on the basis of force account as provided in Section Section 9.07C, "Force Account," of these General Conditions. However, in no case shall the payment for such work be less than that which would be made at the Contract unit price.

Such adjustment of the Contract unit price will be the difference between the Contract unit price and the actual unit cost of the total pay quantity of the item, including fixed costs. Such actual unit cost will be determined by the SLDMWA in the same manner as if the work were to be paid for on a force account basis as provided in Section 9.07C, "Force Account," of these General Conditions; or such adjustment will be as agreed to by CMGC and the SLDMWA.

The payment for the total pay quantity of such item of work will in no case exceed the payment which would have been made for the performance of seventy-five percent (75%) of the Bid Schedule of the quantity for such item at the original Contract unit price.

3. Eliminated Items

In the event that a part of the Work is to be eliminated in its entirety and such Work is covered by unit price(s) contained in the Bid and/or Contract Documents, the price of the eliminated Work item shall be based on the applicable unit price(s).

Should any Contract item of the Work be eliminated in its entirety, in the absence of an executed Contract change order covering such elimination, payment will be made to CMGC for actual costs incurred in connection with such eliminated Contract item if incurred prior to the date of notification in writing by the SLDMWA of such elimination.

If acceptable material is ordered by CMGC for the eliminated item prior to the date of notification of such elimination by the SLDMWA, and if orders for such material cannot be canceled, it will be paid for at the actual cost. In such case, the material paid for shall become the property of the SLDMWA, and the actual cost of any further handling will be paid for. If the material is returnable to the vendor and if the SLDMWA so directs, the material shall be returned and CMGC will be paid for the actual costs of charges made by the vendor for returning the material. The actual cost of handling returned material will be paid for by the SLDMWA.

SECTION 9.07C. Force Account.

In the absence of either an agreed lump sum price or unit prices for the change, the SLDMWA may direct the CMGC to proceed with the changed work on a force account basis. The CMGC shall keep and present, in a form acceptable to the SLDMWA, a complete and correct accounting of all costs associated with the change, including all pay records, vouchers, invoices, etc. The CMGC will be paid for labor, materials, and equipment actually used during the performance of the changed work as specified in this Section of these General Conditions in Sections 9.07C.1, "Labor," 9.07C.2, "Materials," and 9.07C.3, "Equipment," plus the percentages stipulated in Section 9.08, "Markups for Changed Work."

To facilitate agreement on direct craft labor hours, construction equipment hours, and material quantities, the CMGC shall notify the SLDMWA not less than four (4) hours prior to starting force account work. The CMGC shall submit Daily Work Reports (DWRs) for signature not later than 9:00 a.m. the day following performance of any force account work. DWRs shall list names of all CMGC's staff, the staff person's craft or trade, all craft or trade labor hours, and all material and construction equipment used. If the DWRs include work related to more than one change, then the labor, material, and equipment shall clearly identify the change to which it relates. The CMGC shall use the DWRs in preparing billings for force account work.

SECTION 9.07C.1. Labor.

The CMGC will be paid the cost of direct labor (foreperson and below) used in the actual and direct performance of the changed work including working foreman when authorized by the SLDMWA. Except as otherwise provided, the CMGC will receive no additional compensation for overtime work without prior written authorization from the SLDMWA. The cost of labor will be the sum of the following:

SECTION 9.07C.1(a). Actual Wages.

Charges for labor will be the CMGC's actual payroll costs for labor of any classification, including employer payments to or on behalf of the workers for health and welfare, pension, vacation, and similar purposes.

SECTION 9.07C.1(b). Labor Surcharge.

A twenty-six percent (26%) surcharge for taxes, insurance, and all other payments made to or on the behalf of the employee shall be added to the actual wages.

SECTION 9.07C.1(c). Subsistence and Travel.

The SLDMWA will pay the CMGC for actual subsistence and travel allowance costs associated with the changed work required by labor agreements or acceptable to the SLDMWA. Documentation must be provided to the SLDMWA.

SECTION 9.07C.2. Materials.

Payment will be for the purchaser's actual cost of supplier or vendor furnished materials. If the CMGC does not furnish satisfactory evidence of the cost of such materials, the cost will be the lowest current wholesale price at which such quantities of materials are available and delivered to the job site. The SLDMWA reserves the right to purchase materials for the changed work; the CMGC shall have no claims for costs or profit on such materials.

SECTION 9.07C.3. Equipment.

The prices paid for equipment directly and solely required for performance of the changed work will be those listed in the current edition of the Caltrans publication, "Labor Surcharge and Equipment Rental Rates." If the equipment is not shown in this publication, the CMGC shall be paid such hourly rental rates as are agreed upon by the CMGC and the SLDMWA prior to use of the equipment, plus thirty-three and one-third percent (33-1/3%) for the cost of fuel, oil, lubrication, and field repairs and maintenance. In no case shall the hourly rental rates exceed those of established distributors or equipment rental agencies serving the area.

The rate paid for the use of equipment constitutes full compensation to the CMGC for all costs, including fuel, power, oil, lubrication, supplies, small tools, small equipment, necessary attachments, repairs and maintenance of any kind, depreciation, storage, insurance, labor (except for equipment operators) and any and all costs to the CMGC incidental to the use of such equipment for the changed work.

Payment will not be made for the equipment while it is inoperative due to breakdowns or for time in which no changed work was performed. Payment for rentals will include time required to move equipment to the changed work from the nearest available rental source and to return it to the source. However, no moving, loading, or transportation costs will be paid if the equipment is used for any other portion of the Work.

Individual tools and pieces of equipment having replacement value of five hundred dollars (\$500) or less shall be considered tools or small equipment and no payment will be made for those pieces of equipment.

SECTION 9.07C.4. Subcontracts.

Subcontract costs shall be the actual cost to the CMGC for work performed by a Subcontractor. The provisions of this Section 9.07C, "Force Account," apply to the computation of subcontract costs. Subcontractors shall compute markups per the Section 9.08, "Markups for Changed Work," of these General Conditions.

SECTION 9.08. MARKUPS FOR CHANGED WORK.

Only the direct costs directly attributable to the performance of the changed work shall be allowed. All other costs shall be included in the allowed markups, including, but not limited to, profit, home office and field overhead, jobsite indirect costs, extended overhead, jobsite office personnel, general field superintendence, general engineering, supervision of labor, bond and insurance premiums, and general field expense, and shall constitute full compensation for all costs not included as actual labor, materials, equipment, or Subcontractor costs. Markups for changed work shall not exceed the following:

Labor	15%
Materials	15%
Equipment Rental	10%
Bonds and Insurance	2%

The CMGC or Subcontractor, whomever actually performs the changed work, may add the markups to the total of allowable costs. When a Subcontractor performs work, the CMGC and any higher tiered Subcontractor may add as mark-up to the total of allowable costs an amount not to exceed five percent (5%), subject to the limitations of this Section.

When the SLDMWA is entitled to credit for deleted work, a ten percent (10%) credit for deleted overhead of the CMGC or Subcontractor, as applicable, will be added to such credit.

SECTION 9.09. COMPENSABLE EXCUSABLE DELAYS.

Payments will be made as follows for compensable excusable delays, as defined in Section 7.12B, “Excusable Delays,” of these General Conditions. CMGC waives any and all monetary compensation for excusable delays other than the items listed below.

SECTION 9.09A. Construction Equipment.

Compensation will be paid for construction equipment idle as a result of a compensable excusable delay to the extent costs are incurred. The prices paid for equipment will be those in the current edition of the Caltrans publication, “Labor Surcharge and Equipment Rental Rates,” with the following modifications:

- The right-of-way delay factor for each classification of equipment will be applied to the rental rate.
- Compensation will be provided for the actual time of the delay, but not more than eight (8) hours per day.

Compensation will be provided for each day or portion of a day, excluding Sundays, and holidays, for the duration of the delay, unless the approved current schedule identifies critical path work for these days.

SECTION 9.09B. Jobsite Indirect Costs.

Indirect costs shall be limited to the following:

1. Actual payroll costs for field office staff incurred as a result of the delay, including management, supervision, safety, estimating, engineering, drafting, clerical, secretarial, and accounting. A twenty-six percent (26%) surcharge for taxes, insurance, and all other payments made to or on the behalf of the employee may be added to the payroll costs.
2. Actual cost for third-party services provided for the field office, such as management, supervision, safety, estimating, engineering, drafting, clerical, secretarial, and accounting utilized in lieu of employees.
3. Applicable field office expenses for rent and utilities that are substantiated by invoices. Compensation for on-site plant, incidentals, and facilities for non-field office personnel including branch office and home office personnel will not be provided. Compensation for these items and other incidentals is included in the Section 9.09C, “Markup for Compensable Excusable Delays,” of these General Conditions.

SECTION 9.09C. Markup for Compensable Excusable Delays.

Fifteen percent (15%) shall be added to job-site indirect costs for onsite plant, incidentals, overhead, home and branch office costs, bonds, and profit. The CMGC shall determine the distribution of the markup among the CMGC, Subcontractors, and suppliers.

SECTION 9.09D. Duplicated Overhead Costs.

If the CMGC is compensated for delays in accordance with this Article, and the delay is attributable to direct cost changes to which markups were added, equitable adjustments shall be made to eliminate the duplication of compensation for indirect and overhead costs and profit.

SECTION 9.10. LIMITATIONS ON PAYMENTS FOR CHANGED WORK.

The SLDMWA will not pay the CMGC for costs in excess of prevailing market values, unless the CMGC can establish, to the satisfaction of the SLDMWA, that the CMGC has investigated all possible means of providing the work and that the excess costs could not be avoided. The SLDMWA will be the sole judge of the necessity of incurring costs in excess of market value and whether the excess costs are directly required for performance of changed work. The SLDMWA's determination will be final.

SECTION 9.11. TIME EXTENSIONS FOR CHANGES.

The CMGC is entitled to adjustment in Contract Time only if completion of the entire Work or of any milestone outlined in the Contract Documents is extended due to changes impacting the controlling item of work. Each proposal submitted by the CMGC in accordance with Section 9.04, "Prosecution of Changes to the Contract," of these General Conditions, shall state the amount of extra time the CMGC believes the change added to the overall project schedule and shall be supported by a Time Impact Analysis under Specification Section 01 32 10. Failure to request a time extension within the time allowed constitutes a waiver of the CMGC's right to subsequently claim an adjustment in Contract Time.

SECTION 9.12. EFFECT ON SURETIES OF CHANGES TO THE WORK.

No alterations, time extensions, extra or additional work, or other changes authorized by these conditions or any part of the Contract shall affect the sureties' obligations under the Contract.

SECTION 9.13. CONTRACT CHANGE ORDER.

The SLDMWA will issue a Change Order if a change to the Contract Sum or Contract Time is necessary. The CMGC shall not be entitled to any adjustments in either Contract Sum or Contract Time for changes performed before receipt of a written directive requiring the changes or Change Order approved by the SLDMWA. Adjustments in Contract Time or Contract Sum for changes performed will not be made until a Change Order is approved by the SLDMWA. A Change Order is generally comprised of one or more Field Directives or other written orders or directives, and contains a summary of each change and changes to the Contract Sum and Contract Time.

SECTION 9.14. ACCEPTANCE OF ORDERS FOR CHANGES.

A Change Order that is substantially in agreement with the CMGC's Proposed Change Order, and/or the CMGC's written agreement of a Change Order, Field Directive, or other written directive, will constitute the CMGC's final and binding agreement to the provisions of the Change Order, Field Directive, or other written directive, and a waiver of all claims in connection therewith, whether direct or consequential in nature, including those of any Subcontractors or suppliers. If the CMGC disagrees with any Change Order, Field Directive, or other written directive, the CMGC may submit a notice of potential claim to the SLDMWA in accordance with Section 9.16, "Notice of Potential Claim," of these General Conditions. Disagreement with the provisions of a Change Order, Field Directive, or other written order will not relieve the CMGC of the CMGC's obligations under the Contract.

SECTION 9.15. DISPUTE REGARDING CONTRACT REQUIREMENTS.

If the CMGC and SLDMWA fail to agree whether or not any work or other matter is within the scope of the Contract, the CMGC shall nevertheless immediately perform such work upon receipt of a written Field Directive or other written order. If CMGC disagrees with a decision by the SLDMWA that any work is within the scope of the Contract, then the CMGC must follow the claims procedures in the Contract, including but not limited to Sections 7.13, 8.11, 9.16, and 9.17 of these General Conditions.

The CMGC shall not stop performing the Work pending resolution of a dispute, unless so ordered in writing by the SLDMWA.

SECTION 9.16. NOTICE OF POTENTIAL CLAIM.

The CMGC shall not be entitled to payment of any additional compensation (whether money or time) for any cause, including any disagreement, protest, or change, any act or failure to act by the SLDMWA, or the happening of any event, thing or occurrence, unless the CMGC has given the SLDMWA due advance written notice of potential claim as hereinafter specified. The written Notice of Potential Claim shall set forth the reasons for which the CMGC believes additional monetary compensation and/or time will or may be due, the nature of the costs and/or time involved, and, insofar as possible, the amount of the potential claim.

The CMGC shall promptly provide a written Notice of Potential Claim to the SLDMWA upon discovery of concealed or unknown conditions or upon any disagreement, protest, situation, event, or occurrence that may result in a claim, including but not limited to changes in work and delays. The Notice shall be submitted no more than five (5) Working Days after the discovery or occurrence of any event that may be the basis for a claim for additional compensation or additional time.

Failure to timely submit the Notice waives any Claim that CMGC may otherwise have had the right to submit based on the underlying occurrence or event.

SECTION 9.17. SUBMISSION OF CLAIMS.

Claims shall be subject to the requirements of Public Contract Code sections 20104 et seq. and 9204. A summary of those provisions is set forth below. A waiver of the rights granted by the referenced statutes is void and contrary to public policy, provided, however, that (1) upon receipt of a Claim, the parties may mutually agree to waive, in writing, mediation and proceed directly to the commencement of a civil action or binding arbitration, as applicable; and (2) the SLDMWA may prescribe reasonable change order, claim, and dispute resolution procedures and requirements in addition to the statutory requirements, so long as the contractual provisions do not conflict with or otherwise impair the statutory timeframes and procedures. To the extent that the summary below is inconsistent with any requirement of those statutes, the statutes shall control. The terms below are intended to be consistent with the governing statutes, and any modifications shall be understood as lawful modifications or additions to the statutory requirements if at all possible.

SECTION 9.17A. Definitions.

“Claim” means a separate demand by the CMGC sent by registered mail or certified mail with return receipt requested, for one or more of the following:

- (A) a time extension, including, without limitation, for relief from damages or penalties for delay assessed by a public entity under a contract for a public works project.
- (B) payment by the public entity of money or damages arising from work done by, or on behalf of, CMGC pursuant to the contract for a public works project and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.
- (C) payment of an amount that is disputed by the SLDMWA.

“Mediation” means any nonbinding process, including, but not limited to, neutral evaluation or a dispute review board, in which an independent third party or board assists the parties in dispute resolution through negotiation or by issuance of an evaluation.

“Public works contract” or “public works project” means the erection, construction, alteration, repair, or improvement of any public structure, building, road, or other public improvement of any kind.

“Subcontractor” means any type of CMGC within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with the CMGC or is a lower tier Subcontractor.

SECTION 9.17B. Claims Procedure.

All Claims under this Contract shall be resolved using the following procedure.

1. The Claim shall be in writing and include the documents necessary to substantiate the Claim as set forth in Section 9.17C. Unless a different time is stated in the Contract Documents, Claims must be filed not later than thirty (30) Calendar Days after the proposed final payment request is returned to the CMGC by the SLDMWA. Any Claim shall be certified under penalty of perjury and in compliance with the California False Claims Act, as set forth in Section 9.17C below. Failure to include these required certifications will constitute grounds for immediate rejection of the Claim and shall be deemed a waiver and absolute bar of the Claim, including any right to pursue the Claim further.
2. If a Subcontractor, including a lower tier Subcontractor, lacks legal standing to assert a Claim against the SLDMWA because privity of contract does not exist, then the CMGC may present a Claim on behalf of such a Subcontractor. A first-tier Subcontractor may request in writing, either on its own behalf or on behalf of a lower tier Subcontractor, that the CMGC present a Claim on behalf of the Subcontractor for work that was performed by the Subcontractor. The Subcontractor requesting that the Claim be presented shall furnish reasonable documentation to support the Claim. Within forty-five (45) days of receipt of this written request, the CMGC shall notify the Subcontractor in writing as to whether the CMGC presented the Claim and, if the CMGC did not present the Claim, provide the Subcontractor with a statement of the reasons for not having done so.
3. Upon receipt of a Claim, the SLDMWA shall conduct a reasonable review of the Claim. Within thirty (30) days of receipt of the Claim, the SLDMWA may request, in writing, any additional documentation supporting the Claim or relating to defenses to the Claim that the SLDMWA may have against the claimant. Where additional information is requested by the SLDMWA, the time in which the SLDMWA must respond to a Claim shall be tolled until all requested information is provided. If additional information is thereafter required, then it shall be requested and provided upon mutual agreement of the SLDMWA and the CMGC.
4. Within forty-five (45) days of receipt of the Claim, as that time may be tolled as provided in Section 9.17B.3 above, the SLDMWA shall provide the CMGC with a written statement identifying what portion of the Claim is disputed and what portion is undisputed. Upon receipt of a Claim, the SLDMWA and the CMGC may, by mutual agreement, extend the time period for a response. Failure by the SLDMWA to respond to a Claim within the time periods described herein shall result in the Claim being deemed rejected in its entirety. A Claim that is denied by failure of the SLDMWA to respond shall not constitute an adverse finding with regard to the merits of the Claim or the responsibility or qualifications of the claimant.
5. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the SLDMWA issues its written statement. The SLDMWA shall not fail to pay money as to any portion of a Claim which is undisputed except as otherwise provided in the Contract Documents.
6. If the claimant disputes the SLDMWA’s written response, or the SLDMWA fails to respond within the time prescribed, the CMGC may so notify the SLDMWA, in writing, either within fifteen (15) days of receipt of the SLDMWA’s response or within 15 days of the SLDMWA’s failure to respond within the time prescribed, respectively, and demand an informal conference to meet and confer for settlement of the issues in dispute. Upon receipt of a demand, sent by registered mail or certified mail, return receipt requested, the SLDMWA shall schedule a meet and confer conference within thirty (30) days for settlement of the dispute.
7. Within ten (10) business days following the conclusion of the meet and confer conference, if the Claim or any portion of the Claim remains in dispute, then the SLDMWA shall provide the CMGC a written statement identifying the portion of the Claim that remains in dispute and the portion that is undisputed.

Failure by the SLDMWA to provide the written statement within the time periods described herein shall result in the remaining Claim issues being deemed rejected in their entirety. Denial by failure of the SLDMWA to respond shall not constitute an adverse finding with regard to the merits of the remaining Claim issues or the responsibility or qualifications of the claimant. Any payment due on an undisputed portion of the Claim shall be processed and made within sixty (60) days after the District issues its written statement.

8. Any remaining disputed portion of the Claim following the meet and confer conference shall be submitted to nonbinding mediation, with the SLDMWA and the CMGC sharing the associated costs equally. The SLDMWA and the CMGC shall mutually agree to a mediator within ten (10) business days after the disputed portion of the Claim has been identified in writing. If the parties cannot agree upon a mediator, each party shall select a mediator and those mediators shall select a qualified neutral third party to mediate with regard to the disputed portion of the Claim. Each party shall bear the fees and costs charged by its respective mediator in connection with the selection of the neutral mediator. Unless otherwise agreed to by the SLDMWA and the CMGC in writing, the mediation conducted pursuant to this Section shall excuse any further obligation under Public Contract Code Section 20104.4 to mediate after litigation has been commenced. This Section does not preclude arbitration if mediation under this Section does not resolve the parties' dispute.
9. If mediation is unsuccessful, then the CMGC may file a claim as provided in Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code with respect to the parts of the Claim remaining in dispute. For purposes of those provisions, the running of the period of time within which a Claim must be filed shall be tolled from the time the CMGC submits his or her written Claim pursuant to Section 9-18.02.01 until the time that mediation of disputed portions of that Claim is completed. This Section does not apply to tort claims, and nothing in this Section is intended nor shall be construed to change the time periods for filing tort claims or actions specified by Chapter 1 (commencing with Section 900) and Chapter 2 (commencing with Section 910) of Part 3 of Division 3.6 of Title 1 of the Government Code.
10. Amounts not paid in a timely manner as required by this Section shall bear interest at seven percent (7%) per year.
11. Claims of \$375,000 or less are subject to the following procedures for civil actions filed to resolve the claims:
 - a. The case shall be submitted to judicial arbitration pursuant to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, notwithstanding Section 1141.11 of that code. The Civil Discovery Act (Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure) shall apply to any such proceeding, consistent with the rules pertaining to judicial arbitration.
 - b. The parties stipulate that the arbitrator shall be experienced in construction law and shall be paid necessary and reasonable hourly rates of pay not to exceed their customary rate, and such fees and expenses shall be paid equally by the parties, except in the case of arbitration where the arbitrator, for good cause, determines a different division. In no event shall these fees or expenses be paid by state or county funds.
 - c. In addition to Chapter 2.5 (commencing with Section 1141.10) of Title 3 of Part 3 of the Code of Civil Procedure, any party who, after receiving an arbitration award, requests a trial de novo but does not obtain a more favorable judgment shall, in addition to payment of costs and fees under that chapter, pay the attorneys' fees of the other party arising out of trial de novo.
 - d. The court may, upon request by any party, order any witnesses to participate in arbitration process.

In any suit filed under Public Contract Code Section 20104.4, the SLDMWA shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

SECTION 9.17C. Documentation of Claims by CMGC.

For each Claim, the CMGC shall furnish claim documentation as herein specified.

CMGC shall submit three (3) certified copies of all claim documentation. All claim documentation shall be complete when submitted. The evaluation of the CMGC's claim will be based on SLDMWA's records and the claim documentation submitted by CMGC.

Claim documentation shall conform to generally accepted auditing standards and shall be in the following format:

1. Introduction and background
2. Issues
 - a. Index of issues
 - b. For each issue:
 - Background
 - Chronology
 - CMGC's position (reason for SLDMWA's potential liability)
 - Supporting documentation of merit
 - Supporting documentation of damages
3. CPM schedules, as-planned versus as-built, and delay analysis
4. Productivity and damages exhibits
5. Summary of issues and damages

Supporting documentation of merit for each issue shall be cited by reference, photocopies, or explained. Supporting documentation may include, but not be limited to, General Conditions, Technical and other Specifications, Drawings, correspondence, conference notes, shop drawing logs, survey books, inspection reports, delivery schedules, test reports, daily reports, subcontracts, fragmentary CPM schedules, Time Impact Analyses photographs, technical reports, RFIs, Field Directives, and other related records.

Supporting documentation of damages for each issue shall be cited, photocopied, or explained. Supporting documentation may include, but not be limited to, certified detailed labor, materials, equipment, and construction equipment and services costs; purchase orders; invoices; project as-planned and as-built costs; Subcontractor payment releases; quantity reports; other related records; general ledger and any other accounting materials.

Each submission of Claim documentation shall include the following certification, signed in the same manner as the Contract was signed:

Claim Declaration

I, [name of declarant], declare the following:

[CMGC company name] has contracted with the San Luis and Delta Mendota Water Authority for the Delta-Mendota Canal Subsidence Correction Project. I am authorized by my employer ([CMGC company name]) to prepare the attached claim for compensation (in other words, for money and/or time extensions) to the San Luis & Delta Mendota Water Authority regarding this Contract (dated _____, 20__, and requesting \$_____ and/or __ additional working days), and I did prepare said attached claim. I am the most knowledgeable person at [CMGC company name] regarding this claim.

I am aware of all law that relates to this claim, including but not limited to California Penal Code section 72, Government Code sections 12650 et seq. (False Claims Act), and Business and Professions Code sections 17200 et seq. (Unfair Business Practices Act). I am aware that submission or certification of false claims, or other claims that violate law or the contract, may lead to fines, imprisonment, and/or other severe legal consequences for myself and/or [CMGC company name].

The attached claim is prepared and submitted in good faith, does not breach the contract between [CMGC company name] and the San Luis & Delta Mendota Water Authority for this portion of the Project, does not violate any law, satisfies all provisions of the contract, only contains truthful and accurate supporting data, and only requests an amount that accurately reflects the adjustments to money and time for which I honestly and in good faith believe that the San Luis & Delta-Mendota Water Authority is responsible under its contract with [CMGC company name].

So that I could declare that the statements in this declaration and the attached claim were true and correct, while preparing this declaration and claim, I consulted with others (for example, attorneys, consultants, or others who work for [CMGC company name]) when necessary to assure myself that said statements were true and correct.

I declare under the penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed _____, 20__, at _____, California.

[name of declarant]

For claims submitted by the CMGC on behalf of a Subcontractor, both the CMGC and the Subcontractor shall submit the above declaration. If the CMGC is unable to support any part of a claim and it is determined that such inability is attributable to falsity of such certification or misrepresentation of fact or fraud by the CMGC, the CMGC shall be liable to the SLDMWA for three (3) times the amount of damages which the SLDMWA sustains, plus the cost of civil action, and may be liable to the SLDMWA for a civil penalty of up to ten thousand dollars (\$10,000) for each false claim.

SECTION 9.18. NOT USED

SECTION 9.19. NOT USED.

SECTION 9.20. NO ALTERNATIVE CLAIMS PROCEDURE.

Nothing in the Contract constitutes an agreement for an alternative claim procedure under the provisions of Government Code Section 930.2, nor relieves the CMGC of the requirements of Government Code, Part 3, Chapters 1 and 2 and Title 1, Division 3.6, Chapters 1, 2, 3, and 4, or Public Contract Code Sections 9204 and 20104.2(e).

SECTION 9.21. ASSIGNMENT OF CLAIMS.

The CMGC shall not assign any portion of the moneys due the CMGC without written SLDMWA approval. No person other than the party signing the Contract has any claim under the Contract, except as provided in the Contract.

Exhibit C
SPECIAL PROVISIONS – FEDERAL CONTRACTING REQUIREMENTS

SECTION 1.01. GENERAL.

By entering into this Contract, CMGC hereby agrees to comply with all applicable state, Federal, and local laws and regulations as applicable to this Project. These may include, but are not limited to, the Natural Environmental Policy Act (NEPA) including the Council of Environmental Quality and Department of the Interior regulations implementing NEPA, the Clean Water Act, the Endangered Species Act, consultation with potentially affected tribes, and consultation with the State Historic Preservation Office. Failure of the CMGC to comply with any applicable law or regulation may be the basis for withholding payments and/or termination of this Contract.

It is expressly acknowledged that this Project may include funding from federal and state grants. Therefore, CMGC shall comply with the regulations of the Code of Federal Regulations (CFR) - Title 2, Part 200, including Appendix II thereto, except to the extent that any such provisions are modified or eliminated during the course of Contract performance. These regulations are set forth below and are incorporated by reference and made part of this Contract. CMGC also shall comply with the State of California requirements regarding wages, hours and equal opportunity. These requirements are set forth below and are incorporated by reference and made a part of this Contract. Failure of CMGC to comply with any applicable state or federal regulation or law may be the basis for withholding payments and/or termination of this Contract.

CMGC shall include these provisions in all Subcontracts and purchase orders and require Subcontractors of all tiers and vendors to comply with them.

SECTION 1.02. EQUAL EMPLOYMENT OPPORTUNITY/ANTI-DISCRIMINATION.

- A. CMGC shall comply with all anti-discrimination and equal opportunity statutes, regulations, and Executive Orders that apply to the expenditure of funds under Federal contracts, grants, and cooperative Agreements, loans, and other forms of Federal assistance. CMGC shall comply with Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and any program-specific statutes with anti-discrimination requirements. CMGC shall comply with civil rights laws including, but not limited to, the Fair Housing Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Equal Educational Opportunities Act, the Age Discrimination in Employment Act, and the Uniform Relocation Act. Title VI also includes protection to persons with “Limited English Proficiency” in any program or activity receiving federal financial assistance, 42 U.S.C. §§ 2000d *et seq.*, as implemented by the Department of the Treasury’s Title VI regulations, 31 CFR Part 22, and herein incorporated by reference and made a part of this Contract.
- B. CMGC shall comply with 41 CFR 60-1.4(b). During the performance of this Contract, CMGC agrees as follows:

(1) CMGC will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. CMGC 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, sexual orientation, gender identity, 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 CMGC 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.

(2) CMGC will, in all solicitations or advertisements for employees placed by or on behalf of CMGC, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.

(3) CMGC will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with CMGC's legal duty to furnish information.

(4) CMGC will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the CMGC's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(5) CMGC 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.

(6) CMGC will furnish all information and reports required by Executive Order 11246 of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his 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.

(7) In the event of CMGC's noncompliance with the nondiscrimination clauses 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 CMGC 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, and such other sanctions may be imposed and remedies invoked as provided 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.

(8) CMGC will include the above provisions in every subcontract or purchase order unless exempted by rules, 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. CMGC will take such action with respect to any subcontract or purchase order as the Authority or the United States Bureau of Reclamation may direct as a means of enforcing such provisions, including sanctions for noncompliance, *provided, however*, that, in the event CMGC becomes involved in, or is threatened with, litigation with a Subcontractor or vendor as a result of such direction by the administering agency, CMGC may request the Authority or United States to enter into such litigation to protect the interests of the United States.

CMGC agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of all its Subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

CMGC further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a Subcontractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon CMGCs and Subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order.

SECTION 1.03. ANTI-KICKBACK.

CMGC shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3), and shall require all of its Subcontractors to comply. Those requirements are set forth in greater detail below. CMGC and all Subcontractors are prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

SECTION 1.04. DAVIS-BACON.

CMGC shall comply with the Davis-Bacon Act (40 U.S.C. 3141-3148) as supplemented by Department of Labor regulations (29 CFR Part 5), and shall require all its Subcontractors to

comply. To the extent that California law differs from the Davis-Bacon Act, CMGC and its Subcontractors shall comply with the more stringent requirement.

CMGC must pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.

In accordance with the Davis-Bacon Act, CMGC must pay the required wages not less than once per week.

By entering into the Contract, CMGC has accepted the wage determination(s) applicable to the Work, and agrees to comply with the wage determination(s).

SECTION 1.05. WAGES, CONTRACT WORK HOURS AND SAFETY STANDARDS.

In accordance with 29 C.F.R. section 5.5, CMGC agrees to comply with the contract provisions for Davis-Bacon and Related Acts (“DBRA”). These contract provisions are set forth below and may be found on the internet at:

<https://www.epa.gov/grants/contract-provisions-davis-bacon-and-related-acts>

These mandatory contract provisions are set forth below and they, as well as the wage determinations, are fully incorporated herein by reference.

(a) Labor standards.

(1) *Minimum wages.*

(i) *Wage rates and fringe benefits.* All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), 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 CMGC 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 paragraph (a)(1)(iv) of this section; also, regular contributions made or costs incurred for more than a 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 section 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 conformed under paragraph (a)(1)(ii) of this section) and the Davis-Bacon poster (WH-1321) shall be posted at all times by the CMGC 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) ***Frequently recurring classifications.***

(A) In addition to wage and fringe benefit rates that have been determined to be prevailing under the procedures set forth in [29 CFR part 1](#), a wage determination may contain, pursuant to [§ 1.3\(f\)](#), wage and fringe benefit rates for classifications of laborers and mechanics for which conformance requests are regularly submitted pursuant to [paragraph \(a\)\(1\)\(iii\)](#) of this section, provided that:

- (1) The work performed by the classification is not performed by a classification in the wage determination for which a prevailing wage rate has been determined;
- (2) The classification is used in the area by the construction industry; and
- (3) The wage rate for the classification bears a reasonable relationship to the prevailing wage rates contained in the wage determination.

(B) The Administrator will establish wage rates for such classifications in accordance with [paragraph \(a\)\(1\)\(iii\)\(A\)\(3\)](#) of this section. Work performed in such a classification must be paid at no less than the wage and fringe benefit rate listed on the wage determination for such classification.

(iii) ***Conformance.***

(A) Any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the Contract must be classified in conformance with the wage determination. Conformance of an additional classification and wage rate and fringe benefits is appropriate 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 used 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) The conformance process may not be used to split, subdivide, or otherwise avoid application of classifications listed in the wage determination.

(C) If CMGC and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken will be sent by the contracting officer by email to DBAconformance@dol.gov. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(D) In the event CMGC, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer will, by email to DBAconformance@dol.gov, refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer within the 30-day period that additional time is necessary.

(E) The Authority will promptly notify CMGC of the action taken by the Wage and Hour Division under [paragraphs \(a\)\(1\)\(iii\)\(C\)](#) and [\(D\)](#) of this section. CMGC must furnish a written copy of such determination to each affected worker or it must be posted as a part of the wage determination. The wage rate (including fringe benefits where appropriate) determined pursuant to [paragraph \(a\)\(1\)\(iii\)\(C\)](#) or [\(D\)](#) of this section must 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.

(iv) ***Fringe benefits not expressed as an hourly rate.*** 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, CMGC 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.

(v) ***Unfunded plans.*** If CMGC does not make payments to a trustee or other third person, CMGC 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 CMGC, in accordance with the criteria set forth in 29 CFR part 5, [§ 5.28](#), that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the CMGC to set aside in a separate account assets for the meeting of obligations under the plan or program.

(vi) ***Interest.*** In the event of a failure to pay all or part of the wages required by the Contract, CMGC will be required to pay interest on any underpayment of wages.

(2) ***Withholding.***

(i) ***Withholding Requirements.*** The Authority may, upon its own action, or must upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from CMGC so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of CMGC or any Subcontractor for the full amount of wages and monetary relief, including interest, required by the clauses set forth in [paragraph \(a\)](#) of this section for violations of this Contract, or to satisfy any such liabilities required by any other Federal contract, or federally assisted contract subject to Davis-Bacon labor standards, that is held by the same prime contractor (as defined in 29 C.F.R. § 5.2). The necessary funds may be withheld from CMGC under this Contract, any other Federal contract with the same CMGC, or any other federally assisted contract that is subject to Davis-Bacon labor standards requirements and is held by the same CMGC, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the CMGC liability for which the funds were withheld. In the event of a failure to pay any laborer or mechanic, including any apprentice or helper working on the site of the work (or otherwise working in construction or development of the project under a development statute) all or part of the wages required by the Contract, or upon the failure to submit the required records as discussed in [paragraph \(a\)\(3\)\(iv\)](#) of this section, the applicable federal agency and/or the Authority may on its own initiative and after written notice to CMGC, sponsor, applicant, owner, or other entity, as the case may be, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

(ii) ***Priority to withheld funds.*** The Department has priority to funds withheld or to be withheld in accordance with [paragraph \(a\)\(2\)\(i\)](#) or [\(b\)\(3\)\(i\)](#) of this section, or both, over claims to those funds by:

(A) CMGC's surety(ies), including without limitation performance bond sureties and payment bond sureties;

(B) The Authority for its reprourement costs;

(C) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of CMGC, or CMGC's bankruptcy estate;

(D) CMGC's assignee(s);

(E) CMGC's successor(s); or

(F) A claim asserted under the Prompt Payment Act, [31 U.S.C. 3901-3907](#).

(3) *Payrolls and basic records*

(i) *Basic record requirements*

(A) ***Length of record retention.*** All regular payrolls and other basic records must be maintained by CMGC and any subcontractor during the course of the work and preserved for all laborers and mechanics working at the site of the work (or otherwise working in construction or development of the project under a development statute) for a period of at least 3 years after all the work on the prime contract is completed.

(B) ***Information required.*** Such records must contain the name; Social Security number; last known address, telephone number, and email address of each such worker; each worker's correct classification(s) of work actually performed; 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 [40 U.S.C. 3141\(2\)\(B\)](#) of the Davis-Bacon Act); daily and weekly number of hours actually worked in total and on each covered contract; deductions made; and actual wages paid.

(C) ***Additional records relating to fringe benefits.*** Whenever the Secretary of Labor has found under [paragraph \(a\)\(1\)\(v\)](#) of this section 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 [40 U.S.C. 3141\(2\)\(B\)](#) of the Davis-Bacon Act, CMGC must 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.

(D) ***Additional records relating to apprenticeship.*** CMGC with apprentices working under approved programs must maintain written evidence of the registration of apprenticeship programs, the registration of the apprentices, and the ratios and wage rates prescribed in the applicable programs.

(ii) *Certified payroll requirements*

(A) ***Frequency and method of submission.*** CMGC must submit weekly, for each week in which any DBA- or Related Acts-covered work is performed, certified payrolls to the Authority for transmission to the federal funding agency. CMGC is responsible for the submission of all certified payrolls by all Subcontractors. A contracting agency or CMGC may permit or require the submission of certified payrolls through an electronic system, as long as the electronic system requires a legally valid electronic signature; the system allows CMGC, the contracting agency, and the Department of Labor to access the certified payrolls upon request for at least 3 years after the work on the prime contract has been completed; and the contracting agency or CMGC permits other methods of submission in situations where CMGC is unable or limited in its ability to use or access the electronic system.

(B) **Information required.** The certified payrolls submitted must set out accurately and completely all of the information required to be maintained under [paragraph \(a\)\(3\)\(i\)\(B\)](#) of this section, except that full Social Security numbers and last known addresses, telephone numbers, and email addresses must not be included on weekly transmittals. Instead, the certified payrolls need only include an individually identifying number for each worker (e.g., the last four digits of the worker's Social Security number). The required weekly certified payroll information may be submitted using Optional Form WH-347 or in any other format desired. Optional Form WH-347 is available for this purpose from the Wage and Hour Division website at <https://www.dol.gov/sites/dolgov/files/WHD/legacy/files/wh347/.pdf> or its successor website. It is not a violation of this section for CMGC to require a Subcontractor to provide full Social Security numbers and last known addresses, telephone numbers, and email addresses to the prime contractor for its own records, without weekly submission by the subcontractor to the sponsoring government agency (or the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records).

(C) **Statement of Compliance.** Each certified payroll submitted must be accompanied by a “Statement of Compliance,” signed by CMGC or Subcontractor, or CMGC's or Subcontractor's agent who pays or supervises the payment of the persons working on the contract, and must certify the following:

- (1) That the certified payroll for the payroll period contains the information required to be provided under [paragraph \(a\)\(3\)\(ii\)](#) of this section, the appropriate information and basic records are being maintained under [paragraph \(a\)\(3\)\(i\)](#) of this section, and such information and records are correct and complete;
- (2) That each laborer or mechanic (including each helper and apprentice) working 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](#); and
- (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(s) of work actually performed, as specified in the applicable wage determination incorporated into the contract.

(D) **Use of Optional Form WH-347.** The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH-347 will satisfy the requirement for submission of the “Statement of Compliance” required by [paragraph \(a\)\(3\)\(ii\)\(C\)](#) of this section.

(E) **Signature.** The signature by CMGC, Subcontractor, or CMGC's or Subcontractor's agent must be an original handwritten signature or a legally valid electronic signature.

(F) ***Falsification.*** The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under [18 U.S.C. 1001](#) and [31 U.S.C. 3729](#).

(G) ***Length of certified payroll retention.*** CMGC and Subcontractors must preserve all certified payrolls during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

(iii) ***Contracts, subcontracts, and related documents.*** CMGC and Subcontractors must maintain this Contract or Subcontract and related documents including, without limitation, bids, proposals, amendments, modifications, and extensions. CMGC and Subcontractors must preserve these Contracts, Subcontracts, and related documents during the course of the work and for a period of 3 years after all the work on the prime contract is completed.

(iv) ***Required disclosures and access***

(A) ***Required record disclosures and access to workers.*** The CMGC and any Subcontractor must make the records required under [paragraphs \(a\)\(3\)\(i\)](#) through [\(iii\)](#) of this section, and any other documents that the Department of Reclamation or the Department of Labor deems necessary to determine compliance with the labor standards provisions of any of the applicable statutes, available for inspection, copying, or transcription by authorized representatives of the Department of Reclamation or the Department of Labor, and must permit such representatives to interview workers during working hours on the job.

(B) ***Sanctions for non-compliance with records and worker access requirements.*** If the CMGC or any Subcontractor fails to submit the required records or to make them available, or refuses to permit worker interviews during working hours on the job, the Federal agency may, after written notice to the CMGC, sponsor, applicant, owner, or other entity, as the case may be, that maintains such records or that employs such workers, 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, or to permit worker interviews during working hours on the job, may be grounds for debarment action. In addition, any CMGC or other person that fails to submit the required records or make those records available within the time requested for the records to be produced will be precluded from introducing as evidence in an administrative proceeding under [29 CFR part 6](#) any of the required records that were not provided or made available as requested. The requesting Department will take into consideration a reasonable request from the CMGC or person for an extension of the time for submission of records. The Department will determine the reasonableness of the request and may consider, among other things, the location of the records and the volume of production.

(C) ***Required information disclosures.*** The CMGC and Subcontractors must maintain the full Social Security number and last known address, telephone number, and email address of each covered worker, and must provide them upon request to the Department of Reclamation if the agency is a party to the contract, or to the Wage and Hour Division of

the Department of Labor. If the Department of Reclamation is not such a party to the contract, the CMGC, Subcontractor, or both, must, upon request, provide the full Social Security number and last known address, telephone number, and email address of each covered worker to the applicant, sponsor, owner, or other entity, as the case may be, that maintains such records, for transmission to the Department of Reclamation, the CMGC, or the Wage and Hour Division of the Department of Labor for purposes of an investigation or other compliance action.

(4) *Apprentices and equal employment opportunity* —

(i) *Apprentices* —

(A) ***Rate of pay.*** Apprentices will be permitted to work at less than the predetermined rate for the work they perform 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 (OA), or with a State Apprenticeship Agency recognized by the OA. A person who is not individually registered in the program, but who has been certified by the OA or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice, will be permitted to work at less than the predetermined rate for the work they perform in the first 90 days of probationary employment as an apprentice in such a program. In the event the OA or a State Apprenticeship Agency recognized by the OA withdraws approval of an apprenticeship program, the contractor will no longer be permitted to use apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

(B) ***Fringe benefits.*** Apprentices must 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 apprentice classification, fringe benefits must be paid in accordance with that determination.

(C) ***Apprenticeship ratio.*** The allowable ratio of apprentices to journeymen on the job site in any craft classification must not be greater than the ratio permitted to the contractor as to the entire work force under the registered program or the ratio applicable to the locality of the project pursuant to [paragraph \(a\)\(4\)\(i\)\(D\)](#) of this section. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated in [paragraph \(a\)\(4\)\(i\)\(A\)](#) of this section, must 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 this section must be paid not less than the applicable wage rate on the wage determination for the work actually performed.

(D) ***Reciprocity of ratios and wage rates.*** Where CMGC is performing construction on a project in a locality other than the locality in which its program is registered, the ratios and

wage rates (expressed in percentages of the journeyworker's hourly rate) applicable within the locality in which the construction is being performed must be observed. If there is no applicable ratio or wage rate for the locality of the project, the ratio and wage rate specified in the contractor's registered program must be observed.

(ii) ***Equal employment opportunity.*** The use of apprentices and journeyworkers under this part must 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.*** CMGC shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract.

(6) ***Subcontracts.*** CMGC or Subcontractor shall insert in any subcontracts the clauses contained in 29 CFR 5.5(a)(1) through (10) and such other clauses as the applicable Federal agency may by appropriate instructions require, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. **CMGC shall be responsible for the compliance by any Subcontractor or lower tier Subcontractor with all the contract clauses in 29 CFR 5.5.**

(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 CMGC and a Subcontractor as provided in 29 CFR 5.12.

(8) ***Compliance with Davis-Bacon and Related Act requirements.*** All rulings 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 CMGC (or any of its Subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

(10) ***Certification of eligibility.***

(i) By entering into this Contract, CMGC certifies that neither it (nor he or she) nor any person or firm who has an interest in CMGC'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).

(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).

(iii) The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

(11) **Anti-retaliation.** It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- (i) Notifying any CMGC of any conduct which the worker reasonably believes constitutes a violation of the Davis-Bacon Act, related acts, this part, or [29 CFR part 1](#) or [3](#);
- (i) Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under the Davis-Bacon Act, related acts, this part, or [29 CFR part 1](#) or [3](#);
- (ii) Cooperating in any investigation or other compliance action, or testifying in any proceeding under the Davis-Bacon Act, related acts, this part, or [29 CFR part 1](#) or [3](#); or
- (iv) Informing any other person about their rights under the Davis-Bacon Act, related acts, this part, or [29 CFR part 1](#) or [3](#).

(b) **Contract Work Hours and Safety Standards Act.** CMGC shall comply with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), as supplemented by Department of Labor regulations in 29 CFR Part 5 and 2 CFR 200 Appendix II(E). In accordance with 29 C.F.R. section 5.5(b), CMGC agrees to comply with the following, and to require all of its Subcontractors to comply with the following. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

(1) **Overtime requirements.** No CMGC 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 he or she is employed on such work to work in excess of forty 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 forty hours in such workweek.

(2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (b)(1) of this section, CMGC and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such CMGC 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 paragraph (b)(1) of this section, in the sum of \$29 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty

hours without payment of the overtime wages required by the clause set forth in paragraph (b)(1) of this section.

(3) *Withholding for unpaid wages and liquidated damages.*

- (i) Withholding process. The funding federal agency or the Authority may, upon its own action, or must, upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from CMGC so much of the accrued payments or advances as may be considered necessary to satisfy the liabilities of CMGC or any Subcontractor for any unpaid wages; monetary relief, including interest; and liquidated damages required by the clauses set forth in this paragraph (b) on this contract, any other Federal contract with the same CMGC, or any other federally assisted contract subject to the Contract Work Hours and Safety Standards Act that is held by the same CMGC (as defined in 29 C.F.R. § 5.2). The necessary funds may be withheld from CMGC under this Contract, any other Federal contract with the same CMGC, or any other federally assisted contract that is subject to the Contract Work Hours and Safety Standards Act and is held by the same CMGC, regardless of whether the other contract was awarded or assisted by the same agency, and such funds may be used to satisfy the CMGC liability for which the funds were withheld.
- (ii) Priority to withheld funds. The Department or the Authority has priority to funds withheld or to be withheld in accordance with paragraph (a)(2)(i) or (b)(3)(i) of this section, or both, over claims to those funds by:
 - (A) CMGC's surety(ies), including without limitation performance bond sureties and payment bond sureties;
 - (B) The Authority for its procurement costs;
 - (C) A trustee(s) (either a court-appointed trustee or a U.S. trustee, or both) in bankruptcy of CMGC, or CMGC's bankruptcy estate;
 - (D) CMGC's assignee(s);
 - (E) CMGC's successor(s); or
 - (F) A claim asserted under the Prompt Payment Act, 31 U.S.C. 3901–3907.

(4) *Subcontracts.* CMGC or Subcontractor shall insert in any subcontracts the clauses set forth in paragraph (b)(1) through (5) of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. CMGC shall be responsible for compliance by any Subcontractor or lower tier Subcontractor with the clauses set forth in paragraphs (b)(1) through (5) of this section. In the event of any violations of these clauses, CMGC and any Subcontractor(s) responsible will be liable for any unpaid wages and monetary relief, including interest from the date of the underpayment or loss, due to any

workers of lower-tier Subcontractors, and associated liquidated damages and may be subject to debarment, as appropriate.

(5) ***Anti-Retaliation***. It is unlawful for any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, or to cause any person to discharge, demote, intimidate, threaten, restrain, coerce, blacklist, harass, or in any other manner discriminate against, any worker or job applicant for:

- (i) Notifying CMGC or any contractor of any conduct which the worker reasonably believes constitutes a violation of the Contract Work Hours and Safety Standards Act (CWHSSA) or its implementing regulations in this part;
- (ii) Filing any complaint, initiating or causing to be initiated any proceeding, or otherwise asserting or seeking to assert on behalf of themselves or others any right or protection under CWHSSA or this part;
- (iii) Cooperating in any investigation or other compliance action, or testifying in any proceeding under CWHSSA or this part; or
- (iv) Informing any other person about their rights under CWHSSA or this part.

(c) In addition to the clauses contained in paragraph (b), in any contract subject only to the Contract Work Hours and Safety Standards Act and not to any of the other statutes cited in § 5.1, CMGC or Subcontractor shall maintain payrolls and basic payroll records during the course of the work and shall preserve them for a period of three years from the completion of the Contract for all laborers and mechanics, including guards and watchmen, working on the Contract. Such records shall contain the name and address of each such employee, social security number, correct classifications, hourly rates of wages paid, daily and weekly number of hours worked, deductions made, and actual wages paid. Further, the records to be maintained under this paragraph shall be made available by the CMGC or Subcontractor for inspection, copying, or transcription by authorized representatives of the Authority and the Department of Labor, and CMGC or Subcontractor will permit such representatives to interview employees during working hours on the job.

With respect to all requirements in this Section 1.05, to the extent that California law differs, CMGC and its Subcontractors shall comply with the more stringent requirement.

SECTION 1.06. FEDERAL ACCESS TO RECORDS.

CMGC shall allow access by representative(s) from the United States Bureau of Reclamation and/or the Department of the Interior, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the CMGC which are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcriptions. CMGC shall maintain all books, documents, papers, and records directly pertinent to the Contract for three (3) years after the Authority makes the final payment to CMGC for the Work on the Project.

SECTION 1.07. CLEAN AIR AND CLEAN WATER ACTS.

CMGC shall comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. sections 7401-7671q), the Clean Water Act (33 U.S.C. sections 1251-1387), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 35, subpart E, Appendix C-2), which prohibit the use under non-exempt federal contracts, grants, or loans of facilities included in the United States Environmental Protection Agency List of Violating Facilities. CMGC agrees to report any violation to the Authority, and understands and agrees that the Authority will report each violation as required to the appropriate Federal agencies, including, without limitation, the Environmental Protection Agency Regional Office.

SECTION 1.08. ENERGY EFFICIENCY.

CMGC shall comply with mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 965).

SECTION 1.09. TRAFFICKING VICTIMS PROTECTION ACT (TVPA) OF 2000 (2 CFR Part 175).

- A. CMGC, its employees, and its Subcontractors, may not—
 - (1) Engage in severe forms of trafficking in persons during the period of time that the Contract is in effect;
 - (2) Procure a commercial sex act during the period of time that the Contract is in effect; or
 - (3) Use forced labor in the performance of this Contract.

- B. The Authority may unilaterally terminate this Contract, without penalty, if CMGC or its Subcontractor(s) —
 - (1) Is determined to have violated a prohibition in the above paragraph A or
 - (2) Has an employee who is determined by the Authority to have violated a prohibition in the above paragraph A through conduct that is either—
 - a. Associated with performance under this Contract; or
 - b. Imputed to CMGC or its Subcontractor using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, “OMB Guidelines to Agencies on Government-wide Debarment and Suspension (Nonprocurement),” as implemented by the Department of the Interior at 2 CFR part 1400.
 - (3) CMGC must inform the Authority immediately of any information received from any source alleging a violation of a prohibition in the above paragraph A during the term of the Contract.
 - (4) The Authority’s right to terminate unilaterally that is described in the above paragraph B of this section:
 - a. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and
 - b. Is in addition to all other remedies for noncompliance that are available to

the Authority under this Contract.

(5) Definitions:

- a. "Employee" means either:
 - (i) An individual employed by CMGC or a Subcontractor who is engaged in the performance of this Contract; or
 - (ii) Another person engaged in the performance of the Contract and not compensated by CMGC including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution.
- b. "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
- c. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

SECTION 1.10. DEBARMENT AND SUSPENSION (Executive Orders 12549 and 12689).

By executing the Contract, CMGC represents that it is not listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

SECTION 1.11. RESTRICTIONS ON LOBBYING (43 CFR §18).

CMGC agrees to comply with 43 CFR 18, New Restrictions on Lobbying. CMGC will provide and cause Subcontractors of every tier to provide the certification attached hereto as Attachment 1 certifying that:

- A. No Contract funds will be paid, by or on behalf of CMGC, to any person for influencing or attempting to influence an officer or employee of the United States Bureau of Reclamation, a Member of Congress, and 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.
- B. If any funds other than the Contract 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 CMGC shall complete and submit OMB Standard Form-

LLL, “Disclosure Form to Report Lobbying” in accordance with its instructions.

- C. CMGC shall require that the language of this certification be included in the award documents for all subcontracts of \$150,000 or more and that all such Subcontractors shall certify 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 by 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 each such failure.

SECTION 1.12. DRUG-FREE WORKPLACE.

CMGC is obligated to distribute to each employee who will be engaged in the performance of any work on the Contract the following statement:

The unlawful manufacture, distribution, dispensing, possession, or use of any controlled substance is prohibited in the workplace. As a condition of employment, you must agree to abide by this statement and must notify the Authority in writing within five calendar days of the conviction if you are convicted of a criminal drug statute violation occurring in your workplace.

In addition, CMGC must publish a statement that—

- (a) Tells its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in your workplace;
- (b) Specifies the actions that it will take against employees for violating that prohibition; and
- (c) Lets each employee know that, as a condition of employment under any award, they:
 - (1) Will abide by the terms of the statement; and
 - (2) Must notify CMGC in writing if they are convicted for a violation of a criminal drug statute occurring in the workplace and must do so no more than five calendar days after the conviction.

Further, CMGC must notify its employees of any drug counseling, rehabilitation, or assistance program that it offers and the actions that the CMGC will take against employees for violation of the drug-free workplace requirements.

SECTION 1.13. PROCUREMENT OF RECOVERED MATERIALS.

CMGC agrees that it and its Subcontractors will comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act, including procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where:

- (A) the purchase price of the item during the fiscal year exceeds \$10,000 or

- (B) CMGC procured over \$10,000 of the item during the preceding fiscal year on federally funded contracts.

The list of EPA-designated items is available at www.epa.gov/smm/comprehensive-procurement-guidelines-construction-products.

Section 6002(c) establishes exceptions to the preference for recovery of EPA-designated products if the CMGC can demonstrate the item:

- (A) is not reasonably available within a timeframe providing for compliance with the contract performance schedule;
- (B) fails to meet reasonable contract performance requirements; or
- (C) is only available at an unreasonable price.

SECTION 1.14. DOMESTIC PREFERENCES FOR PROCUREMENTS.

As required by 2 C.F.R. section 200.322 and the Build America, Buy America Act, CMGC, as appropriate and consistent with the law, shall, to the greatest extent practicable and consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to iron, aluminum, steel, cement, and other manufactured products).

- A. “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.
- B. “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride (PVC) pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

CMGC shall bind its Subcontractors to this clause.

This Project may be subject to the Buy America domestic content sourcing requirements under the Build America, Buy America (BABA) provisions of the Infrastructure Investment and Jobs Act (IIJA) (P.L. 117-58, §§ 70911-70917). These provisions apply when using Federal funds for the purchase of goods, products, and materials on any form of construction, alteration, maintenance, or repair of infrastructure in the United States. BABA requires that all iron, steel, manufactured products, and construction materials consumed in, incorporated into, or affixed to federally funded infrastructure projects must be produced in the United States.

SECTION 1.15. PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE.

As required by 2 C.F.R. section 200.216, CMGC is prohibited from procuring or obtaining equipment, services, or systems that use covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system. As described in Public Law 115-232, section 889, covered telecommunications equipment or services means:

- A. Telecommunications equipment produced by Huawei Technologies Company or ZTE Corporation (or any subsidiary or affiliate of such entities).

- B. For the purpose of public safety, security of government facilities, physical security surveillance of critical infrastructure, and other national security purposes, video surveillance and telecommunications equipment produced by Hytera Communications Corporation, Hangzhou Hikvision Digital Technology Company, or Dahua Technology Company (or any subsidiary or affiliate of such entities).
- C. Telecommunications or video surveillance services provided by such entities or using such equipment.
- D. Telecommunications or video surveillance equipment or services produced or provided by an entity that the Secretary of Defense, in consultation with the Director of the National Intelligence or the Director of the Federal Bureau of Investigation, reasonably believes to be an entity owned or controlled by, or otherwise connected to, the government of a covered foreign country.

ATTACHMENT 1

BYRD ANTI-LOBBYING AMENDMENT CERTIFICATION

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

1. 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 an 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.

2. 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 OMB Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts) in excess of \$150,000 and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this Contract was made or entered into. Submission of this certification is a prerequisite for making or entering into this Contract imposed by 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 each such failure.

CMGC [or Subcontractor] certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, CMGC [or Subcontractor] understands and agrees that the provisions of 31 U.S.C. Chapter 38, Administrative Remedies for False Claims and Statements, as well as any California remedies, apply to this certification and disclosure, if any.

I certify that I am duly authorized to legally bind CMGC [or Subcontractor] to this certification, that the contents of this certification are true, and that this certification is made under the laws of the State of California.

Date: _____

Contractor's Name: _____

Signature: _____

Print Name/Title: _____

EXHIBIT D
PRECONSTRUCTION SERVICES

A. General:

The CMGC shall perform the Preconstruction Services with the degree of care and skill ordinarily exercised by CM/GC firms providing similar services in California, shall coordinate its services with SLDMWA, the Engineer (Reclamation), and other SLDMWA consultants, and shall be responsible for the acts and omissions of its subconsultants and subcontractors performing Preconstruction Services.

Reference Documents. The CMGC shall perform the Preconstruction Services described in this Exhibit D using the planning-level and reference documents furnished with the Request for Proposals (RFP), including, but not limited to, RFP Exhibit B (Preliminary Design Information) and RFP Exhibit C (Geotechnical/Reference Reports). These RFP exhibits are not reattached to this Agreement but are incorporated here by reference for purposes of Preconstruction Services.

B. Items of Preconstruction Services:

1. ***Collaboration, Partnering, and Administration:*** The CMGC shall lead and participate in a structured program of meetings and related project administration during Preconstruction Services for Project Task 1 and Project Task 2. The purpose is to keep SLDMWA, the Engineer, and other project stakeholders aligned on design progress, constructability, risk, and GMP development. It is not the CMGC's responsibility to ascertain that the drawings and specifications are in accordance with laws and codes; however, if the CMGC recognizes, or should reasonably have recognized, a variance, it shall promptly notify the Engineer and SLDMWA in writing.
 - a. **Partnering.** Within the first thirty (30) days after Notice to Proceed for Preconstruction Services, the CMGC shall plan and conduct one (1) facilitator-led partnering session with SLDMWA, the Engineer, and other invitees identified by the Authority. The CMGC shall furnish the partnering facilitator and propose the facilitator to the Authority for written approval before scheduling the session. The session will confirm project goals, roles and responsibilities, communication and escalation paths, and initial risk and innovation topics. In addition to the kickoff session, the CMGC shall plan for and conduct up to two (2) additional facilitated partnering sessions during the Preconstruction period, to coincide with major design milestones (for example, 60 percent and 90 percent). All CMGC labor, planning, coordination, meeting materials, and facilitator costs for these sessions shall be included in the CMGC's fixed fee for Preconstruction Services.
 - b. **Weekly project meetings.** The Project Team shall hold weekly meetings throughout the Phase 1 Preconstruction period. Meetings will occur in person on the first and third weeks of each month at SLDMWA's offices or project site

(except for Reclamation staff, who may attend virtually). Meetings on alternate weeks may be held virtually via Microsoft Teams.

Each meeting shall include review and discussion of:

- i. Design progress and constructability comments.
- ii. Field and geotechnical investigation results.
- iii. Environmental and permitting coordination.
- iv. Risk register updates and mitigation actions.
- v. Cost and schedule status related to GMP development.
- vi. Action items and next steps.

- b. Agendas, minutes, and action log.** The CMGC shall prepare and distribute meeting agendas (24 hours in advance) and meeting minutes (within 2 business days), documenting key discussions, decisions, and assigned action items. The Authority's Representative shall review and approve meeting minutes for record. The CMGC shall maintain a consolidated action log tracking items to closure, accessible to all team members through the Authority's document-management system.
- c. Project administration.** The CMGC shall perform the day-to-day administrative tasks necessary to support Preconstruction Services, including document circulation, maintenance of the preconstruction file structure in the Authority's system, tracking of submittals and deliverables from CMGC to the Authority and the Engineer, and coordination with Authority staff on meeting dates, locations, and virtual links. These administrative tasks are included in the CMGC's fixed fee for this item and are not separately compensable.
- d. Monthly preconstruction progress report and invoicing.** Once each month, the CMGC shall submit a concise preconstruction progress report that summarizes work completed during the period, identifies issues requiring Authority direction, and reports percent complete for the preconstruction activities tied to Project Task 1 and Project Task 2, consistent with the CMGC's fee proposal. Invoices for Preconstruction Services shall follow the General Conditions and shall reference the activities and percent complete reported in the monthly progress report.
- e. Preconstruction schedule.** The CMGC will develop and maintain a detailed schedule for Preconstruction Services covering Tasks 1 and 2. The schedule will be prepared in Primavera P6 or Microsoft Project and will be organized as a Gantt chart with clearly defined activities, logic ties, durations, summary milestones, and critical path identification. The schedule will serve as the baseline planning tool for coordination, sequencing, deliverables, and development of the GMP.

The CMGC will update the schedule monthly and provide revised logic, progress status, and forecast dates for key milestones. Updates will reflect coordination decisions made during Preconstruction Services and will be submitted to SLDMWA for review.

- i. Develop an initial baseline Preconstruction Schedule covering the full duration of Tasks 1 and 2.
 - ii. Include workshops, review cycles, coordination meetings, submittal preparation, SLDMWA review durations, and Preconstruction deliverable milestones.
 - iii. Include design deliverable milestones and CMGC review windows, as coordinated with SLDMWA and Reclamation.
 - iv. Include timing for GMP proposal preparation, negotiation, Construction Contract execution, and Notice(s) to Proceed.
 - v. Revise the schedule monthly to reflect progress, logic adjustments, and updated durations, and submit to SLDMWA for review.
- f. Risk register.** The CMGC shall establish, maintain, and update a project risk register covering Preconstruction activities for Task 1 and Task 2. The risk register shall, at a minimum, identify the risk description, risk owner, likelihood, consequence, proposed mitigation, and current status. The CMGC shall update the register not less than monthly and after each facilitated partnering session, and shall upload the current register to the Authority's system. The CMGC shall use the risk register to inform schedule development, constructability recommendations, and GMP development.

Assumptions:

1. This item supports both Project Task 1 and Project Task 2. The CMGC shall price it once and allocate the priced amount between Task 1 and Task 2 in the same proportions used on the Fee Proposal form.
2. One initial partnering session will be an eight (8) hour, in-person session at either SLDMWA's Los Banos or Tracy office; up to two (2) follow-up facilitated sessions will each be up to four (4) hours and may be in person or virtual, at the Authority's discretion. The CMGC will provide at least four (4) CMGC personnel for each partnering session.
3. For in-person and virtual weekly project meetings, the CMGC will provide up to four (4) CMGC personnel appropriate to the agenda. This headcount is inclusive of CMGC's project management and technical staff and is not intended to modify or limit the key-personnel requirements stated elsewhere in the RFP or Agreement.
4. Weekly in-person and virtual project meetings will be planned for up to two (2) hours.
5. The CMGC will furnish the facilitator and all partnering materials; the facilitator must be approved in writing by the Authority before use.
6. The Authority will provide access to its document- or contract-management system for uploading agendas, minutes, action logs, monthly reports, and the risk register.
7. SLDMWA will identify design deliverable milestone dates for incorporation into the Preconstruction schedule.
8. Review duration assumptions will be coordinated with SLDMWA during Preconstruction schedule development.

Deliverables:

1. Partnering session agenda, materials, and sign-in sheets (PDF).
 2. Weekly meeting agendas (PDF) issued \geq 24 hours before each meeting.
 3. Weekly meeting minutes (PDF) issued within 2 business days, including attendance, decisions, and action items.
 4. Consolidated action-item log in the Authority's system (native format as required).
 5. Monthly Preconstruction Progress Report (PDF) aligned to Project Task 1 and Project Task 2 activities.
 6. Baseline Preconstruction Schedule and monthly updates in P6 XER or Microsoft Project (MPP) format, with PDF Gantt chart export. One schedule narrative (PDF) per update summarizing key changes, delays, constraints, and critical path drivers. Monthly risk register update (Excel or Authority-approved format).
2. **Site Investigations:** The CMGC shall perform the site and field investigations described in this Item to support constructability review, work sequencing, and GMP development for Project Task 1 and Project Task 2.
- a. **General Site and Document Review.** CMGC shall carefully examine the site at which the work will be performed and all of the documents included in the contract documents; perform all reasonable investigations essential to a full understanding of the difficulties that may be encountered in performing the work; and acquaint itself through reasonable discovery with the conditions under which the work is to be performed, including, without limitation, local labor conditions, local weather patterns, restriction in access to and from the work site, prior work performed by others on the Project, and obstructions and other conditions relevant to the work, the site of the work and its surroundings. The CMGC shall promptly advise the Authority and the Engineer in writing of any apparent gaps, conflicts, or conditions that could affect construction of Task 1 or Task 2 so they can be addressed during Preconstruction.
 - b. **Borrow Site Investigations.** Stockpiles of native cut material, generated from the original construction of the DMC, exist along the embankments. Early effort of the Project focused on borrow site investigations occurring along the mid and lower portions of the Upper DMC, and approximately 132 test pits have already been excavated and logged. Several of these sites are qualified for use in Task 2 areas; however, limited qualified sites exist near the Task 1 area. The Authority has the necessary access and environmental clearances for the areas. Drawings of the available stockpiles are shown in RFP Exhibit B.3 with test pit logs and labs located in RFP Exhibit C – Appendix D & E.2. Existing on-site materials are anticipated to be of sufficient quantity and quality to meet Project embankment/fill material needs; imported aggregates and other processed materials are outside the scope of this borrow investigation.

The CMGC shall excavate, log, and test up to 12 CMGC-selected borrow/stockpile areas taken from RFP Exhibit B.3. The CMGC may allocate those 12 areas between

Task 1 and Task 2 in any proportion (for example, eight (8) areas for Task 1 and four (4) areas for Task 2) without change in the CMGC’s fixed fee for this Item. For each selected borrow/stockpile area, the CMGC shall excavate two (2) additional test pits to collect and test soil samples, for a maximum of twenty-four (24) test pits under this Item. The 12 CMGC-selected borrow/stockpile areas for additional investigation will be submitted for SLDMWA review and approval before mobilization.

- i. Each test pit will be sufficiently deep to characterize the soil profile of the stockpile while avoiding excavation into native material. The depth of each stockpile is unknown.
- ii. Access by personnel in the test pit will not be required but grab samples from bucket loads will be necessary every 2-feet in depth.
- iii. CMGC shall employ an Engineer specializing in the geotechnical discipline or Geologist to log, photograph, characterize and prepare each bulk sample for laboratory testing.
- iv. CMGC will review each area for equipment access and is responsible for the safety of its employees and sub-contractors -during excavation activities
- v. CMGC shall share the information with SLDMWA and Reclamation to determine soil suitability for use in the project.
- vi. Laboratory testing must follow the schedule in the following table.

Lab Test Description		ASTM Reference Standard	Minimum Testing Frequency	Comments
USCS Class. (ASTM D2487)	Sieve analysis	ASTM D6913 (Method A) or C136 after D1140, or C117	x2 / test pit	Coarse-grained soils, methods are dependent on estimated fines content. Note D422 has been superseded.
	Hydrometer analysis	ASTM D7928	x1 / test pit	Fine-grained soils (silt and clay)
	Atterberg limits	ASTM D4318	x1 / test pit	1-point method to be used for liquid limit. If insufficient material for LL/PI, estimate fines as silty or clayey using ASTM D2488
Dispersion Suite	Crumb dispersion test	ASTM D6572	x1 / test pit	Crumb and pinhole shall be run on the same sample when possible.
	Pinhole dispersion test	ASTM D4647	x1 / test pit	Not applicable for soils with <12% fines or PI=<8.
	Double hydrometer test	ASTM D4221	x1 / test pit	Provide quantitative measure to reduce false negatives.
Water content		ASTM D2216	x2 / test pit	

One-dimensional swell or collapse	ASTM D4546 Method C	x1 / 4 test pits or x1 / borrow area	Minimum frequency should be performed for which ever is greater.
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Notes. 1. Use most up to date ASTM standards.

2. Provide test pit log using ASTM D2488-17e1, visual classification in field, provide percentages in soil descriptions.
3. Minimum laboratory testing quantities are estimated. Actual test quantities may vary depending on subsurface conditions and materials encountered.

c. Utility Investigation. Underground utility mapping is ongoing by SLDMWA and will be furnished to CMGC during Preconstruction Services, together with Reclamation’s existing-conditions drawings for the Task 1 and Task 2 work areas as they become available. Existing utilities along the DMC have been mapped using several methods consisting of visual line of sight, Ground Penetrating Radar Survey (GPRS), Electromagnetic (EM) locating, push camera inspection, sonde tracking, and potholing. Potholing was performed for utilities that cross the canal embankment at depths shallower than 2 ft. below the top of liner. Location by potholing was performed for public utility crossings, irrigation turnouts, and well discharge facilities identified by noninvasive methods and as-built records. Pothole certificates will be included for CMGC review. A table of existing utilities identified during project planning (feasibility level) for the DMC is enclosed in RFP Exhibit B.5 for informational purposes.

The Utility Investigation effort will consist of the CMGC familiarizing themselves with the utilities along the DMC with particular attention given to those utilities that pose a conflict with the Work, to verify information shown on the Reclamation drawings and mapping, and to inform development of access and work plans. The CMGC will reconcile observed conditions to the drawings and RFP Exhibit B.5, provide recommendation to SLDMWA on additional investigation needs, and produce an inventory of Pump Turnout and Well Discharge pipes that will need to temporarily be removed and reinstalled as part of the project work plan. This is a non-intrusive verification; no new USA notification or mark-out is required under this item. Exhibit B.5 is furnished for reference to gauge level of effort; the CMGC is responsible for addressing all potential utility impacts within Task 1 and Task 2 work areas and shall propose an appropriate level of effort in its Fixed Fee. Field observations and reporting under this Item are limited to utilities located within, or immediately adjacent to, the Task 1 and Task 2 work areas indicated on the RFP Exhibit A figures.

The CMGC will:

- i. Perform visual field observations and photography to verify the utility and its location with respect to the planned Work.

- ii. Develop a table and drawings showing all identified utility conflicts along with type, size, cover or elevation source, and location by station or milepost and offset.
- iii. Provide a brief method description for working around or protecting each conflict and flag others for protection during construction.
- iv. Identify locations where additional utility investigations may be warranted for Authority direction.
- v. Coordinate with public utility agencies, as necessary, for the purpose of gathering information.

Assumptions.

1. This item supports both Task 1 and Task 2; however, the CMGC shall propose this item as two separate fixed-fee amounts, one for Task 1 and one for Task 2, based on the CMGC's assessed level of effort for field observation and reporting within each Task work area.
2. The Authority will secure rights-of-entry (ROE), as needed, and coordinate access to up to twelve (12) potential borrow/stockpile areas.
3. The CMGC will field-mark proposed dig locations and submit Underground Service Alert (USA) notifications at least two (2) business days before excavation, in accordance with USA requirements.
4. The CMGC may, for its own purposes, perform explorations beyond the twelve (12) areas / twenty-four (24) test pits defined in the Scope of Work. Such work requires prior written approval from SLDMWA, will be non-compensable, and will not modify fixed fees, quantities, or the schedule.
5. RFP Exhibit B.5 (utility inventory) is furnished with the RFP for proposers' use in scoping level of effort. During Preconstruction Services, SLDMWA will furnish Reclamation existing-conditions drawings as they become available for verification.
6. Remote or desktop review (e.g., aerial imagery, Google Maps/Street View, or existing photographs) may be used for planning only and does not satisfy or replace the required field observation and photography.
7. The CMGC will perform minor hand vegetation disturbance (e.g., flattening, brushing aside, or cutting stems ≤ 1 inch diameter) as needed to visually observe utility features; mechanized clearing, grubbing, tree removal, or chipping is not included in this Item.
8. The CMGC will identify potential utility conflicts using its professional judgment, accounting for anticipated construction means and methods, equipment loads, temporary works, access routes, and sequencing.

Deliverables.

1. Draft and Final Borrow Investigation Reports (single consolidated report covering Task 1 and Task 2) in PDF format including: location map and marked-up plan sheets; logs, photos, and laboratory results in a format consistent with RFP Exhibit C appendices; an exhibit delineating usable borrow extents and ingress/egress;

estimated quantities of usable material by area; and a suitability conclusion with recommendations.

2. Draft and Final Utility Investigation Reports (single consolidated report covering Task 1 and Task 2) in PDF format. Content will document activities described in the Item description and include marked-up drawings of utility conflicts, tabulated data of utility conflicts, and recommended disposition of utilities during construction (e.g. do not disturb, remove and replace, relocate, or protect in place.)
 3. Upon request, the CMGC shall provide interim working materials (e.g., planning documents, field photos, preliminary tabulations, or draft mapping) in their then-current form, without additional formatting or compilation, to support review of progress during Preconstruction Services.
1. ***Environmental Review:*** The Project's environmental documentation under NEPA and CEQA has been prepared in a joint EA/IS with a Proposed Mitigated Negative Declaration. Final approvals of the Proposed Mitigated Negative Declaration will be obtained by SLDMWA and Reclamation prior to construction. All environmental commitments, permit conditions, and mitigation measures applicable to Tasks 1 through 4 construction are available at SLDMWA's website (<https://sldmwa.org/dmc-subsidence-project>). These commitments include constraints related to in-water work, noise and dust control, species protection, cultural resource monitoring, and hazardous material management.

The CMGC will review the applicable environmental commitments to identify how they may affect construction means and methods, access, staging, sequencing, and schedule for Tasks 1 and 2. The CMGC will advise SLDMWA and Reclamation where environmental constraints may influence Work planning and will incorporate applicable constraints into planning documents prepared under Preconstruction Services. CMGC Preconstruction Services will consist of, at a minimum:

- a. Review the environmental commitments relevant to Tasks 1 and 2 to determine effects on access, means and methods, sequencing, staging, and schedule.
- b. Prepare a Commitments Compliance Matrix listing each applicable measure, describing its field implementation requirements, and identifying the responsible party (CMGC, SLDMWA, or Reclamation).
- c. Identify potential conflicts or constraints that could affect cost, schedule, constructability, or a combination thereof and recommend practical approaches to accommodate identified constraints in the Work.
- d. Coordinate with SLDMWA's Environmental Consultant and Reclamation's environmental compliance staff to confirm interpretations and verify that proposed work methods meet permit and mitigation requirements.
- e. Reflect applicable commitments and constraints in the Work Plan, schedule logic, and GMP development for Tasks 1 and 2.
- f. Report previously unidentified potential environmental constraint discovered during site investigations to SLDMWA and Reclamation for direction.

Assumptions.

1. This item supports both Task 1 and Task 2; price once and allocate between Tasks in the same proportions used on the Fee Proposal form.
2. SLDMWA and Reclamation will obtain and manage all required environmental permits, conduct required biological and cultural resource surveys, and provide qualified monitors, as applicable.
3. The CMGC is not responsible for preparing environmental documents, permit applications, survey work, or monitoring plans.
4. Field access will be scheduled and coordinated by SLDMWA in accordance with environmental clearance requirements.
5. Nothing in this Item relieves the CMGC of obtaining and complying with construction-phase permits and authorizations required under other Preconstruction Services Scope of Work Items or GMP Amendment by Task, including preparation of the SWPPP under the Construction General Permit and any other CMGC-obtained permits, unless expressly provided by the SLDMWA.

Deliverables.

1. Environmental Commitments Compliance Matrix in Excel or PDF table format.
 2. Memorandum summarizing construction or schedule constraints and proposed solutions in PDF format.
 3. Marked-up drawings or notes identifying environmental buffer zones, access restrictions, or staging limitations (as applicable to Work Plan development) in PDF format.
 4. Input to the risk register (Item 1 Deliverable) regarding environmental risks and recommended mitigation.
4. ***Construction Management Plans:*** Tasks 1 and 2 involve concrete canal lining and embankment raising in designated reach segments of the Delta-Mendota Canal. In Task 2, five of the six identified sag areas include displaced or distorted concrete panels requiring replacement. The panel replacement will necessitate underwater work and the design, installation, and removal of a contractor-designed cofferdam or equivalent system to permit concrete placement in the dry. Development of a comprehensive Work Plan is required to establish safe, efficient, and constructible means and methods that will inform final design decisions and the Guaranteed Maximum Price (GMP).

The CMGC will prepare the following management plans during preconstruction. Plans may be developed to cover both Construction Task 1 and 2 (combined) or each Task separately, as jointly determined by the SLDMWA and CMGC.

- a. **Work Plan.** This plan will describe the CMGC's approach to construction, including construction methods, site access, haul routes, erosion and sediment control measures, construction sequencing, temporary facilities, traffic and equipment movement controls, and coordination with SLDMWA and Reclamation. The plan will also identify construction equipment requirements and relevant constraints that may affect work execution and scheduling.

- b. Safety Program.** These plans will include, at a minimum, the Injury and Illness Prevention Program, Written Safety Program and Code of Safe Practices, Pre-Work Safety Plan, Site-Specific Emergency Response Plan, Fire Prevention and Control Plan, Heat Illness Prevention Plan, Safety Data Sheets for materials to be used on site, Job Hazard Analysis, and Trenching and Excavation Safety Procedures (including required permits).
- c. Contractor's Quality Control Program.** The CMGC will prepare a Contractor's Quality Control Program Plan describing the procedures and responsibilities for inspection, testing, documentation, corrective actions, and coordination with SLDMWA and Reclamation for quality oversight during construction.
- d. Environmental Management and Monitoring Plan.** The CMGC will prepare an Environmental Management and Monitoring Plan describing how environmental commitments and permit conditions will be implemented during construction. The plan will identify required procedures, field responsibilities, inspection protocols, documentation requirements, and coordination with SLDMWA and Reclamation.
- e. Subcontracting Plan.** The CMGC will prepare a Subcontracting Plan describing the proposed approach to subcontracting, including identification of work to be self-performed, work proposed for subcontracting, competitive procurement procedures, subcontractor licensing verification, subcontractor coordination procedures, and in accordance with Item 9.

Assumptions.

1. This Item supports both Task 1 and Task 2; price once and allocate between Tasks in the same proportions used on the Fee Proposal form.
2. The titles, organization, and packaging of Construction Management Plans may be modified as necessary to conform to the Reclamation Submittals requirements set forth in the Contract Specifications. Any such adjustments will be for format and compliance purposes only and will not alter the technical intent or scope of the plans. All revisions to plan titles or packaging will be subject to SLDMWA review and approval.
3. SLDMWA and Reclamation will provide applicable specification sections, environmental permit requirements, and safety program requirements for reference during plan development.
4. These plans will be construction-ready prior to Task-specific Notice(s) to Proceed under the GMP Amendment(s).

Deliverables.

1. Draft and Final Construction Management Plan (PDF).
2. Draft and Final Safety Program Plans (PDF).
3. Draft and Final Contractor's Quality Control Program Plan (PDF).
4. Draft and Final Environmental Management and Monitoring Plan (PDF).
Draft and Final Subcontracting Plan (PDF).

5. ***Innovation Management:*** The CMGC will develop, propose, and track challenges and quantify benefits of innovations throughout the preconstruction phase, including proposing criteria to evaluate suggestions and select improvements that will offer the most value in terms of cost, schedule, and quality. The CMGC will prepare, modify, and maintain an innovation register, which identifies the person and entity that proposed the idea, the value of the idea (in terms of cost, savings, risk reduction/mitigation, and schedule impact), and which ideas were incorporated by the SLDMWA and Reclamation into the final design and construction documents.

Assumptions.

1. This Item supports both Task 1 and Task 2; price once and allocate between Tasks in the same proportions used on the Fee Proposal form.
2. A continuous process and no separate defined meeting is identified.

Deliverables.

1. Innovation register and updates in Excel and PDF format. Backup documentation in PDF format for each update.
2. Innovation Summary Report (PDF) with the GMP Proposal.

6. ***Constructability Review of Construction Documents:*** The CMGC will conduct constructability reviews and provide input related to constraints and limitations of various construction methods and equipment during the design development for Task 1 and Task 2, including but not limited to written review comments or redlines at specified design milestones (60 percent and 90 percent). The constructability review shall be completed by construction personnel experienced in construction techniques, construction sequencing, and construction means and methods expected to be employed on this Project. Review comments shall be specific and include details such as alternative solutions and potential cost savings related to construction.

Assumptions.

1. This item supports both Task 1 and Task 2; however, the CMGC shall propose this item as two separate fixed-fee amounts, one for Task 1 and one for Task 2, based on the CMGC's assessed level of effort.
2. Formal constructability reviews will be submitted at 60 percent design and 90 percent design for each Task 1 and Task 2. Actual design progress percent complete for formal constructability reviews to be adjusted as needed in coordination with SLDMWA and Reclamation.
3. CMGC will include two interim constructability reviews between milestones for both Task 1 and Task 2.

Deliverables.

1. Written Constructability Review Report summarizing findings, recommendations, and potential cost/schedule implications (PDF) for each formal constructability review.
2. Marked-up drawings and specifications highlighting suggested revisions (PDF).

3. Constructability Review Log and Updates showing comment status and resolution (Microsoft Excel and PDF).
7. ***Construction Schedule Development:*** The CMGC will create and update separate Construction Schedules for Task 1 and Task 2. The project team will work together to create a baseline construction schedule, which will be updated, at a minimum, at design milestones of 60 percent, 90 percent, and final design or as designated by the SLDMWA and for scope changes that necessitate changes in schedule.

The CMGC will provide a finalized construction schedule with its GMP for each Task, which will be part of the Construction Contract and adhered to by the CMGC for the duration of Construction.

The schedules will identify key milestones and Work Breakdown Structure (WBS) Item numbers in accordance with SLDMWA and Reclamation requirements, deliverables, and dependencies, along with durations for procurement, construction management, and construction work. The CMGC will also identify roles and responsibilities for each item of work represented in the schedule.

The Construction Schedule(s) will be developed in Primavera P6 for Windows or equal and be resource loaded. Resource loading will be reflective of the level of design completion for the Construction Schedule submittal milestone. The schedule will be accompanied by a narrative report prepared by the CMGC documenting key critical path elements of the schedule and the critical assumptions and/or decisions that may impact schedule adherence, including construction phasing or sequencing and long-lead items. The Construction Manager shall also include in the report any

Assumptions.

1. This item supports both Task 1 and Task 2; however, the CMGC shall propose this item as two separate fixed-fee amounts, one for Task 1 and one for Task 2, based on the CMGC's assessed level of effort.
2. Construction schedules will be resource loaded, reflective of the level of design development.

Deliverables.

1. Initial Construction Schedule for each Task 1 and Task 2, and schedule updates in P6 XER and PDF formats.
 2. Narrative Report and updates for each Task 1 and Task 2 in PDF format.
8. ***Construction Cost Estimate Development:*** The CMGC will prepare separate construction cost estimates Task 1 and Task 2. Cost estimates will be based on a project specific cost estimating template(s) prepared by the CMGC for review and approval by SLDMWA. The CMGC will perform its own quantity takeoffs and develop open-book, production-based estimates that identify quantities, production assumptions, crew compositions, equipment utilization, subcontractor and supplier

pricing, indirects, fee, contingency, allowances, and exclusions. Estimates will be coordinated with schedule logic, sequencing, access, and haul planning developed under Preconstruction Services. For each Task, the CMGC will provide estimate updates at 60% and 90% prior to GMP proposal submittal, with interim focused updates if requested by SLDMWA.

The CMGC will prepare a Basis of Estimate Report to accompany each 60 percent and 90 percent cost estimate submittal, documenting the assumptions, clarifications, quantities, production rates, labor and equipment basis, subcontracting structure, indirect cost treatment, contingency rationale, and any allowances or exclusions included in the pricing.

Assumptions.

1. This item supports both Task 1 and Task 2; however, the CMGC shall propose this item as two separate fixed-fee amounts, one for Task 1 and one for Task 2, based on the CMGC's assessed level of effort.
2. Milestone Cost Estimates will be submitted at 60 percent design and 90 percent design for each Task 1 and Task 2.
3. CMGC will include two interim cost estimate updates between milestones for both Task 1 and Task 2.
4. Estimates will be open-book; SLDMWA may review supporting takeoffs, production rates, crew/equipment rates, material quotes, subcontractor quotes, indirects, and contingency basis.
5. The CMGC will perform and own quantity takeoffs and methods of measurement; bid item pricing will be consistent with takeoffs, measurement basis, and schedule logic.
6. Estimate preparation software may be the CMGC's standard system, subject to SLDMWA approval; exports must include PDF for review and a machine-readable file (e.g., CSV or native system export) that preserves item structure, quantities, and unit pricing.
7. Estimates will be in accordance with AACEI class designations consistent with level of design completion.

Deliverables.

1. Cost Estimate Template (Draft and Final) in the CMGC's approved system, with PDF and machine-readable export.
 2. Construction Cost Estimates for each Task at 60 percent and 90 percent.
 3. Cost Basis Narrative (PDF) summarizing assumptions, takeoff basis, production rates, indirects, fee, contingency treatment, allowances, and exclusions.
 4. Change Log (PDF or machine-readable) tracking additive/deductive changes between submissions with the reason for each change.
9. ***Development of Guaranteed Maximum Price (GMP):*** The CMGC will develop its proposed GMP Proposals for Construction of Task 1 and Task 2. GMP development will include, as applicable, negotiation of scopes and budgets with key participants,

competitive bidding, and/or best-value proposals from potential subcontractors. The CMGC will utilize an open book approach to develop the GMP Proposal, providing SLDMWA with full access to all the details that make up the final GMP Proposal.

- a. **Subcontracting.** CMGC will incorporate subcontracting requirements in GMP development. The CMGC will develop a Subcontracting Plan (Item 4, Construction Management Plans) to ensure subcontractor engagement, documentation, and compliance. The GMP proposal must demonstrate that subcontracting was performed in accordance with these requirements and the approved Subcontracting Plan.
 - i. CMGC shall seek to develop subcontractor interest in the Project and shall collaborate with SLDMWA to develop a list of possible subcontractors, including suppliers, from whom bids will be requested for each principal portion of the work;
 - ii. CMGC shall prepare bid packages for the complete scope of work for all trades that will be subcontracted, other than those for which a subcontractor or supplier was listed in CMGC's Proposal, and CMGC shall specify how it will verify that the price of any subcontractor listed in CMGC's Proposal and any scope of work identified in the Proposal to be performed by CMGC is fair and reasonable;
 - iii. CMGC shall provide public notice (under SLDMWA's public works notice procedures) of availability of work to be subcontracted, including a fixed date and time on which qualifications statements, bids, or proposals will be due. CMGC will submit a copy of the bid advertisement and any addenda affecting the bid date to SLDMWA;
 - iv. CMGC shall establish reasonable qualification and selection criteria and standards, and CMGC shall state such criteria in its solicitation documents;
 - v. CMGC shall require all potential subcontractors, truckers, and any suppliers and/or vendors subject to California's prevailing wage laws to be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5 at the time of bidding;
 - vi. For any scope of work of less than one-half of one percent of the price of construction of the Task or Tasks for which the subcontractor is to be selected, CMGC shall specify how it will select the subcontractor;
 - vii. CMGC shall specify how it will determine that the subcontractor or supplier has the financial resources, qualifications, and experience to complete the work for which it is proposed;
 - viii. CMGC shall propose award of subcontracts in accordance with the following competitive selection processes:
 - (a) For work that is less than one-half of one percent of the construction price for the Task or Tasks for which the

subcontractor is selected, comply with the approved selection process.

- (b) For work that has a value equal to or greater than one-half of one percent of the construction price for the Task or Tasks for which the subcontractor is selected, the competitive sub-bid selection process (i) will require advertisement in accordance with that required of SLDMWA, fixing a date on which qualifications, bids, or proposals are due; (ii) will establish the standards for evaluation and selection of the successful subcontractor.
 - (c) The CMGC shall provide SLDMWA with a copy of the bid advertisement(s) and subsequent addenda. Subcontractors awarded construction subcontracts under this process shall be afforded all protections of the Subletting and Subcontracting Fair Practices Act, commencing with Section 4100 of the California Public Contract Code.
 - ix. SLDMWA shall have the right to review the proposed subcontractors and to object to or reject any proposed subcontractor or supplier;
 - x. For any work not required to be bid, CMGC shall provide a detailed estimate of the cost of the work, including documentation sufficient to support that the price is reasonable;
 - xi. CMGC shall propose a GMP for the Task(s) bid, which shall be the sum of the i) general conditions cost as bid, ii) the cost of any actual construction work performed by CMGC's own forces, iii) the cost of all subcontract and supplier amounts, iv) CMGC's fee, as bid, v) costs of bonds and insurance, and vi) contingencies and allowances, if any.
- b. CMGC will submit details supporting estimates for self-performed construction Work (labor, materials, equipment, production rates), including labor classification and hours (including overtime and night shift).
- c. CMGC shall develop a final price proposal to include the written rationale for the price and objectively verifiable documentation of its costs to perform the construction work of the Task(s). The documentation shall include:
- i. A written evaluation for each of the portions of work, including a summary of the bids received, the actual bid proposals, and identifying the subcontract bidder(s) that CMGC recommends;
 - ii. A list of the drawings and specifications, including all addenda, which were used in preparation of the price proposal;
 - iii. The proposed GMP, including a statement of the estimated cost and a schedule of values organized by trade categories;

- iv. A list of the clarifications and assumptions made by CMGC in preparing the final proposed GMP to supplement the information contained in the drawings and specifications;
 - v. The date of commencement and the date of completion upon which the proposed GMP is based;
 - vi. A list of allowances and a statement of their basis; and
 - vii. A detailed cost breakdown of all general conditions and jobsite management expenses included in the GMP.
- d. CMGC shall meet with SLDMWA to review the final price proposal, proposed GMP, and the written statement of its basis. If SLDMWA discovers any inconsistencies or inaccuracies in the information presented, it shall promptly notify CMGC, who shall make appropriate adjustments to the documentation.
- e. CMGC shall be present at the Board meeting at which the GMP is proposed for approval and be available to answer any Board questions regarding the GMP. The cost of any revisions to the proposed GMP or supporting documentation or analysis required by the Board as a condition of approval of any Task is included in Preconstruction Services. Once established, the GMP is the fixed price for construction, subject to adjustment only as allowed in Contract Documents.

Assumptions.

1. This item supports both Task 1 and Task 2; however, the CMGC shall propose this item as two separate fixed-fee amounts, one for Task 1 and one for Task 2, based on the CMGC's assessed level of effort.
2. GMP development includes CMGC implementation of Subcontracting Plan.

Deliverables.

1. Draft and Final GMP Proposals for each Task 1 and Task 2 in PDF format.

C. Term, Progress and Completion:

Time is of the essence. Preconstruction services shall be performed in accordance with RFP CRITICAL DATES.

D. Compensation:

Compensation will be based on the Fixed Fee by Item and by Task in accordance with RFP Exhibit E: Fee Proposal Form.

EXHIBIT E

**WORKERS' COMPENSATION INSURANCE CERTIFICATION
(To be Submitted with Construction Agreement)**

TO THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY:

The undersigned does hereby certify that it is aware of the provisions of Section 3700 et seq. of the Labor Code which require every employer to be insured against liability for Workmen's compensation or to undertake self-insurance in accordance with the provisions of said Code, and that it will comply with such provisions before commencing the performance of work on this Contract.

Name of CMGC

By: _____

Title: _____

Address: _____

Date: _____

PLEASE READ CAREFULLY BEFORE SIGNING

To be signed by authorized corporate officer or partner or individual. If the CMGC is: (example)

1. An individual using a firm name, sign "John Doe, an individual doing business as "Blank Company."
2. An individual doing business under its own name, sign: your name only.
3. A co-partnership, sign" "John Doe, and Richard Doe, co-partners doing business as Blank Company, by John Doe, Co-Partner."
4. A corporation or limited liability company, sign: "Blank Company, by John Doe, Secretary." (or other title)
5. A joint venture, sign: "Blank Joint Venture, by John Doe, Managing Principal."

EXHIBIT F

**ESCROW AGREEMENT FOR SECURITY DEPOSITS
IN LIEU OF RETENTION (OPTIONAL)**

This Escrow Agreement is made and entered into by and between San Luis & Delta-Mendota Water Authority whose address is 15590 Kelso Road, Byron CA 94514-9614 hereinafter called Owner, _____ whose address is _____ hereinafter called CMGC, and _____ whose address is _____ hereinafter called Escrow Agent.

For the consideration hereinafter set forth, the Owner, CMGC, and Escrow Agent agree as follows:

1. Pursuant to Section 22300 of the Public Contract Code of the State of California, CMGC has the option to deposit securities with Escrow Agent as a substitute for retention earnings required to be withheld by Owner pursuant to the Construction Contract entered into between the Owner and CMGC for (in the amount of) _____ dated _____ (hereinafter referred to as the "Contract"). Alternatively, on written request of the CMGC, the Owner shall make payments of the retention earnings directly to the escrow agent. When the CMGC deposits the securities as a substitute for Contract earnings, the Escrow Agent shall notify the Owner within ten (10) days of the deposit. The market value of the securities at the time of the substitution shall be at least equal to the cash amount then required to be withheld as retention under the terms of the Contract between the Owner and CMGC. Securities shall be held in the name of _____ and shall designate the CMGC as the beneficial owner.
2. The Owner shall make progress payments to the CMGC for those funds which otherwise would be withheld from progress payments pursuant to the Contract provisions, provided that the Escrow Agent holds securities in the form and amount specified above.
3. When the Owner makes payment of retentions earned directly to the Escrow Agent, the Escrow Agent shall hold them for the benefit of the CMGC until the time that the escrow created under this contract is terminated. The CMGC may direct the investment of the payments into securities. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the Owner pays the Escrow Agent directly.
4. CMGC shall be responsible for paying all fees for the expenses incurred by Escrow Agent in administering the Escrow Account and all expenses of the Owner. These expenses and payment terms shall be determined by the Owner, CMGC, and Escrow Agent.
5. The interest earned on the securities or the money market accounts held in escrow and all interest earned on that interest shall be for the sole account of the CMGC and shall be subject to withdrawal by CMGC at any time and from time to time without notice to the Owner.
6. CMGC shall have the right to withdraw all or any part of the principal in the Escrow Account only by written notice to Escrow Agent accompanied by written authorization from the Owner to the Escrow Agent that Owner consents to the withdrawal of the amount sought to be withdrawn by CMGC.
7. The Owner shall have a right to draw upon the securities in the event of default by the CMGC. Upon seven days' written notice to the Escrow Agent from the owner of the default, the Escrow Agent shall immediately convert the securities to cash and shall distribute the cash as instructed by the Owner.

8. Upon receipt of written notification from the Owner certifying that the Contract is final and complete, and that the CMGC has complied with all requirements and procedures applicable to the Contract, Escrow Agent shall release to CMGC all securities and interest on deposit less escrow fees and charges of the Escrow Account. The escrow shall be closed immediately upon disbursement of all moneys and securities and payments of fees and charges.

9. Escrow Agent shall rely on the written notifications from the Owner and the CMGC pursuant to Sections (5) to (8), inclusive, of this agreement and the Owner and CMGC shall hold Escrow Agent harmless from Escrow Agent's release and disbursement of the securities and interest as set forth above.

10. The names of the persons who are authorized to give written notice or to receive written notice on behalf of the Owner and on behalf of CMGC in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of Owner:

 Title

 Name

 Signature

 Address

On behalf of CMGC:

 Title

 Name

 Signature

 Address

On behalf of Escrow Agent:

 Title

 Name

 Signature

 Address

At the time the Escrow Account is opened, the Owner and CMGC shall deliver to the Escrow Agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

Owner:

CMGC:

Title

Title

Name

Name

Signature

Signature

EXHIBIT G
PERFORMANCE BOND

BOND NO.: _____

PREMIUM: _____

San Luis & Delta-Mendota Water Authority

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (hereinafter referred to as "SLDMWA") has awarded to _____
_____ (hereinafter designated as the "Principal") a contract for _____
_____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by Principal is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, the undersigned Principal and

_____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the SLDMWA in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if said Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the two-year guarantee of all materials and workmanship; and shall indemnify and save harmless the SLDMWA, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorneys' fees, incurred by SLDMWA in enforcing such obligation.

The obligations of Surety hereunder shall continue so long as any obligation of Principal remains. Nothing herein shall limit the SLDMWA's rights or Principal's or Surety's obligations under the Contract, law or equity, including, but not limited to, California Code of Civil Procedure section 337.15.

Whenever Principal shall be, and is declared by the SLDMWA to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the SLDMWA's option:

(1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or

(2) Obtain a Proposal or Proposals for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible Proposer, arrange for a Contract between such Proposer, the Surety and the SLDMWA, and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Principal by the SLDMWA under the Contract and any modification thereto, less any amount previously paid by the SLDMWA to Principal and any other set offs pursuant to the Contract Documents.

(3) Permit the SLDMWA to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term "balance of the contract price" as used in this paragraph shall mean the total amount payable to Principal by the SLDMWA under the Contract and any modification thereto, less any amount previously paid by the SLDMWA to Principal and any other set offs pursuant to the Contract Documents.

Surety expressly agrees that the SLDMWA may reject any construction manager/general contractor, contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by Principal. Surety shall not utilize Principal in completing the Project nor shall Surety accept a Proposal from Principal for completion of the Project if the SLDMWA, when declaring Principal in default, notifies Surety of the SLDMWA's objection to Principal's further participation in the completion of the Project.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to be performed there under shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__, then names and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

Principal: _____

By: _____

Surety: _____

Address: _____

Telephone: _____

Attorney in Fact: _____

(Bond Continues on Next Page)

(Attach Attorney-In-Fact Certificate, Corporate Seal and Surety Seal. This bond must be accompanied by a current Power of Attorney Appointing the Attorney-in-Fact)

NOTICE:

A CERTIFICATE OF ACKNOWLEDGMENT IN ACCORDANCE WITH THE PROVISIONS OF CIVIL CODE SECTION 1189 MUST BE ATTACHED FOR EACH PERSON EXECUTING THIS AGREEMENT ON BEHALF OF PRINCIPAL AND SURETY.

PAYMENT BOND

BOND NO.: _____

PREMIUM: _____

San Luis & Delta-Mendota Water Authority

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the SAN LUIS & DELTA-MENDOTA WATER AUTHORITY (hereinafter referred to as "SLDMWA") has awarded to _____ (hereinafter designated as "Principal") an agreement for _____ (hereinafter referred to as the "Project").

WHEREAS, the work to be performed by Principal is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter referred to as the "Contract"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said Contract providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we, the undersigned Principal and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the SLDMWA in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Principal and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein. In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Section 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Contract or to the work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20__, then names and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

Principal: _____

By: _____

Surety: _____

Address: _____

Telephone: _____

Attorney in Fact: _____

(Attach Attorney-In-Fact Certificate, Corporate Seal and Surety Seal. This bond must be accompanied by a current Power of Attorney Appointing the Attorney-in-Fact)

NOTICE:

A CERTIFICATE OF ACKNOWLEDGMENT IN ACCORDANCE WITH THE PROVISIONS OF CIVIL CODE SECTION 1189 MUST BE ATTACHED FOR EACH PERSON EXECUTING THIS AGREEMENT ON BEHALF OF PRINCIPAL AND SURETY.

EXHIBIT H

GUARANTEE FORM

**{Print on CMGC/Subcontractor Letterhead
And Submit at Close-Out}**

_____ {CMGC's Name} hereby unconditionally guarantees that the Work performed at _____ [insert Project] has been done in accordance with the requirements of the Contract therefor and further guarantees the Work of the Contract to be and remain free of defects in workmanship and materials for a period of one (1) year from and after SLDMWA acceptance of the Work, in accordance with the General Conditions, unless a longer guarantee period is called for by the Contract Documents, in which case the terms of the longer guarantee shall govern. The CMGC hereby agrees to repair or replace any and all Work, together with any adjacent Work which may have been damaged or displaced in so doing, that may prove to be not in accordance with the requirements of the Contract or that may be defective in its workmanship or materials within the guarantee period specified, without any expense whatsoever to SLDMWA, ordinary wear and tear and unusual abuse and neglect only excepted. The CMGC has provided contract bonds, which will remain in full force and effect during the guarantee period.

The CMGC further agrees that within ten (10) calendar days after being notified in writing by SLDMWA of any Work not in accordance with the requirements of the contract or any defects in the Work, it will commence and prosecute with due diligence all Work necessary to fulfill the terms of this guarantee, and to complete the Work within a period of time stipulated in writing. In the event it fails to so comply, CMGC does hereby authorize SLDMWA to proceed to have such Work done at the CMGC's expense and it will pay the cost thereof upon demand. SLDMWA shall be entitled to all costs, including reasonable attorneys' fees, necessarily incurred upon the CMGC's refusal to pay the above costs.

The guarantee period for corrected defective work shall continue for a duration equivalent to the original guarantee period.

Notwithstanding the foregoing paragraph, in the event of an emergency constituting an immediate hazard to the health or safety of the employees of SLDMWA, or its property or licensees, SLDMWA may undertake at the CMGC's expense without prior notice, all Work necessary to correct such hazardous condition when it was caused by the Work of the CMGC not being in accordance with the requirements of this contract, or being defective, and to charge the same to the CMGC as specified in the preceding paragraph.

The guarantee set forth herein is not intended by the parties, nor shall it be construed, as in any way limiting or reducing SLDMWA's rights to enforce all terms of the Contract referenced hereinabove or the time for enforcement thereof. This guarantee is provided in addition to, and not in lieu of, SLDMWA's rights on such contract.

CMGC'S SIGNATURE _____

PRINT NAME _____