RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Board of Trustees (Regular meeting) Monday, December 9, 2013 2323 North Broadway, #107 Santa Ana, CA 92706

District Mission

The mission of the Rancho Santiago Community College District is to provide quality educational programs and services that address the needs of our diverse students and communities.

The mission of Santa Ana College is to be a leader and partner in meeting the intellectual, cultural, technological, and workforce development needs of our diverse community. Santa Ana College provides access and equity in a dynamic learning environment that prepares students for transfer, careers and lifelong intellectual pursuits in a global community.

Santiago Canyon College is an innovative learning community dedicated to intellectual and personal growth. Our purpose is to foster student success and to help students achieve these core outcomes: to learn, to act, to communicate and to think critically. We are committed to maintaining standards of excellence and providing accessible, transferable, and engaging education to a diverse community.

Americans with Disabilities Acts (ADA)

It is the intention of the Rancho Santiago Community College District to comply with the Americans with Disabilities Acts (ADA) in all respects. If, as an attendee or a participant at this meeting, you will need special assistance, the Rancho Santiago Community College District will attempt to accommodate you in every reasonable manner. Please contact the executive assistant to the board of trustees at 2323 N. Broadway, Suite 410-2, Santa Ana, California, 714-480-7452, on the Friday prior to the meeting to inform us of your particular needs so that appropriate accommodations may be made.

AGENDA

1.0 PROCEDURAL MATTERS

4:30 p.m.

- 1.1 Call to Order
- 1.2 Pledge of Allegiance to the United States Flag
- 1.3 Presentation of District Annual Financial Audit
- 1.4 Approval of Additions or Corrections to Agenda

Action

1.5 Public Comment

At this time, members of the public have the opportunity to address the board of trustees on any item within the subject matter jurisdiction of the board. Members of the community and employees wishing to address the board of trustees are asked to complete a "Public Comment" form and submit it to the board's executive assistant <u>prior</u> to the start of open session. Completion of the information on the form is voluntary. Each speaker may speak up to three minutes; however, the president of the board may, in the exercise of discretion, extend additional time to a speaker if warranted, or expand or limit the number of individuals to be recognized for discussion on a particular matter.

Please note the board cannot take action on any items not on the agenda, with certain exceptions as outlined in the <u>Brown Act</u>. Matters brought before the board that are not on the agenda may, at the board's discretion, be referred to staff or placed on the next agenda for board consideration.

1.6 <u>Approval of Minutes</u> – Regular meeting of November 12, 2013

Action

1.7 Approval of Consent Calendar

Action

Agenda items designated as part of the consent calendar are considered by the board of trustees to either be routine or sufficiently supported by back-up information so that additional discussion is not required. Therefore, there will be no separate discussion on these items before the board votes on them. The board retains the discretion to move any action item listed on the agenda into the Consent Calendar. **The consent calendar vote items will be enacted by one motion and are indicated with an asterisk** (*).

An exception to this procedure may occur if a board member requests a specific item be removed from the consent calendar consideration for separate discussion and a separate vote.

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2.0 BOARD ORGANIZATION

2.1 Annual Board Organization

Action

Board Policy 2305 (attached) requires that the board take specific actions at its annual organizational meeting:

- -Election of Board Officers (President, Vice President, and Clerk) for the 2013-14 year
- -Designation of secretary and assistant secretary
- -The President of the Board shall appoint members and chairs to the following board committees:
 - Facilities Committee
 - Fiscal and Audit Review Committee
 - Legislative Committee
 - Policy Committee
- -The President of the Board shall appoint representatives to the following organizations:
 - RSCCD Foundation
 - Orange County Community College Legislative Task Force
 - Orange County School Boards Association
 - Nominating Committee on School District Organization
- -Adoption of schedule of meeting dates for 2014 (attached)
- -Reaffirmation of Board Policy 2200 Board Duties and Responsibilities (attached)
- -Reaffirmation of Board Policy 2715 Code of Ethics/Standards of Practice (attached)
- -Reaffirmation of Board Policy 2735 Board Member Travel (attached)
- -Reaffirmation of Board Policy 6320 Investments (attached)
- -Designation of specific days, weeks or months of observance, which relate to the educational mission of the district (attached)

3.0 INFORMATIONAL ITEMS AND ORAL REPORTS

- 3.1 Report from the Chancellor
 - Accreditation
- 3.2 Reports from College Presidents
 - Accreditation
 - Enrollment
 - Facilities
 - College activities
 - Upcoming events
- 3.3 Report from Student Trustee
- 3.4 Reports from Student Presidents
 - Student activities
- 3.5 Reports from Academic Senate Presidents
 - Senate meetings

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4.0 INSTRUCTION

*4.1 Approval of Agreement with Medical Billing Technologies, Inc.

The administration recommends approval of the agreement for provision of billing for Family PACT Services with Medical Billing Technologies, Inc. performing a third party billing service.

*4.2 <u>Approval of OTA Agreement Renewal – Glendale Adventist Medical</u> <u>Action</u> <u>Center</u>

The administration recommends approval of the agreement with Glendale Adventist Medical Center in Glendale, California.

*4.3 Approval of New OTA Agreement – Southwest Rehab Specialist
The administration recommends approval of the agreement with SouthWest Rehab Specialist in Brawley, California.

Action

*4.4 <u>Approval of OTA Agreement Renewal – Interface Rehab, LLC</u> <u>Action</u>
The administration recommends approval of the agreement with Interface Rehab, LLC in Placentia, California.

*4.5 Approval of New Courses and New Programs for 2014-2015 Santa
Ana College (SAC) Catalog
The administration recommends approval of the new courses and programs for the 2014-2015 SAC catalog.

*4.6 Approval of New Courses and New Programs for 2014-2015 Santiago
Canyon College (SCC) Catalog
The administration recommends approval of the new courses and programs for the 2014-2015 SCC catalog.

*4.7 Approval of Renewal Agreement with Sheraton Cerritos for Los Angeles/
Orange County Regional Consortia Monthly Meetings January-February
2014

The administration recommends approval of the Sheraton Cerritos contract for the Los Angeles/Orange County Regional Consortia for January and February 2014 monthly meetings.

5.0 BUSINESS OPERATIONS/FISCAL SERVICES

*5.1 <u>Approval of Payment of Bills</u> <u>Action</u>
The administration recommends payment of bills as submitted.

^{*} Item is included on the Consent Calendar, Item 1.7.

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*5.2 Receive and Accept District Audit Report for Fiscal Year Ended June 30, 2013

Action

The administration recommends the board receive and accept the Rancho Santiago Community College District (RSCCD) audit reports for the fiscal year ended June 30, 2013, as presented.

*5.3 <u>Ratification of Award for Informal Bid #1215 District Office Domestic</u> Water Pump Replacement

Action

The administration recommends ratification of the award of Bid #1215 to De La Torre Commercial Interiors, Inc. in compliance to Board Policy 3311 as presented.

*5.4 Approval of Amendment to Agreement with HMC Architects
The administration recommends approval of the amendment to agreement with HMC Architects to add additional fees for master architect consulting services as presented.

Action

*5.5 Approval of Temporary Lease of Parking Lot at Orange Education Center The administration recommends approval of the contract with PAR Electrical Contractors, Inc. for the temporary lease of the parking lot at Orange Education Center as presented.

Action

*5.6 Adoption of Resolution No. 13-43 for Approval of Request for Qualifications and Proposals for Lease/Leaseback Services for Tessman Planetarium Upgrade and Restroom Addition, Parking Lot #11 Expansion and Improvements, and Temporary Village Projects at Santa Ana College The administration recommends adoption of Resolution No. 13-43 authorizing staff to issue a Request for Qualifications and Proposals seeking proposals from qualified contractors to construct a project pursuant to Education Code Section 81335 and to enter into a Site Lease, Facilities Sub-Lease, and related construction agreements regarding one project which includes Tessman Planetarium Upgrade and Restroom Addition, parking lot #11 expansion, and Temporary Village projects at SAC as presented.

Action

*5.7 Adoption of Resolution 13-44 for Approval of Request for Qualifications and Proposals for Lease/Leaseback Services for Dunlap Hall Renovations at Santa Ana College

Action

The administration recommends adoption of Resolution No. 13-44 which authorizes staff to issue a Request for Qualifications and Proposals seeking proposals from qualified contractors to construct a project pursuant to Education Code Section 81335 and to enter into a Site Lease, Facilities Sub-Lease, and related construction agreements regarding Dunlap Hall renovations at SAC as presented.

^{*} Item is included on the Consent Calendar, Item 1.7.

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*5.8 Approval of Agreement with LPA, Inc. for Construction Administration Services for Sports Field Netting Project at Santiago Canyon College

<u>Action</u>

The administration recommends approval of the agreement with LPA, Inc. for construction administration services for the sports field netting project at SCC as presented.

*5.9 Approval of Change Order #2 for Bid #1151 – Contract with Southern California Grading for Earthwork for Chapman Entry Drive and Learning Resource Center Parking Lot at Santiago Canyon College The administration recommends approval of change order #2 for Bid #1151 for Southern California Grading for the Chapman Entry drive and Learning Resource Center parking lot at SCC as presented.

Action

*5.10 Approval of Change Order #2 for Bid #1198 – Contract with Marina
Landscaping, Inc. for Landscaping for Humanities Building at Santiago
Canyon College

Action

The administration recommends approval of change order #2 for Bid #1198 for Marina Landscaping, Inc. for Bid #1198 for landscaping for the Humanities building at SCC as presented.

*5.11 Approval of Notice of Completion for Bid #1142 – Contract with JPI Development Group Inc. for Fire Suppression for Humanities Building at Santiago Canyon College

Action

The administration recommends approval of the Notice of Completion with JPI Development Group Inc. to complete the fire suppression for the Humanities building at SCC as presented.

*5.12 Approval of Notice of Completion for Bid #1146 – Contract with Inland
Building Construction Company, Inc. for Framing and Elevators for
Humanities Building at Santiago Canyon College
The administration recommends approval of the Notice of Completion
with Inland Building Construction Company, Inc. for framing and

elevators for the Humanities at SCC as presented.

<u>Action</u>

*5.13 Approval of Surplus Property

The administration recommends declaration of the list of equipment attached to the agenda as surplus property and utilization of The Liquidation Company to conduct an auction as presented.

Action

*5.14 Approval of Donation of Surplus Items

The administration recommends approval of the donation to Boys & Girls Clubs of Fullerton, Orange Unified School District, and Centralia School District as presented.

Action

^{*} Item is included on the Consent Calendar, Item 1.7.

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*5.15 Approval of Purchase Orders

Action

The administration recommends approval of the purchase order listing for the period October 27, 2013, through November 9, 2013.

*5.16 <u>Approval of Budget Increases/Decreases and Budget Transfers</u>
The administration recommends approval of budget increases, decreases and transfers during the month of October 2013.

Action

6.0 GENERAL

*6.1 Approval of Resource Development Items

Action

The administration recommends approval of budgets, acceptance of grants, and authorization of the chancellor or his designee to enter into related contractual agreements on behalf of the district for the following

related contractual agreements on behalf of the district for the fo	llowing:
- Early Head Start - Year 2 (District)	\$1,693,211
- Equality Employment Opportunity (EEO) – Diversity	\$ 12,781
Allocation Funds (District)	
- NSF – Fullerton Mathematics Teacher and Master Teacher	\$ 20,000
Fellows Project (FULL MT2) – Year 4 (SAC)	
- SBA/CSUF – SBDC (District)	\$ 555,912
- Student Success and Support Program (SSSP) - Credit	\$1,540,154
(SAC/District)	
- Student Success and Support Program (SSSP) - Credit	\$ 576,592
(SCC/District)	
- Student Success and Support Program (SSSP) - Non-Credit	\$1,185,488
(SAC-CEC/District)	
- Student Success and Support Program (SSSP) - Non-Credit	\$ 599,814
(SCC-OEC/District)	•

*6.2 Approval of Second Amendment to Subcontract Agreement between RSCCD and CHOC/Help Me Grow for Early Head Start Program The administration recommends approval of the amendment to the subcontract agreement and authorization be given to the Vice Chancellor, Business Operations/Fiscal Services or his designee to sign and enter into related contractual agreements on behalf of the district.

Action

*6.3 <u>Authorization of Signatures</u>

Action

The administration recommends approval of the revised list of authorized signatures.

6.4 Adoption of Resolution No. 13-45 authorizing payment to Trustee Absent from Board Meetings

Action

This resolution requests authorization of payment to Luis Correa for his absence from the November 12, 2013, board meeting due to class on Tuesday evenings.

^{*} Item is included on the Consent Calendar, Item 1.7.

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6.5 <u>List of 2014 Conferences and Legislative Executive Visits for</u> Members

Board Policy 2735 and a list of conferences and legislative executive visits that board members may wish to attend is provided as information.

6.6 <u>Approval of Appointments to Measure Q Citizens' Bond Oversight</u> Committee

<u>Action</u>

Action

Action

Information

The administration recommends approval of the appointments to the Measure Q Citizens' Bond Oversight Committee as presented.

6.7 <u>Presentation of Child Development Centers – California School</u> Employees Association (CSEA), Chapter 888 Initial Proposal to Rancho Santiago Community College District

It is recommended that the board receive and file the Child Development Centers – CSEA, Chapter 888, initial proposal to the district and schedule a public hearing for January 2014.

6.8 <u>Public Disclosure of Collective Bargaining Agreement between Rancho Santiago Community College District and Continuing Education Faculty Association (CEFA)</u>

It is recommended that the board approve the amendments to the collective bargaining agreement with CEFA.

6.9 <u>First Reading of Revised Board Policies and New Administrative Regulations</u>

Information

The following policies and regulations are presented for first reading as an information item:

- BP 2305 Annual Organizational Meeting
- BP 3250 Institutional Planning
- BP 3900 Speech: Time, Place, and Manner
- AR 2110 Vacancies on the Board
- AR 2320 Special and Emergency Meetings
- AR 2410 Board Policies and Administrative Regulations
- AR 2430 Delegation of Authority
- AR 2610 Presentation of Initial Collective Bargaining Proposals
- AR 2710 Conflict of Interest

6.10 Reports from Board Committees

<u>Information</u>

- · Board Facilities Committee
- Board Fiscal/Audit Committee
- Board Policy Committee

6.11 Board Member Comments

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RECESS TO CLOSED SESSION

Conducted in accordance with applicable sections of California law. Closed sessions are not open to the public. (RSCCD)

Pursuant to Government Code Section 54957, the Board may adjourn to closed session at any time during the meeting to discuss staff/student personnel matters, negotiations, litigation, and/or the acquisition of land or facilities. (OCDE)

The following item(s) will be discussed in closed session:

- 1. Public Employment (pursuant to Government Code Section 54957[b][1])
 - a. Full-time Faculty
 - b. Part-time Faculty
 - c. Classified Staff
 - d. Student Workers
 - e. Professional Experts
- 2. Conference with Labor Negotiator (pursuant to Government Code Section 54957.6)
 Agency Negotiator: Mr. John Didion, Executive Vice Chancellor of Human Resources & Educational Services

Employee Organizations: California School Employees Association, Chapter 579

California School Employees Association, Chapter 888

Continuing Education Faculty Association

- 3. Public Employee Performance Evaluation (pursuant to Government Code Section 54957)
 - a. Chancellor
- 4. Public Employee Discipline/Dismissal/Release (pursuant to Government Code Section 54957[b][1])

RECONVENE

Issues discussed in Closed Session (Board Clerk)

Public Comment

At this time, members of the public have the opportunity to address the board of trustees on any item within the subject matter jurisdiction of the board. Members of the community and employees wishing to address the board of trustees are asked to complete a "Public Comment" form and submit it to the board's executive assistant <u>prior</u> to the start of open session. **Completion of the information on the form is voluntary.** Each speaker may speak up to three minutes; however, the president of the board may, in the exercise of discretion, extend additional time to a speaker if warranted, or expand or limit the number of individuals to be recognized for discussion on a particular matter.

Please note the board cannot take action on any items not on the agenda, with certain exceptions as outlined in the <u>Brown Act</u>. Matters brought before the board that are not on the agenda may, at the Board's discretion, be referred to staff or placed on the next agenda for board consideration.

7.0 HUMAN RESOURCES

7.1 <u>Management/Academic Personnel</u>

<u>Action</u>

- Approval of Adjusted Salary/Allowances/TSA Reflecting 1.57% COLA (per Employment Agreement)
- Approval of Permanent 2013-2014 Cabinet Salary Schedule
- Approval of Permanent 2013-2014 Management Salary Schedule
- Approval of Appointments

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7.1 Management/Academic Personnel – (cont.)

- Approval of Changes of Position Grade Levels Effective July 1, 2013
- Approval of Permanent 2013-2014 CEFA Part-time Hourly Salary Schedule
- Approval of Changes of Assignments
- Approval of Long-term Substitute per Education Code 87481 and 87482
- Approval of Interim Assignments
- Ratification of Resignations/Retirements
- Approval of 2013-2014 Contract Extension Days
- Approval of Stipends
- Approval of FARSCCD Part-time Hourly Step Increase Effective Fall 2013
- Approval of Part-time Hourly Hires/Rehires
- Approval of Non-paid Intern Services

7.2 Classified Personnel

Action

- Approval of New Appointments
- Approval of Out of Class Assignments
- Approval of Changes in Positions/Locations
- Ratification of Resignations/Retirements
- Approval of Temporary to Hourly On Going Assignments
- Approval of Changes in Positions/Departments
- Approval of Professional Growth Increments
- Approval of Leaves of Absence
- Approval of Temporary Assignments
- Approval of Additional Hours for On Going Assignments
- Approval of Substitute Assignments
- Approval of Miscellaneous Positions
- Approval of Instructional Associates/Associate Assistants
- Approval of Community Service Presenters and Stipends
- Approval of Student Assistant Lists

7.3 Approval of December 2013 Holiday Closure

Action

It is recommended that the board designate December 30 and 31, 2013, as paid holidays for all CSEA 579 and management employees.

8.0 ADJOURNMENT - The next regular meeting of the Board of Trustees will be announced after the 2013 board meeting calendar is approved. The meeting will be held at the District Office at 2323 North Broadway, Room #107, in Santa Ana, California.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT 2323 North Broadway, #107 Santa Ana, CA 92706

Board of Trustees (Regular meeting)

Tuesday, November 12, 2013

MINUTES

1.0 PROCEDURAL MATTERS

1.1 Call to Order

The meeting was called to order at 4:32 p.m. by Ms. Arianna Barrios. Other members present were Ms. Claudia Alvarez, Mr. John Hanna, Mr. Larry Labrado, Ms. Nelida Mendoza Yanez, Mr. Jose Solorio, and Mr. Phillip Yarbrough. Due to class on Tuesday evenings for Mr. Luis Correa, he was unable to attend the meeting.

Administrators present during the regular meeting were Mr. John Didion, Mr. Peter Hardash, Dr. Erlinda Martinez, Dr. Raúl Rodríguez, and Mr. Juan Vázquez. Ms. Anita Lucarelli was present as record keeper.

1.2 Pledge of Allegiance to the United States Flag

The Pledge of Allegiance was led by Mr. Solorio.

1.3 Approval of Additions or Corrections to Agenda

It was moved by Mr. Yarbrough, seconded by Mr. Solorio, and carried unanimously to approve an addendum for Item 3.1 (Academic/Management Personnel), an addendum for Item 3.2 (Classified Personnel), and a revised page for Item 3.4 (Board Travel/Conferences).

1.4 Public Comment

Ms. Barbara Lamere spoke regarding Centennial Park parking spaces being used by students attending Centennial Education Center.

Mr. Craig Alexander and Mr. Dave Everett spoke regarding Item 6.6 (Community and Student Workforce Project Agreement Negotiations with Los Angeles-Orange County Building and Construction Trades Council/Craft Unions/Carpenters Union).

1.5 Approval of Minutes

It was moved by Mr. Yarbrough, seconded by Mr. Solorio, and carried unanimously to approve the minutes of the meeting held October 28, 2013.

1.6 Approval of Consent Calendar

It was moved by Mr. Yarbrough, seconded by Ms. Alvarez, and carried unanimously to approve the recommended action on the following items (as indicated by an asterisk on the agenda) on the Consent Calendar:

4.1 <u>Approval of New OTA Agreement – Laguna Hills Health and Rehabilitation</u> <u>Center</u>

The board approved the agreement with Laguna Hills Health and Rehabilitation Center in Laguna Hills, California.

4.2 <u>Confirmation of Santa Ana College (SAC) Associate Degrees and Certificates</u> for Summer 2013

The board confirmed the list of recipients of the SAC Associate Degrees and Certificates for summer 2013 as presented.

4.3 <u>Confirmation of Santiago Canyon College (SCC) Associate Degrees and</u> Certificates for Summer 2013

The board confirmed the list of recipients of the SAC Associate Degrees and Certificates for summer 2013 as presented.

4.4 <u>Approval of Santa Ana College Community Services Program for Spring 2014</u> The board approved the proposed SAC Community Services program for spring 2014 as presented.

4.5 <u>Approval of Santiago Canyon College Community Services Program for Spring</u> 2014

The board approved the proposed SCC Community Services program for spring 2014 as presented

5.1 Approval of Payment of Bills

The board approved payment of bills as submitted.

5.2 Approval of Budget Increases/Decreases and Budget Transfers

The board approved budget increases, decreases and transfers from September 11, 2013, to September 30, 2013.

5.3 <u>Approval of Quarterly Financial Status Report (CCFS-311Q) for Period Ended September 30, 2013</u>

The board approved the CCFS-311Q for the period ending September 30, 2013, as presented.

- 1.6 <u>Approval of Consent Calendar</u> (cont.)
 - 5.5 Adoption of Resolution No. 13-40 Change Order #9 for Bid #1134 Contract with Tropical Plaza Nursery, Inc. for Landscaping for Humanities Building at Santiago Canyon College

The board adopted Resolution No. 13-40 for Tropical Plaza Nursery, Inc. for Bid #1134 for landscaping for the Humanities building at SCC.

5.6 <u>Approval of Change Order #2 for Bid #1142 – Contract with JPI Development Group, Inc. for Fire Suppression for Humanities Building at Santiago Canyon College</u>

The board approved change order #2 for Bid #1142 for JPI Development Group, Inc. for fire suppression for the Humanities building at SCC as presented.

5.7 <u>Approval of Change Order #13 for Bid #1146 – Contract with Inland Building</u> <u>Construction Company, Inc. for Framing and Elevators for Humanities Building</u> <u>at Santiago Canyon College</u>

The board approved change order #13 for Bid #1146 for Inland Building Construction Company, Inc. for the Humanities building at SCC as presented.

5.8 <u>Approval of Notice of Completion for Bid #1137 – Contract with Industrial Masonry, Inc. for Masonry for Humanities Building at Santiago Canyon College</u>

The board approved the Notice of Completion with Industrial Masonry, Inc. for masonry for the Humanities building at SCC as presented.

5.9 <u>Approval of Notice of Completion for Bid #1138 – Contract with Blazing</u> <u>Industrial Steel, Inc. for Structural Steel and Metals for Humanities Building at Santiago Canyon College</u>

The board approved the Notice of Completion with Blazing Industrial Steel, Inc. for structural steel and metals for the Humanities building at SCC as presented.

- 5.10 Approval of Notice of Completion for Bid #1141 Contract with West-Tech Mechanical for HVAC for Humanities Building at Santiago Canyon College The board approved the Notice of Completion with West-Tech Mechanical for HVAC for the Humanities building at SCC as presented.
- 5.11 Approval of Notice of Completion for Bid #1146 Contract with Inland
 Building Construction Company, Inc. for Miscellaneous Painting for Chapman
 Road Entry and Learning Resource Center (LRC) Parking Lot at Santiago
 Canyon College

The board approved the Notice of Completion with Inland Building Construction Company, Inc. for miscellaneous painting for the Chapman Road entry and LRC parking lot at SCC as presented.

1.6 Approval of Consent Calendar – (cont.)

5.12 <u>Approval of Notice of Completion for Bid #1147 – Contract with Inland Empire</u> <u>Architectural Specialties for Interior Systems for Humanities Building at Santiago Canyon College</u>

The board approved the Notice of Completion with Inland Empire Architectural Specialties for interior systems for the Humanities building at SCC as presented.

- 5.13 Approval of Notice of Completion for Bid #1147 Contract with Inland Empire Architectural Specialties for Parking Signs for Chapman Road Entry and Learning Resource Center Parking Lot at Santiago Canyon College The board approved the Notice of Completion with Inland Empire Architectural Specialties for parking signs for the Chapman Road entry and LRC parking lot at SCC as presented.
- 5.14 <u>Approval of Notice of Completion for Bid #1151 Contract with Southern</u> <u>California Grading for Grading for Humanities Building at Santiago Canyon</u> <u>College</u>

The board approved the Notice of Completion with Southern California Grading for grading for the Humanities building at SCC as presented.

5.15 Approval of Rejection of All Bids for Bid #1217 – Purchase of Two Lincoln Electric System 5 Robotic Welders (or Equal)

The board approved rejecting all bids for Bid #1217 – Purchase of Two Lincoln Electric System 5 Robotic Welders (or equal) and rebid as presented.

5.16 <u>Approval of San Diego Unified School District Contract #GD-13-0006-64</u> to Waxie Sanitary Supply

The board approved the district's use of the San Diego Unified School District Contract #GD-13-0006-64 awarded to Waxie Sanitary Supply as presented.

5.17 Approval of Purchase Orders

The board approved the purchase order listing for the period October 13, 2013, through October 26, 2013.

6.1 Approval of Resource Development Items

The board approved the budgets, acceptance of grants, and authorization for the chancellor or his designee to enter into related contractual agreements on behalf of the district for the following:

- -California Early Childhood Mentor Program (SAC/SCC) \$ 1,900
- -Enrollment Growth for Nursing ADN Programs Year 2 \$78,500 (SAC) *Augmentation*

2.0 INFORMATIONAL ITEMS AND ORAL REPORTS

2.1 Report from Chancellor

Dr. Raúl Rodríguez, Chancellor, provided a report to the board. He encouraged board members to complete an online education program related to accreditation and discuss a schedule for professional development for the board.

2.2 Reports from College Presidents

The following college representatives provided reports to the board.

Dr. Erlinda Martinez, President, Santa Ana College Mr. Juan Vázquez, President, Santiago Canyon College

Dr. Martinez reported those involved in the accreditation process on campus had completed the online education program related to accreditation.

2.3 Report from Student Trustee

Mr. Luis Correa, Student Trustee, was not in attendance due to a class on Tuesday evenings.

2.4 Reports from Student Presidents

Mr. Jorge Sandoval, Student President, Santa Ana College, was not in attendance; therefore, Mr. Hector Soberano, Director of Green Operations, Santiago Canyon College, provided a report to the board on behalf of the Associated Student Government (ASG) organizations from Santa Ana College and Santiago Canyon College.

2.5 Reports from Academic Senate Presidents

The following academic senate representatives provided reports to the board:

Ms. Corinna Evett, Academic Senate President, Santiago Canyon College Mr. John Zarske, Academic Senate President, Santa Ana College

Since all the board members would not be in attendance later in the meeting, Ms. Barrios requested Item 6.6 (Community and Student Workforce Project Agreement Negotiations with Los Angeles-Orange County Building and Construction Trades Council/Craft Unions/Carpenters Union) and Item 6.5 (Board of Trustees Express Interest in Board Officer Positions) be considered at this time.

It was moved by Mr. Yarbrough, seconded by Mr. Hanna, and carried unanimously to suspend the rules and consider Item 6.6 at this time.

6.6 <u>Discussion of Community and Student Workforce Project Agreement Negotiations</u> with Los Angeles-Orange County Building and Construction Trades Council/Craft Unions/Carpenters Union

It was moved by Mr. Yarbrough and seconded by Ms. Alvarez to have board members formally agree to refrain from any discussion of negotiations on the Community and Student Workforce Project Agreement (CSWPA) in closed session unless or until more conclusive information is provided to clarify the legality of such discussions in closed session per the Brown Act. Discussion ensued.

Mr. Hanna moved to amend the motion (in *italics*) to the following: It is recommended that the board formally agree to *continue its practice* to refrain from any discussion of negotiations on the Community and Student Workforce Project Agreement in closed session unless or until more conclusive information is provided to clarify the legality of such discussions in closed session per the Brown Act. Discussion ensued. The motion carried unanimously.

Mr. Labrado asked that the docket coversheet be amended (strikethrough and in italics) to read: The chancellor, who is the chief negotiator for the district, will confer with the board president board's executive committee (president, vice president, and clerk) if there are matters to discuss related to the negotiations. Mr. Yarbrough accepted this as a friendly amendment.

The motion carried unanimously to have the board members agree to continue its practice to refrain from any discussion of negotiations on the Community and Student Workforce Project Agreement in closed session unless or until more conclusive information is provided to clarify the legality of such discussions in closed session per the Brown Act.

It was moved by Mr. Yarbrough, seconded by Mr. Labrado, and carried unanimously to suspend the rules and consider Item 6.5 at this time.

6.5 Board of Trustees Express Interest in Board Officer Positions

The board president solicited expressions of interest from board members regarding service as president, vice president, clerk, and committee assignments for 2013-2014. The following board members expressed interest in the following positions and committee assignments:

President - Mr. Solorio
Vice President - Mr. Labrado
Clerk - Ms. Alvarez
Facilities Committee (Mr. Labrado, Ms. Mendoza Yanez)
Fiscal and Audit Review Committee (Mr. Yarbrough)
Legislative Committee (Ms. Alvarez)
Policy Committee (Mr. Hanna, Mr. Labrado, Ms. Alvarez)

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2.6 Informational Presentation on Bond Projects

Ms. Carri Matsumoto, Assistant Vice Chancellor, Facility Planning & District Construction and Support Services, provided a report to the board on Measure E and Measure Q Bond Projects.

Ms. Alvarez left the meeting during the presentation on bond projects.

4.0 <u>INSTRUCTION</u>

All items were approved as part of Item 1.6 (Consent Calendar).

5.0 BUSINESS OPERATIONS/FISCAL SERVICES

Items 5.1, 5.2, 5.3, and 5.5 through 5.17 were approved as part of Item 1.6 (Consent Calendar).

5.4 Quarterly Investment Report as of September 30, 2013

The quarterly investment report as of September 30, 2013, was presented as information.

6.0 GENERAL

Item 6.1 was approved as part of Item 1.6 (Consent Calendar). Item 6.6 and 6.5 (in that order) were considered after Item 2.5 (Reports from Academic Senate Presidents).

6.2 Adoption of Resolution No. 13-41 in Honor of Lorenzo A. Ramirez

It was moved by Mr. Yarbrough and seconded by Mr. Hanna to adopt Resolution No. 13-41 in honor of Lorenzo A. Ramirez. Discussion ensued. The motion carried unanimously.

6.3 <u>Adoption of Resolution No. 13-42 to Reaffirm Board Policy 2200 Board Duties and Responsibilities</u>

It was moved by Mr. Yarbrough and seconded by Mr. Solorio to adopt Resolution No. 13-42 to reaffirm BP 2200 Board Duties and Responsibilities. Mr. Hanna explained that BP 2200 is an important policy whereby the board delegates power and authority to the chancellor to effectively lead the district except for power that is non-delegable by statue, and should be reaffirmed (with three other board policies) at the annual organizational meeting in December. The motion carried unanimously.

6.4 Review of RSCCD Board of Trustees Self-Evaluation

The Board of Trustees reviewed the evaluation responses. Mr. Hanna commented that the board considered the survey responses from community and staff when completing its self-evaluation survey. He indicated board members responded to ideas suggested by the community and staff, including updating the survey instrument to reflect how the district currently elects its trustees. Mr. Hanna stated that the board needs to work with the college community to reassure them that board members have a fiduciary responsibility and duty to the entire district, not just a particular area. He expressed appreciation to each board member for 100% (8 out of 8) response in completing the survey. The board completed the self-evaluation process for 2013.

6.7 Reports from Board Committees

Ms. Barrios provided a report on the November 7, 2013, Orange County Community Colleges Legislative Task Force (OCCCLTF) meeting.

6.8 Board Member Comments

Mr. Yarbrough reported that he will be speaking at the SCC Academic Senate meeting on December 3.

Mr. Yarbrough asked the chancellor to research the district's costs related to the Affordable Care Act.

Mr. Yarbrough indicated the Tustin National Junior Basketball Association is quite impressed with the basketball facilities and staff at SCC.

Mr. Yarbrough visited SCC recently and was impressed by the growth of the campus.

Mr. Solorio reported on the "Book vs. Machine Textbook" forum held on October 29.

Mr. Hanna commended the men's soccer team on its recent 6-2 win over Cypress College.

Ms. Mendoza Yanez reported she attended the Sheriff's Academy graduation #207 on October 29 and encouraged board members to attend a future graduation.

Ms. Mendoza Yanez asked that the meeting be closed in honor of veterans.

Mr. Labrado asked the chancellor to research and respond to the SAC professor that gave a presentation at "Books vs. Machine" forum regarding his comments that the district's policies were inhibiting him from technologic progress.

Ms. Barrios recognized Mr. George Urch, Community Representative for the Orange County Community College Legislative Task Force.

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6.8 <u>Board Member Comments</u> - (cont.)

Ms. Barrios thanked everyone for their encouragement and assistance this year as the board president, and asked the Academic Senate presidents if she could meet with them soon.

Ms. Barrios reported that she is looking forward to attending the SCC Holiday Showcase on November 30.

RECESS TO CLOSED SESSION

The board convened into closed session at 7:00 p.m. to consider the following items:

- 1. Public Employment (pursuant to Government Code Section 54957[b][1])
 - a. Full-time Faculty
 - b. Part-time Faculty
 - c. Classified Staff
 - d. Student Workers
 - e. Educational Administrator Appointments
 - (1) Administrative Dean
 - (2) Associate Dean
 - (3) Director
 - (4) Vice President
 - f. Other Educational and Classified Administrators
- Conference with Labor Negotiator (pursuant to Government Code Section 54957.6)
 Agency Negotiator: Mr. John Didion, Executive Vice Chancellor of Human Resources & Educational Services

Employee Organizations: Faculty Association of Rancho Santiago Community College District

California School Employees Association, Chapter 579 California School Employees Association, Chapter 888

Continuing Education Faculty Association

- 3. Public Employee Discipline/Dismissal/Release (pursuant to Government Code Section 54957[b][1])
- 4. Student Expulsion (pursuant to Education Code 72122) Student I.D. #1371390

RECONVENE

The board reconvened at 7:15 p.m.

Closed Session Report

Mr. Labrado reported the board discussed the aforementioned items and voted unanimously (Ms. Alvarez absent) to suspend Ms. Penny Wilkerson, Human Resources Analyst, for five (5) days, and sustain expulsion of Student #1371390.

Public Comment

There were no public comments.

3.0 HUMAN RESOURCES

3.1 Management/Academic Personnel

It was moved by Mr. Yarbrough, seconded by Mr. Solorio, and carried unanimously to approve the following action on the management/academic personnel docket:

- Approve Employment Agreements
- Approve Interim Assignments
- Approve Permanent 2013/2014 FARSCCD 175 Day Contract Salary Schedule
- Approve Permanent 2013/2014 FARSCCD 192 Day Contract Salary Schedule
- Approve Permanent 2013/2014 FARSCCD 225 Day Contract Salary Schedule
- Approve Permanent 2013/2014 FARSCCD Part-time/Beyond Contract (Overload) Hourly Salary Schedule
- Approve Permanent 2013/2014 FARSCCD Credit Summer Hourly Salary Schedule
- Approve Permanent 2013/2014 FARSCCD Non-credit Summer Hourly Salary Schedule
- Approve 2013/2014 FARSCCD 175 Day Contract Step Increases
- Approve 2013/2014 FARSCCD 192/225 Day Contract Step Increases
- Approve 2013/2014 FARSCCD Beyond Contract (Overload) Step Increases
- Approve 2013/2014 FARSCCD Part-time Hourly Step Increases (Step 4)
- Approve 2013/2014 FARSCCD Part-time Hourly Step Increases (Step 5)
- Approve Appointments
- Ratify Resignations/Retirements
- Approve Adjusted Effective Date of Ratification of Resignations/Retirements
- Approve Leaves of Absence
- Approve Stipends
- Approve Part-time Hourly Hires/Rehires

3.2 Classified Personnel

It was moved by Mr. Yarbrough, seconded by Mr. Solorio, and carried unanimously to approve the following action on the classified personnel docket:

- Approve Changes in Position
- Approve Leaves of Absence
- Ratify Resignations/Retirements
- Approve New Appointments
- Approve Temporary Assignments
- Approve Additional Hours for On Going Assignments
- Approve Miscellaneous Positions

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3.2 <u>Classified Personnel</u> - (cont.)

- Approve Instructional Associates/Associate Assistants
- · Approve Volunteers
- Approve Student Assistant Lists
- 3.3 <u>Approval and Public Disclosure of Collective Bargaining Agreement between</u>
 Rancho Santiago Community College District (RSCCD) and Faculty Association of
 Rancho Santiago Community College District (FARSCCD)

It was moved by Mr. Yarbrough, seconded by Mr. Solorio, and carried unanimously to approve the collective bargaining agreement with FARSCCD for the period of July 1, 2013, through June 30, 2014.

3.4 <u>Authorization for Board Travel/Conferences</u>

It was moved by Mr. Yarbrough, seconded by Mr. Solorio, and carried unanimously to approve the submitted conference and travel by a board member.

7.0 ADJOURNMENT

The next regular meeting of the Board of Trustees will be held on Monday, December 9, 2013.

There being no further business, Ms. Barrios declared this meeting adjourned at 7:18 p.m., in honor of veterans and those currently serving in the armed forces.

		Respectfully submitted,	
		Raúl Rodríguez, Ph.D. Chancellor	
Approved: _	Clerk of the Board		

Minutes approved: December 9, 2013

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

(Office of the Chancellor)

To:	Board of Trustees	Date:	December 9, 2013
Re:	Board Organization		
Action:	Request for Action		

BACKGROUND

Board Policy 2305 requires that the Board take specific actions at its annual organizational meeting.

ANALYSIS

Per Board Policy 2305, the Board shall:

- a) Elect the Board Officers (President, Vice President, and Clerk) for the 2013-2014 year
- b) Designate Secretary and Assistant Secretary to the board
- c) Appoint members and chairs of board committees:
 - -Facilities Committee
 - -Fiscal and Audit Review Committee
 - -Legislative Committee
 - -Policies Committee
 - -Safety Committee

Appoint members/representatives of committees:

- -Representative to the RSCCD Foundation
- -Representative to the Orange County Community College Legislative Task Force
- -Representative to the Orange County School Boards Association
- -Representative to the Nominating Committee on School District Organization
- d) Adopt a schedule of meeting dates for 2014 (attached)
- e) Reaffirm Board Policy 2200 Board Duties and Responsibilities (attached)
- f) Reaffirm Board Policy 2715 Code of Ethics/Standards of Practice (attached)
- g) Reaffirm Board Policy 2735 Board Member Travel (attached)
- h) Reaffirm Board Policy 6320 Investments (attached)
- g) Designate specific days, weeks or months of observance, which relate to the educational mission of the district

RECOMMENDATION

It is recommended that the Board take action on those items listed above.

Fiscal Impact: None	Board Date: December 9, 2013
Prepared and Submitted by: Anita Lucarelli, Executive	e Assistant to the RSCCD Board
Recommended by: Raúl Rodríguez, Ph.D., Chancellor	

BP 2305 Annual Organizational Meeting

Reference:

Education Code Section 72000(c)(2)(A)

The following tasks shall be listed under Board Organization and included on the agenda of the Board's annual organizational meeting to be held in December each year:

- · Election of Board officers
- Designation of secretary & assistant secretary
- Schedule of regular meeting dates and locations for the following year, including: Board Self-Evaluation (BP2745), Evaluation of the Chancellor (BP2435), and Preliminary Audit Discussion
- Authorization of signatures
- Appointment of trustees to committees by Board President
- Reaffirmation of Board Policy 2735 (Board Member Travel)
- Reaffirmation of Board Policy 2715 (Code of Ethics/Standards of Practice)
- Reaffirmation of Board Policy 6320 (Investments)
- Designation of specific days, weeks or months of observance, which relate to the educational mission of the district

At the annual organizational meeting, the Board President shall solicit expressions of interest from members of the Board, or any newly elected members of the Board, regarding service as President, Vice President or Clerk of the Board, as well as any committee assignments.

Revised: September 9, 2013 (Previously BP9013)

Proposed Board Meetings – 2014

In following the guidelines that the board is to meet on the 2nd and 4th Mondays of the month (except for those months that the board meets once a month), I am proposing the following dates for 2014:

January 13

February 3 (Board Planning Session), 18 (Tuesday)

March 10, 24

April 14, 28

May 12, 27 (Tuesday)

June 16

July 21

August 18

September 8, 22

October 13 (SAC), 27 (SCC)

November 17 (annual self-evaluation meeting)

December 8

For your information:

January 26-27, 2014 - CCLC Annual Legislative Conference, Sacramento February 10-13, 2014 - ACCT National Legislative Summit, Washington, D.C. May 5 - SAC Golf Tournament April 25 - Hawks Golf Tournament

BP 2200 Board Duties and Responsibilities

Reference:

Accreditation Standard IVB.1.d

The Board of Trustees governs on behalf of the citizens of the District in accordance with the authority granted and duties defined in Education Code Section 70902.

The Board is committed to fulfilling its responsibilities to:

- · Represent the public interest
- Establish policies that define the institutional mission and set prudent, ethical and legal standards for college operations
- Hire and evaluate the Chancellor
- Delegate power and authority to the Chancellor to effectively lead the District except the board shall not delegate any power that is expressly made non-delegable by statue
- · Assure fiscal health and stability
- · Monitor institutional performance and educational quality
- Advocate and protect the District

Revised: October 8, 2012 (Previously BP9000)

BP 2715 Code of Ethics/Standards of Practice

Reference:

Accreditation Standard IV.B.1.a, e, & h

All Rancho Santiago Community College District board members, including the student trustee, are committed to maintaining the highest standards of conduct and ethical behavior. The Board believes that in promoting trust, confidence, and integrity in the working relationship between Trustees, administrators, faculty and Staff. The Board and its individual Trustees are committed to the following:

- In all decisions the Board will consider the educational welfare and equality of opportunity of all students in the District.
- Trustees are elected to represent the interests and serve the needs of the entire District and to promote the mission of Rancho Santiago Community College District.
- Trustees are non-partisan elected officials and will always put District and college priorities before their own political or personal priorities.
- Trustees hold a public trust that requires and will ensure that their actions avoid conflicts of interest and any appearance of impropriety.
- Trustees will speak on behalf of the Board only when granted such authority by a majority of the Board.
- Trustees shall be respectful of others in any discussions related to the district and colleges.
- Trustees clearly articulate to the Chancellor the Board's expectations, will support the work and efforts of the Chancellor, and keep the Chancellor informed of matters related to the district and colleges.
- Trustees will respect the confidentiality of all privileged information.
- Trustees will uphold the letter and spirit of the Ralph M. Brown Act and make all official decisions and actions of the Board of Trustees in open and public meetings.
- Trustees will remain informed about the district, educational issues, and responsibilities of trusteeship, and will work in the best interest of the entire district.

The President of the Board, in consultation with the Chancellor, is authorized to consult with legal counsel when they become aware of or are informed about actual or perceived violations of pertinent laws and regulations, including but not limited to conflict of interest, open and public meetings, confidentiality of closed session information, and use of public resources. Violations of law may be referred to the District Attorney or Attorney General as provided for in law.

Violations of the board's policy code of ethics will be addressed by the President of the Board, who will first discuss the violation with the trustee to reach a resolution. If resolution is not achieved and further action is deemed necessary, the president may appoint an ad hoc committee to examine the matter and recommend further courses of action to the board. Sanctions will be determined by the board officers and may include a recommendation to the board to censure of the trustee. If the President of the Board is perceived to have violated the code, the vice president of the board is authorized to pursue resolution.

Revised: September 9, 2013 (Previously BP9002)

BP 2735 Board Member Travel

Reference:

Education Code Section 72423

Members of the Board shall have travel expenses reimbursed whenever they travel as representatives of and perform services directed by the Board. Such board travel and reimbursement for travel by Board members outside of the district boundaries must receive prior approval from the Board of Trustees. The Executive Committee of the Board of Trustees, in consultation with the Chancellor, may provide prior authorization for such travel when needed, pending full Board approval. Standard district travel procedures and rates will be used for reimbursement.

The Board President, in conjunction with the Chancellor, will prepare a list of conferences and legislative executive visits that Board members may wish to attend or will assist Board members in their continuing education and fulfillment toward the mission of the district. The Chancellor, in consultation with the Board President, shall prepare a budget for board travel.

Revised: October 8, 2012 (Previously BP9011)

BP 6320 Investments

Reference:

Government Code Sections 53600 et seq.

The Governing Board authorizes the Chancellor, or designee, to invest monies not required for the immediate necessities of the district in accordance with existing law. Funds are to be invested in a manner which will provide the maximum security of principal.

- □ Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.
- ☐ The investments shall remain sufficiently liquid to meet all operating obligations of the district.
- ☐ The investments shall be done with the objective of attaining a market rate of return, taking into account risks and liquidity needs.

Investments shall be made with judgment and care, which persons of prudence, discretion and intelligence would exercise for the safety of capital and reasonable income.

The Vice Chancellor of Business and Fiscal Services shall develop and maintain written administrative procedures for the operation of the investment program which are consistent with this investment policy.

Administrators and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment activity or which could impair their ability to make impartial investment decisions.

Revised: September 9, 2013 (Previously BP3211)

2014 Designation of Specific Days, Weeks or Mo	onths of Observance,
Which Relate to the Educational Mission of	
Occasion	Date
American Indian Heritage Month	November
Anaheim Chamber of Commerce Honoring of	TBD
Individuals/Businesses who have served the RSCCD	
community	
Asian-Pacific Islander Month	May
Black History Month	February
California Coastal Cleanup Day	3rd Sat. of September
City of Anaheim	TBD
City of Garden Grove	TBD
City of Irvine	TBD
City of Orange	TBD
City of Santa Ana	TBD
City of Tustin	TBD
City of Villa Park	TBD
Classified Appreciation Week	May
Community College Month	April
Constitution Day/Citizenship Day	September 17
Constitution Week	September 17-23
Garden Grove Chamber of Commerce Honoring of	TBD
Individuals/Businesses who have served the RSCCD	
community	
Hispanic Heritage Month	September
Holocaust Remembrance Day	April 27-28
Irish American Heritage Month	March
Irvine Chamber of Commerce Honoring of	TBD
Individuals/Businesses who have served the RSCCD	
community	
Lesbian, Gay, Bisexual, & Transgender	
History Month	October
National Public Health Week	April
Nurses Recognition Week	May
Orange Chamber of Commerce Honoring of	TBD
Individuals/Businesses who have served the RSCCD	
community	

2014 Designation of Specific Days, Weeks or Months of Observance, Which Relate to the Educational Mission of the District			
Occasion	Date		
Orange County Labor Federation Solidarity Day Honoring	April 3		
of Individuals/Businesses/Unions			
Peace Officer Memorial Day	May		
POW/MIA Recognition Day	September 20		
Recognition/honoring individuals who have served the	TBD		
RSCCD community			
Santa Ana Chamber of Commerce Honoring of	TBD		
Individuals/Businesses who have served the RSCCD			
community			
Small Business Week	April		
Teacher Appreciation Week	May		
Teacher of the Year	September/October		
Tustin Chamber of Commerce Honoring of	TBD		
Individuals/Businesses who have served the RSCCD			
community			
Veterans Appreciation Week	November		
Villa Park Chamber of Commerce Honoring of	TBD		
Individuals/Businesses who have served the RSCCD			
community			

NO. 4.1

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Santa Ana College – DSPS/Health and Wellness Services Division

То:	Board of Trustees	Date: December 9, 2013
Re:	Approval of Agreement with Medical Billing Technologies, Inc.	
Action:	Request for Approval	

BACKGROUND

SAC Student Health Services has consistently provided basic cancer and infection screening for students at a relatively modest cost. Escalations in laboratory costs over recent years have increased the prices of basic health screenings such as PAP smears and sexually transmitted infection tests out of the range of affordability for many of our students.

Santa Ana College Student Health and Wellness wants to obtain authorization to provide on-site Medi-CAL family planning services. Participating in California's Family Planning Access to Care and Treatment program known as FamPACT is an innovative approach to provide comprehensive family planning services to eligible low income men and women. The overall intent of the program is to help prevent unplanned pregnancies and to promote reproductive health. The FamPACT program requires specific, detailed and thorough billing methods offered through a third party billing agency known as Medical Billing Technologies Inc. (MBT). MBT would be assisting Santa Ana College in obtaining the necessary Medi-Cal Provider Number which is required to bill for services. MBT has provided consulting and billing services to school districts, community colleges, community-based organizations, and county public health departments for over 18 years.

SAC Student Health and Wellness Services is requesting approval to contract with Medical Billing Technologies Inc. a third party billing agency for assisting SAC in obtaining the Medi-Cal Provider Number along with collection of revenue from Medi-Cal services formally known as *Family Planning and Access to Care and Treatment also known as FamPACT*.

ANALYSIS

Establishing FamPACT program billing requires Santa Ana College to enter into a contractual agreement with Medical Billing Technologies Inc. for 10% of the ensuing revenue.

RECOMMENDATION

It is recommended that the Board of Trustees approve the agreement for provision of billing for Family PACT Services with Medical Billing Technologies performing a third party billing service.

Fiscal Impact:	Revenue estimated at \$10,000-15,000 Annually	Board Date: December 9, 2013
Prepared by:	Sara Lundquist, Ph.D., Vice President of Studer	nt Services
Submitted by:	Erlinda J. Martinez, Ed.D., President, Santa Ana	a College
Recommended by:	Raúl Rodríguez, Ph.D., Chancellor, RSCCD	

Family PACT ELECTRONIC BILLING SERVICE AGREEMENT

This Agreement is initiated this (TBD), 2013 between MEDICAL BILLING TECHNOLOGIES, INC, hereinafter called "MBT" and RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT on behalf of Santa Ana College hereinafter called "CLIENT".

- The purpose of the Agreement is to state the terms and conditions under which MBT will provide billing services on 1. behalf of CLIENT under the Family PACT Program.
- 2. MBT shall provide the following services to CLIENT:
 - a. If not already completed, assist CLIENT in completing its application with the Department of Health Care Services to become a Medi-Cal and Family PACT provider;
 - b. Provide CLIENT with recommended billing forms and worksheets for use by CLIENT for Family PACT billing;
 - c. Submit CLIENT's Family PACT billing via electronic transmission within forty-five (45) business days of receipt of all necessary forms from CLIENT, properly completed and certified by CLIENT.
 - d. MBT shall complete and provide CLIENT a W9 Request for Taxpayer Identification Number and Certification (MBT's Taxpayer Identification Number: 75-2971865)
 - e. MBT shall comply with federal HIPAA regulations. Standards for electronic submissions and firewalls have been instituted to block entry into the MBT server and protect against internet attacks. The MBT network server is contained in a lock box; all unused confidential information is shredded. All MBT staff is trained in HIPAA regulations and is required to sign a statement of confidentiality. Student information sent through the internet must be encrypted.
 - Comply with all rules and regulations of the Department of Health Care Services and other applicable government agencies pertaining to providing services and record keeping for the Family PACT program.
 - MBT is an equal opportunity employer. MBT will not discriminate and will take affirmative action measures to ensure against discrimination in employment, recruitment, compensation, termination, upgrading, promotions, and other conditions of employment against any employee on the basis of race, creed, color, national origin, or sex.
- Client shall do and perform each of the following: 3.
 - a. Register with, and become, an authorized Medi-Cal and Family PACT provider under the rules of the Department of Health Care Services.
 - b. Provide to MBT, in electronic form compatible with the MBT computer programs, the names, birth dates, gender, and Health Access Program (HAP) number.
 - c. Fully and accurately complete all billing forms, certify them to be true and correct, and deliver them to MBT. Billing forms must include patient name, date of birth, date of service, service provided, location of the service, and the practitioner name.
 - d. Comply with all rules and regulations of the Department of Health Care Services and other applicable government agencies pertaining to providing services and record keeping for the Family PACT program.
 - e. Execute such other and further documents as may be required by the Department of Health Care Services in order to carry out the purpose of this agreement.
- 4. MBT shall retain in electronic form copies of all Family PACT Medi-Cal bills submitted for CLIENT for a period of four (4) years after the date of submission, and will, upon request, provide to CLIENT printed copies of such bills. No obligation or liability of any type is assumed by MBT with regard to these materials. MBT shall return to CLIENT all billing forms and other documents provided to MBT for billing purposes. CLIENT shall retain all such documents and records for at least four (4) years from date of service or such other duration as may be required or directed by the Department of Health Care Services, for audit or other review purposes.
- 5. All statistical, financial, and other data relating to Family PACT billing and the identity of eligible patients shall be held in strict confidence by the parties hereto. The foregoing obligation does not apply to any data that has become publicly available or that is not required to be kept confidential
- 6. MBT will use due care in processing the work of the CLIENT. MBT will be responsible only to the extent of correcting any errors, which are due to the machines, operators, or programmers of MBT; any such errors shall be corrected at no additional charge to CLIENT. MBT shall purchase and maintain throughout the term of this Agreement Cyber Liability insurance coverage with a limit of a least \$1,000,000. All insurances required to be carried pursuant to this Agreement shall be primary, and not contributory, to any insurance or self-insurance carried by the District. MBT is required to provide to the district properly executed Certificate(s) of Insurance, via certificate of insurance, prior to the start date of this contract.



MBT agrees to indemnify and hold harmless the CLIENT, its Governing Board of Trustees, officers, employees, agents and representatives from and against any claim whatsoever arising out of or related to MBT's performance of the Agreement.

CLIENT shall pay to MBT as compensation for the services rendered under this Agreement a fee consisting of ten percent (10%) of the Family PACT approved claims of the CLIENT.

- 7. CLIENT agrees to issue a warrant for monies due to MBT under this contract within 30 calendar days of receipt of an invoice for services from MBT. CLIENT will incur a late fee of one and one-half percent (1.5%) per month on amounts unpaid for more than sixty (60) days past date of invoice.
 - CLIENT shall, upon request, provide to MBT a copy of all documents and checks received by CLIENT evidencing all sums received as a result of the services of MBT. CLIENT shall make all such records available to MBT at reasonable times. MBT shall have the right to audit the records of CLIENT pertaining to Family PACT billing.
- 8. The term of this Agreement shall commence upon execution of this contract and continue through June 30, 2015. At that time the Agreement shall automatically renew for additional periods of 12 months each, unless one party has provided written notice of cancellation or change in contract terms to the other party not less than 90 working days prior to the renewal date. This contract may be terminated by either party upon giving ninety (90) days written notice to the other party.
- 9. CLIENT acknowledges and agrees that all manuals and forms provided to CLIENT by MBT shall remain the property of MBT and shall not be used or copied in any manner, or given to any person or entity other than employees of CLIENT, without the prior written consent of MBT. All computer programs, tapes, discs, and other programs and materials, including, but not limited to, electronic devices, and the information contained therein are, and shall remain, the property of MBT.
- 10. The parties hereto agree to execute such other and further documents as may be necessary or required by the Department of Health Care Services to authorize MBT to perform billing services on behalf of CLIENT.
- If any action is initiated to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to 11. reasonable attorney fees in addition to any other relief to which that party may be entitled.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT: Dated: Peter J. Hardash, Vice Chancellor Fiscal Services On behalf of: Santa Ana College Student Health and Wellness Services 1530 West 17th Street Santa Ana. California 92706-3398 (714) 564-6219 MEDICAL BILLING TECHNOLOGIES, INC. Dated: Roberta Stephens, CEO 525 W. Main St., Suite F. Visalia, CA 93291

Phone: 877-518-6267 Fax: 559-627-1022

E-mail: info@mbt4schools.com



RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Santa Ana College - Human Services and Technology Division

То:	Board of Trustees	Date: December 09, 2013
Re:	Approval of OTA Agreement Renewal - Glendale Adventist Medical Center	
Action:	Request for Approval	

BACKGROUND

The Occupational Therapy Assistant Program of Santa Ana College is required to offer all program students Fieldwork opportunities at sites throughout the community in order to gain practical field experience. This is necessary to apply the knowledge and skills they have learned in their college classes. This is an agreement renewal for the Occupational Therapy Assistant program. The OTA Program will place no students at the site prior to Board approval.

ANALYSIS

This clinical affiliation agreement covers the scope of program operations at the facility, as well as insurance and other issues relating to the liability of both parties. This agreement shall be effective for two (2) years or until termination by written notice of either party. The agreement has been reviewed by Dean Simon B. Hoffman and college staff. It carries no costs or other financial arrangements.

RECOMMENDATION

It is recommended that the Board of Trustees approve this agreement with Glendale Adventist Medical Center in Glendale, California.

Fiscal Impact:	None	Board Date: December 09, 2013
Prepared by: Linda D. Rose, Ed.D., Vice President of Academic Affairs		, Vice President of Academic Affairs
	Simon B. Hoffman, I	Dean of Human Services & Technology
Submitted by: Erlinda J. Martinez, Ed. D., President, Santa Ana College		
Recommended by:	Raúl Rodriguez, Ph.D	., Chancellor, RSCCD

CLINICAL AFFILIATION AGREEMENT

This Agreement made and executed at Glendale California effective the 10th day of December, 2013 between Rancho Santiago Community College District on behalf of Santa Ana College, 1530 W 17th St., Santa Ana, CA 92706 herein referred to as the "District" and Glendale Adventist Medical Center, 1509 Wilson Terrace, Glendale CA 91206 herein referred to as "GAMC" is made on the basis of the following recitals:

WITNESSETH

WHEREAS, it is agreed by the aforesaid parties to be of mutual interest and advantage that the students enrolled in the Occupational Therapy Assistant program at the District be given the benefit of facilities for clinical experience, and;

WHEREAS, the District and GAMC on this date authorize the execution of an Agreement to cover such services;

NOW THEREFORE, the District enters into the following Agreement with GAMC to obtain, for a mutually agreed upon number of students of the District's prescribed program, or any part thereof, clinical laboratory experience within GAMC.

The agreed upon responsibilities of the parties are as follows:

GAMC RESPONSIBILITIES

GAMC SHALL:

Cooperation

- 1. Provide cooperation to help insure the success of the program.
- 2. Provide access to information for education purposes as determined by GAMC.
- Permit District access to the appropriate clinical areas. GAMC may permit said District to participate in patient care when appropriate.
- 4. GAMC retains full administrative and clinical responsibility for the care of its patients. Students, as participants in this education program, shall not replace GAMC staff.

B. Coordination

Comply with the administrative policies on Student Training.

C. Facilities

- 1. Permit use of parking facilities by District employees, students or agents in appropriate areas.
- 2. Permit use of the cafeteria, when open, by District students, faculty or agents for purposes of purchasing and/or eating food.
- 3. Permit the use of conference rooms for educational purposes under the guidance and supervision of clinical faculty when available.

D. Library

Permit use of GAMC's medical library by the District's Faculty and Students.

E. Equipment

Make available equipment necessary for effective clinical instruction, as approved by GAMC supervisory personnel.

F. Clinical Experience

Provide resource person(s) to help coordinate suitable clinical experiences in patient care/non-patient care compatible with the adopted curriculum of the District.

G. Student Numbers

Accept students from District, not to exceed an acceptable number as agreed between District and GAMC.

DISTRICT RESPONSIBILITIES

THE DISTRICT SHALL:

A. Educational Programs

Be responsible, after consultation with GAMC, to plan and conduct the educational program for the clinical period.

B. Objectives

Provide GAMC with written material stating the philosophy and objectives of the District and the objectives of the curriculum pertaining to clinical experience. Faculty of the District will meet with GAMC's appointed representative(s) to clarify and discuss objectives and student schedules prior to the beginning of each affiliation.

C. Clinical Coordination

Insure that conferences with GAMC staff, District personnel and student(s) are scheduled on a routine basis.

D. Scheduling

Submit a listing of student names, in advance, scheduled for clinical rotations at GAMC. All plans for clinical experience shall be subject to the approval of GAMC's designated coordinator.

E. Health Certification

- 1. The District agrees to assume full responsibility for ascertaining that student health status and physical condition are in conformance with GAMC health requirements.
- The District agrees to assume full responsibility for instructing the students in all applicable state or federal mandated topics affecting health care providers such as hazardous materials, blood borne pathogens, and TB exposure.

F. Policies

Agree that employees, agents, or students will abide by all applicable policies of GAMC while using its facilities. Any employee, agent or student found to be in violation of GAMC policy, rules and regulations, or otherwise jeopardizing the safety of others, may be removed temporarily, or permanently, from the clinical experience at the option of GAMC or District. If GAMC exercises this option they shall notify, in writing, the District of any such action.

G. Legal Compliance

Warrants that this program will be conducted in accordance with all applicable laws and the regulations of any applicable governmental Board or Boards. The District will be responsible for ensuring its employees, agents, or faculty meets all regulatory requirements based on their scope of practice.

H. Insurance

Throughout the term of this Agreement, District and GAMC shall maintain, at each party's sole cost and expense, policies of insurance or self insurance providing coverage for general liability and professional liability in the minimum amount of \$1 million per occurrence, \$3 million annual aggregate, as may be necessary to protect the party and its employees, agents, or representatives in the discharge of its or their responsibilities and obligations under this Agreement. If students are not required to maintain personal professional liability insurance by the terms of this Agreement, District shall assume full responsibility for including such students as covered individuals within its policy of insurance or self-insurance. District shall provide evidence of all policies of insurance or self-insurance required in the Agreement by certificates provided to GAMC prior to the effective date of this Agreement.

District agrees to maintain Workers' Compensation Insurance covering its personnel employed to perform services pursuant to this Agreement in accordance with any applicable Worker's Compensation Law. District agrees to maintain business Automobile Liability Insurance or an equivalent program of self-insurance (owned, non-owned and hired automobiles included) with a combined single limit of no less than \$1 million per occurrence payable only after the insured faculty's own private insurance has been exhausted. However, the said insurance coverage of at least \$1 million is required only if faculty are required to use personal automobiles in the course of this clinical experience. Students are responsible for their own automobile insurance.

District shall require each student to arrange for his or her own health insurance.

GAMC shall, at any time when a student or faculty is participating in the clinical experience at GAMC, provide to students or faculty necessary emergency health care or first aid for accidents occurring in its facilities. GAMC is not obligated to assume financial responsibility for such care and may request reimbursement from District, faculty or student as necessary.

Criminal Background Checks

Training Program shall, at its sole cost and expense, conduct criminal background checks in all fifty states and in the federal system covering the previous seven years on all students prior to placement at GAMC for clinical laboratory experience. The complete and unexpurgated results of these checks shall be reported in writing to GAMC prior to commencement of the clinical laboratory experience.

GAMC PROPERTY

The District agrees to assume full responsibility for cost or replacement of equipment and or property that is broken or damaged due to negligence on the part of its employees, agents, or students.

CONFIDENTIALITY OF MEDICAL INFORMATION

No student or faculty shall have access to or have the right to review any medical record or patient information, except where necessary in the regular course of the program. The discussion, transmission, or narration in any form by students or faculty of any patient information of a personal nature, medical or otherwise, obtained in the regular course of the program is forbidden except as a necessary part of the program.

MUTUAL AGREEMENT

A. Status of Students

It is understood that the students participating in the program are not employees or agents of GAMC, and the students shall receive no compensation whatsoever. GAMC retains full administrative and clinical responsibility for the care of its patients. Students and faculty, as participants in this education program, shall not replace GAMC staff.

B. Period of Agreement

This Agreement shall commence on January 11, 2014 and shall continue until such time as the Agreement is terminated as provided herein or on expiration of a two year term whichever occurs first. This Agreement may be terminated by either party, with or without cause, upon sixty (60) day advance written notice to the other party. If termination occurs prior to the conclusion of the current clinical rotation, GAMC will allow current students assigned to GAMC to complete the rotation.

INDEMNIFICATION/HOLD HARMLESS

All parties to this agreement shall agree to defend, indemnify, and hold harmless the other party, its officers, agents, employees, and volunteers, from and against all loss, cost, and expense arising out of any liability or claim of liability, sustained or claimed to have been sustained, arising out of the activities, or the performance or nonperformance of obligations under this agreement, of the indemnifying party, or those of any of its officers, agents, employees, or volunteers. The provisions of this article do not apply to any damage or loss caused solely by the negligence or intentional acts of the non-indemnifying party or any of its agents or employees.

This Agreement may only be amended or modified in writing by written mutual agreement of both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

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Rancho Santiago Community College District on behalf of Santa Ana College 2323 North Broadway Santa Ana, CA 92706

Peter J. Hardash, Vice Chancellor Business Operations and Fiscal Services	Date	
Glendale Adventist Medical Center 1509 Wilson Terrace Glendale CA 91206		
Name and Title (Print) Authorized Representative (CEO, CFO, VP of Pt. Ca	are Services)	
Signature of Authorized Representative	Date	

GAMC District Verification Form

Welcome to Glendale Adventist Medical Center. We hope you and your students have a fulfilling experience in our facilities.

The following items must be returned to GAMC Education Department at least two weeks prior to the students first day at any of our facilities:

- * GAMC District Verification Form completed (including TB verification).
 * Current contract that meets the legal and insurance requirements.
 * Confidentiality Statements (one for each student).

District:		
Instructor:		
Clinical Experience Date: Start:	End:	
Days of the week: Time of the Day:		
GAMC Facility Units/Departments to be U	Jsed:	
The students listed below have been clear	ared for TB screening.	
Instructor Name (Print)		
Instructor Signature	Date	
Student Name (Print)		
Student Signature	Date	
Student Name (Print)		
Student Signature	Date	
Student Name (Print)		
Student Signature	Date	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Santa Ana College - Human Services and Technology Division

То:	Board of Trustees	Date: December 09, 2013
Re:	Approval of New OTA Agreement - Southwest Rehab Specialist	
Action:	: Request for Approval	

BACKGROUND

The Occupational Therapy Assistant Program of Santa Ana College is required to offer all program students Fieldwork opportunities at sites throughout the community in order to gain practical field experience. This is necessary to apply the knowledge and skills they have learned in their college classes. This is a new agreement for the Occupational Therapy Assistant program. The OTA Program will place no students at the site prior to Board approval.

ANALYSIS

This clinical affiliation agreement covers the scope of program operations at the facility, as well as insurance and other issues relating to the liability of both parties. This agreement shall be effective for five (5) years or until termination by written notice of either party. The agreement has been reviewed by Dean Simon B. Hoffman and college staff. It carries no costs or other financial arrangements.

RECOMMENDATION

It is recommended that the Board of Trustees approve this agreement with Southwest Rehab Specialist in Brawley, California.

Fiscal Impact:	None	Board Date: December 09, 2013
Prepared by: Linda D. Rose, Ed.D., Vice President of Academic Affairs		D., Vice President of Academic Affairs
	Simon B. Hoffman	, Dean of Human Services & Technology
Submitted by: Erlinda J. Martinez, Ed. D., President, Santa Ana College		
Recommended by:	Raúl Rodriguez, Ph	.D., Chancellor, RSCCD

AGREEMENT

Occupational Therapy Assistant Program

THIS AGREEMENT is made and entered into the 10th day of December, 2013 by and between Southwest Rehab Specialist, hereinafter called the Agency, and Rancho Santiago Community College District, on behalf of Santa Ana College, hereinafter called the District.

PART I. BASIS AND PURPOSE OF AGREEMENT

WITNESSETH:

WHEREAS, the District and Agency acknowledge a public obligation to contribute to Occupational Therapy Assistant Program education for the benefit for students and to meet community needs.

WHEREAS, the District provides programs in Occupational Therapy Assistant Program education, which require clinical experience for students, enrolled in these programs.

WHEREAS, the Agency has facilities suitable for the clinical needs of the District programs in the Occupational Therapy Assistant Program.

WHEREAS, it is to the benefit of both District and Agency that Occupational Therapy Assistant Program students have opportunities for clinical experience to enhance their capabilities as practitioners.

NOW, THEREFORE, the District and Agency do covenant and agree as follows:

PART II. GENERAL RESPONSIBILITIES AND PRIVILEGES OF THE DISTRICT

- A. For the Program in General
 - The District will assume full responsibility for offering Occupational Therapy Assistant Program education programs eligible for accreditation by the appropriate State Board.
 - District faculty members may be invited to serve as voluntary resource persons to the Agency staff by serving on Occupational Therapy Assistant Program care committees, by sharing knowledge as clinical experts, and by participation in other matters dealing with the quality of patient care.
 - For Background clearance
 The District shall inform the Occupational Therapy Assistant Program students of the Background Check requirement and their responsibility of payment.

4. For Student Workmen's Compensation
The District shall carry Workmen's Compensation Insurance on students of the
District during clinical assignment, and keep records of clinical attendance for
audit by the State Workmen's Compensation Insurance Fund.

B. For Program Planning

- The District will initiate the development of mutually acceptable clinical instruction plans for using the Agency's clinical areas to meet the educational goals of Occupational Therapy Assistant Program curricula. These plans will be made available to the Agency at a mutually agreed upon time prior to the beginning of the school term and subject to revision in instances of conflicts with agency patient care responsibilities and/or District interests.
- The District has the privilege of regularly scheduled meetings with Agency staff, including both selected Agency personnel and administrative level representatives for the purpose of interpreting, discussing, and evaluating the educational program in occupational therapy.

C. For Occupational Therapy Assistant Program Students

 The District will be responsible for assuring that Occupational Therapy Assistant Program students assigned to the Agency for clinical instruction meet both District and Agency standards of health and physical fitness, and shall provide certification that the Occupational Therapy Assistant Program students have been immunized against the common communicable diseases.

PART III. GENERAL RESPONSIBILITIES AND PRIVILEGES OF THE AGENCY

A. For the Program in General

- The Agency will maintain the standards, which make it eligible for approval as a clinical area for instruction in accredited Occupational Therapy Assistant Program programs. To further this, the Agency agrees to provide and maintain personnel who are in its opinion, capable and qualified in those divisions in which students are placed.
- The administration of the service and patient care at the Agency shall be the responsibility of and under the control and supervision of the Agency and shall be administered through the Agency and shall be administered through the Agency staff.
- The Agency will designate a staff member who will function as Education Coordinator for Occupational Therapy Assistant Program education uses of the Agency facilities, including joint planning and representatives of all involved Occupational Therapy Assistant Program programs.

- 4. The Agency will provide orientation for students and faculty to familiarize them with Agency policies and facilities before assigning them to duties at the Agency.
- The Agency will permit its employees to participate in the educational program as resource persons and clinical experts provided such participation does not interfere with assigned duties.
- The Agency will permit the faculty and students of the District to use its patient care and patient service facilities for clinical education according to approved curricula.
- 7. The Agency will confer with the District prior to making a commitment for new or expanded use of its clinical facilities by any other Occupational Therapy Assistant Program that interfere with current student placement.

B. For Services and Facilities

- The Agency will permit the educational use of such supplies and equipment as are commonly available for patient care.
- The Agency will permit use of the following facilities and services by District
 Occupational Therapy Assistant Program students and faculty at such times and to
 the degrees considered feasible by the agency.
 - Parking areas.
 - b. Locker, storage and dressing facilities.
 - Same food services as are available for Agency staff.
 - d. First aid treatment with written consent required for minors.
 - e. Access to sources of information for education purposes such as:
 - Patient's chart.
 - Procedure guides policy manuals.
 - 3. Medical dictionaries, pharmacology references, and other references suitable to the clinical area.
 - Books and periodicals in the Medical library.

C. For the Control of District Personnel

 The Agency may refuse access to its clinical areas to Occupational Therapy Assistant Program students or district faculty who do not meet its employee standards for safety, health, cooperation, or ethical behavior pending investigation and resolution of the matter by the Agency and the District.

PART IV. JOINT RESPONSIBILITIES AND PRIVILEGES

A. For publications

 Publication by District faculty, or Agency staff members of any material relative to their clinical experience, that has not been approved for release by the District and Agency signers of this agreement, is prohibited.

B. Insurance:

Without limiting the indemnification obligations stated above, each party to the Agreement shall maintain and secure at its own expense comprehensive general liability, property damage insurance, and professional liability of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, and said policy shall remain in full force and effect during the term hereof. Thirty (30) days written notice shall be provided to the other party prior to cancellation, or reduction in said insurance. Upon request, the requesting party shall be provided a copy of said policy.

C. Indemnification

All parties to this Agreement shall agree to defend, indemnify, and hold harmless the other party, its officers, agents, employees, and volunteers, from and against all loss, cost, and expense arising out of any liability or claim of liability, sustained or claimed to have been sustained, arising out of the activities, or the performance or nonperformance of obligations under this Agreement, of the indemnifying party, or those of any of its officers, agents, employees, or volunteers. The provision of the Article do not apply to any damage or losses caused solely by the negligence or intentional acts of the no-indemnifying party or any of its agents or employees.

PART V. STATUS OF OCCUPATIONAL THERAPY ASSISTANT STUDENTS

- A. Occupational Therapy Assistant Program students shall have the status as learners and shall not be considered to be Agency employees nor shall they replace Agency staff. Any service rendered by the student during the experience is to be considered in addition to planned patient care in that area. Clinical experience will be conducted as a laboratory learning experience. The Agency will provide regular staffing for patient care in areas where students are obtaining clinical experience.
- B. Occupational Therapy Assistant Program students are subject to the authority, policies, and regulations of the district. They are also subject, during clinical assignment, to applicable agency regulations and must conform to the same standards as are for Agency employees in matters relating to the welfare of patients and general Agency operations.
- C. Occupational Therapy Assistant Program students shall be responsible for proper coverage in regard to malpractice insurance, or any other liability insurance that might be required by either the District or the Agency.

D. The District will be responsible for assuring that health care students assigned to the Agency for clinical instruction meet both District and Agency standards of health and physical fitness.

PART VI. PERIOD OF AGREEMENT, TERMINATION

A. This agreement shall be effective as of the date signed, and shall continue in effect for five years, unless terminated earlier by written notice of either party. Either party to this Agreement may, in its sole discretion, terminate this Agreement with or without cause by giving the other party at least 30 days' prior written notice. In the event the Agreement is terminated for cause, all of the obligations of the terminating party shall be waived immediately upon written notice of termination. In the event of termination without cause, the parties agree to fulfill their respective obligations associated with the current term or

semester, prior to such termination becoming effective.

IN WITNESS WHEREOF, the said parties have hereunto set their hands:

District: Rancho Santiago Community College District	Agency: Southwest Rehab Specialist
Rancho Santiago Community College District	Southwest Rehab Specialist
2323 North Broadway	320 Cattle Call Drive
Santa Ana, CA 92706	Brawley, CA 92227
	Our Levi
Peter J. Hardash	Jun Garcia
Vice Chancellor	Director of Rehab Services
Business Operation & Fiscal Services	President
Date:	Date:
	JUN GARCIA Director of Rehab Services
IMPERIAL HEIGHTS	_
HALL TOTAL WAS MATTHER ESPIUS	
	DESERT SPRINGS
JUN GARCIA Director of Rehabilitation Services	HEALTHCARE AND WELLNESS CENTER
320 Cattle Call Drive Brawley, California 92227 Phone: (760) 344-5431 Fax: (760) 344-2768 eMail: Jun@imperialHeightsHaalth.com	82-262 Yelencia Avenue • India, Celifornia 52201 Fecility Phone: (760) 347-8000 • Fex: (760) 778 - 8928 Cell: (760) 456-3308 • Email: Jun@ImperialHeighteHealth.com

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Santa Ana College - Human Services and Technology Division

То:	Board of Trustees	Date: December 09, 2013
Re:	Approval of OTA Agreement Renewal - Interface Rehab, LLC.	
Action:	Request for Approval	

BACKGROUND

The Occupational Therapy Assistant Program of Santa Ana College is required to offer all program students Fieldwork opportunities at sites throughout the community in order to gain practical field experience. This is necessary to apply the knowledge and skills they have learned in their college classes. This is an agreement renewal for the Occupational Therapy Assistant program. The OTA Program will place no students at the site prior to Board approval.

ANALYSIS

This clinical affiliation agreement covers the scope of program operations at the facility, as well as insurance and other issues relating to the liability of both parties. This agreement shall be effective for five (5) years or until termination by written notice of either party. The agreement has been reviewed by Dean Simon B. Hoffman and college staff. It carries no costs or other financial arrangements.

RECOMMENDATION

It is recommended that the Board of Trustees approve this agreement with Interface Rehab, LLC., in Placentia, California.

Fiscal Impact:	None	Board Date: December 09, 2013
Prepared by:	Linda D. Rose, Ed.D., Vice President of Academic Affairs	
	Simon B. Hoffman, D	ean of Human Services & Technology
Submitted by:	Erlinda J. Martinez, Ed	l. D., President, Santa Ana College
Recommended by:	Raúl Rodriguez, Ph.D.	, Chancellor, RSCCD

AGREEMENT

Occupational Therapy Assistant Program

THIS AGREEMENT is made and entered into December 10, 13 by and between Interface Rehab, LLC, hereinafter called the Agency, and Rancho Santiago Community College District on behalf of Santa Ana College, hereinafter called the District.

PART I. BASIS AND PURPOSE OF AGREEMENT

WITNESSETH:

WHEREAS, the District and Agency acknowledge a public obligation to contribute to Occupational Therapy Assistant Program education for the benefit for students and to meet community needs.

WHEREAS, the District provides programs in Occupational Therapy Assistant Program education, which require clinical experience for students, enrolled in these programs.

WHEREAS, the Agency has facilities suitable for the clinical needs of the District programs in the Occupational Therapy Assistant Program.

WHEREAS, it is to the benefit of both District and Agency that Occupational Therapy Assistant Program students have opportunities for clinical experience to enhance their capabilities as practitioners.

NOW, THEREFORE, the District and Agency do covenant and agree as follows:

PART II. GENERAL RESPONSIBILITIES AND PRIVILEGES OF THE COLLEGE

A. For the Program in General

- The District will assume full responsibility for offering Occupational Therapy Assistant Program education programs eligible for accreditation by the appropriate State Board.
- District faculty members may be invited to serve as voluntary resource persons to the Agency staff by serving on Occupational Therapy Assistant Program care committees, by sharing knowledge as clinical experts, and by participation in other matters dealing with the quality of patient care.
- For Background clearance
 The District shall inform The Occupational Therapy Assistant Program students of the Background Check requirement and their responsibility of payment.

For Student Workmen's Compensation:
 The District shall carry Workmen's Compensation Insurance on students of the District during clinical assignment, and keep records of clinical attendance for audit by the State Workmen's Compensation Insurance Fund.

B. For Program Planning

- The District will initiate the development of mutually acceptable clinical instruction
 plans for using the Agency's clinical areas to meet the educational goals of
 Occupational Therapy Assistant Program curricula. These plans will be made
 available to the Agency at a mutually agreed upon time prior to the beginning of the
 school term and subject to revision in instances of conflicts with agency patient care
 responsibilities and/or District interests.
- The District has the privilege of regularly scheduled meetings with Agency staff, including both selected Agency personnel and administrative level representatives for the purpose of interpreting, discussing, and evaluating the educational program in occupational therapy.

C. For Occupational Therapy Assistant Program Students

The District will be responsible for assuring that Occupational Therapy Assistant
Program students assigned to the Agency for clinical instruction meet both District
and Agency standards of health and physical fitness, and shall provide certification
that the Occupational Therapy Assistant Program students have been immunized
against the common communicable diseases.

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For the Program in General

- The Agency will maintain the standards, which make it eligible for approval as a
 clinical area for instruction in accredited Occupational Therapy Assistant Program
 programs. To further this, the Agency agrees to provide and maintain personnel who
 are in its opinion, capable and qualified in those divisions in which students are
 placed.
- The administration of the service and patient care at the Agency shall be the responsibility of and under the control and supervision of the Agency and shall be administered through the Agency and shall be administered through the Agency staff.
- The Agency will designate a staff member who will function as Education
 Coordinator for Occupational Therapy Assistant Program education uses of the
 Agency facilities, including joint planning and representatives of all involved
 Occupational Therapy Assistant Program programs.

- The Agency will provide orientation for students and faculty to familiarize them with Agency policies and facilities before assigning them to duties at the Agency.
- The Agency will permit its employees to participate in the educational program as resource persons and clinical experts provided such participation does not interfere with assigned duties.
- The Agency will permit the faculty and students of the District to use its patient care and patient service facilities for clinical education according to approved curricula.
- The Agency will confer with the District prior to making a commitment for new or expanded use of its clinical facilities by any other Occupational Therapy Assistant Program that interfere with current student placement.

B. For Services and Facilities

- The Agency will permit the educational use of such supplies and equipment as are commonly available for patient care.
- The Agency will permit use of the following facilities and services by District
 Occupational Therapy Assistant Program students and faculty at such times and to
 the degrees considered feasible by the agency.
 - Parking areas.
 - b. Locker, storage and dressing facilities.
 - c. Same food services as are available for Agency staff.
 - d. First aid treatment with written consent required for minors.
 - e. Access to sources of information for education purposes such as:
 - Patient's chart.
 - 2. Procedure guides policy manuals.
 - Medical dictionaries, pharmacology references, and other references suitable to the clinical area.
 - 4. Books and periodicals in the Medical library.

C. For the Control of District Personnel

The Agency may refuse access to its clinical areas to Occupational Therapy Assistant
Program students or district faculty who do not meet its employee standards for
safety, health, cooperation, or ethical behavior pending investigation and resolution
of the matter by the Agency and the District.

PART IV. JOINT RESPONSIBILITIES AND PRIVILEGES

For publications

 Publication by District faculty, or Agency staff members of any material relative to their clinical experience, that has not been approved for release by the District and Agency signers of this agreement, is prohibited.

B. Insurance:

Without limiting the indemnification obligations stated below, each party to the Agreement shall maintain and secure at its own expense comprehensive general liability, property damage insurance, and professional liability of not less than one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) in the aggregate, and said policy shall remain in full force and effect during the term hereof. Thirty (30) days written notice shall be provided to the other party prior to cancellation, or reduction in said insurance. Upon request, the requesting party shall be provided a copy of said policy.

C. Indemnification

All parties to this Agreement shall agree to defend, indemnify, and hold harmless the other party, its officers, agents, employees, students and volunteers, from and against all loss, cost, and expense arising out of any liability or claim of liability, sustained or claimed to have been sustained, arising out of the activities, or the performance or nonperformance of obligations under this Agreement, of the indemnifying party, or those of any of its officers, agents, employees, students or volunteers. The provisions of this Article do not apply to any damage or losses caused solely by the negligence or intentional acts of the non-indemnifying party or any of its agents or employees.

PART V. STATUS OF OCCUPATIONAL THERAPY ASSISTANT STUDENTS

- A. Occupational Therapy Assistant Program students shall have the status as learners and shall not be considered to be Agency employees nor shall they replace Agency staff. Any service rendered by the student during the experience is to be considered in addition to planned patient care in that area. Clinical experience will be conducted as a laboratory learning experience. The Agency will provide regular staffing for patient care in areas where students are obtaining clinical experience.
- B. Occupational Therapy Assistant Program students are subject to the authority, policies, and regulations of the district. They are also subject, during clinical assignment, to applicable agency regulations and must conform to the same standards as are for Agency employees in matters relating to the welfare of patients and general Agency operations.
- C. Occupational Therapy Assistant Program students shall be responsible for proper coverage in regard to malpractice insurance, or any other liability insurance that might be required by either the District or the Agency.

D. The District will be responsible for assuring that health care students assigned to the Agency for clinical instruction meet both District and Agency standards of health and physical fitness.

PART VI. PERIOD OF AGREEMENT, TERMINATION

A. This agreement shall be effective as of the date signed, and shall continue in effect for five years, unless terminated earlier by written notice of either party. Either party to this Agreement may, in its sole discretion, terminate this Agreement with or without cause by giving the other party at least 30 days' prior written notice. In the event the Agreement is terminated for cause, all of the obligations of the terminating party shall be waived immediately upon written notice of termination. In the event of termination without cause, the parties agree to fulfill their respective obligations associated with the current term or semester, prior to such termination becoming effective.

IN WITNESS WHEREOF, the said parties have hereunto set their hands:

District: Rancho Santiago Community College District	Agency: Interface Rehab, LLC
Rancho Santiago Community College District	Interface Rehab, LLC
2323 N. Broadway Santa Ana, CA 92706	774 South Placentia Avenue, Suite 200 Placentia, CA 92870-6823 (714) 646-8300
Peter J. Hardash Vice Chancellor Business Operations & Fiscal Services	Person Responsible: Title:
	11/14/2013
Date	Date

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

SANTA ANA COLLEGE – ACADEMIC AFFAIRS

То:	Board of Trustees	Date: December 9, 2013
Re:	Approval of New Courses and New Programs fo College Catalog	r the 2014 – 2015 Santa Ana
Action:	Request for Approval	

BACKGROUND

The attached memo is a partial summary of actions taken by the Santa Ana College Curriculum and Instruction Council during 2013. It only includes new courses and programs through December 2, 2013 which will appear in the 2014 - 2015 catalog.

ANALYSIS

The catalog is the ongoing legal representation of course/program offerings and annual academic policies at Santa Ana College. Changes are recommended to the Board of Trustees by the council that has faculty representation from each academic division as well as administrative representation.

RECOMMENDATION

It is recommended that the Board of Trustees approve the new courses and programs for the 2014 - 2015 Santa Ana College Catalog.

Fiscal Impact:	None	Board Date: December 9, 2013
Prepared by:	Linda Rose, Ed.D., Vice Presid	lent of Academic Affairs, SAC
Submitted by:	Erlinda J. Martinez, Ed.D., Pre	sident, Santa Ana College
Recommended by:	Raúl Rodríguez, Ph.D., Chance	ellor, RSCCD

SANTA ANA COLLEGE

CURRICULUM & INSTRUCTION COUNCIL

DATE: December 9, 2012

TO: Erlinda J. Martinez, Ed. D., President

FROM: Monica Porter, Chair of Curriculum & Instruction Council

RE: Proposed Revisions for 2014 – 2015 Catalog

This memorandum is a summary of the proposed changes to the college catalog from the Santa Ana College Curriculum and Instruction Council. All changes to academic policies, courses, and programs are reviewed by the division curriculum committees before action is taken by the Council.

The Curriculum & Instruction Council was chaired by Monica Porter, Designee, Academic Senate President. Membership included two administrators, sixteen faculty, the University Articulation Coordinator, the Matriculation Representative, one student representative and the Support Services Assistant.

The Curriculum & Instruction Council addresses the college-wide impact and changes in academic policies and monitors their acceptance by the CSU and UC systems and the Community College Chancellor's Office.

The following academic program and courses have been reviewed and are now recommended by the Curriculum and Instruction Council:

NEW COURSES

Thirty nine (39) new courses were approved because of new and/or expanded programs or major changes in the discipline. (See Attachment #1)

NEW PROGRAMS

Eighteen (18) new programs were approved. (See Attachment #1)

Catalog 2014 – 2015

NEW COURSES

- 1. ACCT 202, Cost Accounting for Construction Engineering
- 2. BIOL 190, Introduction to Biotechnology
- 3. BIOL 191, Biotech A:Basic Skills
- 4. BIOL 192, Biotech B:Proteins
- 5. BIOL 193, Biotech C:Nucleic Acids
- 6. BIOL 194, Quality and Regulatory Compliance in Biosciences
- 7. BIOL 195, Biotech: QC Microbiology
- 8. BIOL 197, STEM Internship/Work Experience
- 9. CNSL 090, Academic Success Strategies
- 10. CNSL 103, Educational Planning
- 11. CNSL 104, Personal and Goal Development for Educational Planning
- 12. EMT 102, EMT Transition Series
- 13. ENGR 143, Fundamentals of Construction
- 14. ENGR 202, Cost Accounting for Construction Engineering
- 15. ENGR 203 Sustainable Construction and Facilities Management
- 16. ENTR 120, Getting Started in Your Freelance Business
- 17. ENTR 121, People Skills for the Freelancer
- 18. ENTR 122, Opportunities in Freelance Industries and Trades
- 19. ENTR 123, Marketing to Attract Customers and Grow Your Freelance Business
- 20. ENTR 124, Survival Finance and Accounting for the Freelancer-Show Me the Money
- 21. ENTR 125, Launch Your Freelance Business
- 22. FOT 019, Emergency Trench Rescue
- 23. ITAL 120, Elementary Italian I
- 24. ITAL 121, Elementary Italian II
- 25. KNIA 128, Conditioning for Athletes (0.5 unit)
- 26. KNPR 201, Movement Anatomy
- 27. KNPR 205, Techniques of Exercise Leadership
- 28. KNPR 209, Exercise for Special Populations
- 29. KNPR 211, Practicum in Fitness Evaluation I
- 30. KNPR 213, Practicum in Fitness Evaluation II
- 31. KNPR 215, Fitness Specialist Internship
- 32. MATH 083, Beginning and Intermediate Algebra for Liberal Arts and Social Science
- 33. MATH 084, Beginning & Intermediate Algebra
- 34. MNFG 095, Mastercam 5 Axis Mill Toolpath and Application
- 35. PSYC 210, Statistics for the Behavioral Sciences

Continuing Education

- 36. ABE 023, Adult Basic Education Reading
- 37. ABE 024, Adult Basic Education Writing
- 38. ABE 025, Adult Basic Education Math
- 39. VBUS 270, Introduction to Microsoft Outlook

NEW PROGRAMS

- 1. Associate in Arts in Anthropology for Transfer
- 2. Associate in Arts in English for Transfer
- 3. Associate in Arts in History for Transfer
- 4. Associate in Arts in Spanish for Transfer
- 5. Associate in Science in Computer Science for Transfer
- 6. Biotechnology Biomanufacturing Technician Certificate
- 7. Biotechnology Degree
- 8. Biotechnology Lab Assistant Certificate
- 9. Biotechnology Laboratory Technician Certificate
- 10. Biotechnology Laboratory Technician: QC Microbiology Certificate
- 11. Fitness Specialist Certificate
- 12. Freelancer Certificate
- 13. Global Trade Skills Certificate
- 14. Sustainable Facilities Management Certificate

Continuing Education

- 15. ABE Certificate of Completion
- 16. ABE/ASE Math Proficiency Certificate of Completion
- 17. ABE/ASE Reading Proficiency Certificate of Completion
- 18. ABE/ASE Writing Proficiency Certificate of Completion

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT Santiago Canyon College Academic Affairs

То:	Board of Trustees	Date: December 9, 2013
Re:	Approval of New Courses and New Programs for the 201 Canyon College Catalog	4-2015 Santiago
Action:	Request for Approval	

BACKGROUND

The attached memo is a summary of actions taken by the Santiago Canyon College Curriculum and Instruction Council during 2013. It only includes new courses and programs from April 30th, 2013 through December 2nd, 2013 which will appear in the 2014–2015 catalog.

ANALYSIS

The catalog is the ongoing legal representation of course/program offerings and annual academic policies at Santiago Canyon College. Changes are recommended to the Board of Trustees by the council that has faculty representation from each academic division as well as administrative representation.

RECOMMENDATION

It is recommended that the Board of Trustees approve the new courses and new programs for the 2014-2015 Santiago Canyon College catalog as presented.

Fiscal Impact:	None.	Board Date:	December 9, 2013
Prepared by:	Aracely Mora, Ed.D., Vice President, Academic Affairs		
	Craig Rutan, Chair, Curriculum and Instru	uction Counci	1
Submitted by:	Juan Vázquez, President, Santiago Canyo	on College	
Recommended by:	Raúl Rodriguez, Ph.D., Chancellor		



CURRICULUM AND INSTRUCTION COUNCIL

DATE: November 21, 2013

TO: Juan Vázquez, President of Santiago Canyon College

FROM: Craig Rutan, Chair of the Curriculum and Instruction Council

RE: PROPOSED NEW CURRICULA FOR THE 2014-2015 CATALOG

The following changes to the 2014-2015 college catalog are proposed by the Curriculum and Instruction Council (CIC) of Santiago Canyon College. All changes to academic policies, courses, and programs are reviewed and approved by departmental curriculum committees before action is taken by the CIC.

Santiago Canyon College's CIC is chaired by Craig Rutan, Designee of the Academic Senate President, and co-chaired by Joyce Wagner. Membership also includes the Vice President of Academic Affairs, 17 faculty representatives (including the Chair of the Committee), an Articulation Officer, a Support Services Assistant and a student representative.

The new curricula initiated at Santiago Canyon College for the 2014-2015 catalog are:

GENERAL EDUCATION REQUIREMENTS FOR THE ASSOCIATE DEGREE (Plan A): The following options were added for general education requirements:

<u>Area B2 – Social Science Elective</u> History 240 added.

<u>Area F2 – Lifelong Learning and Self-Development</u>

Kinesiology 189A added.

GENERAL EDUCATION REQUIREMENTS FOR THE CALIFORNIA STATE UNIVERSITY (Plan B): The following options were added for general education requirements:

<u>Area B1 – Physical Sciences</u> Geography 130 added.

Area B3 – Laboratory Activity Geography 101L added.

<u>Area D5 – Geography</u> Geography 140 added.

<u>Area D7 – Interdisciplinary Social or Behavioral Science</u> History 240 added.

<u>Area E2 – Lifelong Understanding and Self-Development</u> Kinesiology 189A added.

INTERSEGMENTAL GENERAL EDUCATION TRANSFER CURRICULUM (Plan C):

The following options were added for general education requirements:

Area 4 – Social and Behavioral Sciences Geography 140 added. History 240 added.

<u>Area 5A – Physical Sciences</u> Geography 130 added.

<u>Area 5C – Laboratory Activity</u> Geography 101L added.

NEW PROGRAMS, DEGREES AND CERTIFICATES:

(See Attachment #1)

A total of nine (9) new programs, degrees and certificates were added to the academic year.

NEW COURSES: (See Attachment #2)

Thirty-nine (39) new courses were approved due to new and/or expanded programs or major changes in the discipline.

Cc: Corinna Evett, Academic Senate President, Santiago Canyon College
Aracely Mora, Vice-President of Academic Affairs, Santiago Canyon College
John Hernandez, Vice-President of Student Services, Santiago Canyon College
Jose Vargas, Vice-President of Continuing Education, Orange Education Center
Corine Doughty, Dean of Business and Career Technical Education, Santiago Canyon College
Ruth Babeshoff, Dean of Counseling and Student Support Services, Santiago Canyon College
Marilyn Flores, Dean of Library, Arts, Humanities and Social Sciences, Santiago Canyon College
Martin Stringer, Dean of Mathematics and Sciences and Athletics Director, Santiago Canyon College
Monica Porter, Chair of the Curriculum and Instruction Council, Santa Ana College
Erlinda Martinez, President of Santa Ana College
John Zarske, Academic Senate President, Santa Ana College
Linda Rose, Vice-President of Academic Affairs, Santa Ana College
Raúl Rodríguez, Ph.D., Chancellor

2014-2015 Catalog

NEW PROGRAMS, DEGREES AND CERTIFICATES

Credit

Geography, Associate in Arts for Transfer degree
Biotechnology, Associate in Science Degree
Biotechnology Biomanufacturing Technician, Certificate of Achievement
Biotechnology Lab Assistant, Certificate of Proficiency
Biotechnology Laboratory Technician: Food and Safety, Certificate of Achievement
Digital Media Production, Certificate of Achievement
Digital Media Production, Associate in Science Degree
General Biotechnology Technician, Certificate of Achievement

Non-Credit

Multi-Media Artists and Animators, Certificate of Completion

NEW COURSES 2014-2015 Catalog

Commercial Roof Framing

Credit

Apprenticeship Carpentry 022E*

Apprenticeship Carpentry 061B*
Advanced Acoustical Ceiling Layout
Apprenticeship Carpentry 061C*
Advanced Acoustical Ceiling Installation
Apprenticeship Carpentry 079C*
Apprenticeship Modular Furnishings Installation 021*
Apprenticeship Modular Furnishings Installation 022*
Apprenticeship Modular Furnishings Installation 023*
Apprenticeship Modular Furnishings Installation 023*
Apprenticeship Modular Furnishings Installation 023*

Apprenticeship Modular Furnishings Installation 024*
Apprenticeship Modular Furnishings Installation 025*
Apprenticeship Modular Furnishings Installation 025*
Apprenticeship Modular Furnishings Installation 026*
Apprenticeship Modular Furnishings Installation 026*
Apprenticeship Modular Furnishings Installation 027*
Apprenticeship Modular Furnishings Installation 027*
Apprenticeship Modular Furnishings Installation 026*

Apprenticeship Modular Furnishings Installation 028* Material Handling and Equipment-Modular Overhead Attachments

Apprenticeship Modular Furnishings Installation 029* Wall and Overhead Attachments

Apprenticeship Modular Furnishings Installation 030* Crew Lead Training

Apprenticeship Modular Furnishings Installation 031*
Apprenticeship Operating Engineers 021J*
Apprenticeship Operating Engineers 022J*
Apprenticeship Operating Engineers 023J*
Apprenticeship Operating Engineers 023J*
Apprenticeship Operating Engineers 024J*
Apprenticeship Operating Engineers 024J*
Apprenticeship Operating Engineers 025J*

Apprenticeship Operating Engineers 026J* Plant Equipment Operator 6 - Journeyman Biology 192[#] Biotechnology B: Proteins

Quality and Regulatory Compliance in Biosciences

Food Safety and Microbiology

Biotechnology C: Nucleic Acids

Science, Technology, Engineering & Mathematics (STEM) Internship

Windows 8 Store Applications with JavaScript

Physical Geography Laboratory Introduction to Weather and Climate

California Geography

Map Interpretation and Analysis

Introduction to Geographic Information Systems

Regional Field Studies

Introduction to Peace and Conflict Studies

Basic Aqua Aerobics

Screenwriting for Digital Media

Introduction to Digital Media Production Industrial Video Production (IVP) Post Production II/Motion Graphics

Biology 193#

Biology 194#

Biology 196#

Biology 197

Geography 101L

Geography 130 Geography 140[#]

Geography 150[#]

Geography 155[#]

Geography 160

Kinesiology 189A

History 240[#]

Computer Information Systems 203

TV/Video Communications 122

TV/Video Communications 124

TV/Video Communications 126

TV/Video Communications 127

^{*} Stand Alone course

[#] Distance Education Addendum

NEW COURSES 2014-2015 Catalog

Non-Credit

High School Subjects: Science 169 Life Science 2
High School Subjects: Science 191 Physical Science 2

High School Subjects: Social Sciences 230 World History, Geography, and Culture 2 Vocational: Business 105 Introduction to 3D Animation using Blender

^{*} Stand Alone course

[#] Distance Education Addendum

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

Santiago Canyon College-Business & Career Technical Education

То:	Board of Trustees Date: December 9, 2013
Re:	Approval of Renewal Agreement with the Sheraton Cerritos for the Los Angeles/ Orange County Regional Consortia monthly meetings January-February 2014.
Action:	Request for Approval

BACKGROUND

Rancho Santiago Community College District-Santiago Canyon College was awarded the Los Angeles/Orange County Regional Consortia (LAOCRC) 2013/14 program grant through the State Chancellor's Office. The mission of this regional leadership grant is to bridge the skills and jobs gap by connecting the Community College System to business and industry, educational systems and other stakeholders in the workforce development community of practitioners.

ANALYSIS

Through the LAOCRC grant, the Rancho Santiago Community College District-Santiago Canyon College has been convening monthly meetings for community college workforce development professionals to align programs and curriculum to the needs of business and industry. The monthly meetings have been held at the Sheraton Cerritos- a central location for both Los Angeles and Orange County participants. This request is to continue having the meetings at the Sheraton Cerritos for January and February 2014.

The contract binds RSCCD to a \$1,500.00 minimum food & beverage for two months (\$3,000 total). The actual cost will be based on the final attendee numbers each month. We expect approximately 100 participants each month, costing \$4,000-\$5,000 monthly including room rental, food & beverage, and audio-visual. The cost would be charged to the LAOCRC grant budget.

RECOMMENDATION

It is recommended that the Board approve the Sheraton Cerritos contract for the Los Angeles-Orange County Regional Consortia, January and February 2014 monthly meetings.

Fiscal Impact: The cost will be charged to the LAORC Board Date: December 9, 2013
grant budget. \$3,000 minimum food & beverage.
Prepared by: Aracely Mora, Ed.D, Vice President, Academic Affairs Corine Doughty, Dean, Business & Career Technical Education Kari Irwin, Director, Business and Career Technical Education
Submitted by: Juan A. Vázquez, President
Recommended by: Raúl Rodríguez, Ph.D., Chancellor



GROUP SALES AGREEMENT

This Agreement is made and entered into as of November 20, 2013, by and between Interstate Management Company, LLC, as agent for Sunstone Court Lessee, Inc, dba Sheraton Cerritos Hotel (hereinafter referred to as "Hotel") and Rancho Santiago Community College District (hereinafter referred to as "Group"). Group agrees that the terms of this Agreement are based upon the information provided by Rancho Santiago Community College District below. In the event that the information provided by Group materially change or is incorrect, then this Agreement may be terminated pursuant to Section 5

SECTION ONE: DESCRIPTION OF THE EVENT

Company/Organization or Sponsor's Name:	Rancho Santiago Community College District			
Event Name:	LA/OC Regional Consortia			
Contact Name	Peter Hardash / Kari Irwin			
Contact Phone:	Day: 714-628-5051 Fax:			
	Cell: Email: irwin kari@secollege.edu			
Contact Address:	8045 E. Chapman Avenue			
	Orange, CA 92869			

SECTION TWO: MEETING ROOM/BALLROOM AND CATERING SERVICES

2.1 MEETING ROOMS: Upon the signature of this Agreement, Hotel reserves and Group guarantees payment for the following meeting room(s) space for the specified days/times:

Date	Start Time	End Time	Function	Setup	Agr	Room Rental
	7:30 AM	8:30 AM	Setup	Existing	2	THE RESERVE ASSESSMENT
	8:15 AM	9:50 AM	Break	Existing	25	
	8:30 AM	9:50 AM	Breakout	Rounds	25	\$ 150.00
Thu, Jan 23, 2014	9:30 AM	10:30 AM	Break	Existing	50	827
1110, Jan 23, 2014	9:30 AM	12:00 PM	Meeting	Classroom	50	72-7-7-7-7
	11:45 AM	1:00 PM	Lunch	Rounds	50	
	12:00 PM	1:00 PM	Meeting	Existing	30	
	1:00 PM	2:00 PM	Meeting	Existing		
	2:00 PM	4:00 PM	Meeting	Existing	100	
	7:30 AM	8:30 AM	Setup	Existing	2	
	8:15 AM	9:50 AM	Break	Existing	25	
	8:30 AM	9:50 AM	Breakout	Rounds	25	\$ 150.00
Thu. Feb 20, 2014	9:30 AM	10:30 AM	Break	Existing	50	
mu, rep 20, 2014	9:30 AM	12:00 PM	Meeting	Classroom	50	
	11:48 AM	1:00 PM	Lunch	Rounds	60	
	12:00 PM	1:00 PM	Meeting	Existing	30	piles Rillians
	1:00 PM	2:00 PM	Meeting	Existing		
	2:00 PM	4:00 PM	Meeting	Existing	100	

- Hotel reserves the right to assign and change specific meeting room space at its discretion. Group must obtain final approval from Hotel before publishing meeting room names.
- If Group requests a specific meeting room that is already booked, Group shall be granted [first] option to occupy the specified room if the group currently occupying the room cancels its agreement. Hotel shall inform Group via telephone that the room is open. Group must respond within five (5) business days or Hotel will be entitled to book another event in the specified room.
- ❖ Group requests the following set-up of chairs/tables, etc. for the meeting room: as outlined above
- Changes or additions made to room set up on day of event will be subject to a minimum labor fee of \$250.00 plus service charge and sales tax. Final cost will be determined by the banquet manager after reviewing the final specifications.
- CHARGES: The above space will be available at the rate of \$150.00 per day/breakout as needed. Group has until 30 days prior to each meeting arrival to confirm breakout rooms may release up to 1 (one) breakout room without penalty. Meeting room rental is subject to all applicable local and state taxes. If Group modifies the room block or food and beverage functions, the Hotel reserves the right to increase meeting room rental charges accordingly.

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Reviewed and Approved By:	
Rancho Santiago Community C	ollege District

2.2 <u>CATERING SERVICES</u>: A minimum of \$1,500.00 in food and beverage must be spent at each Group's function (the "F&B Revenues") as listed above. These F&B Revenues do not include room rental, meeting space rental, service charges, tax and labor charges, audio-visual, parking or any other miscellaneous charges incurred. Group is required to pay Hotel the full F&B Revenues, regardless of whether Group actually charges that amount. Group is required to pay Hotel any amounts exceeding the F&B Revenues.

2.3 FOOD & BEVERAGE POLICY

- Due to licensing and insurance requirements, all food and beverage to be served on Hotel property must be supplied and prepared by Hotel. In addition, no remaining food or beverage shall be removed from the premises. At the conclusion of the function, such food and beverage becomes the property of Hotel.
- Menu prices will be confirmed 2 months prior to scheduled function.
- Food and beverage prices are subject to a 22% service charge and applicable taxes, subject to change without notice.
- Final menu selections must be submitted to Hotel's Catering Officer at least 2 weeks in advance; otherwise, items selected cannot be guaranteed. At the time final menu selections are made, Group shall review, approve and initial the final menu. Other than specifically stated in the approved menu (or otherwise agreed in a separate writing signed by Group and the IGeneral Manager or his designeel, Hotel will not be responsible for any specific dietary requests or requirements.
- The Catering Office must be notified of the guaranteed attendance no later than noon 3 days prior to the scheduled function. Guaranteed attendance for functions scheduled Monday or Tuesday must be received by noon on the preceding Friday. Guarantees of attendance are not subject to reduction and Hotel will charge the Group's Master Account, at a minimum, the amount due in accordance with the guaranteed attendance.
- Group will have available an authorized representative at the event who will be presented a check prior to the conclusion of the event. Such representative shall verify that all charges are correct and consistent with this Agreement and any changes and shall sign off on such check.

SECTION THREE: BILLING/CREDIT PROCEDURES

- 3.1 FUNCTION PAYMENT: Rancho Santiago Community College District will be responsible for all other charges incurred pursuant to this Agreement, including function room rentals, audio visual charges, catered group food and beverage, and ancillary charges. All charges that are billed through the Hotel via Rancho Santiago Community College District's Master Account will be subject to a 22% service charge plus current state tax. Any remaining balance is to be made in cash, by credit card, certified or bank check, at least seven (7) business days prior to Event. If any such payment is not made, Hotel may, at its option, deem the Event to be canceled, in which case cancellation charges will apply as noted above and the Hotel will retain any deposits on hand and apply them to the cancellation charges
- 3.2 MASTER ACCOUNT PAYMENT: The Hotel must be notified in writing at least forty-five days prior to Group's arrival of those individuals authorized to sign on behalf of the Group for charges to the Master Account.

SIGNING AUTHORITY: The following individual(s) have the proper authority to sign for the Group's Master Account and/or bind the Group:

Name:	Signature:
Name:	Signature:

DIRECT BILLING APPROVED: Direct Billing has been arranged for this event. Please provide any special billing address and contact below.

Contact: Kari Irwin

Company: Rancho Santiago Community College District Address: 8045 E Chapman Ave, Orange, CA 92869

Any outstanding balance of the Master Account will be due and payable upon receipt of our invoice. If payment is not received within thirty (30) days, a Finance Charge of 1-1/2% per month (18% Annual Rate) [or the maximum allowed by law, whichever is less]* will be added to the unpaid balance commencing on the invoice date.

SECTION FOUR: CANCELLATION/MODIFICATION

4.1 HOTEL'S CANCELLATION: If Hotel cancels this Agreement or is unable to provide the requested rooms or meeting space, the Hotel will work with Group to arrange alternative accommodations and space at the prices set forth herein. Hotel will arrange for comparable space in the same vicinity of the Hotel and shall provide, without charge, necessary transportation between the alternative site and the Hotel. Hotel's liability is limited to these remedies and Hotel shall not be liable for any consequential, punitive or special damages.

Page 2 of 6

Reviewed and Approved By: _____ Rancho Santiago Community College District 4.2 GROUP'S CANCELLATION/MODIFICATION: Group and Hotel have entered into a binding commitment. The Hotel is committed to providing the services specified in this Agreement and the Hotel has offered special rates and other concessions based upon anticipated revenues for Group's event. The anticipated revenue includes the revenue from the total revenue received from the food and beverage services Group may have requested and any ancillary services, such as inroom movies, telephone tolls, room service and other charges (the "Total Anticipated Revenues").

If Group decides to cancel this Agreement, reduce the size of Group's meeting and/or attendance, or reduce the amount of food and beverage services, Group agrees that the Hotel will suffer damages. Such damages will be a result of Hotel's inability to offer your unused space or services to another group and /or the cost to the Hotel of trying to re-sell this space/services. The exact amount of damages will be difficult to determine. Therefore, Group agrees that the following liquidated damages clause is a reasonable effort by the parties to agree in advance on the amount of damages. It is agreed that these amounts will be due regardless of the Hotel's ultimate ability to re-sell some or all of the space or services.

Attrition: The parties agree that the Group and the Hotel will share in the loss of revenues suffered by the Hotel in the event of the Group's failure to utilize all of the rooms and services agreed to herein. The Group therefore agrees to pay a percentage of lost revenues. "Lost Revenues" shall mean:

Lost Revenues = Total Anticipated Revenues - (actual F&B Revenues)

The Group will be responsible for paying the amount indicated by the chart below:

Percentage of rooms/services not utilized

10% or less
-011 to 30%
40% of Lost Revenues
31 to 60%
60% of Lost Revenues
100% of Lost Revenues

<u>Cancellation</u>: Group agrees that if it cancels this Agreement for any reason, the Hotel will suffer damages. The closer in time the cancellation occurs, the greater the damages will be. Therefore, Group agrees to pay Hotel at the time of cancellation a liquidated damages fee, as follows:

Less than 180 days, more than 91 days prior to arrival date: \$1,625.00 [\$ amount equal to50% of Lost Revenues]

Less than 90 days prior to arrival date: \$3,250.00 [\$ amount equal to 100% of Lost Revenues]

4.3 MULTIPLE CONTRACTS: Hotel may cancel upon written notice to Group any future events booked by Group, or any entity or person affiliated with Group, whether included in this Agreement or pursuant to any agreements or orders signed prior to or after this Agreement, in any of the following circumstances: (1) Group fails to pay any amounts when due under this Agreement or any other agreement or arrangement with the Hotel; (2) Group causes any damage, in the Hotel's sole discretion, to the Hotel property or reputation; (3) Group violates, in Hotel's opinion, any term of this Agreement.

SECTION FIVE: MISCELLANEOUS

- 5.1 SIGNS AND DISPLAYS/USE OF HOTEL NAME: Group shall not display signs in Hotel nor use the name/logo of the Hotel in any promotional brochures or ads without prior approval of the General Manager of Hotel. It is further agreed that no sign, banner or display shall be affixed to any part of Hotel. The hotel prohibits the use of the following including but not limited to, flower petals, glitter, bubbles, confetti, silly string. No displaying or hanging items of any kind on the walls, chandeliers, ceiling, mirrors, wall fixtures and tracking, in the guestrooms or banquet space. Any damages caused as a result of any unauthorized use of décor and/or damages to the walls, fixtures or carpet will be billed to Group and applicable clean up fees may apply. Any items to be brought in and used on hotel property must receive written authorization from the hotel in advance of program commencement.
- 5.2 SECURITY: Hotel may, in its sole discretion, require Group to take certain security measures in light of the size or nature of the function, which may include the requirement to hire sufficient security personnel from the Hotel or Hotel may allow Group to retain an outside service that meets required bonding and insurance requirements and is approved by the Hotel prior to the function. If Group hires an outside service in accordance with the above, Group must provide Hotel with a copy of the agreement, which shall indemnify the Hotel and its owner, and their parent, subsidiary and affiliated companies and their employees, representatives and agent, from and against any liabilities related to the security services.
- 5.3 SHIPPING AND PACKAGES: In the event Group will be shipping packages to Hotel, Group must notify Hotel at least one week in advance. All packages sent to Hotel must include the name of Group, date of program and number of items. Shipment should arrive no earlier than three (3) days prior to event. Hotel has no liability for the delivery, security or condition of the packages.

	Page 3 of 6
Reviewed and Approved By:	
Rancho Santiago Community C	ollege District

- 5.4 PARKING: Hotel parking is complimentary self-parking, no valet services offered.
- 5.5 HOTEL CONTACT/NOTICES: All notices, offers, acceptances, requests and other communications hereunder shall be in writing and shall be deemed to delivered if hand delivered or sent by Federal Express, or certified or registered mail to the Group contact on the first page of this Agreement, or, if to Hotel, to the following address: Hotel Address: 12725 Center Court Drive, Cerritos, CA 90703 Attn: Laura Soto. Hotel may change Hotel's designated contact at any time upon notice. Hotel will not be bound by any notice unless delivered to Hotel in the manner specified herein.

SECTION SIX: GENERAL PROVISIONS

- 6.1 <u>DAMAGE CLAUSE</u>: In the event that damage to any Hotel property occurs as a result of any guest related to Group, Group assumes all liability and expense and agrees that, in addition to any other rights as against such guest or others, Hotel may charge Group's Master Account or directly bill Group for all such charges. Group shall indemnify, defend and hold harmless Hotel and its officers, directors, partners, affiliates, members and employees from and against all demands, claims, damages to persons and/or property, losses and liabilities, including reasonable attorney fees (collectively "Claims") arising out of or caused by Group's negligence or intentional misconduct. Group does not waive, by reason of this paragraph, any defense that it may have with respect to such Claims.
- 6.2 GROUP'S PROPERTY: Group agrees Hotel will not be responsible for the safe-keeping of equipment, supplies, written material or other valuable items left in function rooms, guest rooms or anywhere on Hotel property other than the Hotel safe. State laws will govern Hotel's liability for items stolen in guestrooms or items kept in Hotel's safe. Group is responsible for securing any such aforementioned items and hereby assumes responsibility for loss thereof. Group may not rely on any verbal or written assurances provided by Hotel staff, other than as provided in this Agreement.
- 6.3 INSURANCE: Property of Group is the sole responsibility of the Group and/or its owner. Group agrees that it has procured sufficient insurance to cover the loss of such property and waives any claims under Hotel's insurance policy for the loss of Group's property or the property of any of its attendees or invitees.
- 6.4 <u>FORCE MAJEURE</u>: The performance of this Agreement is subject to any circumstances making it illegal or impossible to provide or use Hotel facilities, including Acts of God, war, government regulations, disaster, strikes, civil disorder or curtailment of transportation facilities. This Agreement may be terminated for any one of the above reasons by written notice from Hotel.
- 6.5 <u>DISPUTE RESOLUTION</u>: Hotel and Group agree to use its best efforts to resolve any disputes under this Agreement through informal means. In the unlikely event that formal action must be taken, this Agreement will be interpreted in accordance with the laws of the State in which the Hotel is situated and the exclusive venue for any dispute arising out of this Agreement shall be in the county or city in which the Hotel is situated. The prevailing party to any litigation shall be entitled to recover, in addition to damages, all legal costs and reasonable attorney fees as fixed by the Court, both at the trial and appellate levels, and in any bankruptcy case and post judgment proceedings.

To the extent allowed by law, the parties hereto hereby waive the right to a jury trial in any action or proceeding regarding this Agreement.

- 6.6 ENTIRE AGREEMENT: This Agreement and any exhibits hereto constitutes the entire agreement between the parties and supersede any previous communications, representations or agreements, whether written or oral. Any changes to this Agreement must be made in writing and signed by authorized representative of each party.
- 6.7 MISCELLANEOUS: The persons signing this Agreement each warrants that they are authorized to bind the party for which they are signing. Any provision of this Agreement that is deemed unenforceable shall be ineffective to the extent of such unenforceability without invalidating or rendering the remainder of this Agreement invalid. Each party shall execute such other and further documents as may be necessary to carry out the intention as well as to comply with the provisions of this Agreement.
- 6.8 NO ASSIGNMENT: Group may not assign or transfer this Agreement or any part thereof without the written consent of Hotel. Any attempted assignment or transfer by Group without such consent may, at the option of Hotel, be deemed to be a cancellation of this Agreement by Group, in which case Group shall remain liable for all cancellation charges set forth herein.
- 6.9 PAYMENT: Payment of all invoices is due upon receipt. Invoices remaining unpaid after 30 days of the invoice date will incur an interest charge of the lesser of 18% or the highest amount allowed by law. Group shall be responsible for all collection and/or attorney fees or other costs in collecting all amounts due hereunder. No payment by Group or receipt by Hotel of a lesser amount than any amount due shall be deemed to be other than on account of the amount due, and no endorsement or statement on any check or any letter accompanying any payment shall be deemed an accord and satisfaction, and Hotel may accept such check or payment without prejudice to Hotel's right to recover the balance of all amounts due or pursue any other remedies available to Hotel under this Agreement or in law or in equity. Any remaining balance is to be made in cash, by credit card, certified or bank check, at least seven (7) business days prior to Event. If any such payment is

Page 4 of 6

Reviewed and Approved By: _____ Rancho Santiago Community College District not made, Hotel may, at its option, deem the Event to be canceled, in which case cancellation charges will apply as noted above and the Hotel will retain any deposits on hand and apply them to the cancellation charges.

- 6.10 <u>COMPLIANCE WITH LAWS</u>: Group shall comply with all Federal, State and local laws, rules and regulations with respect to its activities on Hotel property, including obtaining any permits required for Group's activities during the event. Hotel may require Group to present proof of such compliance prior to the event. Group relies upon Group's attendance projections in reserving the appropriate room(s) and in observing all federal, state and local regulations regarding room capacity limitations and health, safety and fire codes. Hotel reserves the right to take all necessary actions to cause the event to be in compliance with all laws, rules and regulations, including (1) closing the Event, (2) requiring certain guests to leave the event, (3) restricting access to the event, (4) restricting the consumption of alcoholic beverages, and (5) monitoring the event. If the Hotel decides, in its discretion, to take any of the actions above, it shall do so without penalty and Group shall remain liable for all obligations under this Agreement.
- 6.11 RIGHT OF INSPECTION/ENTRY: Hotel will have the right to enter and inspect all functions. If Hotel observes any illegal activity or activity that may result in harm to persons or objects, Hotel has the right to immediately cancel the event, in which case all of Group's guests and invitees must immediately vacate the meeting room premises. In such event, Group will remain liable for all fees and charges related to the function pursuant to the terms of this Agreement.

SECTION SEVEN: ACCEPTANCE OF CONTRACT

If a signed original of this Agreement has not been received by the Hotel prior to Wednesday, January 5, 2014, Hotel shall have the right to contract with other parties for the use of the room block, meeting room and catering services without further notice to Group. In the event Hotel has a request for the rooms requested by Group prior to Wednesday, January 5, 2014, and Hotel has not received Group's signed Agreement, Hotel will contact the Group for a decision. In such event, if Hotel does not receive Group's signed Agreement within five (5) business days, Hotel will have the right to contract with another party without any further notice to Group.

IN WITNESS WHEREOF, Hotel and Group have executed this Agreement in manner and form sufficient to bind them as of the date and year set forth on page one of this Agreement:

Interstate Management Company, LLC,

DIRECTOR OF CATERING:

Page 5 of 6
Reviewed and Approved By:
Rancho Santiago Community College District

STARWOOD PREFERRED PLANNER POINTS

□ CLIENT ACCEPTED POINTS:

Starwood Preferred Planner points, awarded through the Starwood Preferred Guest Program is available to qualified meeting planners for business contracted through the sales and catering departments of participating Starwood Hotels and Resorts Worldwide, Inc. The client acknowledges that such points have been offered in connection with the rooms and services purchased under this Contract, and that client consents to the awarding of such points as set forth below. If the signatory of this Agreement is one of the individuals listed below, such signatory, by signing this Agreement, represents and warrants that he/she is authorized by client to accept such points. Once full payment is received by the Hotel for the rooms and services purchased under this Contract, points will be awarded according to the Starwood Preferred Planner Program Rules to the following person(s) and/or charitable organization(s) up to a maximum of three recipients:

Member Name or Charity Organization	Starwood Preferred Guest Membership Number

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

Adjusted Beg

Voided

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Register #	Fund Title	Amount	Checks	Adjusted Amount	Beg Check#	Ena Check#
58057	General Fund Unrestricted	3,378.49	0.00	3,378.49	92*0367359	92*0367368
58058	General Fund Unrestricted	7,882.79	0.00	7,882.79	92*0367369	92*0367373
58059	General Fund Unrestricted	1,791.61	0.00	1,791.61	92*0367376	92*0367380
58062	General Fund Unrestricted	3,287.62	0.00	3,287.62	92*0367390	92*0367397
58065	General Fund Unrestricted	541.88	0.00	541.88	92*0367414	92*0367414
58066	General Fund Unrestricted	11,615.00	0.00	11,615.00	92*0367415	92*0367415
58072	General Fund Unrestricted	2,132.32	0.00	2,132.32	92*0367442	92*0367447
58073	General Fund Unrestricted	10,577.14	0.00	10,577.14	92*0367449	92*0367454
58074	General Fund Unrestricted	1,424.74	0.00	1,424.74	92*0367456	92*0367460
58075	General Fund Unrestricted	2,043.70	0.00	2,043.70	92*0367465	92*0367466
58077	General Fund Unrestricted	3,858.07	0.00	3,858.07	92*0367474	92*0367480
58079	General Fund Unrestricted	1,191.74	0.00	1,191.74	92*0367484	92*0367490
58084	General Fund Unrestricted	6,494.00	0.00	6,494.00	92*0367498	92*0367506
58085	General Fund Unrestricted	68,452.07	0.00	68,452.07	92*0367507	92*0367581
58086	General Fund Unrestricted	91,275.13	0.00	91,275.13	92*0367582	92*0367681
58087	General Fund Unrestricted	93,103.00	0.00	93,103.00	92*0367682	92*0367781
58088	General Fund Unrestricted	99,392.00	0.00	99,392.00	92*0367782	92*0367881
58089	General Fund Unrestricted	108,433.50	0.00	108,433.50	92*0367882	92*0367981
58090	General Fund Unrestricted	107,505.81	0.00	107,505.81	92*0367982	92*0368081
58091	General Fund Unrestricted	107,601.98	0.00	107,601.98	92*0368082	92*0368181
58092	General Fund Unrestricted	100,479.40	0.00	100,479.40	92*0368182	92*0368281
58093	General Fund Unrestricted	110,381.31	0.00	110,381.31	92*0368282	92*0368381
58094	General Fund Unrestricted	112,407.00	0.00	112,407.00	92*0368382	92*0368481
58095	General Fund Unrestricted	108,296.00	0.00	108,296.00	92*0368482	92*0368581
58096	General Fund Unrestricted	102,701.77	0.00	102,701.77	92*0368582	92*0368681
58097	General Fund Unrestricted	92,954.60	0.00	92,954.60	92*0368682	92*0368763
58098	General Fund Unrestricted	152,369.62	0.00	152,369.62	92*0368764	92*0368863
58099	General Fund Unrestricted	57,490.00	0.00	57,490.00	92*0368864	92*0368904
58100	General Fund Unrestricted	14.07	0.00	14.07	92*0368906	92*0368913
58102	General Fund Unrestricted	2,100.00	0.00	2,100.00	92*0368920	92*0368920
58103	General Fund Unrestricted	12,115.93	0.00	12,115.93	92*0368923	92*0368923
58107	General Fund Unrestricted	94,746.00	0.00	94,746.00	92*0368940	92*0369039
58108	General Fund Unrestricted	96,658.00	0.00	96,658.00	92*0369040	92*0369139
58109	General Fund Unrestricted	91,636.00	0.00	91,636.00	92*0369140	92*0369239
58110	General Fund Unrestricted	97,762.89	0.00	97,762.89	92*0369240	92*0369339
58111	General Fund Unrestricted	112,695.00	0.00	112,695.00	92*0369340	92*0369439
58112	General Fund Unrestricted	115,813.75	0.00	115,813.75	92*0369440	92*0369539
58113	General Fund Unrestricted	119,468.10	0.00	119,468.10	92*0369540	92*0369639
58114	General Fund Unrestricted	117,502.02	0.00	117,502.02	92*0369640	92*0369739
58115	General Fund Unrestricted	111,324.29	0.00	111,324.29	92*0369740	92*0369839
58116	General Fund Unrestricted	132,533.40	0.00	132,533.40	92*0369840	92*0369939

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
58117	General Fund Unrestricted	110,577.06	0.00	110,577.06	92*0369940	92*0370039
58118	General Fund Unrestricted	123,524.00	0.00	123,524.00	92*0370040	92*0370139
58119	General Fund Unrestricted	123,528.00	0.00	123,528.00	92*0370140	92*0370239
58120	General Fund Unrestricted	119,095.00	0.00	119,095.00	92*0370240	92*0370339
58121	General Fund Unrestricted	121,359.26	0.00	121,359.26	92*0370340	92*0370439
58122	General Fund Unrestricted	132,785.00	0.00	132,785.00	92*0370440	92*0370539
58123	General Fund Unrestricted	121,572.00	0.00	121,572.00	92*0370540	92*0370639
58124	General Fund Unrestricted	118,712.38	0.00	118,712.38	92*0370640	92*0370739
58125	General Fund Unrestricted	129,874.00	0.00	129,874.00	92*0370740	92*0370839
58126	General Fund Unrestricted	119,702.94	0.00	119,702.94	92*0370840	92*0370939
58127	General Fund Unrestricted	108,679.00	0.00	108,679.00	92*0370940	92*0371039
58128	General Fund Unrestricted	142,572.00	0.00	142,572.00	92*0371040	92*0371139
58129	General Fund Unrestricted	123,041.97	0.00	123,041.97	92*0371140	92*0371239
58130	General Fund Unrestricted	133,106.00	0.00	133,106.00	92*0371240	92*0371339
58131	General Fund Unrestricted	117,977.60	0.00	117,977.60	92*0371340	92*0371439
58132	General Fund Unrestricted	115,345.00	0.00	115,345.00	92*0371440	92*0371539
58133	General Fund Unrestricted	123,209.06	0.00	123,209.06	92*0371540	92*0371639
58134	General Fund Unrestricted	106,440.56	0.00	106,440.56	92*0371640	92*0371739
58135	General Fund Unrestricted	64,271.39	0.00	64,271.39	92*0371740	92*0371839
58136	General Fund Unrestricted	66,364.00	0.00	66,364.00	92*0371840	92*0371939
58137	General Fund Unrestricted	17,700.34	0.00	17,700.34	92*0371940	92*0371967
58138	General Fund Unrestricted	2,759.46	0.00	2,759.46	92*0371969	92*0371973
58139	General Fund Unrestricted	614.60	0.00	614.60	92*0371980	92*0371980
58140	General Fund Unrestricted	1,591.76	0.00	1,591.76	92*0371981	92*0371987
58141	General Fund Unrestricted	240.64	0.00	240.64	92*0371991	92*0371993
58142	General Fund Unrestricted	1,628.30	0.00	1,628.30	92*0371995	92*0372000
58143	General Fund Unrestricted	1,676.00	0.00	1,676.00	92*0372002	92*0372002
58144	General Fund Unrestricted	24,233.00	0.00	24,233.00	92*0372008	92*0372011
58145	General Fund Unrestricted	147.31	0.00	147.31	92*0372015	92*0372015
58146	General Fund Unrestricted	3,870.00	0.00	3,870.00	92*0372026	92*0372026
58147	General Fund Unrestricted	5,801.00	0.00	5,801.00	92*0372027	92*0372033
58148	General Fund Unrestricted	435.25	0.00	435.25	92*0372041	92*0372041
58149	General Fund Unrestricted	204.52	0.00	204.52	92*0372045	92*0372051
58152	General Fund Unrestricted	198.50	0.00	198.50	92*0372058	92*0372067
58153	General Fund Unrestricted	141.48	0.00	141.48	92*0372068	92*0372077
58154	General Fund Unrestricted	3,248.60	0.00	3,248.60	92*0372078	92*0372085
58155	General Fund Unrestricted	1,966.44	0.00	1,966.44	92*0372086	92*0372092
58156	General Fund Unrestricted	2,481.11	0.00	2,481.11	92*0372093	92*0372098
58157	General Fund Unrestricted	1,062.63	0.00	1,062.63	92*0372099	92*0372103
58160	General Fund Unrestricted	4,360.47	0.00	4,360.47	92*0372120	92*0372125
58164	General Fund Unrestricted	75.84	0.00	75.84	92*0372139	92*0372139

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Register#	Fund Title	Amount	Checks	Adjusted Amount	Beg Check#	Ena Check#
58166	General Fund Unrestricted	4,245.09	0.00	4,245.09	92*0372146	92*0372147
58167	General Fund Unrestricted	344.00	0.00	344.00	92*0372148	92*0372148
58168	General Fund Unrestricted	10,768.14	0.00	10,768.14	92*0372153	92*0372178
58172	General Fund Unrestricted	184.00	0.00	184.00	92*0372209	92*0372209
58176	General Fund Unrestricted	264,273.00	0.00	264,273.00	92*0372239	92*0372338
58177	General Fund Unrestricted	95,362.00	0.00	95,362.00	92*0372339	92*0372376
58178	General Fund Unrestricted	155,523.00	0.00	155,523.00	92*0372377	92*0372465
58182	General Fund Unrestricted	4,246.98	0.00	4,246.98	92*0372494	92*0372501
58183	General Fund Unrestricted	1,741.84	0.00	1,741.84	92*0372502	92*0372508
58185	General Fund Unrestricted	4,291.54	0.00	4,291.54	92*0372515	92*0372520
58186	General Fund Unrestricted	3,292.65	0.00	3,292.65	92*0372523	92*0372525
58187	General Fund Unrestricted	6,676.21	0.00	6,676.21	92*0372530	92*0372533
58188	General Fund Unrestricted	13,743.64	0.00	13,743.64	92*0372536	92*0372536
58193	General Fund Unrestricted	4,935.55	0.00	4,935.55	92*0372556	92*0372557
58194	General Fund Unrestricted	2,495.81	0.00	2,495.81	92*0372558	92*0372566
58195	General Fund Unrestricted	657.12	0.00	657.12	92*0372569	92*0372571
58196	General Fund Unrestricted	115.77	0.00	115.77	92*0372575	92*0372579
58197	General Fund Unrestricted	4,941.43	0.00	4,941.43	92*0372584	92*0372584
58198	General Fund Unrestricted	1,742.97	0.00	1,742.97	92*0372585	92*0372588
58199	General Fund Unrestricted	600.00	0.00	600.00	92*0372598	92*0372598
58200	General Fund Unrestricted	14,988.00	0.00	14,988.00	92*0372601	92*0372603
58208	General Fund Unrestricted	3,233.37	0.00	3,233.37	92*0372637	92*0372642
58209	General Fund Unrestricted	3,681.66	0.00	3,681.66	92*0372643	92*0372646
58210	General Fund Unrestricted	3,822.53	0.00	3,822.53	92*0372648	92*0372657
58217	General Fund Unrestricted	670.86	0.00	670.86	92*0372697	92*0372700
58218	General Fund Unrestricted	77.14	0.00	77.14	92*0372707	92*0372708
58219	General Fund Unrestricted	15,546.81	0.00	15,546.81	92*0372710	92*0372715
58220	General Fund Unrestricted	53,854.61	0.00	53,854.61	92*0372716	92*0372719
58226	General Fund Unrestricted	136,754.78	0.00	136,754.78	92*0372734	92*0372807
58228	General Fund Unrestricted	5,741.10	0.00	5,741.10	92*0372817	92*0372822
58229	General Fund Unrestricted	11.48	0.00	11.48	92*0372829	92*0372829
58230	General Fund Unrestricted	199.68	0.00	199.68	92*0372832	92*0372835
58231	General Fund Unrestricted	2,660.24	0.00	2,660.24	92*0372837	92*0372842
58234	General Fund Unrestricted	3,867.69	0.00	3,867.69	92*0372852	92*0372858
58235	General Fund Unrestricted	675.66	0.00	675.66	92*0372860	92*0372860
58236	General Fund Unrestricted	2,964.30	0.00	2,964.30	92*0372866	92*0372867
58237	General Fund Unrestricted	3,823.05	0.00	3,823.05	92*0372869	92*0372875
58241	General Fund Unrestricted	786.78	0.00	786.78	92*0372888	92*0372889
58244	General Fund Unrestricted	699.32	0.00	699.32	92*0372907	92*0372909
58245	General Fund Unrestricted	13,557.57	0.00	13,557.57	92*0372914	92*0372920
58246	General Fund Unrestricted	2,086.87	0.00	2,086.87	92*0372921	92*0372926

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Register #	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check#
58247	General Fund Unrestricted	1,846.80	0.00	1,846.80	92*0372931	92*0372931
58249	General Fund Unrestricted	27,396.00	0.00	27,396.00	92*0372937	92*0372937
58252	General Fund Unrestricted	3,017.53	0.00	3,017.53	92*0372943	92*0372951
58253	General Fund Unrestricted	2,542.00	0.00	2,542.00	92*0372952	92*0372958
58254	General Fund Unrestricted	330.50	0.00	330.50	92*0372960	92*0372962
58255	General Fund Unrestricted	779.00	0.00	779.00	92*0372965	92*0372971
58256	General Fund Unrestricted	362.49	0.00	362.49	92*0372973	92*0372973
58257	General Fund Unrestricted	10,381.95	0.00	10,381.95	92*0372977	92*0372982
58258	General Fund Unrestricted	13,670.00	0.00	13,670.00	92*0372984	92*0372985
Total Fund 1	1 General Fund Unrestricted	\$5,979,815.72	\$0.00	\$5,979,815.72		

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Voided EndAdjusted Beg Register# Fund Title Amount Checks Amount Check # Check # General Fund Restricted 58058 2,867.74 92*0367374 92*0367375 0.00 2,867.74 58059 General Fund Restricted 0.00109.94 109.94 92*0367381 92*0367383 General Fund Restricted 0.00 58060 5,427.25 5,427.25 92*0367384 92*0367387 58061 General Fund Restricted 75.58 0.00 75.58 92*0367388 92*0367388 General Fund Restricted 0.00 58063 2,817.19 2,817.19 92*0367398 92*0367401 General Fund Restricted 0.00 58065 2,189.92 2,189.92 92*0367408 92*0367413 58071 General Fund Restricted 0.00 92*0367428 5,201.28 5,201.28 92*0367441 General Fund Restricted 0.00 58072 15.00 15.00 92*0367448 92*0367448 58073 General Fund Restricted 2,490.00 0.00 2,490.00 92*0367455 92*0367455 58075 General Fund Restricted 11,458.63 0.00 11,458.63 92*0367461 92*0367464 General Fund Restricted 0.00 58076 3,101.28 3,101.28 92*0367467 92*0367473 58079 General Fund Restricted 0.0092*0367483 494.87 494.87 92*0367488 58100 General Fund Restricted 464.88 0.00464.88 92*0368905 92*0368912 58102 General Fund Restricted 0.00 451.08 92*0368918 92*0368921 451.08 General Fund Restricted 0.00 58103 19,233.00 19,233.00 92*0368922 92*0368922 58106 General Fund Restricted 1,968.44 0.00 1,968.44 92*0368935 92*0368939 0.00 58138 General Fund Restricted 4,091.46 4,091.46 92*0371968 92*0371972 General Fund Restricted 0.00 58139 2,371.76 2,371.76 92*0371974 92*0371979 58141 General Fund Restricted 2,570.43 0.002,570.43 92*0371988 92*0371992 58143 General Fund Restricted 6,100.19 0.00 6,100.19 92*0372001 92*0372006 General Fund Restricted 0.00 58145 2,645.62 92*0372012 92*0372019 2,645.62 58146 General Fund Restricted 26,646.91 0.0026,646.91 92*0372020 92*0372025 General Fund Restricted 0.0058148 2,842.10 2,842.10 92*0372034 92*0372043 58149 General Fund Restricted 0.00 92*0372044 92*0372047 279.91 279.91 General Fund Restricted 0.00 58159 937.15 937.15 92*0372112 92*0372119 92*0372133 58164 General Fund Restricted 240.39 0.00 240.39 92*0372140 0.00 58166 General Fund Restricted 8,178.09 8,178.09 92*0372144 92*0372145 58167 General Fund Restricted 595.54 0.00595.54 92*0372149 92*0372152 58169 General Fund Restricted 500.00 0.00500.00 92*0372179 92*0372188 58170 General Fund Restricted 500.00 0.00 500.00 92*0372189 92*0372198 General Fund Restricted 0.00 92*0372199 92*0372208 58171 500.00 500.00 58172 General Fund Restricted 650.00 0.00650.00 92*0372210 92*0372222 General Fund Restricted 0.0058179 3,200.00 3,200.00 92*0372466 92*0372473 58180 General Fund Restricted 1,600.00 0.001,600.00 92*0372474 92*0372483 General Fund Restricted 0.00 58181 1,600.00 1,600.00 92*0372484 92*0372493 58184 General Fund Restricted 1,785.79 0.00 1,785.79 92*0372509 92*0372514 0.00 58186 General Fund Restricted 823.58 823.58 92*0372521 92*0372522 58187 General Fund Restricted 5,171.06 0.005,171.06 92*0372528 92*0372529 58188 General Fund Restricted 29,683.56 0.0029,683.56 92*0372534 92*0372537 58195 General Fund Restricted 1,616.45 0.00 1,616.45 92*0372567 92*0372574 58196 General Fund Restricted 0.00 92*0372578 332.23 332.23 92*0372576

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			Voided	Adjusted	Beg	End
Register #	Fund Title	Amount	Checks	Amount	Check #	Check #
58197	General Fund Restricted	8,705.54	0.00	8,705.54	92*0372580	92*0372583
58198	General Fund Restricted	1,209.36	0.00	1,209.36	92*0372589	92*0372592
58199	General Fund Restricted	3,645.00	0.00	3,645.00	92*0372593	92*0372599
58206	General Fund Restricted	1,755.00	0.00	1,755.00	92*0372628	92*0372628
58207	General Fund Restricted	3,938.19	0.00	3,938.19	92*0372630	92*0372636
58209	General Fund Restricted	1,090.00	0.00	1,090.00	92*0372647	92*0372647
58215	General Fund Restricted	2,662.81	0.00	2,662.81	92*0372676	92*0372686
58216	General Fund Restricted	366.30	0.00	366.30	92*0372687	92*0372696
58217	General Fund Restricted	1,579.60	0.00	1,579.60	92*0372698	92*0372702
58218	General Fund Restricted	400.00	0.00	400.00	92*0372704	92*0372706
58219	General Fund Restricted	8,172.34	0.00	8,172.34	92*0372713	92*0372714
58220	General Fund Restricted	11,155.00	0.00	11,155.00	92*0372718	92*0372718
58225	General Fund Restricted	257.73	0.00	257.73	92*0372733	92*0372733
58227	General Fund Restricted	1,648.31	0.00	1,648.31	92*0372808	92*0372816
58228	General Fund Restricted	5,601.20	0.00	5,601.20	92*0372819	92*0372823
58229	General Fund Restricted	1,952.01	0.00	1,952.01	92*0372824	92*0372831
58233	General Fund Restricted	1,522.09	0.00	1,522.09	92*0372846	92*0372851
58235	General Fund Restricted	1,602.77	0.00	1,602.77	92*0372859	92*0372864
58236	General Fund Restricted	1,243.56	0.00	1,243.56	92*0372865	92*0372868
58241	General Fund Restricted	1,620.98	0.00	1,620.98	92*0372890	92*0372891
58242	General Fund Restricted	1,405.06	0.00	1,405.06	92*0372892	92*0372897
58243	General Fund Restricted	1,460.55	0.00	1,460.55	92*0372898	92*0372905
58244	General Fund Restricted	1,421.84	0.00	1,421.84	92*0372906	92*0372912
58245	General Fund Restricted	1,791.60	0.00	1,791.60	92*0372913	92*0372913
58246	General Fund Restricted	678.00	0.00	678.00	92*0372922	92*0372922
58247	General Fund Restricted	6,377.34	0.00	6,377.34	92*0372927	92*0372930
58248	General Fund Restricted	1,438.60	0.00	1,438.60	92*0372933	92*0372936
58249	General Fund Restricted	16,650.00	0.00	16,650.00	92*0372938	92*0372938
58254	General Fund Restricted	1,145.61	0.00	1,145.61	92*0372959	92*0372964
58255	General Fund Restricted	457.42	0.00	457.42	92*0372967	92*0372969
58256	General Fund Restricted	3,818.84	0.00	3,818.84	92*0372972	92*0372976
58257	General Fund Restricted	3,251.00	0.00	3,251.00	92*0372979	92*0372979
58258	General Fund Restricted	4,959.00	0.00	4,959.00	92*0372986	92*0372986
58259	General Fund Restricted	1,690.86	0.00	1,690.86	92*0372987	92*0372990
Total Fund 12	2 General Fund Restricted	\$270,501.81	\$0.00	\$270,501.81		

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			Voided	Adjusted	Beg	End
Register #	Fund Title	Amount	Checks	Amount	Check #	Check #
58061	GF Unrestricted One-Time Func	15,972.14	0.00	15,972.14	92*0367389	92*0367389
58064	GF Unrestricted One-Time Func	13,349.66	0.00	13,349.66	92*0367402	92*0367407
58078	GF Unrestricted One-Time Func	126,492.27	0.00	126,492.27	92*0367481	92*0367482
58101	GF Unrestricted One-Time Func	30,862.14	0.00	30,862.14	92*0368914	92*0368917
58142	GF Unrestricted One-Time Func	162.47	0.00	162.47	92*0371994	92*0371994
58144	GF Unrestricted One-Time Func	26,524.80	0.00	26,524.80	92*0372007	92*0372010
58158	GF Unrestricted One-Time Func	81,819.76	0.00	81,819.76	92*0372104	92*0372111
58165	GF Unrestricted One-Time Func	155,786.81	0.00	155,786.81	92*0372141	92*0372143
58186	GF Unrestricted One-Time Func	3,962.02	0.00	3,962.02	92*0372526	92*0372527
58188	GF Unrestricted One-Time Func	24,525.80	0.00	24,525.80	92*0372535	92*0372535
58189	GF Unrestricted One-Time Func	27,422.95	0.00	27,422.95	92*0372538	92*0372542
58200	GF Unrestricted One-Time Func	12,645.00	0.00	12,645.00	92*0372600	92*0372600
58205	GF Unrestricted One-Time Func	54,573.35	0.00	54,573.35	92*0372623	92*0372627
58206	GF Unrestricted One-Time Func	14,491.48	0.00	14,491.48	92*0372629	92*0372629
58209	GF Unrestricted One-Time Func	7,280.00	0.00	7,280.00	92*0372644	92*0372645
58218	GF Unrestricted One-Time Func	1,239.70	0.00	1,239.70	92*0372703	92*0372709
58230	GF Unrestricted One-Time Func	476.45	0.00	476.45	92*0372833	92*0372836
58232	GF Unrestricted One-Time Func	50,500.00	0.00	50,500.00	92*0372843	92*0372845
58247	GF Unrestricted One-Time Func	2,960.00	0.00	2,960.00	92*0372932	92*0372932
58253	GF Unrestricted One-Time Func	528.68	0.00	528.68	92*0372953	92*0372953
58258	GF Unrestricted One-Time Func	5,330.00	0.00	5,330.00	92*0372983	92*0372983
Total Fund 13	GF Unrestricted One-Time	\$656,905.48	\$0.00	\$656,905.48		

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

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Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check#
58067	Child Development Fund	646.11	0.00	646.11	92*0367416	92*0367419
58080	Child Development Fund	892.54	0.00	892.54	92*0367491	92*0367493
58104	Child Development Fund	5,766.73	0.00	5,766.73	92*0368924	92*0368931
58150	Child Development Fund	3,414.59	0.00	3,414.59	92*0372052	92*0372056
58173	Child Development Fund	6,989.78	0.00	6,989.78	92*0372223	92*0372227
58174	Child Development Fund	2,825.23	0.00	2,825.23	92*0372228	92*0372234
58190	Child Development Fund	2,160.50	0.00	2,160.50	92*0372543	92*0372548
58201	Child Development Fund	4,773.05	0.00	4,773.05	92*0372604	92*0372611
58202	Child Development Fund	1,603.86	0.00	1,603.86	92*0372612	92*0372617
58211	Child Development Fund	11,624.10	0.00	11,624.10	92*0372658	92*0372661
58238	Child Development Fund	3,755.04	0.00	3,755.04	92*0372876	92*0372880
58250	Child Development Fund	548.81	0.00	548.81	92*0372939	92*0372939
58260	Child Development Fund	3,250.08	0.00	3,250.08	92*0372991	92*0372997
Total Fund 33	3 Child Development Fund	\$48,250.42	\$0.00	\$48,250.42		

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

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Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
58070	Capital Outlay Projects Fund	752.82	0.00	752.82	92*0367427	92*0367427
58081	Capital Outlay Projects Fund	461,673.12	0.00	461,673.12	92*0367494	92*0367494
58082	Capital Outlay Projects Fund	15,488.83	0.00	15,488.83	92*0367495	92*0367496
58105	Capital Outlay Projects Fund	241,291.00	0.00	241,291.00	92*0368932	92*0368934
58161	Capital Outlay Projects Fund	45,243.92	0.00	45,243.92	92*0372126	92*0372130
58162	Capital Outlay Projects Fund	146,062.07	0.00	146,062.07	92*0372131	92*0372131
58175	Capital Outlay Projects Fund	38,202.70	0.00	38,202.70	92*0372235	92*0372238
58192	Capital Outlay Projects Fund	15,912.10	0.00	15,912.10	92*0372555	92*0372555
58204	Capital Outlay Projects Fund	11,556.95	0.00	11,556.95	92*0372620	92*0372622
58223	Capital Outlay Projects Fund	24,271.59	0.00	24,271.59	92*0372729	92*0372729
58224	Capital Outlay Projects Fund	50,888.38	0.00	50,888.38	92*0372730	92*0372732
58240	Capital Outlay Projects Fund	8,975.92	0.00	8,975.92	92*0372883	92*0372887
58263	Capital Outlay Projects Fund	4,342.00	0.00	4,342.00	92*0373001	92*0373002
Total Fund 41	Capital Outlay Projects Fu	\$1,064,661.40	\$0.00	\$1,064,661.40		

Board Meeting of 12/09/13 Check Registers Submitted for Approval Page: 10 Checks Written for Period 11/02/13 Thru 11/25/13

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			Voided	Adjusted	Beg	End
Register #	Fund Title	Amount	Checks	Amount	Check #	Check #
58068	Bond Fund, Measure E	6,101.76	0.00	6,101.76	92*0367420	92*0367423
58069	Bond Fund, Measure E	97,063.06	0.00	97,063.06	92*0367424	92*0367426
58151	Bond Fund, Measure E	3,500.00	0.00	3,500.00	92*0372057	92*0372057
58191	Bond Fund, Measure E	84,669.10	0.00	84,669.10	92*0372549	92*0372554
58203	Bond Fund, Measure E	16,530.00	0.00	16,530.00	92*0372618	92*0372619
58212	Bond Fund, Measure E	174,418.41	0.00	174,418.41	92*0372662	92*0372665
58213	Bond Fund, Measure E	213,932.06	0.00	213,932.06	92*0372666	92*0372668
58214	Bond Fund, Measure E	33,607.09	0.00	33,607.09	92*0372669	92*0372675
58221	Bond Fund, Measure E	39,393.74	0.00	39,393.74	92*0372720	92*0372723
58222	Bond Fund, Measure E	211,558.70	0.00	211,558.70	92*0372724	92*0372728
58239	Bond Fund, Measure E	45,707.90	0.00	45,707.90	92*0372881	92*0372882
58251	Bond Fund, Measure E	76,864.78	0.00	76,864.78	92*0372940	92*0372942
58261	Bond Fund, Measure E	26,156.70	0.00	26,156.70	92*0372998	92*0372999
58262	Bond Fund, Measure E	181,174.24	0.00	181,174.24	92*0373000	92*0373000
Total Fund 4	2 Bond Fund, Measure E	\$1,210,677.54	\$0.00	\$1,210,677.54		

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

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Register #	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
58083	Property and Liability Fund	1,566.90	0.00	1,566.90	92*0367497	92*0367497
58163	Property and Liability Fund	1,278.94	0.00	1,278.94	92*0372132	92*0372132
Total Fund 6	Property and Liability Fund	\$2,845.84	\$0.00	\$2,845.84		

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

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58264	Student Financial Aid Fund	190.49	0.00	190.49	92*0373003	92*0373003
Total Fund 74	4 Student Financial Aid Fund	\$190.49	\$0.00	\$190.49		

Board Meeting of 12/09/13 Check Registers Submitted for Approval Checks Written for Period 11/02/13 Thru 11/25/13

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SUMMARY

Total Fund 11 General Fund Unrestricted	5,979,815.72
Total Fund 12 General Fund Restricted	270,501.81
Total Fund 13 GF Unrestricted One-Time Fund	656,905.48
Total Fund 33 Child Development Fund	48,250.42
Total Fund 41 Capital Outlay Projects Fund	1,064,661.40
Total Fund 42 Bond Fund, Measure E	1,210,677.54
Total Fund 61 Property and Liability Fund	2,845.84
Total Fund 74 Student Financial Aid Fund	190.49
Grand Total:	\$9,233,848.70

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

Check Registers Submitted for Approval

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Checks Written for Period 11/01/13 Thru 11/22/13

Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #	
311311316	Bookstore Fund	59,027.99	0.00	59,027.99	31*0103818	31*0103844	
311311422	Bookstore Fund	39,304.31	0.00	39,304.31	31*0103845	31*0103874	
Total Fund 31 F	Bookstore Fund	\$98,332.30	\$0.00	\$98,332.30			

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

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Check Registers Submitted for Approval

Checks Written for Period 11/01/13 Thru 11/22/13

Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
711311422	Associated Students Fund	4,391.81	1,296.46	3,095.35	71*0006990	71*0007013
Total Fund 71	Associated Students Fund	\$4,391.81	\$1,296.46	\$3,095.35		

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

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Check Registers Submitted for Approval

Checks Written for Period 11/01/13 Thru 11/22/13

Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
721311422	Representation Fee Trust Fund	12.166.20	6.083.10	6.083.10	72*0000004	72*0000005
	1				72 0000001	72 0000000
Total Fund 72 I	Representation Fee Trust Fun	\$12,166.20	\$6,083.10	\$6,083.10		

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

Check Registers Submitted for Approval

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Checks Written for Period 11/01/13 Thru 11/22/13

Voided Adjusted Beg EndCheck # Check # Register# Fund Title Amount ChecksAmount 761311422 Community Education Fund 4,750.27 0.004,750.27 76*0006397 76*0006400 Total Fund 76 Community Education Fund \$4,750.27 \$0.00 \$4,750.27

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

Check Registers Submitted for Approval

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Checks Written for Period 11/01/13 Thru 11/22/13

Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
791311209	Diversified Trust Fund	8,548.37	140.00	8,408.37	79*0017966	79*0018006
791311316	Diversified Trust Fund	19,949.58	0.00	19,949.58	79*0018007	79*0018016
791311422	Diversified Trust Fund	16,081.66	7,763.74	8,317.92	79*0018017	79*0018096
Total Fund 79 I	Diversified Trust Fund	\$44,579.61	\$7,903.74	\$36,675.87		

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

Check Registers Submitted for Approval

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Checks Written for Period 11/01/13 Thru 11/22/13

Register#	Fund Title	Amount	Voided Checks	Adjusted Amount	Beg Check #	End Check #
811311209	Diversified Agency Fund	41,538.06	0.00	41,538.06	81*0043855	81*0043904
811311316	Diversified Agency Fund	3,286.33	210.15	3,076.18	81*0043905	81*0043909
811311422	Diversified Agency Fund	7,697.69	0.00	7,697.69	81*0043910	81*0043932
Total Fund 81	Diversified Agency Fund	\$52,522.08	\$210.15	\$52,311.93		

Bank Code: 31, 71, 72, 76, 79, 81

Board Meeting of 12/09/13

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Check Registers Submitted for Approval

Checks Written for Period 11/01/13 Thru 11/22/13

SUMMARY

Total Fund 31 Bookstore Fund	98,332.30
Total Fund 71 Associated Students Fund	3,095.35
Total Fund 72 Representation Fee Trust Fund	6,083.10
Total Fund 76 Community Education Fund	4,750.27
Total Fund 79 Diversified Trust Fund	36,675.87
Total Fund 81 Diversified Agency Fund	52,311.93
Grand Total:	\$201,248.82
-	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

DISTRICT OFFICE - BUSINESS OPERATIONS/FISCAL SERVICES

То:	Board of Trustees	Date: December 9, 2013
Re:	Receive and Accept the District Audit Report for the Fiscal June 30, 2013	Year ended
Action:	Request to Receive and Accept	

BACKGROUND

Pursuant to Education Code Section 84040(b) and OMB Circular A-133, the governing board of each community college district shall provide for an annual audit of all funds, books, and accounts of the district. The District contracted with Vavrinek, Trine, Day & Co., LLP to provide the independent auditing services required.

The Financial Section of the District audit report is broken down into five major categories as follows: (1) the Independent Auditors' Report; (2) Management's Discussion and Analysis; (3) Basic Financial Statements; (4) Discretely Presented Component Units; and (5) Notes to the Financial Statements.

The report also includes: (1) Required Supplementary Information; (2) Other Supplementary Information; (3) Other Independent Auditors' Reports; and (4) and Schedule of Findings and Questioned Costs.

Also included are the audits of the Measure E General Obligation Bonds Financial and Performance audits, the Rancho Santiago Community College District Foundation, the Santa Ana College Foundation, and the Santiago Canyon College Foundation.

ANALYSIS

The auditors will present the results of the District's audits at the meeting. All of these reports were presented in draft form and discussed at the Board Fiscal Audit Review Committee meeting on November 18, 2013.

RECOMMENDATION

It is recommended that the Board of Trustees receive and accept the Rancho Santiago Community College District Audit Reports for the fiscal year ended June 30, 2013 as presented.

Fiscal Impact: Not Applicable Board Date: December 9, 201				
Prepared by: Adam M. O'Connor, Assistant Vice Chancellor, Fiscal Services				
Submitted by: Peter J. Hardash, Vice Chancellor, Business Operations/Fiscal Services				
Recommended by: Raúl Rodríguez, Ph.D., Chancellor				

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

DISTRICT OFFICE - BUSINESS OPERATIONS/FISCAL SERVICES

To:	Board of Trustees	Date: December 9, 2013
Re:	Ratification of Award for Informal Bid #1215 District Office Pump Replacement	ee Domestic Water
Action:	Request for Approval	

BACKGROUND:

There are currently two existing water pumps in the main District Office Building. The current water pumps are at the end of life and one pump has failed. It is urgent that these water pumps be replaced to maintain adequate water pressure in the building for restrooms and the functioning of mechanical equipment (i.e. HVAC). The water pumps assist to provide the proper water pressure for domestic water in the upper floors of the building. The scope of work includes replacing the two water pumps, the work controls, copper piping within the pump room and shut off valves.

ANALYSIS:

In accordance with the Uniform Public Construction Cost Accounting Act, Bid #1215 District Office Water Pump Replacement was appropriately advertised and a Notice Calling for Informal Bids was sent to the qualified contractors list (approximately 20 contractors).

Bids were opened on November 4, 2013 for the District Office Water Pump Replacement as noted on the attached Bid Results form. De La Torre Commercial Interiors, Inc. submitted the only bid for the amount of \$69,930. The District did inquire with other bidders as to why they were non-responsive and none of the reasons were related to the scope of work or bid. After review of the project bid received, given it was within the target budget, and due to the critical urgency of the project, as well as long lead times for equipment purchase, staff recommends moving forward with award. District has performed due diligence from the references provided and found no discrepancies.

This project is funded by Capital Outlay

RECOMMENDATION:

It is recommended that the Board ratify the award of Bid #1215 to De La Torre Commercial Interiors, Inc. as noted above and in compliance to Board Policy 3311 as presented.

Fiscal Impact:	\$69,930	Board Date: December 9, 2013	
Prepared by: Carri Matsumoto, Assistant Vice Chancellor, Facility Planning & District Construction and Support Services			
Submitted by: Peter J. Hardash, Vice Chancellor, Business Operations/Fiscal Services			
Recommended by:	Raúl Rodríguez, Ph.D., Chancellor	5.3 (1)	

Santa Ana, CA 92/05-1640	BID RESULTS	SULTS	
BID # 1215 BIDDER	PROJECT: DISTRICT OFFICE- WATER PUMP REPLACEMENT BASE BID AMOUNT BASE BID AMOUNT	ER PUMP REPLACEMENT BIDDER	DUE DATE: NOVEMBER 4, 20 BASE BID AMOUNT
De La Torre Commercial Interiors, Inc. 134 W. Lincoln Ave. Orange, CA 92865	\$ 69,930.00		

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT DISTRICT OFFICE - BUSINESS OPERATIONS/FISCAL SERVICES

To:	Board of Trustees	Date:	December 9, 2013	
Re:	Approval of Amendment to Agreement with HMC Architects			
Action:	Request for Approval			

BACKGROUND:

HMC Architects has an existing master architectural agreement with the District to cover master planning services and other District wide services on an as needed basis.

ANALYSIS:

HMC Architects has been undertaking master architect consulting services with the District over the last year. Such work includes updates to the college Facility Master Plans and annual updates to the Five-Year Capital Facilities Plan, Initial Project Proposals and Final Project Proposals. The State Chancellor's Office recently changed a submittal date for revised drawings associated with 2013-2014 Final Project Proposals. The deadline has been moved from February to January 2014. In order to meet the new requirements and deadline, the District needs assistance to revise the original submittals. This amendment is to cover the added work anticipated to address the updates. This is an hourly not to exceed fee of \$14,000 plus \$1,000 for reimbursable expenses.

This project is funded by Capital Outlay Funds

RECOMMENDATION:

It is recommended that the Board of Trustees approve the Amendment to Agreement with HMC Architects to add additional fees for master architect consulting services as presented.

Fiscal Impact:	\$14,000 + \$1,000 reimbursables	Board Date: December 9, 2013
Prepared by:	Carri Matsumoto, Assistant Vice Chancel Construction and Support Services	lor, Facility Planning & District
Submitted by:	Peter J. Hardash, Vice Chancellor, Busine	ess Operations/Fiscal Services
Recommended by:	Raúl Rodríguez, Ph.D., Chancellor	

Board Agreement Summary

Board Date: 12/9/13

Project: Master Plan Site: District	Wide
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Consultant: **HMC Architects**

Type of Service: Master Architect Consulting Services

					Du	ration
Agreement Summary	No.	Amount	Reir	mbursables	Start	End
Original Contract Amoun	t	\$ 220,000.00	\$	-	7/1/2013	6/30/2013
Amendment	1	\$ 35,075.00	\$			
Amendment	2	\$ -	\$	-	7/1/2013	6/30/2014
Amendment	3	\$ 14,000.00	\$	1,000.00	-	
Total Agreement Amount		\$ 269,075.00 (Not to exceed)				

DESCRIPTION:

Additional Final Project Plan Updates requested by the State for 2013-2014 and associated tasks for Master Plan updates. This is an hourly fee not to exceed.

Total Proposed Amount:	\$ 15,000.00
Contract End Date:	6/30/2014

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT DISTRICT OFFICE - BUSINESS OPERATIONS/FISCAL SERVICES

To:	Board of Trustees	Date: December 9, 2013		
Re:	Approval of Temporary Lease of the Parking Lot at Orange Education Center			
Action:	Request for Approval			

BACKGROUND:

District is proposing the temporary month to month lease of fifty parking spaces on the northwest parking lot of the Orange Education Center property located at 1465 N. Batavia St. Orange, CA.

ANALYSIS:

The District is interested in temporarily leasing out fifty parking spaces on the northwest parking lot of the Orange Education Center property to PAR Electrical Contractors, Inc. This agreement is short term and will generate additional revenue. The additional revenue would be utilized towards a potential shuttle service for students.

The agreement will be for a temporary month to month lease at \$3,000 monthly. The estimate of lease cost was based on \$3.00 per stall for 20 working days.

RECOMMENDATION:

It is recommended that the Board of Trustees approve the contract with PAR Electrical Contractors, Inc. for the Temporary Lease of the Parking Lot at Orange Education Center as presented.

Fiscal Impact:	NA Board Date: December 9, 2013
Prepared by:	Carri Matsumoto, Assistant Vice Chancellor, Facility Planning & District Construction and Support Services
Submitted by:	Peter J. Hardash, Vice Chancellor, Business Operations/Fiscal Services
Recommended by:	Raúl Rodríguez, Ph.D., Chancellor

Board Agreement Summary

Board Date: 12/9/13

Project: Orange Education Center Parking Lot Lease Site: OE			Site: OEC	
Consultant: PAR Electrical Contractors, Inc.				
Type of Service: Temporary Lease of Parking Lot				
Duration				
Agreement Summary No.		Amount	Start	End
Original Contract Amount	\$	3,000.00	12/10/2013	
Total Agreement Amount (Monthly)	\$ (No	3,000.00 <i>t to exceed)</i>		
DESCRIPTION:				
Temporary month to month lease of fifty parking spaces on the northwest parking lot of Orange Education Center property.				
Total Proposed Month to Month Amount: \$ 3,000.00				
Contract End Date: Month to month			Month to month	

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

DISTRICT OFFICE - BUSINESS OPERATIONS/FISCAL SERVICES

To:	Board of Trustees	Date: December 9, 2013
Re:	Adoption of Resolution No. 13-43 – Resolution for the App Qualifications and Proposals for Lease/Leaseback Services Upgrade and Restroom Addition, Parking Lot #11 Expansion Temporary Village Projects at Santa Ana College	for Tessman Planetarium
Action:	Request for Adoption	

BACKGROUND:

Education Code section 81335 the "lease/leaseback provision", permits a district's governing board to lease real property for the purpose of constructing buildings for district use. This delivery method is recognized by the state legislature as a proven method to deliver education facilities on time, on budget and with a reduced level of public agency risk associated with design issues, delays and cost overruns. The lease/leaseback delivery method will be structured to include a competitive proposal process along with a "Request for Qualifications" and "Request for Proposal" for services.

ANALYSIS:

Resolution No. 13-43 will authorize District staff to issue a Request for Qualifications and Proposals seeking proposals from qualified contractors to participate in Lease/Leaseback services for a combined project at Santa Ana College which includes: Tessman Planetarium Upgrade and Restroom Addition, Parking Lot #11 Expansion and Improvements, and Temporary Village. The resolutions and agreements have been reviewed and approved by both Hugh Lee and John Dacey.

This project is funded by Measure E.

RECOMMENDATION:

It is recommended that the Board of Trustees adopt Resolution No. 13-43, authorizing staff to issue a Request for Qualifications and Proposals seeking proposals from qualified contractors to construct a project pursuant to Education Code Section 81335 and to enter into a Site Lease, Facilities Sub-Lease, and Related Construction Agreements regarding one project which includes: Tessman Planetarium Upgrade and Restroom Addition, Parking Lot #11 Expansion, and Temporary Village Projects at Santa Ana College as presented.

Fiscal Impact:	To Be Determined	Board Date: December 9, 2013
Prepared by:	Carri Matsumoto, Assistant Vice Chancel District Construction and Support Service	, ,
Submitted by:	Peter J. Hardash, Vice Chancellor, Busine	ess Operations/Fiscal Services
Recommended by:	Raúl Rodríguez, Ph.D., Chancellor	

BEFORE THE GOVERNING BOARD OF THE RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

RESOLUTION FOR APPROVAL OF DISTRICT AUTHORIZING REQUEST FOR QUALIFICATIONS AND PROPOSALS SEEKING PROPOSALS FROM QUALIFIED CONTRACTORS FOR LEASE LEASEBACK SERVICES FOR ONE PROJECT WHICH INCLUDES: TESSMAN PLANETARIUM UPGRADE AND RESTROOM ADDITION, PARKING LOT #11 EXPANSION, TEMPORARY VILLAGE PROJECTS AT SANTA ANA COLLEGE

RESOLUTION NO.	13-43	
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Resolution No. 13-43 of the Board of Trustees of the Rancho Santiago Community College District Authorizing Staff to issue a Request for Qualifications and Proposals seeking Proposals from Qualified Contractors to Construct a Project pursuant to Education Code section 81335 and to enter into a Site Lease, Facilities Sub-Lease, and Related Construction Agreements Regarding one project which includes: Tessman Planetarium Upgrade and Restroom Addition, Parking Lot #11 Expansion, Temporary Village (the "Project");

WHEREAS, the Board of Trustees of the Rancho Santiago Community College District ("District") currently owns, previously acquired, and/or has held for some time in a manner required by law, a fee simple interest the real property and improvements thereon commonly referred to as Santa Ana College 1530 W. 17th Street, Santa Ana, CA 92706 ("Site"), and intends to construct on a portion of said Site a public work of improvement commonly referred to as one project which includes: Tessman Planetarium Upgrade and Restroom Addition, Parking Lot #11 Expansion, Temporary Village which occupies a portion of said Site;

WHEREAS, a portion of the Site is in need of having interior upgrades to the Planetarium, additional restrooms, reconfiguration and new parking lots, additional lighting and landscaping, underground stormwater collection and retention basins along with new pedestrian walkways, new fire access roads and additional classroom buildings;

WHEREAS, Education Code Section 81330 *et seq*. authorizes the governing board of a community college district to let to any person, firm or corporation any real property belonging to the district if the instrument by which such property is let requires the lessee to construct on the demised premises, a building or buildings for use of the district during the term thereof, and provides that title to the building shall vest in the District at the expiration of that term;

WHEREAS, the District's Board has adopted and approved plans and specifications and secured all necessary governmental approvals, including the Division of State Architect's preliminary approval, for the construction of the Project and therefore met the requirements of Education Code section 81332 which requires the Project's plans and specifications to be adopted prior to entering into agreements;

WHEREAS, the District has determined, with the input of District consultants and outside legal counsel that: (1) the District has available funds on hand that have been designated from local bond funds to construct the Project and make the lease payments describe in the Facilities Sub-Lease for such improvements; (2) awarding a contract for construction of the Project is

authorized by Education Code section 81335; (3) that using the authority provided for in Education Code section 81335 which allows the District to cause the construction of the Project

through lease and sub-lease of the Site, is in the best interest of the District because it is most likely to result in the most qualified contractor being hired for the specific project in question at the best price due to the flexibility in selecting a contractor provided for under Education Code section 81335; (4) proceeding as proposed is in the best interests of the District and the citizens residing within the District; and (5) the entering into the Site Lease, Facilities Sub-Lease, and related agreements will not affect an increase in the applicable maximum tax rate of the District;

WHEREAS, the District intends to enter into a Site Lease, Facilities Sub-Lease, and other related agreements with a general contractor, licensed and in good standing with the state of California, to construct the public work of improvement on a portion of the Site and, if applicable, the facilities currently located thereon, pursuant to the District's authority under Education Code section 81335, samples of which are attached hereto as Exhibit "A" and/or otherwise have been previously provided to the Board;

WHEREAS, the District intends to enter into a Site Lease for a minimum rental amount not less than One Dollar (\$1) per year and for a period of time not to exceed eight months from date of Notice to Proceed;

WHEREAS, the District intends to enter into a Facilities Sub-Lease and other agreements with a general contractor, licensed and in good standing with the state of California, regarding the Site and the facilities currently located thereon so that the general contractor, during the term of the Leases, shall have the obligation to construct on a portion of the Site a public work of improvement as described in the Construction Services Agreement attached in Exhibit "A" to the Facilities Sub-Lease, with the result being that full and clear fee simple title to the Site and all improvements thereon shall vest immediately in the District without any further action at the expiration of the terms of the Leases, or sooner as may be provided in the Lease Agreements;

WHEREAS, the form of agreements entitled "Site Lease Agreement", "Facilities Sub-Lease Agreement", and "Construction Services Agreement", attached hereto as Exhibit A, each presented to the Board and each to be entered into by and between the District and the selected Builder which together provide generally for (i) the lease by the District of the Site to Builder, (ii) the sublease of the Site and the lease of the Project by Builder to the District, and (iii) the payment of certain lease payments by the District under the Sublease in an amount equal to the aggregate construction costs for the Project as set forth in the Construction Services Agreement ("Lease Payments"), are approved subject to any revisions which are acceptable to both District's Vice Chancellor for Fiscal and Business Services and District's legal counsel;

WHEREAS, notwithstanding all of the foregoing, the District also recognizes the need of the District, District employees, and/or students, may have the need to use certain portions of the Site being leased, and/or the existing facilities thereon, during the Lease terms, and as such, the Leases shall provide for such access and uses during the terms of the Leases;

WHEREAS, the District has determined that District Staff, specifically the Vice Chancellor for Fiscal and Business Services, is in the best position to determine what other terms and conditions are in the best interest of the District regarding said Leases and other agreements; and

WHEREAS, all acts, conditions, and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the consummation of the transaction authorized hereby, do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now

duly authorized and empowered, pursuant to each and every requirement of law, to consummate the appropriate agreements for the purpose, in the manner, and upon the terms herein provided.

THEREFORE, BE IT NOW RESOLVED, that the District's Board, after due, full and careful consideration of all of the information provided to it by Staff and legal counsel, and after finding

all the recitals contained herein to be true and correct, has, for all of the reasons expressed above, and based on the authority provided to the District under Education Code section 81335, and any and all other applicable authority, hereby delegates authority to the Vice Chancellor for Fiscal and Business Services to:

- issue a request for proposals and qualifications and to select a general contractor, licensed and in good standing with the state of California to construct the public work of improvement commonly known as one project which includes: Tessman Planetarium Upgrade and Restroom Addition, Parking Lot #11 Expansion, Temporary Village;
- 2. enter into on the District's behalf a Site Lease, Facilities Sub-Lease and other related agreements for the Project for a period of time not to exceed eight months from date of Notice to Proceed; for a yearly rental value not to be less than One Dollar (\$1) per year; to provide for access to and use of the leased portion of the Site for District employees, personnel and students as needed during the term of the Leases; to construct the public work of improvement; to have full and clear fee simple title in and to the Site and all improved facilities thereon immediately vest back in the District before or at the conclusion of the Lease terms; and to include in said Leases all other terms and conditions that are in the best interests of the District;
- 3. enter into a construction agreement with a general contractor, licensed and in good standing with the state of California, at a total cost to the District to be determined by the Vice Chancellor for Fiscal and Business Services as the Guaranteed Maximum Price which shall not exceed the maximum amount approved by the Board for this Project; and
- 4. report back to the Board for ratification of the Site Lease, Facilities Sub-Lease and related construction agreements once executed by the general contractor.

Said delegation and authority shall be valid during the construction of the Project, or until otherwise rescinded by the Board.

		ND ADOPTED by the Governing Board of the Rancho et this 9^{th} of December, 2013, by the following vote:
	AYES:	
	NOES:	
	ABSENT:	
	ABSTAINED:	
Resolution	passed and adopted by	by that the foregoing is full, true, and correct copy of the said Board at a regularly scheduled and conducted meeting if on file in office of said Board.
		President of the Board of Trustees Rancho Santiago Community College District
was regula: Community	College District Gover rly introduced and add College District Gover	Clerk of the Board of Trustees of the Rancho Santiago ning Board, do hereby certify that the foregoing Resolution pted by the Board of Trustees of the Rancho Santiago ning Board at a regular meeting thereof held on the 9^{th} of ibed vote of the Governing Board;
		I have hereunto set my hand and affixed the official seal of ollege District Governing Board this 9th day of December
		Clerk of the Board of Trustees Rancho Santiago Community College District

EXHIBIT "A"

DRAFT SITE LEASE AGREEMENT
 DRAFT FACILITIES SUB-LEASE AGREEMENT
 DRAFT CONSTRUCITON SERVICES AGREEMENT

TESSMANN PLANETARIUM UPGRADE AND RESTROOM ADDITION, THE SANTA ANA PARKING LOT #11 EXPANSION & IMPROVEMENTS, AND THE TEMPORARY VILLAGE

SITE LEASE

Between

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

TESSMANN PLANETARIUM UPGRADE AND RESTROOM ADDITION, THE SANTA ANA PARKING LOT #11 EXPANSION & IMPROVEMENTS, AND THE TEMPORARY VILLAGE

SITE LEASE

This SITE LEASE is dated as of	and is by and between the Rancho Santiago
Community College District, a community college duly	y organized and existing under the laws of the State of
California (the "District") as lessor and	, a California corporation operating
under the laws of the State of California (the "Lessee").	

WHEREAS, the District desires to provide for the construction of certain public improvements known as the Tessmann Planetarium Upgrade and Restroom Addition (DSA 04-112721), the Santa Ana Parking Lot #11 Expansion & IMPROVEMENTS (DSA # 04-112776) and the TEMPORARY VILLAGE Project (DSA # 04-113152) (collectively, the "Project") at the Santa Ana College site; and

WHEREAS, the District's governing board has determined that it is in the best interests of the District and for the common benefit of the citizens it serves to construct the Project by leasing to the Lessee land and existing buildings at the _______ site at which the public improvements are to be constructed, as more specifically described in Exhibit "A," (the "Site"), and subleasing from the Lessee the Site and the Project under a Sublease Agreement (the "Sublease") attached hereto as Exhibit "B" and by this reference incorporated herein; and

WHEREAS, the Lessee has conducted Due Diligence of the Site and the Project to determine the suitability of the site, site conditions, utilities, hazardous substances, and other conditions for the construction of the Project. (more fully detailed at Article 5 of the Construction Services Agreement); and

WHEREAS, the District and the Lessee have entered into a Construction Services Agreement ("Construction Services Agreement"), attached hereto as Exhibit "C" and by this reference incorporated herein, to ensure that the Project will meet the District's expectations; and

WHEREAS, the District is authorized under Section 81355 of the California Education Code to lease the Site and its governing body has duly authorized the execution of this Site Lease; and

WHEREAS, the Lessee is authorized to lease the Site and to construct the Project on the Site, and has duly authorized the execution and delivery of the Sublease and this Site Lease.

NOW THEREFORE, in consideration of the covenants hereinafter set forth, District and Lessee agree as follows:

- 1. **<u>DEFINITIONS.</u>** Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this lease, have the meanings as herein specified.
 - A. "Construction Services Agreement" (CSA) means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.
 - B. "Construction Documents" (Sometimes referred to as Contract Documents) consist of the Agreement between District and Contractor (hereinafter the Agreement or Contract), the Construction Services Agreement, the Site Lease, the Sublease, (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the entry into this Agreement, Modifications issued after execution of the Contract. A Modification is a written

amendment to the Contract signed by parties, a Change Order, a Construction Change Directive, or a written order for a minor change in the Work issued by the Architect. The Contract Documents collectively form the Contract. The Contract represents the entire and integrated Agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Architect and Contractor, between the District and any Subcontractor or Sub-subcontractor, or between any persons or entities other than the District and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties. (See Article 14 of the CSA)

- C. "Day" means a calendar day unless specifically designated as a business day.
- D. <u>"District"</u> means the **Rancho Santiago Community College** District, a community college district duly organized and existing under the laws of the State of California.
- E. <u>"Effective Date"</u> shall mean the Project commencement date found in the Notice to Proceed for the Project in accordance with Article 4.26 of the Construction Services Agreement.
- F. "Lessee" shall mean ______, and its successors and assigns.
- G. <u>"Project"</u> means the improvements and equipment to be constructed and installed by the Lessee, as more particularly described and/or referenced in Exhibit "A" to the Sublease.
- H. "Site" refers to the grounds of the Project or in some cases may refer to multiple sites as defined in the Contract Documents and such adjacent lands as may be directly affected by the performance of the Work, more particularly described in Exhibit "A" attached hereto.
- I. <u>"Site Lease"</u> means this Site Lease together with any duly authorized and executed amendment hereto under which the District leases the Site to the Lessee.
- J. <u>"Sublease"</u> means the Sublease dated of even date herewith, by and between the District and the Lessee together with any duly authorized and executed amendment thereto.
- K. <u>"Sublease Payment"</u> means any payment required to be made by the District pursuant to Article 7 of the Sublease.
- L. <u>"Sublease Prepayment"</u> means any payment required to be made by the District pursuant to Article 26 of the Sublease.
- M. "Term of this Lease" or "Term" means the time during which this Lease is in effect, as provided for in Article 3 of this Site Lease.

2. <u>SITE LEASE</u>.

The District leases to the Lessee, and the Lessee leases from the District, on the terms and conditions set forth herein, the Site situated in the City of Santa Ana, County of Orange, State of California, more specifically described in Exhibit "A" attached hereto, including any real property improvements now or hereafter affixed thereto.

3. TERM.

The term of this Site Lease shall become effective upon the authorized execution of this Site Lease and upon completion of Lessee's Due Diligence with regard to the Site and issuance of a Notice to Proceed. The term of this Site Lease shall terminate as of the last day of the Sublease, unless sooner terminated as provided thereby. If on the scheduled date of termination of this Site Lease, Sublease Payments shall have therefore been abated at any time and for any reason, then the term of this Site Lease shall be subject to a Liquidated Damages cost as set forth in Article 3.7 of the Construction Services Agreement and the Site Lease shall be extended until the date upon which all such Sublease Payments shall be fully paid. Without limiting any other term or provision of the Sublease Agreement or Construction Services Agreement between the parties, at the termination of this Site Lease, natural or otherwise, title to the Site, and any improvements constructed thereon by the Lessee, shall vest in the District in accordance with Education Code section 81335.

4. **REPRESENTATIONS, COVENANTS, AND WARRANTIES OF THE DISTRICT**. The District represents, covenants and warrants to the Lessee that:

- A. The District has good and merchantable fee title to the Site and has authority to enter into and perform its obligations under this Site Lease;
- B. There are no liens on the Site other than Permitted Encumbrances:
- All taxes, assessments or impositions of any kind with respect to the Site, if applicable, except current taxes, have been paid in full;
- D. The Site is properly zoned (or subject to an exception from zoning) for the intended purpose and utilization of the Site;
- E. The District is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to the Site;
- F. Except for Validation Actions concerning the Project, there is no litigation of any kind currently pending or threatened regarding the Site or the District's use of the Site for the purposes contemplated by this Site Lease;
- G. To the best of the District's knowledge, except for that which shall be disclosed by the District prior to the Project commencement date in the Notice to Proceed:
 - (1) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any State or Federal Law relating thereto (hereinafter collectively called "Environmental Regulations", and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Site or the Lessee or the Lessee's subcontractors to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called "Hazardous Substances", are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Site;

- (2) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Site into the environment;
- (3) the Site has not been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station;
- (4) no underground storage tank is now located in the Site or has previously been located therein;
- (5) no violation of any Environmental Regulation now exists relating to the Site, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Site by any governmental entity or agency which in any way relates to Hazardous Substances;
- (6) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (1) above;
- (7) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under over or from the Site;
- (8) the Site is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and
- (9) the Site is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release-of any Hazardous Substance.
- H. To the extent permitted by law, the District shall not abandon the Site for the use for which it is currently required by the District and further, shall not seek to substitute or acquire property to be used as a substitute for the uses for which the Site and Project are to be maintained under the Site Lease.
- I. The term "Permitted Encumbrances" as used herein shall mean, as of any particular time:
 - (1) liens for general ad valorem taxes and assessments, if any, not then delinquent;
 - (2) this Site Lease; the Sublease; any right or claim of any mechanic, laborer, materialman, supplier, or vendor, if applicable, not filed or perfected in the manner prescribed by law; easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions which exist of record as of the date of this Site Lease and which will not materially impair the use of the Site;
 - (3) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions, or restrictions established following the date of recordation of this Site Lease and to which the Lessee and the District consent in writing which will not impair or impede the operation of the Site.

- 5. **REPRESENTATIONS AND WARRANTIES OF THE LESSEE.** The Lessee represents and warrants to the District that:
 - A. The Lessee is duly organized in the State of California, and in good standing under the laws of the State of California, with full corporate power and authority to lease and own real and personal property;
 - B. The Lessee has full power, authority and legal right to enter into and perform its obligations under this Site Lease, and the execution, delivery and performance of this Site Lease has been duly authorized by all necessary corporate actions on the part of the Lessee and does not require any further approvals or consents;
 - C. Execution, delivery and performance of this Site Lease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which the Lessee is a party or by which it or its property is bound;
 - D. There is no pending or, to the best knowledge of the Lessee, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of the Lessee to perform its obligations under this Site Lease; and

6. **RENTAL**.

The Lessee shall pay to the District as and for advance rental hereunder \$1.00 per year or part thereof, or the aggregate sum of One Dollar [\$1.00 x number of years of lease] (\$1.00), on or before the date of commencement of the term of this Site Lease. The Lessee shall have no obligation to make rental payments hereunder in the event the Effective Date of this Site Lease does not occur as a result of the District's inability to issue a Notice to Proceed for the Project pursuant to the provisions of Article 4.26 of the Construction Services Agreement.

7. **PURPOSE**.

The Lessee shall use the Site solely for the purpose of constructing the Project thereon and for subleasing the Site and the Project to the District; provided, that upon the occurrence of an Event of Default by the District under the Sublease, the Lessee may exercise the remedies provided for in the Construction Services Agreement or the Sublease.

- **TERMINATION.** The Lessee agrees, upon termination of this Site Lease:
- A. To quit and surrender the Site in the same good order and condition as it was in at the time of commencement of the term hereunder, reasonable wear and tear excepted;
- B. To release and reconvey to the District any liens and encumbrances created or caused by the Lessee; and
- C. That any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the District.

Notwithstanding the District's foregoing rights in the event of termination, the Lessee shall retain the right to full compensation for all services rendered prior to the termination, including all rights they have under the Construction Services Agreement and the Sublease as well as all recourse provided by California law including common law, for the value of the work performed on the Site and/or the Project.

8.

In the event the Construction Services Agreement is terminated pursuant to the provisions therein, this Site Lease shall immediately terminate.

QUIET ENJOYMENT.

The District covenants and agrees that it will not take any action to prevent the Lessee's quiet enjoyment of the Site during the term hereof; and, that in the event District's fee title to the Site is ever challenged so as to interfere with the Lessee's right to occupy, use and enjoy the Site, the District will use all governmental powers at its disposal, including the power of eminent domain, to obtain unencumbered fee title to the Site and to defend the Lessee's right to occupy, use, and enjoy the Site. The District, however, retains the right, throughout the Site Lease Term, to use the Site for District purposes, pursuant to the terms of the Sublease.

10. NO LIENS

The District shall not mortgage, sell, assign, transfer or convey the Site or any part thereof to any person during the term of this Site Lease, without the written consent of the Lessee. Nothing herein shall preclude the District from granting utility easements across the Site to facilitate the use and operation of the Project for which it is intended.

11. **RIGHT OF ENTRY**.

The District reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof, but in doing so shall not interfere with the Lessee's operations on the Project.

12. **ASSIGNMENT AND SUBLEASING**

The Lessee will not assign or otherwise dispose of or encumber the Site or this Site Lease without the written consent of the District.

13. **NO WASTE**.

The Lessee agrees that at all times that it is in possession of the Site it will not commit suffer or permit any waste on the Site, and it will not willfully or knowingly use or permit the use of the Site for any illegal act or purpose.

14. **DEFAULT**.

In the event the Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of the Construction Services Agreement and this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Lessee, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Sublease shall be deemed to occur as a result thereof

15. **EMINENT DOMAIN**.

In the event the whole or any part of the Site or the improvements thereon, including but not limited to the Project, is taken by eminent domain, the financial interest of the Lessee shall be recognized and is hereby determined to be the amount of all Sublease Payments then due or past due, the next succeeding Sublease Payment and the purchase option price as set forth in

Article 26 of the Sublease less any unearned interest as of the date the Lessee receives payment in full. The balance of the award in such eminent domain action, if any, shall be paid to the District.

16. **TAXES**.

The terms of this Site Lease may result in the creation of a possessory interest. If such a possessory interest is vested in a private party to this document, the private party may be subjected to the payment of personal property taxes levied on such interest. Pursuant to Section 107.6 of the California Revenue and Taxation Code, District hereby notifies Lessee that: (i) the property interest obtained by Lessee pursuant to the Site Lease may be subject to property taxation; and (ii) Lessee may be subject to the payment of property taxes levied on the property interest obtained by Lessee.

17. **LIQUIDATED DAMAGES**

Pursuant to Lessee's Due Diligence, as further described in Article 5 of the Construction Services Agreement, Lessee has determined the term of this Site Lease which shall extend until the Punch List is completed under Article 13.16 of the Construction Services Agreement. The Lease shall not extend longer than ninety (90) days beyond the Contract Time as Defined at Article 3.6 of the General Conditions. Pursuant to Article 3.7 of the Construction Services Agreement, Liquidated Damages shall apply to the Lessee if the Contract Time plus ninety (90) days is exceeded due to the unanticipated extension of the Lease Period under this Site Lease.

18. **PARTIAL INVALIDITY**.

If any one or more of the terms, covenants or conditions or this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

19. **NOTICES**

Any notices or filings required to be given or made under this Site Lease shall be served, given or made in writing upon the District or the Lessee, as the case may be, by personal delivery or registered mail to the respective addresses given below. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice. Any such notices shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by telex, telegram, or fax followed by regular mail, addressed as follows:

If to District:

Rancho Santiago Community College District Facility Planning, District Construction and Support 2323 North Broadway, Suite 112 Santa Ana, CA 92706-1640 Attn: Carri Matsumoto, Assistant Vice Chancellor

If to Lessee:		
	Attn:	

20. **BINDING EFFECT**.

This Site Lease shall inure to the benefit of and shall be binding upon the District, the Lessee and its respective successors in interest and assigns.

21. <u>AMENDMENTS AND MODIFICATIONS</u>.

This Site Lease shall not be effectively amended, changed, modified, altered or terminated without the written agreement of the District and the Lessee.

22. EXECUTION IN COUNTERPARTS.

This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

23. <u>LAWS, VENUE AND ATTORNEYS' FEES</u>.

The terms and provisions of this Site Lease shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Site Lease, the action shall be brought in a state court situated in the County of **Orange**, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. In the event of any such litigation between the parties, the parties shall pay for their respective costs incurred, including attorneys' fees.

24. INTEGRATION/MODIFICATION.

This Site Lease represents the entire understanding of the District and Lessee as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein and shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

25. **HEADINGS**.

The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Site Lease.

26. <u>TIME</u>.

Time is of the essence in this Site Lease and each and all of its provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Site Lease by their authorized officers as of the day and year first written above.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT "DISTRICT"	"LESSEE"
	BY:
BY:	

EXHIBIT "A"

DESCRIPTION OF SITE

EXHIBIT "B"

SUBLEASE

EXHIBIT "C"

CONSTRUCTION SERVICES AGREEMENT

[TO BE INSERTED]

005706.00029 11720864.1

TESSMANN PLANETARIUM UPGRADE AND RESTROOM ADDITION, THE SANTA ANA PARKING LOT #11 EXPANSION & IMPROVEMENTS, AND THE TEMPORARY VILLAGE

SUBLEASE AGREEMENT

Between
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
and
Dated as of

TESSMANN PLANETARIUM UPGRADE AND RESTROOM ADDITION, THE SANTA ANA PARKING LOT #11 EXPANSION & IMPROVEMENTS, AND THE TEMPORARY VILLAGE

SUBLEASE AGREEMENT

	This SUBLEASE AGREEMENT ("Sublease") is dated as of							, and is by and between			veen				
the					Rancho	Santiag	o Con	nmur	nity C	ollege	Dist	rict, a co	mmuı	nity col	llege
district	duly	organized	and	existing	under	the 1	laws	of	the	State	of	Californ	nia	("Distri	ct"),
				, a (California	corpoi	ration	and	opera	ating (ınder	the laws	of t	he Stat	e of
Californ	nia ("Le	ssor").													

RECITALS:

WHEREAS, the District deems it essential for its own governmental purpose, to finance the construction of certain improvements known as the Tessmann Planetarium Upgrade and Restroom Addition (DSA 04-112721), the Santa Ana Parking Lot #11 Expansion & Improvements (DSA # 04-112776), and the Temporary Village (DSA # 04-113152) described in Exhibit "A" attached hereto (collectively, the "Project") and situated on the Santa Ana College site described in Exhibit "B" attached hereto (the "Site"); and

WHEREAS, pursuant to Section 81330 *et seq.* of the Education Code, the District may enter into leases and agreements relating to real property and buildings used by the District; and

WHEREAS, pursuant to Section 81335 of the Education Code, the District is leasing the Site to Lessor under a lease agreement dated the date hereof (the "Site Lease") attached hereto as Exhibit "C" in consideration of Lessor leasing and subleasing the Project and the Site to the District pursuant to the terms of this Sublease; and

WHEREAS, the District owns the Site and, pursuant to that certain Construction Services Agreement entered into by and between the District and Lessor of even date herewith (the "Construction Services Agreement") attached hereto as Exhibit "D," has prepared and adopted plans and specifications for the completion of the Project which have been approved pursuant to law as required by Section 81332 of the Education Code; and

WHEREAS the District and Lessor agree to mutually cooperate now or hereafter, to the extent possible, in order to sustain the intent of this Sublease and the bargain of both parties hereto, and to provide Sublease Payments to be made on the dates and in the amount set forth herein.

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the District and Lessor parties hereto agree as follows:

- 1. **<u>DEFINITIONS.</u>** Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this Sublease, have the meanings as herein specified.
 - A. "Certificate of Acceptance and Notice of Completion" mean those certificates signed by a District Representative to the effect that the Project has been substantially completed.
 - B. "Construction Costs" means any and all costs incurred by the Lessor with respect to the construction and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date hereof, including, without limitation, costs for Site preparation, the removal or demolition of existing structures, the construction of the Project and related facilities and improvements, and all other work in connection therewith, security of the Site and Project, Lessor's overhead and supervision at the project site, all costs and expenses

including any taxes or insurance premiums paid by the Lessor with respect to the Property, and administrative and other expenses necessary or incident to the Project, excluding Lessor's and Developers' home office overhead and profit. The term "Construction Costs" includes all Lessor's costs associated with preparing or generating additional copies of any Construction Documents, as defined below, related to or required for the Project, including preparation or generation of additional plans and specifications for Lessor's subcontractors. In no event shall Construction Costs exceed the Guaranteed Maximum Price.

- C. "Construction Services Agreement" (CSA) means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.
- D. "Construction Documents" (Sometimes referred to as Contract Documents) consist of the Agreement between District and Lessor (hereinafter the Agreement or Contract), the Construction Services Agreement, the Site Lease, the Sublease, (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the entry into this Agreement, Modifications issued after execution of the Contract. A Modification is a written amendment to the Contract signed by parties, a Change Order, a Construction Change Directive, or a written order for a minor change in the Work issued by the Architect. The Contract Documents collectively form the Contract. The Contract represents the entire and integrated Agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Architect and Lessor, between the District and any Subcontractor or Sub-subcontractor, or between any persons or entities other than the District and the Lessor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties. (See Article 14 of the CSA).
- E. "Day" means a calendar day unless specifically designated as a business day.
- F. "District" means the Rancho Santiago Community College District, a community college district duly organized and existing under the laws of the State of California.
- G. <u>"Effective Date"</u> shall mean the Project commencement date found in the Notice to Proceed for the Project in accordance with Article 4.26 of the Construction Services Agreement.
- H. <u>"Event of Default"</u> means one or more events of default as defined in Article 21 of this Sublease.
- I. "Guaranteed Maximum Price" or "GMP" means the Guaranteed Maximum Price established pursuant to Article 5 of the CSA to be paid to Lessor for Lessor's construction of the Project hereunder, subject to any adjustments for Extra Work/Modifications as provided in Article 17 of the CSA.
- J. "Lessor" shall mean ______, and its successors and assigns.
- K. "Prepayment Price" means the price to be paid by the District to exercise its option to purchase the Site and the Project prior to the natural termination of this Sublease, in accordance with the provisions of Article 26 herein.
- L. <u>"Project"</u> means the improvements and equipment to be constructed and installed by the Lessor, as more particularly described and/or referenced in Exhibit "A" attached hereto.

- M. "Site" refers to the grounds of the Project or in some cases may refer to multiple sites as defined in the Contract Documents and such adjacent lands as may be directly affected by the performance of the Work, particularly described in Exhibit "B" attached hereto.
- N. "Site Lease" means the Site Lease of even date herewith, by and between the District and the Lessor as set forth in Exhibit "C" attached hereto, together with any duly authorized and executed amendment thereto under which the District leases the Site to the Lessor.
- O. "Sublease" means this Sublease together with any duly authorized and executed amendment
- P. <u>"Sublease Payment"</u> means any payment required to be made by the District pursuant to Article 7 of this Sublease.
- Q. "Sublease Prepayment" means any payment required to be made by the District pursuant to Article 26 of this Sublease.
- R. "Term of this Sublease" or "Term" means the time during which this Sublease is in effect, as provided for in Article 3 of this Sublease.

2. SUBLEASE.

Lessor hereby leases and subleases to District, and District hereby leases and subleases from Lessor the Project and the Site, including any real property improvements now or hereafter affixed thereto in accordance with the provisions herein for the full term of this Sublease. The leasing by the Lessor to the District of the Site shall not effect or result in a merger of the District's leasehold estate pursuant to this Sublease and its fee estate as lessor under the Site Lease, and the Lessor shall continue to have and hold a leasehold estate in said Site pursuant to the Site Lease throughout the term thereof and the term of this Sublease.

3. <u>TERM OF THE SUBLEASE</u>.

The terms and conditions of this Sublease shall become effective upon issuance of a Notice to Proceed. The term of the Sublease shall terminate upon completion of the Punchlist defined under Article 13.16 of the Construction Services Agreement and payment of the last Sublease Payment, unless sooner terminated as hereinafter provided.

- A. Termination of Term. Except as otherwise provided, the Term of this Sublease shall terminate upon the earliest of any of the following events:
 - (1) An Event of Default and the Lessor's election to terminate this Sublease pursuant to the provisions of Sections 21 and 22, hereof;
 - (2) The arrival of the last day of the Term of this Sublease and payment of all Sublease Payments hereunder; or
 - (3) The exercise of the District's option under Article 26 hereof.
- 4. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF DISTRICT.** The District represents and warrants to Lessor that:
 - A. District is a public community college district, duly organized and existing under the Constitution and laws of the State of California with authority to enter into this Sublease and to perform all of its obligations hereunder;

- B. District's governing body has duly authorized the execution and delivery of this Sublease and further represents and warrants that all requirements have been met and procedures followed to ensure its enforceability;
- C. The execution, delivery and performance of this Sublease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which District is a party by which it or its property is bound;
- D. There is no pending or, to the knowledge of District, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of District to perform its obligations under this Sublease;
- E. The Project and the Site are essential to District in the performance of its governmental functions and their estimated useful life to the District exceeds the term of this Sublease;
- F. District shall take such action as may be necessary to include all Sublease Payments in its annual budget and annually to appropriate an amount necessary to make such Sublease Payments;
- G. District shall not abandon the Site for the use for which it is currently required by District and, to the extent permitted by law, District shall not seek to substitute or acquire property to be used as a substitute for the uses for which the site is maintained under the Sublease; and
- H. District shall not allow any Hazardous Substances (as such term is defined in the Site Lease and limited by that which shall be disclosed by the District prior to the Project commencement date in the Notice to Proceed) to be used or stored on, under or about the Site.
- 5. **REPRESENTATIONS AND WARRANTIES OF LESSOR.** Lessor represent and warrant to District that:
 - A. Lessor is duly organized in the State of California, and in good standing as a corporation under the laws of the State of California, with full corporate power and authority to lease and own real and personal property;
 - B. Lessor has full power, authority and legal right to enter into and perform its obligations under this Sublease, and the execution, delivery and performance of this Sublease has been duly authorized by all necessary corporate actions on the part of Lessor and does not require any further approvals or consents;
 - C. The execution, delivery and performance of this Sublease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Lessor is a party by which they or their property is bound;
 - D. There is no pending or, to the knowledge of Lessor, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of Lessor to perform their obligations under this Sublease; and
 - E. Lessor will not mortgage or encumber the Site or the Sublease or assign this Sublease or their rights to receive Sublease Payments hereunder, except as permitted herein.

CONSTRUCTION/ACQUISITION.

6.

A. District has entered into a Construction Services Agreement and a Site Lease with Lessor in order to acquire and construct the Project. The cost of the construction and installation of the Project is determined by the GMP as set forth in Article 5 of the Construction Services Agreement.

B. In order to ensure that moneys sufficient to pay all costs will be available for this purpose when required, District shall maintain on deposit, and shall annually appropriate funds sufficient to make all Sublease Payments which become due to Lessor under this Sublease Agreement.

SUBLEASE PAYMENTS.

7.

- A. District shall pay Lessor lease payments (the "Sublease Payments") as provided by the Construction Services Agreement. In no event shall the sum of the Sublease Payments due hereunder exceed the GMP as it may be revised by the District from time to time in accordance with the provisions set forth in the Construction Services Agreement. The Sublease Payments shall be adjusted to reflect any adjustment to the GMP agreed to in writing by the District and the Contractor. The District shall have no obligation to make Sublease payments hereunder in the even the Effective Date of this Sublease does not occur as a result of District's inability to issue a Notice to Proceed.
- B. Should the District fail to pay any part of the Sublease Payments not otherwise excused pursuant to this Article or Article 9 hereof, or otherwise questioned or challenged by the District pursuant to the Construction Services Agreement, within twenty-five (25) business days from the due date thereof, the District shall, upon Lessor's written request, pay interest on such delinquent payment from the date said payment was due until paid at the rate of seven percent (7%) per annum or the maximum legal rate chargeable to Public Entities, whichever is less. The obligation of the District to pay Sublease Payments hereunder shall constitute a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.
- C. In the event that the District exercises its option under Article 26(B) below, and purchases the Project by paying the Prepayment Price, the District's obligations under this Sublease, including but not limited to the District's obligation to pay Sublease Payments under this Section, shall thereupon cease and terminate.
- D. Except as specifically provided in this Article and in Article 9 hereof or as otherwise provided by law, the obligation of the District to make Sublease Payments when due and payable hereunder will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, abatement or recoupment for any reason whatsoever.

8. **FAIR RENTAL VALUE**.

Sublease Payments shall be paid by District in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Site during the lease. The parties hereto have agreed and determined that such total rental is not in excess of the fair rental value of the Project and the Site. In making such determination, consideration has been given to the fair market value of the Project and the Site, other obligations of the parties under this Sublease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Project and the Site and the benefits therefrom which will accrue to the District and the general public, the ability of the District to make additions, modifications and improvements to the Project and the Site which are not

inconsistent with the Construction Services Agreement (Exhibit "D" hereof) and which do not interfere with the Lessor's work on the Project and the Site.

9. <u>SUBLEASE ABATEMENT</u>.

In addition to delay of Sublease Payments provided in Article 7, above, Sublease Payments due hereunder with respect to the Project and the Site shall be subject to abatement prior to the commencement of the use of the Project and the Site by the District or during any period in which, by reason of material damage to or destruction of the Project or the Site, there is substantial interference with the use and right of possession by the District of the Project and the Site or any substantial portion thereof. For each potential incident of substantial interference, decisions to be made on i) whether or not abatement shall apply; ii) the date upon which abatement shall commence; iii) the applicable portion of Sublease Payments to be abated and; iv) the concluding date of the particular abatement shall all be subject to determinations by the District. The amount of Sublease abatement shall be such that the Sublease Payments paid by the District during the period of Project and Site restoration do not exceed the fair rental value of the usable portions of the Project and Site. In the event of any damage or destruction to the Project or the Site, this Sublease shall continue in full force and effect.

10. USE OF SITE AND PROJECT.

During the term of this Sublease, Lessor shall provide the District with quiet use and enjoyment of the Site without suit, or hindrance from Lessor or their assigns, provided District is in compliance with its duties under this Sublease. District will not use, operate or maintain the Site or Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. District shall provide all permits and licenses, if any, necessary for the operation of the Project and Site. In addition, the District agrees to comply in all respects (including, without limitation, with respect to the time, maintenance and operation of the Project and Site) with laws of all jurisdictions in which its operations involving the Project and Site may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Site or the Project; provided, however, that District may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the estate of Lessor in and to the Site or the Project or its interest or rights under this Sublease. Lessor acknowledges that at any time during the term of this Sublease, District may access the Site to conduct District business. Lessor acknowledges and agrees to the District's use or occupation of the Site, so long as such use or occupation does not unreasonably interfere with construction of the Project. Upon substantial completion of the Project or severable portions hereof, the Lessor shall provide the District with quiet use and enjoyment of the Site without suit or hindrance from the Lessor or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Site under construction by the Lessor.

11. LESSOR'S INSPECTION/ACCESS TO THE SITE

District agrees that Lessor and any of Lessor's representatives shall have the right at all reasonable times to enter upon the Site or any portion thereof to construct and improve the Project, to examine and inspect the Site and the Project and to exercise its remedies pursuant to the section in this Sublease entitled "Remedies on Default." District further agrees that Lessor and any of Lessor's representatives shall have such rights of access to the Site as may be reasonably necessary to cause the proper maintenance of the Site and the Project in the event of failure by District to perform its obligations hereunder.

12. **PROJECT ACCEPTANCE**

District shall acknowledge final inspection and completion of the Project by executing and recording a Notice of Completion. The validity of this Sublease will not be affected by any delay in or failure of completion of the Project.

ALTERATIONS AND ATTACHMENTS. All permanent additions and improvements that are made to the Project shall belong to and become the property of Lessor, subject to the provisions of this Sublease and Sections 25 and 26 hereof. Separately identifiable attachments added to the Project by the District shall remain the property of the District. At Lessor's request, the District agrees to remove the attachments and restore the Project to substantially as good condition as when acquired and constructed, normal wear and tear excepted, in the event of failure by the District to perform its obligations hereunder.

14. <u>INTENTIONALLY DELETED</u>.

15. <u>UTILITIES</u>

Until the date the Project is deemed Substantially Complete under Article 4.43 of the Construction Services Agreement, Lessor shall, in its own name, contract for and pay the expenses of all utility services required for the Project once constructed and Site, such utilities, including but not limited to, all air conditioning, heating, electrical, gas, water, and sewer units. Once the Project is Substantially Complete under Article 4.43 of the Construction Services Agreement, the District shall be liable for payment as well as maintenance of all utility services received.

- 16. <u>INTENTIONALLY DELETED.</u>
- 17. **INTENTIONALLY DELETED.**
- 18. **INTENTIONALLY DELETED.**
- 19. **TAXES**.

District shall keep the Project and the Site free and clear of all levies, liens, and encumbrances and shall pay all license fees, registration fees, assessments, charges, and taxes (municipal, state, and federal) if applicable, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession, or use of the Project and the Site, excluding, however, all taxes on or measured by Lessor's income.

20. <u>INTENTIONALLY DELETED.</u>

- 21. **EVENTS OF DEFAULT.** The term "Event of Default," as used in this Sublease means the occurrence of any one or more of the following events:
 - A. The District fails to make any unexcused Sublease Payment (or any other payment) within fifteen (15) days after the due date thereof or the District fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure to either make the payment or perform the covenant, condition or agreement is not cured within ten (10) days after written notice thereof by Lessor;
 - B. The Lessor discovers that any statement, representation or warranty made by the District in this Sublease, or in any document ever delivered by the District pursuant hereto or in connection herewith is misleading or erroneous in any material respect;

- C. The District becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of the District or of all or a substantial part of its assets, or a petition for relief is filed by the District under federal bankruptcy, insolvency or similar laws.
- 22. **REMEDIES ON DEFAULT.** Upon the happening of any Event of Default, Lessor may exercise remedies set forth below; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Sublease Payments or otherwise declare any Sublease Payments not then in default to be immediately due and payable. The District shall continue to remain liable for the payment of Sublease Payments and damages for breach of this Sublease and the performance of all conditions herein such Sublease Payments and damages shall be payable to Lessor at the time and in the manner set forth in subsections (A) and (B) of this Section:
 - A. In the event that Lessor does not elect to terminate this Sublease pursuant to subsection (B) below, the District agrees to and shall remain liable for the payment of Sublease Payments and the performance of all conditions herein and shall reimburse Lessor for the full amount of the Sublease Payments to the end of the Sublease term.
 - B. In the event of termination of this Sublease by Lessor at its option and in the manner hereinafter provided on account of default by the District, the District shall pay Lessor Sublease Payments then owing for past Sublease Payments due and not paid, compensation on the basis of time and materials for all labor, materials and services provided up to the date of Lessor's termination of the Sublease. Neither notice to pay Sublease Payments or to deliver up possession of the Project and the Site given pursuant to law nor any proceeding in unlawful detainer taken by Lessor shall of itself operate to terminate this Sublease. In the event of any such litigation between the parties, the parties shall pay for their respective costs incurred, including attorneys' fees.

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time; provided, however, that notwithstanding any provisions to the contrary herein, Lessor shall not under any circumstances have the right to accelerate the Sublease Payments that fall due in future Sublease periods or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

23. NON-WAIVER.

No covenant or condition to be performed by District or Lessor under this Sublease can be waived except by the written consent of the other party. Forbearance or indulgence by District or Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by the District or Lessor of said covenant or condition, the other party shall be entitled to invoke any remedy available to it under this Sublease or by law or in equity despite said forbearance or indulgence.

24. **ASSIGNMENT**.

Without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, the District shall not (a) assign, transfer, pledge, or hypothecate this Sublease, the Project and the Site, or any part thereof, or any interest therein, or (b) sublet or lend the use of the Project or any part thereof. However, District may lease, license or otherwise allow use or occupation of the Site for third party use so long as such use or occupation does not

unreasonably interfere with construction of the Project. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by the District or any other person. The Lessor shall not assign its obligations under this Sublease with the exception of their obligation to issue default notices and to convey or reconvey their interest in the Project and Site to the District upon full satisfaction of the District's obligations hereunder; however, the Lessor may assign their right, title and interest in this Sublease, the Sublease Payments and other amounts due hereunder and the Project in whole or in part to one or more assignees or subassignees at any time upon written notice to the District. No assignment shall be effective as against the District unless and until the District is so notified in writing. The District shall pay all Sublease Payments due hereunder pursuant to the direction of Lessor or the assignee named in the most recent assignment or notice of assignment. During the Sublease term, the District shall keep a complete and accurate record of all such assignments. Subject always to the foregoing, this Sublease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors, and assigns of the parties hereto.

25. OWNERSHIP.

The Project is and shall at all times be and remain the sole and exclusive property of the Lessor, and the District shall have no right, title, or interest therein or thereto except as expressly set forth herein. During the Term of this Sublease Agreement, the District shall hold title to the Site and obtain title to the Project from the Lessor, and any and all additions which comprise fixtures, repairs, replacements or modifications thereof, as construction progresses and lease payments are made to Lessor. During the term of this Sublease Agreement, the Lessor shall have a leasehold interest in the Site pursuant to the Site Lease. If the District prepays the Sublease Payments in full pursuant to Article 27 hereof or otherwise pays all Sublease Payments, all remaining right, title and interest of the Lessor, if any, in and to the Project and the Site, shall be fully transferred to and vested in the District. Title shall be transferred to and vested in the District hereunder without the necessity for any further instrument of transfer. At the termination of this Sublease Agreement, title to the Site, and any improvements constructed thereon shall vest in the District.

26. <u>SUBLEASE PREPAYMENTS/PURCHASE OPTION</u>.

- A. <u>Sublease Prepayments</u>. At any time during the term of this Sublease, the District may, upon the request of the Lessor or on upon its own initiative, make Sublease Prepayments to the Lessor. No Sublease Prepayments requested by the Lessor may be made by the District in an amount not to exceed the aggregate true cost to the Lessor of the work on the Project completed to the date the Lessor submits the request for a Sublease Prepayment less the aggregate amount of: (1) all Sublease Payments previously made by the District to the Lessor; (2) all Sublease Prepayments previously made by the District to the Lessor; (3) all amounts previously retained pursuant to Article 26(A)(3), below, from Sublease Prepayments previously made by the District to the Lessor (unless the Lessor shall have previously substituted securities for such retained amounts pursuant to Article 26(A)(3), and (4) the Retention for such Sublease Prepayment pursuant to Article 26(A)(3). Lessor must submit evidence that the conditions precedent set forth in Article 26(A)(1), below, have been met. In the event District elects to make Sublease Prepayments, the Prepayment Price, contemplated in Article 26(B), below, shall be adjusted accordingly.
 - (1) The following are conditions precedent to any Sublease Prepayments made to the Lessor pursuant to a request of the Lessor:
 - a. Satisfactory progress of the Construction pursuant to the time schedule required pursuant to Article 9 of the Construction Services Agreement (the

"Time Schedule") shall have been made as determined in Article 26 (A)(2), below.

- b. Lessor shall also submit to the District (i) duly executed conditional lien releases and waivers (in the form provided in California Civil Code section 8132) from the Lessor and all Subcontractors, consultants and other persons retained by the Lessor in connection with the Project, whereby such persons conditionally waive all lien and stop notice rights against the District, the Project and the Project site with respect to the pending Sublease Prepayment to be made by the District, (ii) duly executed unconditional lien releases and waivers (in the form provided in California Civil Code section 8134) from the Lessor and all subcontractors, consultants and other persons retained by the Lessor in connection with the Project, whereby such persons unconditionally and irrevocably waive all lien and stop notice rights against the District, the Project and the Project site with respect to all previous Sublease Prepayments made by the District, and (iii) any other items that the Lessor may be required to collect and distribute to the District pursuant to the terms and provisions of the Construction Services Agreement. Lessor shall promptly pay all amounts due to each subcontractor, consultant and other person retained by Lessor in connection with the Project no later than ten (10) days after Lessor's receipt of a Sublease Prepayment from the District.
- (2) The determination of whether satisfactory progress of the Construction pursuant to the Time Schedule has occurred shall be made by the inspector hired by the District pursuant to Article 10 of the Construction Services Agreement. If the District's inspector determines that pursuant to the Time Schedule, the work required to be performed, as stated in the Lessor's Sublease Prepayment request has not been substantially completed, the Lessor shall not be eligible to receive the requested Sublease Prepayment.
- (3) The District shall retain an amount equal to ten percent (10%) of each Sublease Prepayment ("Retention") made at Lessor's request, unless said Retention is modified pursuant to Article 20 of the Construction Provisions. Lessor shall have the right, as delineated in Article 35 of the Construction Services Agreement, to substitute securities for any Retention withheld by the District, pursuant to the provisions of Public Contract Code section 22300. At any time after fifty percent of the work has been completed, if the Governing Board of the District finds that satisfactory progress is being made, it may make any of the remaining Sublease Prepayments in full
- B. **Purchase Option.** If the District is not in default hereunder, the District shall be granted options to purchase not less than all the Project in as-is condition. The Prepayment Price at any given time shall be an amount equal to the GMP, as it may be revised from time to time, less the sum of any Sublease Payments and/or Sublease Prepayments made by the District prior to the date on which the District elects to exercise its option under this Section.

27. **RELEASE OF LIENS**.

A. Notwithstanding Article 26, upon District executing a Certificate of Acceptance and filing a Notice of Completion on the Project, as such term is defined herein and in the Construction Services Agreement, Lessor or its assignee and the District shall release Lessor's leasehold interest in Project and the Site. However, District shall retain any and all claims and or warranties it may have under the Construction Services Agreement.

B. Lessor shall authorize, execute and deliver to the District all documents reasonably requested by the District to evidence (i) the release of any and all liens created pursuant to the provisions of this Sublease and the Site Lease, and (ii) any other documents required to terminate the Site Lease and this Sublease.

28. TERMINATION OF CONSTRUCTION SERVICES AGREEMENT.

In the event the Construction Services Agreement is terminated pursuant to the provisions contained therein, this Sublease shall immediately terminate.

29. <u>SEVERABILITY</u>.

If any provision of this Sublease shall be held invalid or unenforceable by a court of competent jurisdiction, such holdings shall not invalidate or render unenforceable any other provision of this Sublease, unless elimination of such provision materially alters the rights and obligations embodied in this Sublease.

30. <u>INTEGRATION/MODIFICATION</u>.

This Sublease constitutes the entire agreement between Lessor and the District as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

31. NOTICES

Services of all notices under this Sublease shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth or at such address as such party may provide in writing from time to time. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice. Any such notices shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by telex, telegram, or fax followed by regular mail, addressed as follows:

If to Lessor:	
	Attn:

If to District:

Rancho Santiago Community College District Facility Planning, District Construction and Support 2323 North Broadway, Suite 112-3 Santa Ana, CA 92706-1640 Attn: Carri Matsumoto, Assistant Vice Chancellor

32. <u>TITLES</u>.

The titles to the sections of this Sublease are solely for the convenience of the parties and are not an aid in the interpretation thereof.

33. <u>TIME</u>.

Time is of the essence in this Sublease and each and all of its provisions.

34. **LAWS, VENUE AND ATTORNEYS' FEES.**

The terms and provisions of this Sublease shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Sublease, the action shall be brought in a state court situated in the County of **Orange**, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. In the event of any such litigation between the parties, each party shall bear its own attorney's fees.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease by their authorized officers as of the day and year first written above.

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT "DISTRICT"	"LESSOR"	
BY:	BY:	

EXHIBIT A

DESCRIPTION OF PROJECT

EXHIBIT B

DESCRIPTION OF SITE

EXHIBIT C

SITE LEASE

EXHIBIT D

CONSTRUCTION SERVICES AGREEMENT

TESSMANN PLANETARIUM UPGRADE AND RESTROOM ADDITION, THE SANTA ANA PARKING LOT #11 EXPANSION & IMPROVEMENTS,

AND THE TEMPORARY VILLAGE CONSTRUCTION SERVICES AGREEMENT

Between

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

una	
Dated as of	

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EXHIBIT "J" Continuity of Work Agreement

TESSMANN PLANETARIUM RENOVATIONS PROJECT, THE SANTA ANA PARKING LOT #11 EXPANSION & STORM WATER COLLECTION BASIN PROJECT, AND THE VILLAGE SWINGSPACE PROJECT

CONSTRUCTION SERVICES AGREEMENT

This Construction Services Agreement is made as of	, 2013, by and between the
Rancho Santiago Community College District, a California Community Colle	
under the laws of the State of California (hereinafter called the "District"), and	, a
California corporation operating under the laws of the State of	("Contractor").
General intent of agreement:	
WHEREAS, the District entered into an agreement with	(the "Architect") to provide
architectural services for the District for the purpose of developing plans and sp	
the Tessmann Planetarium Renovations Project (DSA 04-112721), the Santa A	Ana Parking Lot #11 Expansion &
Storm Water Collection Basin Project (DSA # 04-112776), and the Village Swing collectively, the "Project").	gspace Project (DSA # 04-113152)(
20110011, 110 110,000).	

GENERAL INTENT 1.

- 1.1 The Board of Trustees has reviewed the different methodologies available to deliver a Public Works Project and has carefully considered the options of competitive bid to a general contractor who would be responsible for the entire project, a construction management managed multi-prime trade contract project, an at-risk construction management contract, turn-key delivery by another public entity or delivered by another public entity through a joint use Project, but have through Board action and independent staff and Board review determined that there are benefits and detriments to each delivery method.
- 1.2 The Board of Trustees has also reviewed the Lease-Leaseback methodology under California Education Code section 81335 which permits the governing board of a community college district to lease to any person, firm, or corporation any real property owned by the District if the instrument by which such property is leased requires the lessee to construct on the leased premises, or provide for the construction thereon, of a building for the use of the community college district, during the term of the lease, and provides that title to that building shall vest in the community college district prior to or at the expiration of the lease.
- 1.3 As part of the Board of Trustee's consideration of the possible methods of delivery, the Board has also reviewed available literature considering the benefits and detriments of the Lease-Leaseback delivery method including documents and discussions from the Community College Facility Coalition and the Community College League of California.
- If Building Information Modeling is used for the Project, , the Board of Trustees 1.4 understands that unique to the Lease-Leaseback delivery method, the lease-Leaseback Contractor will not only be undertaking the traditional Due Diligence of investigating existing Project related information, documents and the Project site, but now included as part of the Contractor's Due Diligence as part of this Lease-Leaseback delivery method, the Contractor will be performing Building Information Modeling of the plans and specifications to visualize conflicts that may have not been located by the Architect as part of the Architect's constructability review when the plans and specifications were being prepared. This Building Information Modeling will allow the walk-through of a project to visualize the actual built project on a computer, views of each unique trade, conflict detection review, work with subcontractors and suppliers to efficiently and cost effectively

resolve coordination issues interactively with the Architect and the Architect's design team both before construction and as each subcontractor and supplier for the Project develops submittals that will be coordinated through Building Information Modeling by the Contractor who performs coordination and conflict review of the interaction of each subcontractor and supplier submittal with the Architect's DSA approved Construction Documents. If Building Information Modeling is not used for the Project, this section is inapplicable and the Contractor shall be required to conduct traditional due diligence, as discussed herein.

- 1.5 The Board of Trustees in its consideration of the substantial evidence that is available to the District staff and through the Board's own research has determined that this ability to work between the Contractor and the Architect to resolve a greater percentage of construction claims that would ordinarily arise through any of the other delivery methods addressed in Article 1.1 above also provides the ability of the Contractor to determine the likely level of errors and omissions, and provides a Guaranteed Maximum Price for the Project based on the complete construction of the Project electronically on a computer and interaction between both the Contractor and the Architect where in the past neither the technology nor the ability to work through potential claims on a computer were available to a California community college district. The unique ability to determine with certainty the budget numbers for the Project provides this Board of Trustees the ability to not only ensure that the District is best serving the community and its students, but also provides the ability to focus resources towards future and simultaneous projects that could not be undertaken during any of the other delivery methods since a sizable contingency needs to be set aside for potential claims, litigation, arbitration, mediation, and delays that could jeopardize the ability to plan for occupancy of the building or the possibility of having to spend significant resources to procure alternative facilities with only litigation and collection of liquidated damages as the tools to redress the failure to properly or timely deliver a Project.
- As part of this Lease-Leaseback Construction Services Agreement, a site lease with Contractor (the "Site Lease"), for the Project has been entered and is attached as Exhibit "A" of the Site Lease (the "Site") in order for Contractor to construct improvements to this existing sites and act as the Owner of the Project to provide a greater degree of control over insurability of the overall Project, ability to coordinate site related items such as utilities and offsite Work, a greater primary control and oversight over subcontractors and suppliers for the Project as the Owner of the Site and the Project.
- 1.7 In addition, the Contractor leases the constructed portions of the Site and the Project back to the District pursuant to a Sublease Agreement (the "Sublease") under which the District will be required to make sublease payments to the Contractor for the use and occupancy of the portions of the Project that are delivered by the Contractor under this Construction Services Agreement as verified by the Contractor, Architect, and Inspector in the Payment Applications that are submitted for the Project; and
- 1.8 It is agreed that either upon the expiration (or at the District's option prior to the expiration) of the Lease and Sublease, title to the Project shall vest in the District; and
- 1.9 Contractor represents that Contractor is uniquely experienced in Construction of Public Schools and Community Colleges including but not limited to the specific requirements and regulations of the Field Act as administered by the Division of State Architect, working with the Division of State Architect, Office of Public School Construction, California Department of Education and work with the various applicable other State and local agencies that have jurisdiction over the Project, is duly licensed as a contractor in the State of California, and is prepared to analyze, synthesize and efficiently perform construction work for the District as more fully set forth in this Agreement

- Contractor has thoroughly conducted Due diligence to establish a Guaranteed Maximum Price for the Project (which may include an Errors and Omissions allowance reflecting conflict items that could not be fully revised through the Conflict and Clash resolution process and an allowance for Contractor's own errors and omissions) that will not be exceeded. Contractor has investigated the site conditions and reviewed the Construction Documents to establish that there are no known problems with respect to the site conditions or the Construction Documents and that Contractor can and will construct the Project for the Guaranteed Maximum Price as set forth in Article 3.8 and defined in Article 5 of this Construction Services Agreement, and Contractor will not seek any additional compensation whatsoever, including, without limitation, any requests based upon known site conditions, extensions on the Lease beyond the Lease period or any requests, except for such additional compensation provided for herein based upon unforeseen conditions and/or errors or omissions contained within the plans and specifications or Construction Documents.
- 1.11 Since the Contractor has entered into a Lease and is performing this Construction Services Agreement on Leased Premises, Contractor understands and agrees that a number of Public Contract Laws do not apply to this project including the following:
 - 1.11.1 Public Contract Code Section 1104 addressing completeness and accuracy of plans. Specifically, Contractor has performed Due Diligence concerning the plans, Due Diligence to establish the Construction Contingency, and Due Diligence to establish the Errors and Omissions Contingency to address deficiencies or concerns over accuracy of the plans.
 - 1.11.2 Public Contract Code Section 7201 addressing reduction of retention to 5% unless a project is sufficiently complex. Given the fact that the Project is a leased premise and payments made are lease payments for the completed premises which are being leased back to the District, the District shall also withhold another 5% for a total 10% withholding as the District's security deposit for the lease to ensure that the premises that a constructed are not damaged and turned over in a complete and habitable condition.
 - 1.11.3 Public Contract Code Section 7107 addressing release of retention payments and penalties for failure to release retention payments within the specified time periods do not apply to the security deposit funds.
 - 1.11.4 Public Contract Code Section 4100 et. seq addressing subcontractor listing shall not apply. However, the District is requiring an open book accounting and the public selection of subcontractors pursuant to Article 6.3 of this Agreement.
 - 1.11.5 Public Contract Code Section 20651 addressing competitive bidding does not apply to the Project pursuant to the specific language of Education Code Section 81335 which states "...the governing board of a community college district may let, for a minimum rental of one dollar (\$1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for construction thereon of, a building or buildings for the use of the community college district during the term thereof..."
 - 1.11.6 Public Contract Code Section 3400 addressing proprietary specifications does not apply since the Contractor has leased premises to build a Project. The specific items have been addressed through Due Diligence review and are incorporated as part of the Guaranteed Maximum Price for the Project. Substitutions and Value Engineering are allowed to address cost savings and to more efficiently build the Project at Articles 5.3 and 16.

- 1.11.7 Public Contract Code Section 7104 addressing unforeseen underground conditions and hazardous substances do not apply. However, given the significant costs associated with unforeseen underground conditions and hazardous substances, to the extent that the Contract Documents and Due Diligence does not disclose either conditions that differ below four (4) feet below the surface or hazardous substances that are not disclosed in either AHERA or hazardous substances surveys, then the District shall approve a change order under District Contingency pursuant to Article 8. Contractor shall thoroughly investigate the site, review existing as-builts, and review existing GPR data, prior to GMP development to establish full contractor Due Diligence. If Contractor encounters unforeseen underground conditions consistent with Public Contract Code Section 7104(c), written notice is required to the District, testing shall be conducted, and Contractor shall continue Work on the Project and shall submit the costs pursuant to the Change Order language at Article 17.
- 1.11.8 Public Contract Code Section 7105 addressing destruction of premises pursuant to Acts of God. However, instead of statutory termination of a Project that is damaged beyond the noted amount, the District has placed specific insurance requirements for the leased premises to address possible destruction of the Project and the underlying leased premises.

TITLE 24 RESPONSIBILITIES – GENERAL INTENT OF THE CSA 2.

Contractor accepts the contractual relationship established between it and District by this Construction Services Agreement, and Contractor covenants with District to furnish reasonable skill and judgment in constructing the Project as set forth in the Construction Documents, as defined in Article 4.14 for the Project which are described and/or set forth herein as Exhibit "A." Contractor agrees to furnish efficient business administration, coordination review of the plans and specifications, coordination of the work of the subcontractors and vendors and superintendence to furnish at all times an adequate supply of professionals, workers, and materials and to perform the work appropriately, expeditiously, economically, and consistent with the Construction Services Agreement and Construction Documents as defined in Article 14, below.

- 2.1 Title 24 Responsibilities. The Contractor shall continually supervise and direct the Work using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, procedures; and shall coordinate all portions of the Work in conformance with the Contract Documents. Specific duties of the Contractor shall include those set out in Section 43 of Title 21 of the California Code of Regulations and Section 4-343 of Title 24 of the California Code of Regulations. These duties include, but are not limited to the following:
 - 2.1.1 Responsibilities. It is the duty of the Contractor to complete the Work covered by his or her Contract in accordance with the approved Plans and Specifications. The Contractor in no way is relieved of any responsibility by the activities of the Architect, Engineer, Inspector or DSA in the performance of their duties.
 - 2.12 Performance of the Work. The Contractor shall carefully study the approved Plans and Specifications and shall plan its schedule of operations well ahead of time. If at any time it is discovered that work is being done which is not in accordance with the approved plans and specifications, the Contractor shall correct the Work immediately.
 - 2.1.3 Inconsistencies. All inconsistencies or timing or sequences which appear to be in error in the Plans and Specifications shall promptly be called to the attention of the Architect or, Engineer, for interpretation or correction. Local conditions which may affect the structure shall be brought to the Architect's attention at once. In no case, shall the instruction of the Architect be construed to cause work to be done which is not in conformity with the approved plans, specifications, change orders, Construction Change Documents, and as required by law. (See Title 24 Section 4-343)

- 2.1.4 Verified Reports. The Contractor shall make and submit to the office from time to time, verified reports as required in Title 24 Section 4-366. As part of the Close-Out of the Project (see Article 14.15.10), Contractor shall be required to execute a Form 6-C as required under Title 24 Sections 4-343.
- 2.1.5 Reporting Requirements. Contractor shall fully comply with any and all reporting requirements of Education Code Sections 81147, et seq., in the manner prescribed by Title 24, as applicable.
- 2.1.6 Contractor Responsibility. The Contractor shall be responsible to the District for acts and omissions of the Contractor's employees, Subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of the Work under direct or indirect contract with the Contractor or any of its Subcontractors.
- 2.1.7 All Work is performed Under the Direction of Inspector. Pursuant to Title 24 requirements, the Contractor shall not carry on Work except with the knowledge of the Inspector. (See Title 24 generally)
- 2.1.8 Contractor to Establish Timing and Protocol with Inspector. Contractor shall establish a protocol for requesting inspection with Inspector so as to not delay the Work and provide adequate time for the Inspector to perform inspection. If such a protocol is not established ahead of time, Inspector may utilize the time criteria set by Title 24 of 48 hours in advance of submitting form DSA 156 for each new area. DSA requirements under PR 13-01 specifically gives the Special Inspector fourteen (14) days to post to the DSA website. Contractor is responsible for delays and for failure to plan.
- 2.1.9 Conformance with Approved Submittals. This conformance includes performing all Work only in conformance with approved Submittals, Shop Drawings, and Samples or the Inspector may be required to issue a DSA Form 154 Notice of Deviation from approved DSA Contract Documents.
- 2.1.10 Incremental Assemblies. For some Projects, there may be a need to incrementally install certain assemblies. It is up to Contractor to identify areas and assemblies that may be constructed incrementally. Contractor must identify and establish incremental areas of construction and establish protocols with Inspector for DSA 152 approvals so they may be presented to DSA. See PR-13 item 2.1.10 for further discussion.
- 2.1.11 Coordination with Outside Contractors. If any of the Work for the Project is known to include Work performed by contractors retained directly by the District, Contractor shall be responsible for the coordination and sequencing of the Work of those other contractors so as to avoid any impact on the Project Schedule.

NEGOTIATED TERMS 3. 3 1

3	3.1	<u>District</u> :	Rancho Santiago Community College District Facilities Planning, District Construction and Support 2323 North Broadway, Suite 112-3 Santa Ana, Ca 92706-1640			
3	3.2	Notices:	Carri Matsumoto, Assistant Vice Chancellor e-mail cm23232@rsccd.edu			
3	3.3	Contractor	: [Name]			
			[Address]			

Tessmann Planetarium, Parking Lot #11 Expansion & Improvements And Temporary Village Construction Services Agreement Rancho Santiago Community College District Page 5

		[City]				
		[Telephone]				
3.4	Notices:					
		[e-mail]				
3.5		ving are established through Contractor's rev s and through Contractor's Due Diligence prior to				
3.6	Contract Time (Art. 4.16 and 9.1) is two hundred twenty nine (229) Calendar Days.					
3.7	Liquidated Damages for overstaying Lease (Art. 18) is Three Thousand Dollars (\$300.00) per day.					
3.8	Guaranteed Maximum Price (Art. 5) is					
3.8.1	Const	truction Contingency (within GMP) is				
3.8.2	Error	s and Omissions Contingency (within GMP) is _				
		on to the GMP is Unforeseen Underground Cond ted extras as follows:	itions, and District Contingency			
3.9	District's	Contingency (Art.	8) is . District Contingency is			
	carried out	side of the GMP.				

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4. <u>DEFINITIONS</u>

- 4.1 <u>Action of the Governing Board</u> is a vote of a majority of the District's Board of Trustees.
- 4.2 <u>Allowances</u> means budgets established for specific scopes of the Work which cannot be clearly defined at the time that the GMP is established. Expenditures from the GMP will either arise from Construction Contingency or Errors and Omissions Contingency and shall be submitted pursuant to Article 17 addressing Change Orders. The amount of the Change Order shall reflect the difference between actual costs approved by the District and the allowance amounts established in the GMP.
- 4.3 <u>As-Builts</u> are a set of Plans and Specifications maintained by the Contractor clearly showing all changes, revisions, substitutions, field changes, final locations, and other significant features of the Project. The As-Builts shall be maintained continuously throughout the Work for the Project and is both a prerequisite to the issuance of Pay Application and a requirement for Contract Close-Out. See Article 13.14.
- 4.4 <u>Architect</u> means the architect, engineer, or other design professional engaged by the District to design and perform general observation of the work of construction and interpret the drawings and specifications for the Project. Also see Article 4.
- 4.5 <u>Beneficial Occupancy</u> is the point in time when a building or buildings are fit for occupancy is fit for occupancy and its intended use Basic requirements are the building is safe, at or near Substantial Completion, and all life safety is operational. The fact that a building is occupied does not mean that the building is ready for Beneficial Occupancy if there are elements that are unsafe or if life safety items are not operational. Taking occupancy on a structure that is under a fire watch is not considered beneficial occupancy. Further, taking of Beneficial Occupancy is not a point in time when retention is due unless

- the entire campus has obtained a Certificate of Substantial Completion that meets the definition of Article 4.42
- 4.6 <u>Claims</u>. A Claim is a request for payment, supported by back-up documentation which includes, invoices time sheets, or other documents substantiating legitimacy or entitlement that is submitted during the Project or immediately following the Project made prior to the Final Retention Payment Application and prior to Final Completion of the Project. A "Claim" means a separate demand by the Contractor for (1) time extension, (2) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the CONTRACT and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (3) and amount the payment of which is disputed by the District. See Article 20.
- 4.7 <u>Close-Out</u> means the process for Final Completion of the Project, but also includes the requirements for the DSA Certification that the Project is Complete (See DSA Certification Guide). See Article 13.16.
- 4.8 <u>Complete</u> means that all Work in the Contract Documents is finished, the requirements of the Contract Documents have been met, the Project has been Closed Out, and all Work has ceased on the Project. This may also be referred to as Final Completion. In most cases, the recording of a Notice of Completion shall represent Completion of the Project. Beneficial Occupancy does not mean the Work is Complete.
- 4.9 <u>Completion Date</u> is the date when all Work for the Project shall be Substantially Complete and is the date assigned at the end of the Contract Time for the Project. See Article 4.42.
- 4.10 Construction Change Document (CCD). A Construction Change Document is a DSA term that is utilized to address changes to the DSA approved plans and specifications. There are two types of Construction Change Documents. (1) DSA approved CCD Category A (DSA Form 140) for work affecting Structural, Access or Fire-Life Safety of the Project which will require a DSA approval; and, (2) CCD Category B (DSA Form 141) for work NOT affecting Structural Safety, Access Compliance or Fire and Life Safety that will not require a DSA approval (except to confirm that no Approval is required). See Article 17.4.
- 4.11 <u>Construction Services Agreement (CSA)</u> means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.
- 4.12 <u>Construction or Construction Services</u> means all labor and services necessary for the construction of the Project, and all materials, equipment, tools, supplies and incidentals incorporated or to be incorporated in such construction as fully described in the Contract Documents.
- 4.13 Construction Costs means any and all costs incurred by the Contractor with respect to the construction and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date hereof, including, without limitation, costs for Site preparation, the removal or demolition of existing structures, the construction of the Project and related facilities and improvements, and all other work in connection therewith, security of the Site and Project, Contractors' overhead and supervision at the project site, all costs and expenses including any taxes or insurance premiums paid by the Contractor with respect to the Property, and administrative and other expenses necessary or incident to the Project, excluding Contractors' and Developers' home office overhead and profit. The term "Construction Costs" includes all Contractor's costs associated with preparing or generating additional copies of any Construction Documents, as defined below, related to or required for the Project, including preparation or generation of additional plans and specifications for Contractor's subcontractors. In no event shall Construction Costs exceed the Guaranteed Maximum Price.

- 4.14 Construction Documents (Sometimes referred to as Contract Documents) consist of the Agreement between District and Contractor (hereinafter the Agreement or Contract), this Construction Services Agreement, the Lease, the Sublease, (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the entry into this Agreement, Modifications issued after execution of the Contract. A Modification is a written amendment to the Contract signed by parties, a Change Order, a Construction Change Document, or a written order for a minor change in the Work issued by the Architect. The Contract Documents collectively form the Contract. The Contract represents the entire and integrated Agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Architect and Contractor, between the District and any Subcontractor or Sub-subcontractor, or between any persons or entities other than the District and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties. (See Article 14)
- 4.15 Contract Documents means those documents which form the entire Contract by and between District and Contractor. The Contract Documents consist of this Construction Services Agreement, including all exhibits and attachments hereto, the Construction Documents, the Site Lease(s), and the Sublease(s). See Article 4.14 and 14.
- 4.16 Contract Time is the time period specified in the Contract Documents in which the Project shall be completed. This is sometimes referred to a Contract Duration, or "time in which the Contractor has to complete the Project". See Article 9.
- 4.17 Day means a calendar day unless specifically designated as a business day.
- 4.18 Drawings or Plans are graphic and pictorial portions of the Contract Documents prepared for the Project and approved changes thereto, wherever located and whenever issued, showing the design, location, and scope of the Work, generally including plans, elevations, sections, details, schedules, and diagrams as drawn or approved by the Architect. Sometimes Drawings will also be included in Addenda, Change Orders, and Specifications.
- <u>Due Diligence</u> is the review and analysis of "as built", title documents, prior design 4.19 documents, geotechnical reports, prior design reports, surveys, and site investigations provided by the District and synthesizing of information utilized to determine the components of the GMP. Requirements for Due Diligence are further addressed at Article 5. See Specifically Article 5.3.
- 4.20 DSA is the Division of State Architect. DSA is the agency that provides design and construction oversight for K-12 Schools, Community Colleges, and State Funded Charter School Projects. DSA is the responsible agency for this Project and Contractor has submitted a bid for the Project since Contractor is familiar with Contractor's responsibilities under the DSA requirements more thoroughly set forth at Title 24 of the California Code of Regulations. Contractor agrees to abide by the jurisdiction of DSA and shall construct the Project to conform with the approved plans, specifications, Addenda, and Change Orders (inclusive of approved CCD's and ICD's issued by the District pending CCD approval). The DSA website is at http://www.dgs.ca.gov/dsa.
- 4.21 Float the total number of days an activity may be extended or delayed without delaying the Completion Date shown in the schedule. Float will fall into three categories: (1) Rain Days; (2) Governmental Delays; and, (3) Project Float. See Article 9.2.
- 4.22 Immediate Change Directive (ICD). A written order prepared by the Architect and signed by the District and the Architect, directing a change in the Work where the Work must

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- proceed immediately and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. See Article 17.4.1.2
- 4.23 <u>Inspector of Record (IOR)</u> or Project Inspector (PI) is the individual retained by the District in accordance with Title 24 of the California Code of Regulations and who will be assigned to the Project
- 4.24 <u>Guaranteed Maximum Price or GMP</u> means the Guaranteed Maximum Price established pursuant to Article 5 to be paid to Contractor for Contractor's construction of the Project hereunder, subject to any adjustments for Extra Work/Modifications as provided in Article 17
- 4.25 <u>Notice of Non-Compliance (DSA Form 154)</u> is a document issued by the Inspector if there is a deviation from the DSA approved Plans, Specifications, and Change Orders. See Article 17.2.
- 4.26 <u>Notice to Proceed.</u> After execution of this Construction Services Agreement and the Site Lease(s) and Sublease(s) between the parties, the District shall issue a notice to the Contractor to proceed with the Project ("Notice to Proceed"), which Notice to Proceed shall include the date upon which commencement for the Project shall commence.
- 4.27 <u>Project</u> means the improvements and equipment to be constructed and installed by the Contractor, as more particularly described and/or referenced in Exhibit "A" attached hereto.
- 4.28 <u>Provide, when used throughout this CSA</u> shall incorporate the phrases "provide complete in place," and "furnish and install complete."
- 4.29 <u>Punch List</u> is a list of minor repair items, prepared after the issuance of a Certificate of Substantial Completion, by the Inspector and Architect of Work required in order to complete the Contract Documents and ensure compliance with the DSA Approved Plans so the Project may be Closed Out. Issuance of the Retention Payment is dependent upon the proper completion of the Punch List. See Article 13.16 and Article 29.
- 4.30 Request for Information (RFI) is a written request prepared by the Contractor requesting the Architect to provide additional information necessary to clarify or amplify an item which the Contractor believes is not clearly shown or called for in the drawings or specifications, or to address problems which have arisen under field conditions.
- 4.31 <u>Schedule</u> is the Contractor's view of the practical way in which the Work will be accomplished. In this Agreement there is a requirement for a Baseline Schedule and regular Schedule Updates that show all Work to be completed during the Contract Time and shall include all items listed under Article 9.3. See Article 9.
- 4.32 <u>Schedule of Values</u> is a detailed breakdown of the Contract Price for each Project, building, Phase of Work or Site as determined by the District. This Schedule of Values shall adequately detail the price for the Work so Progress Payments Applications can be meaningfully reviewed by the Inspector, Architect of Record, Engineer of Record, and District. (See Article 13.12)
- 4.33 <u>Separate Contracts</u> are Contracts that the District may have with other Contractors, vendors, suppliers, or entities to perform Work on the Project. This may include, but is not limited to Multi-Prime Trade Contractors, furniture installers, testing agencies, clean-up contractors, or network or low voltage contractors. Contractor shall plan for certain other contractors that may also be working on the Project site and address these other contractors in Contractor's Schedule. See Article 32.

- 4.34 Site refers to the grounds of the Project or in some cases may refer to multiple sites as defined in the Contract Documents and such adjacent lands as may be directly affected by the performance of the Work.
- 4.35 Site Lease means the Site Lease(s) of even date herewith, by and between the District and the Contractor together with any duly authorized and executed amendment thereto under which the District leases the Site to the Contractor.
- Specifications are that portion of the Contract Documents consisting of the written 4.36 requirements for material, equipment, construction systems, instructions, quality assurance standards, workmanship, and performance of related services.
- 4.37 Standards, Rules, and Regulations referred to are recognized printed standards and shall be considered as one and a part of these specifications within limits specified. Federal, state and local regulations are incorporated into the Contract Documents by reference.
- Stop Work Order, or an Order to Comply is issued when either (1) the Work proceeds 4.38 without DSA approval; (2) the Work proceeds without a DSA Inspector of Record, or (3) where DSA determines that the Work is not being performed in accordance with applicable rules and regulations, and would compromise the structural integrity of the Project or would endanger lives. If a Stop Work Order is issued, the Work in the affected area shall cease until DSA withdraws the Stop Work Order. Pursuant to Education Code Section 81133.5, the District shall not be held liable in any action filed against the District for any delays caused by compliance with the Stop Work Order
- 4.39 Subcontractor means any person or entity, including trade contractors, who have a contract with Contractor to perform any work or supply materials for the Project.
- 4.40 Sublease(s) means the Sublease(s) of even date herewith by and between the District and Contractor together with any duly authorized and executed amendment hereto under which the District subleases the Site from the Contractor.
- 4.41 Sublease Payment means any payment required to be made by the District pursuant to Section 29 of the Sublease.
- Substantial Completion is not reached unless and until each of the following three (3) 4.42 conditions have been met: (1) all contractually required items have been installed with the exception of only minor and Incomplete Punch Items (See Article 13.16); (2) All Fire/Life Safety Systems have been installed, and are working and signed off on the DSA Form 152 Inspection Card, all building systems including mechanical, electrical and plumbing are all functioning; and (3) the Project is fit for occupancy and its intended use. For the purposes of this Contract, any references to Completion Date means Substantial Completion Date.
- 4.43 Substitution is a change in product, material, equipment, or method of construction from those required by the Construction Documents proposed by the Contractor. Specific requirements for substitutions are set forth at Article 16.
- 4.44 Work shall include all labor, materials, services and equipment necessary for the Contractor to fulfill all of its obligations pursuant to the Contract Documents. It shall include extension of Contractor's obligations to subcontractor to perform Subcontractor Due Diligence including, but not limited to, visiting the Site of the proposed Work (a continuing obligation after the commencement of the Work), fully acquainting and familiarizing itself with the conditions as they exist and the character of the operations to be carried out under the Contract Documents, and make such investigation as it may see fit so that it shall fully understand the facilities, physical conditions, and restrictions attending the Work under the Contract Documents. Each such Contractor or Subcontractor shall also thoroughly examine

and become familiar with the Drawings, Specifications, and associated Contract Documents.

4.45 <u>Workers</u> include laborers, workers, and mechanics.

5. ESTABLISHMENT OF GUARANTEED MAXIMUM PRICE "GMP"

- 5.1 <u>Guaranteed Maximum Price (GMP)</u> is a price agreed upon between the District and Contractor that shall not be exceeded for the Construction of the Project within the Contract Time based on Contractor's thorough review of the Contract Documents, Due Diligence in investigation of all aspects of the Project. A Construction Contingency (Article 5.2.1) and an Errors and Omissions Contingency (Article 5.2.2) is contained within the GMP. Costs that are outside of the GMP shall be the result of either a District request (from District Contingency), an amount from Allowances or after District has been timely notified in writing of the existence of an unforeseen Condition as follows:
 - 5.1.1 Allowance Items
 - 5.1.2 Owner Requested Additional Work (See Article 8)
 - 5.1.3 Unforeseen Underground Soil Conditions that meet the requirements of Article 13.15.5 and 18.4.
 - 5.1.4 Unforeseen Hazardous Substances that were not noted or addressed either in the Due Diligence or identified by the District under Article 13.15.5 and 18.4.
- GMP. As a result of the Due Diligence of Contractor, the GMP for the Project is set forth 5.2 under Article 3.8. The GMP is based upon all Due Diligence performed, the approved plans and specifications, and all other Contract Documents existing and reviewed by the Contractor at the time this Construction Services Agreement is entered into as more fully described and referenced in the Scope of Work set forth in Exhibit "A." Contractor's detailed line item costing of the Project, or Master Budget, totaling the GMP is attached hereto as Exhibit "B." Furthermore, District and Contractor represent and warrant that the GMP consists of Sublease Payments which incorporate tenant improvement/progress payments to be paid by District during the course of construction, plus the additional sums to be paid as a portion of the rental of the Site. District and Contractor represent and warrant that 1) the total amount of Sublease Payments and optional prepayment thereof includes the total rental for the Project, which total does not exceed the fair market value for the Project, 2) said rental amount has been incorporated into the GMP in consideration and inducement of this document and the Site Lease and Sublease Agreement(s), the uses and purposes which may be served by the Project, and the benefits therefrom which will accrue to the District and the general public, and 3) said rental amount shall be paid by the District as a part of the GMP, pursuant to the terms of this document, with District nonlocal match contribution local funds.

The parties agree that the GMP includes an agreed upon fair market rental value to be paid as rental/lease payments or prepayment thereof, therefore no additional rental payments shall be made by District. Sublease Payments by the District pursuant to the Sublease and Section 29 hereof shall be commensurate with the GMP.

The GMP is an "all inclusive" price for the Project that is calculated after significant Due Diligence. Except for Owner Requested Changes, and the Allowance, the GMP shall not be exceeded under any circumstances. Contractor has taken on all contingencies and calculated those contingencies out in the form of the Construction Contingency. Contractor specifically agrees that once the Construction Contingency is fully exhausted, that Contractor can and shall complete the

Project pursuant to the terms of this Agreement within the Contract Time. No disputes concerning compensation, extras, application of Contingencies, or Allowances shall be utilized as grounds to slow down or to stop work. The following two contingencies have been calculated through the Due Diligence of the Contractor and shall be calculated against the contingency amounts based on application of the Change Order language of Article 17.

- 5.2.1 Construction Contingency. The Construction Contingency set forth at Article 3.8.1 is for the use of the Contractor, as approved by the District, to pay for miscellaneous work items which are required to complete the Project including to cover trade scope gaps, missed work, areas of damage that may occur between trades during construction, subcontractor coordination problems, and Contractor coordination errors. The Contractor shall not use the Construction Contingency to pay for costs related to the following: (a) errors or omissions in the construction documents; (b) discrepancies with the plans and specifications pertaining to applicable building code requirements; and/or (c) enhancements or additions to the Scope of Work desired by the District. The Contractor shall obtain written approval from the District's representative prior to using the Construction Contingency. Furthermore, the District has the autonomy to use the Construction Contingency as it sees fit. The following may be considered, at the District's sole discretion, valid Construction Contingency items: 1) overtime and premium time, 2) costs to address safety items, 3) coordination issues and errors, 4) stop gaps, 5) trade damage, and 6) savings from substitutions. If on final completion of the Project, funds are remaining in the Construction Contingency, such funds shall remain unspent and allocated to the District as the District sees fit to use.
- 5.2.2 Errors and Omissions Allowance. Within the GMP shall be a line item amount to cover errors and omissions in the plans and specifications ("Errors and Omissions Allowance"). The Errors and Omissions Allowance at Article 3.8.2 is calculated based on a thorough review of the plans and specifications and a constructability review of the documents. Specifically, it is the coordination items that could not be addressed through the clash detection and coordination meetings and a factor determined based on the coordination review that has been performed by Contractor. The Errors and Omissions Allowance is created from Contractor's Due Diligence and based on Contractor's experience on similar projects. As a result, Contractor agrees that Contractor shall not seek to charge District for Errors and Omissions in excess of the Errors and Omissions Allowance. In other words, the Errors and Omissions Allowance is the maximum sum available to compensate the Contractor for Errors and Omissions on the part of the Architect and Architect's Consultants and is the maximum amount that can be charged.
 - 5.2.2.1 In the event errors or omissions are discovered in the plans and specifications which make strict compliance with the specifications impractical, Contractor shall identify why the specific item was not addressed in the Constructability review and Clash Detection. Secondly, Contractor must identify the reason the errors and omissions could not be foreseen. Upon a satisfactory showing, the District may include these costs to the Errors and Omissions Allowance.
 - 5.2.2.2 Any Delays associated with errors and omissions that make compliance with the plans impractical shall also be evaluated under the same criteria as 5.2.2.1. Failure to include proper justifying documentation shall constitute a waiver of the associated Claim.

Contractor shall notify the District under the Change Order Provisions of the need for such work and specifically identify the Work as Errors and Omissions by submitting to the District for its consideration and approval or disapproval, a written request for the work before such work is performed. If District approves such request in writing, the costs of the work, shall be added to or deducted from the Errors and Omissions Allowance within the GMP. Any funds remaining in the Errors and Omissions Allowance at the completion of the Project shall remain unspent and allocated to the District as the District sees fit to use, except for any portions of Savings added to the Errors and Omissions Allowance, which Savings shall be allocated between the parties as provided in Article 7 below.

Due Diligence 5.3

- 5.3.1 Documents Reviewed. Contractor has visited the site, entered and evaluated the structures on the site, reviewed all as-built information, environmental reports, Asbestos Hazard Emergency Response Act of 1986 reports applicable to the Project, lead reports, reports on any other hazardous substances, reviewed environmental impact reports, reviewed applicable mitigation measures for the Project, performed any testing to assure Contractor of the current site conditions, reviewed available records from City and/or County Records on the Project
- 5.3.2 Review of Existing Conditions. Contract must have performed basic confirmation of the As-Built information that exists as part of the Due Diligence process. This basic confirmation shall include:
- 5.3.3 Confirmation of overall dimensions of major column lines, location of elements where coordination of new construction to existing construction is to occur, confirmation that the rooms noted are located on the drawings, review and confirmation that rooms have not been reconfigured.
 - 5.3.3.1 Confirmation of location for utilities and supporting infrastructure. Contractor shall review the utilities and confirm that the infrastructure from the As-Builts and Contract Documents are consistent with the actual As-Built Conditions of the Project site.
 - 5.3.3.2 Confirmation that fire/life safety elements are consistent with expectations of the Contract Documents. Specifically, confirmation of the integrity of one-hour corridors, fire separations, working fire sprinklers, working fire alarms, communications systems, EMS systems, and other systems that are to remain in use and relied upon as part of the anticipated Project.
 - 5.3.3.3 Review of the Environmental Documents (Asbestos, Lead, PCB's, etc.) and general confirmation that the scope of hazardous substances is consistent with that which is shown on the environmental reports that are provided.
 - 5.3.3.4 Confirmation of Working hours and specific conditions which will affect the ability to work. Contractor shall check requirements for the local city and county and confirm working hours and days, testing schedules at the District for days when work shall not occur, other critical days when work cannot occur, mitigation measures in the EIR or Negative Declaration that may affect the ability to Work on the Project. This review shall help Contractor build a working schedule for the Project.
- 5.3.4 Review of Construction Documents. Contractor has performed a complete and diligent review of all plans, specifications, addenda, bulletins or other documents provided as the Construction Documents or otherwise mentioned in the Construction

Documents. The Contractor has written RFIs to address potential design issues prior to the GMP development to obtain a comprehensive GMP that addresses design and constructability issues.

- 5.3.5 Inconsistencies. All inconsistencies, timing or sequences which appear to be in error in the Plans and Specifications shall promptly be called to the attention of the Architect or, Engineer, for interpretation or correction. Local conditions which may affect the structure shall be brought to the Architect's attention at once. In no case, shall the instruction of the Architect be construed to cause work to be done which is not in conformity with the approved plans, specifications, change orders, Construction Change Documents, and as required by law. (See Title 24 Section 4-343)
- 5.3.6 [RESERVED]
- Coordination Review. Contractor shall perform a constructability review of the 5.3.7 Construction Documents as part of its Due Diligence to determine the level of Errors and Omissions that should be included in the Errors and Omissions Allowance.
- 5.3.8 Option if No Clash Detection or Coordination Review. If no Clash detection or Coordination Review is performed, the District has the option of not including any Errors and Omissions contingency in the GMP.
- 5.3.9 Price Fluctuations. As part of Contractor's due diligence responsibilities, Contractor is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from District to assure that there will be no delays. Contractor understands that this is a multi-year contract and that materials fluctuate in value and shall have adequately addressed market fluctuations through agreements with Contractor Vendors or by other means. Contractor further understands and incorporates into Contractor's bid cost any wage rate increases during the Project for the Contractor's labor force as well as all other subcontractor and vendor labor forces. Contractor also understands the length of the Project schedule and has incorporated an appropriate budget to include labor, material, and equipment escalation costs into the GMP. At no time will the District accept any costs associated with these increases. District shall not be responsible for market fluctuations in costs or labor rate increases during the Project. Contractor further has incorporated any and all cost increases in areas of Work where there may be schedule variations so that cost increases are not passed through to the District.
- 5.3.10 Coordination Review. Contractor has thoroughly reviewed the plans, specifications, and other Due Diligence documents and satisfied itself that the Construction Contingency is adequate to complete the Project for the GMP. Such review, as further described in this Article, includes site investigations, interviews, constructability reviews, cost estimating, boring, testing, investigation with subcontractors and suppliers on pricing and availability of materials, and other actions to satisfy Contractor that the Project GMP is sufficient to Complete the Project.
- 5.3.11 Due Diligence Determinations. Contractor has utilized all the available Due Diligence information to verify that the contingencies and allowances are adequate and that the Project can be constructed without exceeding the GMP:
 - 5.3.11.1 Construction Contingency. Based on review of the scope of work submitted from each subcontractor, Contractor's Due Diligence and review shall be utilized to determine the size of the Construction Contingency to cover unforeseen conditions (other than noted in Article 5.1), cover trade scope gaps, missed work, areas of damage that may occur between trades during construction, subcontractor coordination

problems, Contractor coordination errors, and miscellaneous work items

- 5.3.11.2 <u>Errors and Omission Contingency.</u> Based on a thorough review of the available Construction Documents and information located pursuant to the Due Diligence performed, a set-aside (if agreed upon with the District in writing) may be made for an Errors and Omissions allowance that may be utilized to compensate for construction work to correct Errors and Omissions in the plans and specifications.
- 5.3.11.3 <u>District Contingency (sometimes called Owner Contingency).</u> District Contingency is a sum that is set aside by the District to address any additional services. Specifics on application of the Owner Contingency are set forth at Article 8.
- 5.3.12 Implied Warranty Plans Are Fit for Construction Does Not Apply. Public Contract Code Section 1104 addressing the warranty that plans are fit for construction does not apply to this Project since Contractor has had an opportunity to conduct this Due Diligence Review and set both Construction Contingency and Errors and Omission Contingency to address potential constructability or coordination problems in the plans. District has, however, excluded both underground conditions and hazardous substances from contingency amounts due to the unpredictability associated with encountering such conditions. Nevertheless, Contractor is to notify District, conduct testing, and continue with Work on areas containing underground and hazardous conditions so as to not delay the Work.
- 5.3.13 Schedule. Contractor's Due Diligence will also be critical to the Contractor's determination of the number of days required to complete the Project. Contractor will determine if the suggested number of days from the District and Architect can be performed and shall also consider whether the Project requires Governmental or Rain day float that exceeds that set forth in Article 9. If Contractor does not note any concerns with the suggested Contract Time, then it is presumed that Contractor is in agreement with the proposed completion date the Contractor, by entering into this Agreement, has determined for itself that the Project Contract Time is realistic, reasonable and includes all required Float under Article 9.

6. OPEN BOOK ACCOUNTING AND SELECTION OF SUBCONTRACTORS

- 6.1 Open Book Accounting. The Contractor's GMP shall be based on actual procured quotes and bids from subcontractors, vendors, and suppliers or based on estimated costs. In addition, Contractor shall include an estimated overhead and profit line item along with the cost for Contractor supplied labor. This total construction cost, or Base Cost, shall be added to subcontractor, vendor and supplier contingencies and the Construction Contingency (which includes an Errors and Omissions Allowance) to form the entire GMP. As costs are incurred during the course of the Project, the Job Cost Accounting shall be updated to include actual costs incurred. A report on costs shall be prepared as part of the GMP process and shall be provided on a regular basis to the District.
 - 6.1.1 *Purpose.* While competitive bidding is often viewed as the lowest price, utilizing the lowest bid neither results in the best contractor, efficient construction, or a properly completed product. In some cases, the Project becomes significantly more expensive because competitive bid contractors either don't understand the drawings, aren't qualified to build the Project, or are seeking to utilize the legal process to make money by bringing claims against the District. The lease Leaseback methodology provides the ability to negotiate for the most qualified competent contractor and allow coordination and interaction between the Contractor, Architect and District to alleviate

unnecessary problems or areas that would result in claims. However, in exchange for this flexibility and reduction in claims, it is in the District's best interests, as a public entity, to ensure that the Project accounting information is available for review and the financial aspects of the Project can be fully reviewed. Thus, Contractor agrees that all job cost information shall be kept in an "open book" manner, shall show the actual transactions that occurred for the Project and shall be disclosable to the State if State funds are being utilized.

6.1.2 [Reserved]

- 6.1.3 Value Engineering During the Project. In addition to Value Engineering addressed at Article 5 below, Contractor may have occasion where better pricing can be obtained from subcontractors or suppliers. This better pricing shall be treated as part of Savings under Article 7.
- 6.2 <u>Scope Reduction Not Savings</u>. The District at all times shall have the right to reduce the scope of the Project. If the District reduces the scope of the Project, the GMP shall be reduced to contemplate the reduced Scope of Work, pursuant to the provisions of Article 17. To the extent possible, it is the mutual goal of the District and Contractor to maximize the Scope of Work as allowed by the GMP. Reductions in scope are not considered Savings.
- 6.3 Selection of Subcontractors
 - 6.3.1 In the interest of minimizing the expenditure of funds for the construction of the Project, the Contractor agrees to select appropriately State of California licensed subcontractors for each trade component of the Project in a manner that fosters competition. Contractor agrees that it will either solicit bids from subcontractors pursuant to the competitive bid procedures set forth in the Public Contract Code, including the specific provisions of Public Contract Code section 20110 et seq., or utilize an informal bidding process established by the Contractor which also incorporates competitive bid procedures subject to prior District written approval. Unless an alternative procedure is accepted by the District in writing, Contractor shall: (1) solicit a minimum of six (6) bids per trade, (2) Pre-qualify bidders and identify for the District, prior to day of bid opening, the criteria for pre-qualification of subcontractors for District comment and approval, (3) Require bidders to attend bid walk, provide notice and allow District representative and District's consultants to be present at mandatory bid walk, (4) Provide District with Notice to Bidders and a list of all solicited bidders, (5) Provide District with summary sheet of all bid amounts on day of bid opening, (6) Provide notice and allow District representative to be present at bid opening, (7) Prior to providing Guaranteed Maximum Price, provide District with a CD including all bid documents scanned in PDF, and (8) comply with the DVBE requirements in accordance with Section 6.3.3 below. Contractor shall ensure that the proposed subcontractors have the financial resources, qualifications, and experience to complete the work for which it is proposed and is available to do so. Contractor shall also provide the District with a detailed recommendation with regard to which subcontractor(s) and supplier(s) it believes will bring the most value to the Project, review all proposals for comparability with regard to scope, and adjust and organize all proposals in such a manner that will allow the District Team to compare them on an equal basis. Contractor shall inform all bidders that the District will not be a party to any contracts for construction services executed by the Contractor and selected bidders, subcontractors or suppliers. No Project subcontractor shall be afforded the protections of Public Contract Code section 4100 et seq. In no case will the Contractor award any subcontracts until the District has concurred to the scope and price of the subcontracted services in writing. The Contractor shall verify the Experience Modification Rate (EMR) for the proposed subcontractors prior to bid

- solicitation to ensure they meet the Owner Controlled Insurance Program (OCIP) requirements, referenced herein. The District shall have final approval of subcontractors and suppliers.
- 6.3.2 Contractor shall provide the District with full documentation regarding the bids or competitive quotes received by Contractor. In no event shall such documentation be redacted or obliterated. In the event the Contractor does not comply with this provision, the District may terminate this Construction Services Agreement in accordance with the provisions of Section 19 below.
- 6.3.3 Compliance with Disabled Veteran Business Enterprise (DVBE) contracting goals is required under this Construction Services Agreement. In accordance with Education Code section 71028 the District has a DVBE participation goal of 3% per year of the overall dollar amount expended each year by the District. The District is seeking DVBE participation under this Construction Services Agreement.
 - 6.3.3.1 The Contractor must require bidding subcontractors to make a good faith effort to contact and utilize DVBE contractors and suppliers in securing bids for performance of the Project. Their efforts shall be documented on the DVBE Good Faith Effort Form attached as Exhibit C. Information regarding certified DVBE firms can be obtained from the Office of Small Business Certification and Resources (OSBCR) at (916) 323-5478 or (916) 322-5060 as well as the OSBCR website at www.dgs.ca.gov/osbcr. Verification of DVBE status must be obtained from the OSBCR by receiving an approved certification letter and reference number from that office. Contractor must retain documentation of its good faith efforts, in the event such documentation is requested by the District. Good faith efforts are demonstrated by evidence of the following: a) contact was made with the District regarding the identification of DVBEs; b) contact was made with other state agencies and with DVBE organizations to identify DVBEs; c) advertising was published in trade papers and papers focusing on DVBEs; d) invitations to bid were submitted to potential DVBE contractors; and e) available DVBEs were considered.

7. SAVINGS AND VALUE ENGINEERING

- 7.1 General Intent. The purpose of Savings is to minimize the expenditure of funds for the construction of the Project on items that exceed the minimum criteria required without a corresponding benefit to the District. The District also wishes to eliminate any excess quality levels or performance criteria provided in the construction documents so long as such elimination does not alter the design, aesthetics, safety standards or configuration or space, and does not increase future maintenance and operation costs. The District and the Contractor shall work cooperatively with each other, in good faith, to identify appropriate opportunities to reduce the Project costs and promote Savings. There are two stages when Savings may be generated. They are (1) Value Engineering when establishing the GMP and (2) Savings generated through changes, reductions, or subcontractor negotiations that may occur after the GMP is established.
 - 7.1.1 Value Engineering is a review of systems so excess quality, unnecessary design elements, reconfiguration for efficiency, or other changes may be made to reduce the cost of a project. Sometimes, timing and sequences or re-use of materials that are unique to a project or area may generate savings. For example, if export soil is generated on a site which may have a substantial cost for transportation and removal could be sold to offset the costs incurred then a savings may be generated for the

Project. Similarly, if concrete is ground, it may be sold for aggregate rather than as demolished construction materials.

- 7.1.2 Other Savings is savings generated over the course of the Project through subcontractor negotiations, replacement of subcontractors, or through other means and shall be calculated as part of the overall costs for the Project as part of the "Open Accounting" of the Project and shall be counted towards Project Savings.
- Sharing and Calculation for Return of Savings. The Contractor is required to return to the 7.2 District savings associated with the project as it relates to value engineering, contractor buy out, overhead and general conditions savings, substitution savings, and scope duplications savings. The savings shall be tracked under a monthly report and provided as part of the pay application documents. If Contractor realizes a Savings on an aspect of the Project, including but not limited to, Value Engineering or Other Savings after the GMP is established and after execution of this Construction Services Agreement, such Savings shall be returned to the District. The District can also use the project savings to refill any Contingency budgets or allowance budgets, as needed. Calculation of Savings shall be determined by adding all expenses for the Project (excluding Change Orders and Owner and Construction Contingency Expenses), separating out overhead costs and either using the actual overhead costs, or the percentage set for overhead in the Article 5.3, whichever is higher an applying the percentage for profit against the GMP (less Change orders, Owner and Construction Contingency). Any remaining money shall be considered Savings. If the Project expenses exceed the GMP, then there are no Savings for the Project and the GMP shall apply. A separate calculation of whether there are savings associated with Change Orders under the Owner and Construction Contingency may be performed to determine if there are any savings that remain on these areas and applied to the overall savings calculation
- 7.3 <u>Savings Determined Through Audit.</u> District may, at its own costs, have an audit conducted of the project related job costs to determine Savings as further outlined in Article 21

8. DISTRICT CONTINGENCY

- 8.1 Sometimes, it is sometimes necessary to accommodate for changes to the Project arising from the program that will be occupying the Project when it is completed, actually seeing the physical construction and seeing items that would better suit the educational program or practical operation of the buildings that are part of this CSA.
- 8.2 The District Contingency is an allowance for use by the District that can be used to pay the Contractor to perform additional services ("Additional Services") not described in this Construction Services Agreement. This District Contingency is outside of the GMP, is not part of the original bond, except to the extent that District contingency is utilized as a Change to the Contract under Article 17, and may be used for Owner requested additions, revisions to the Project, moving furniture or equipment, and other District unforeseen items. Contractor shall provide a cost estimate and a written description of the Additional Services required to perform such work. The District shall set aside a contingency amount outside the GMP, defined at Article 5 ("District Contingency") in the amount set forth at Article 3.9, which District Contingency shall be used for such Additional Services. Compensation for such Additional Services shall be negotiated and agreed upon in writing, in advance of Contractor's performing or contracting for such Additional Services. Nothing in this Construction Services Agreement shall be construed as limiting the valuation and amount to be paid to Contractor for such Additional Services or its implementation should a written agreement for such services be executed. Contractor shall not be entitled to compensation for Additional Services required as a result of Contractor's acts, errors or omissions. Further any Architectural Errors and Omissions shall not come out of District Contingency.

8.3 Additionally, while District is in no way limited by the manner in which it decides to utilize the District Contingency, said District Contingency shall not be used for any costs associated with errors or omissions in the plans and specifications until such time, if ever, the Errors and Omissions Allowance has been fully exhausted. Any funds remaining in the District Contingency at the completion of the Project shall remain unspent and remain allocated to the District.

9. SCHEDULE

- 9.1 <u>Contract Time:</u> Contractor shall perform and reach Substantial Completion (See Article 4.42) within the time specified in the Agreement. Moreover, Contractor shall proceed on a properly developed and approved CPM Master Baseline Schedule, which represents the Contractor's view of the practical way in which the Work will be accomplished. Note that Contract Time includes and incorporates all Float and other Baseline inclusions as noted in Article 9.3 and as otherwise specifically noted in Article 9
- 9.2 Float is the total number of days an activity may be extended or delayed without delaying the Completion Date shown in the schedule. Float will fall into three categories: (1) Rain Days; (2) Governmental Delays; and, (3) Project Float. Project Float and Rain Days are owned by the Project and may be utilized as necessary for critical path delays once the days become available for consumption (i.e. the rain day arrives and is not utilized since rain did not occur or Work was performed on the interior of a building). However, Governmental Delay float shall not be utilized for purposes other than to address critical path delays that arise due to approvals, Inspector approvals or verifications on governmental forms.
 - 9.2.1 Governmental Delay Float. Given DSA requirements for submission and approval of CCD's prior to a DSA Form 152 sign off on areas of Work that deviate from approved plans and specifications, and the anticipated delays that may arise from this CCD procedure, no less than twenty-five (25) days per calendar year shall be set aside as Governmental Float to be utilized on critical path delays. A pro-rated number of days shall be calculated based on length of Contract Time. (For example, a two (2) year Contract Time shall require fifty (50) days of Governmental Float. If the Contract Time is 182 days, then the Contract Time shall require twelve and one half (12.5) days of Governmental Float) This Governmental Delay float must be incorporated into the schedule and should be incorporated in each critical activity as Contractor deems fit. Specifically, major categories of Work under the DSA 152 (Project Inspection Card) should be allocated Governmental Delay Float at the Contractor's discretion. Governmental Delay Float on the Project may exceed 25 days per one (1) year period, but Contractor is required to include not be less than 25 days of Governmental Delay Float during each one (1) year period.
 - 9.2.2 Inclement Weather (Rain Days). The Contractor will only be allowed a time extension for unusually severe weather if it results in precipitation or other conditions which in the amount, frequency, or duration is in excess of the norm at the location and time of year in question as established by the National Oceanic and Atmospheric Administration (NOAA) weather data. No less than 22 calendar days for each Calendar year for Southern California. The NOAA weather related days (22 days in Southern California) shall be set aside as float within the Baseline Schedule. Additional days beyond the NOAA shall be considered under the same criteria that weather days are granted below.
 - 9.2.3 Granting of Days beyond those Anticipated. A Rain Day shall be granted by Architect or CM if the weather prevents the Contractor from beginning Work at the usual daily starting time, or prevents the Contractor from proceeding with seventy-five (75%) of the normal labor and equipment force towards completion of the day's current controlling item on the accepted schedule for a period of at least five hours, and the

- crew is dismissed as a result thereof, the Architect will designate such time as unavoidable delay and grant one (1) critical path activity calendar-day extension if there is no available float for the calendar year.
- 9.2.4 *Project Float* is all remaining float, including extra days included in a particular activity.
- 9.3 <u>Inclusions in Baseline.</u> In addition to Scheduling requirements set forth at Article 9, Contractor is specifically directed to include in Contractor's Baseline Schedule and all Schedule updates that provide for the following items required pursuant to this CSA, including but not limited to:
 - 9.3.1 Rain Day Float (excluding inclement weather) as required under Article 9.2.2. For example, if the NOAA provides 22 days of rain days, all 22 days must be incorporated and noted in the schedule. Further, any days required to clean-up or dry out shall be included for operations that are likely to require a clean-up or dry out period. Days that are not utilized shall be considered float owned by the Project.
 - 9.3.2 Governmental Delay Float under Article 9.2.1. This Governmental Delay Float shall only be utilized for Governmental Delays and shall not be considered available float owned by the Project. This float shall only be distributed to the Project upon the completion of the Project and shall be used to offset liquidated damages for overstaying the Lease and shall not generate compensable delays.
 - 9.3.3 Submittal and Shop drawing schedule under Article 9.6 and 15.6.
 - 9.3.4 Deferred Approvals under Article 15.3 and 15.6
 - 9.3.5 Time for separate contractors, including furniture installation and start up activities, under Article 32.
 - 9.3.6 Coordination and timing of any drawings, approvals, notifications, permitting, connection, and testing for all utilities for the Project. (See Article 13.15.2.)
 - 9.3.7 Testing, special events, or District activities.
- 9.4 <u>Schedule Updates.</u> Contractor shall update the schedule each month to address actual start dates and durations, the percent complete on activities, actual completion dates, estimated remaining duration for the Work in progress, estimated start dates for Work scheduled to start at future times and changes in duration of Work items
 - 9.4.1 Listing of Items Causing Delays. Schedule Updates shall provide a listing of activities which are causing delay in the progress of Work and a narrative shall be provided showing a description of problem areas, anticipated delays, and impacts on the Construction Schedule. Simply stating "District Delay" or "Architect Delay" shall be an inadequate listing.
 - 9.4.2 Recovery Schedule. In addition to providing a schedule update every thirty (30) days, the Contractor, shall take the steps necessary to improve Contractor's progress and demonstrate to the District and Architect that the Contractor has seriously considered how the lost time, the Completion Date, or the milestones that are required to be met within the terms of the Contract. Contractor shall provide a Recovery Schedule showing how Milestones and the Completion Date will be met.
 - 9.4.2.1 <u>Failure to Provide a Recovery Schedule.</u> Shall subject Contractor to the assessment of Liquidated Damages for failure to meet the Contract Time.

- 9.5 Time of the Essence. Time limits stated in the Contract Documents are of the essence to the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work
- 9.6 Time for Preparing Submittals Must Be Incorporated in Schedule: Contractor shall include Submittals as line items in the Baseline Schedule. Time for preparing and coordinating Submittals shall not delay the Work, Milestones, or the Completion Date.
- Reference Supplemental Conditions for Submittal Timelines. Failure to provide the 9.7 submittals by the listed timelines will subject the Contractor to the assessment of Liquidated Damages for failure to meet the Contract timelines.

INSPECTION OF WORK/ INSPECTOR AND ARCHITECT 10.

- Inspection of Work/Inspector. The District shall hire its own Division of State Architect Inspector as required by law. District, District's Representatives, and the Division of the State Architect shall at all times have access to the work whether it is in preparation or progress, and Contractor shall provide proper facilities for such access and for inspection.
 - 10.1.1 General. One or more project inspectors employed by the District and approved by the Division of the State Architect will be assigned to the Work in accordance with the requirements of Title 24 of the California Code of Regulations. The Inspector(s) duties are as specifically defined in Title 24 Section 4-333 and 4-342 and in DSA IR A-8.
 - 10.1.2 Inspector's Duties and DSA Noted Timelines for Inspection. All Work shall be under the observation of the Inspector. Contractor shall establish a protocol for requesting inspection with Inspector so as to not delay the Work and provide adequate time for the Inspector to perform inspection. If such a protocol is not established ahead of time, Inspector may utilize the time criteria set by Title 24 of 48 hours in advance of submitting form DSA 156 for each new area. The Inspector shall have free access to any or all parts of the Work at any time. The Contractor shall furnish the Inspector such information as may be necessary to keep the Inspector fully informed regarding progress and manner of Work and character of materials. Such observations shall not, in any way, relieve the Contractor from responsibility for full compliance with all terms and conditions of the Contract, or be construed to lessen to any degree the Contractor's responsibility for providing efficient and capable superintendence. The Inspector is not authorized to make changes in the drawings or specifications nor shall the Inspector's approval of the Work and methods relieve the Contractor of responsibility for the correction of subsequently discovered defects, or from its obligation to comply with the Contract Documents.
 - 10.1.3 Electronic Posting. Inspector shall electronically post DSA required documents on the DSA electronic posting website. It is the Contractor's responsibility to determine the status of posting and determine if all the criteria for sign off of a category of Work on the Project Inspection Card (Form DSA 152) as defined more thoroughly in the most current version of the DSA 152 manual posted on the DSA website.
 - 10.1.4 Incremental Approvals under PR-13. Inspector may collaborate with Contractor about approval of areas that may be constructed and approved incrementally under the DSA 152 card pursuant to the guidelines of PR-13 at Article 1.17. Inspector shall work with Contractor to present incremental approval proposals to DSA.
 - 10.1.5 Inspector's Authority to Reject or Stop Work. The Inspector shall have the authority to reject Work whenever provisions of the Contract Documents are not being complied with, and Contractor shall instruct its Subcontractors and employees

accordingly. In addition, the Inspector may stop any Work that poses a probable risk of harm to persons or property. The Contractor shall instruct its employees, Subcontractors, material and equipment suppliers, etc., accordingly. The absence of any Stop Work Order or rejection of any portion of the Work shall not relieve the Contractor from any of its obligations pursuant to the Contract Documents.

- 10.1.6 Inspector's Facilities. Within seven (7) days after notice to proceed, the Contractor shall provide the Inspector with the temporary facilities as required. More specific requirements for the Inspector facilities may be further described under Division 1 of the Specifications.
- 10.1.7 Testing Times. The District will provide inspection and testing at its cost during the normal eight (8) hour day Monday through Friday (except holidays). Work by the Contractor outside of the normal eight (8) hour day shall constitute an authorization from the Contractor to the District to provide inspection and testing as required outside of the normal eight (8) hour day. Contractor shall provide adequate time for inspections so as to not delay the Work. An advanced timing protocol may be established pursuant to Article 10. If the Contractor is behind Schedule then it is incumbent on the Contractor to provide advance forecast through look ahead of the anticipated date for inspection so the Inspector may plan their activities so as to not delay the Project. Contractor shall reimburse District for any additional costs associated with inspection and testing (including re-inspection and re-testing) outside the normal eight-hour day and for any retests caused by the Contractor pursuant to Article 10.4.
- 10.1.8 Contractor Is Required to Coordinate Testing and Inspections. It is the Contractor's responsibility to request special inspections with sufficient time so all testing may be timely completed and posted so work may proceed and the Inspector's signature is attached to the Project Inspection Card (Form 152). Specifically, timely request for special inspection under the DSA Verified Report Forms 291 (laboratory), DSA Verified Report Form 292 (Special Inspection), and DSA Verified Report 293 (geotechnical) since DSA requirements under PR 13-01 specifically gives the Special Inspections 14 days to post to the DSA website. Failure to plan and pay (if applicable) for quicker delivery of Special Inspections may be counted as Float, but is not considered Governmental Delay Float under Article 9.2.1.
- 10.1.9 Special Inspection Out of State, Out of Country or Remote from Project. If Contractor has a subcontractor or supplier that requires in plant or special inspections or tests that are out of the Country, out of State or a Distance of more than 200 miles from the Project site, the District shall provide the Special Inspector or individual performing tests time for inspection and testing during normal work hours. Contractor, however, is responsible for the cost of travel, housing, food, out of area premiums that may be in the Inspector/Testing Agreement with District, or other expenses necessary to ensure proper inspection or testing is provided by a DSA Certified Inspector, Special Inspector, or individual performing tests. In some cases all three (DSA Inspector, Special Inspector, and Testing) may be required. In addition, if the DSA Certified Inspector, Special Inspector, or individual performing test has contractual travel clauses or special rates for out of town inspection, Contractor is responsible for all costs associated with the contractual travel costs in addition to all other costs. Arrangements for inspection and/or testing shall be made far enough in advance so as to not delay the Work.
- STOP WORK ORDER. DSA may issue a Stop Work Order, or an Order to Comply, when 10.2 either (1) the Work proceeds without DSA approval; (2) the Work proceeds without a DSA Inspector of Record, or (3) where DSA determines that the Work is not being performed in accordance with applicable rules and regulations, and would compromise the structural

integrity of the Project or would endanger lives. If a Stop Work Order is issued, the Work in the affected area shall cease until DSA withdraws the Stop Work Order. Pursuant to Education Code Section 81133.5, the District shall not be held liable in any action filed against the District for any delays caused by compliance with the Stop Work Order, except to the extent that an error or omission by the District is the basis for the issuance of the Stop Work Order.

103 Inspector's Field Office. Contractor shall provide for the use of inspector a separate trailer or temporary private office of not less than seventy five square feet of floor area to be located as directed by District and to be maintained until removal is authorized by District. The Office shall be of substantial waterproof construction with adequate natural light and ventilation. Door shall have a key type lock or padlock hasp. The Inspector's field office shall have heating and air-conditioning and shall be equipped with a telephone, internet connection, working computer, a fax machine and use of an on-site copier at Contractor's expense. A table satisfactory for the study of plans and two chairs shall be provided by Contractor. Contractor shall provide and pay for adequate electric lights, and adequate heat and air conditioning for the field office until authorized removal.

10.4 RESPONSIBILITY FOR ADDITIONAL CHARGES INCURRED BY THE DISTRICT FOR PROFESSIONAL SERVICES

- If at any time prior to the completion of the requirements under the Contract 10.4.1 Documents, the District is required to provide or secure additional professional services (including CM, Inspection, Architect, Engineering and Special Consultant Services) for any reason by any act of the Contractor, the District may seek a Deductive Change Order for any costs incurred for any such additional services, which costs shall be deducted from the next progress payment. A Deductive Change Order shall be independent from any other District remedies and shall not be considered a waiver of any District rights or remedies. District will develop a tracking mechanism to track the deductive CORs required for the items identified in this Section. Contractor will be advised of the associated costs and will be given proper notification and reporting of the potential deductive change order amounts. If payments then or thereafter due to the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the District. Additional services shall include, but shall not be limited to, the following:
 - a) Services made necessary by the default of the Contractor (Article 19 or Article 12.2).
 - b) Services made necessary due to the defects or deficiencies in the Work of the
 - Preparation of a CCD or ICD to correct a Contractor Deficiency, or Contractor c) Caused Notice
 - d) of Non-Compliance (Article 17.2)
 - Services required by failure of the Contractor to perform according to any e) provision of the Contract Documents.
 - f) Services in connection with evaluating substitutions of products, materials, equipment, Subcontractors' proposed by the Contractor, and making subsequent revisions to drawings, specifications, obtaining DSA approvals, DSA costs for review of CCD's, other governmental agency review costs, and providing other documentation required (except for the situation where the specified item is no longer manufactured or available). (Article 16)

5.6 (62)

- g) Services for evaluating and processing Claims or Disputes submitted by the Contractor in connection with the Work outside the established Change Order process.
- Services required by the failure of the Contractor to prosecute the Work in a timely manner in compliance within the specified time of completion.
- Services in conjunction with the testing, adjusting, balancing and start-up of equipment other than the normal amount customarily associated for the type of Work involved.
- j) Services in conjunction with more than one (1) re-review of Submittals of Shop Drawings, product data, samples, RFI's etc.

11. ARCHITECT

- 11.1 Architect's Status. In general and where appropriate and applicable, the Architect shall observe the progress and quality of the work on behalf of the District. The Architect shall have the authority to act on behalf of District only to the extent expressly provided in this Construction Services Agreement. After consultation with the Inspector and after using his/her best efforts to consult with the District, the Architect shall have authority to stop work whenever such stoppage may be necessary in his reasonable opinion to insure the proper execution of the Construction Services Agreement. Contractor further acknowledges that the Architect shall be, in the first instance, the judge of the performance of this Construction Services Agreement
- 11.2 <u>Architect's Decisions.</u> Contractor shall promptly notify District in writing if the Architect fails within a reasonable time, make decisions on all claims of the District or Contractor and on all other matters relating to the execution and progress of the Project.

12. DISTRICT RESPONSIBILITIES

- District Site Representations. District warrants and represents that, District has, and will continue to retain at all times during the course of construction, legal title to the Site and that said land is properly subdivided and zoned so as to permit the construction and use of said Site. District further warrants and represents that title to said land is free of any easements, conditions, limitation, special permits, variances, agreements or restrictions which would prevent, limit, or otherwise restrict the construction or use of said facility. However, in the event easements for permanent structures or permanent changes in existing facilities are necessary, they shall be secured and paid for by District, unless otherwise specified. Reference is made to the fact that District has provided information on the Site to Contractor. Such information shall not relieve the Contractor of its responsibility; and the interpretation of such data regarding the Site, as disclosed by any borings or other preliminary investigations, is not warranted or guaranteed, either expressly or implicitly, by the District. The Contractor shall be responsible for having ascertained pertinent local conditions such as location, accessibility and general character of the Site and for having satisfied himself as to the conditions under which the work is to be performed. After the Due Diligence engaged in by Contractor to establish a proper price for the GMP, no claim for any allowances because of Contractor's error or negligence in acquainting himself with the conditions at the Site will be recognized except as specifically noted as unforeseen under Article 5.1.3 or Article 5.1.4.
- 12.2 <u>Partial Default: District Right to Take Over Work (Two (2) day notice to Cure and Correct)</u>. If the Contractor Defaults or neglects to carry out the Work in accordance with the Contract Documents, the District may provide a two (2) business day written notice to cure (a shorter period of time in the case of Emergency or a critical path delay) Contractor's

Partial Default in a specific segregated area of work. The District's right to issue a Partial Default of the Contractor's Work and take over that segregated area of Work includes, but is not limited to:

- a) Failure to supply adequate workers on the entire Project or any part thereof;
- b) Failure to supply a sufficient quantity of materials;
- c) Failure to perform any provision of this Contract;
- Failure to comply with safety requirements, or due to Contractor is creation of an unsafe condition;
- e) Cases of bona fide emergency;
- f) Failure to order materials in a timely manner;
- g) Failure to prepare deferred-approval items or Shop Drawings in a timely manner;
- h) Failure to comply with Contractor's Baseline or Update Schedule, meet critical Milestones which would result in a Delay to the Critical Path, or Delay the Contract Time;
- Failure to comply with the Subletting and Subcontracting Fair Practices, Public Contract Code section 4100, et seq.
- j) Failure to meet the requirements of the American's with Disabilities Act;
- k) Failure to complete Punch List work;
- 1) Failure to proceed on an Immediate Change Directive
- 12.2.1 Failure to correct a Notice of Deviation. If during the two (2) business day period, the Contractor fails to Cure and correct the deficiency noted in the notice of Partial Default with diligence and promptness, the District may correct such deficiencies without prejudice to other remedies the District may have, including a Termination for Cause as set forth in Article 19.
- 12.2.2 Service of Notice of Partial Default with Right to Cure. A written notice of Partial Default and right to Cure under Article 12.2 ("Article 12.2 Notice" or "Notice of Partial Default") shall be served by facsimile (with a copy provided by e-mail to the e-mail address provided on the Bid submitted and copied to the Project Superintendent).
- 12.2.3 Shortened Time for Partial Default in the Case of Emergencies. In an Emergency situation, the District may correct any of the deficiencies described in Article 12.2 without prejudice to other remedies by providing service of written notice of Emergency requiring a shortened time for Partial Default specifying the time given to Cure, if any.
- 12.2.4 Shortened Time for Partial Default in the Case of Critical Path Delay. In the case of critical path delay, the District may correct any of the deficiencies described in Article 12.2 without prejudice to other remedies providing service of written notice of Critical Path Delay to the Contractor with a specific description of the critical path delay items noting the line item or area of Work that is on the Critical Path and prescribe the length of shortened time to Cure, if any.

12.2.5 Written Notice of Partial Default to be Deducted by Deductive Change Order. The District shall have the right to determine the reasonable value of the Article 12.2 Partial Default Work, or if there is an actual value for the Work, shall use that value and issue a Deductive Change Orders under Article 17.6.

13. CONTRACTOR RESPONSIBILITIES.

- 13.1 Full Time Supervision. Contractor shall keep on the Work at all times during its progress a competent, English speaking construction Superintendent satisfactory to the District. The Superintendent shall be present on a full-time basis, shall be dedicated exclusively to the Project and shall not share superintendency duties with another project or job. The Superintendent shall not be replaced except with written consent of the District. The Superintendent shall represent the Contractor in its absence and shall be fully authorized to receive and fulfill any instruction from the Architect, the Inspector, the District or any other District representative (including CM in the cases where the District has a CM representative). All Requests for Information shall be reviewed and signed by the Superintendent and Project Manager and responses thereto shall be given to the Superintendent and Project Manager. The Superintendent shall have authority to bind Contractor through the Superintendent's acts. The Superintendent shall represent the Contractor, and communications given to the Superintendent shall be binding on the Contractor. Before commencing the Work, Contractor shall give written notice to District (and CM representative) and Architect of the name and a Statement of Qualifications of such superintendent. Superintendent shall not be changed except with written consent of District, unless a superintendent proves to be unsatisfactory to Contractor and ceases to be in its employ, in which case, Contractor shall notify District and Architect in writing. Contractor shall provide a replacement superintendent approved by the District prior to performing additional work.
- 13.2 <u>Staff.</u> Notwithstanding other requirements of the Contract Documents, the Contractor and each Subcontractor shall: (1) furnish a competent and adequate staff as necessary for the proper administration, coordination, supervision, and superintendence of its portion of the Work; (2) organize the procurement of all materials and equipment so that the materials and equipment will be available at the time they are needed for the Work; and (3) keep an adequate force of skilled and fit workers on the job to complete the Work in accordance with all requirements of the Contract Documents.
- 13.3 Contractor shall notify District and Architect, in writing, when Contractor desires to change the Project Manager for the Project, and shall provide the information specified above. The new Project Manager cannot serve on the Project until approved by District. District shall have the right, at any time, to direct a change in Contractor's Project Manager if performance is unsatisfactory, as determined by District, in its sole discretion.
- 13.4 Contractor shall give efficient supervision to the work, using its skill and attention and shall cause working drawings and specifications to be prepared and submitted to the District. Following agreement by Contractor and District with respect to said working drawings and specifications, it shall be Contractor's responsibility to perform the work described in said working drawings and specifications in substantial compliance with the Construction Documents.
- 13.5 <u>Right to Remove</u>. District shall have the right, but not the obligation, to require the removal from the Project of any superintendent, staff member, agent, or employee of any Contractor, Subcontractor, material or equipment supplier.
- 13.6 <u>Discipline</u>. The Contractor shall enforce strict discipline and good order among the Contractor's and Subcontractor's employees, and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks

assigned to them. As used in this subsection, "unfit" includes any person who the District concludes is improperly skilled for the task assigned to that person, who fails to comply with the requirements of this article, or who creates safety hazards which jeopardize other persons and/or property.

13.7 **Labor and Materials**

- 13.7.1 Contractor to Provide. Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, material, equipment, tools, construction equipment and machinery, water, heat, air conditioning, utilities, transportation, and other facilities, services and permits necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.
- 13.7.2 Quality. Unless otherwise specified, all materials and equipment to be permanently installed in the Project shall be new and shall be of the highest quality or as specifically stated in the Contract Documents. The Contractor shall, if requested, furnish satisfactory evidence as to kind and quality of all materials and equipment within ten (10) days of a written request by the District, including furnishing the District with bona fide copies of invoices for materials or services provided on the Project. All labor shall be performed by workers skilled in their respective trades, and shall be of the same or higher quality as with the standards of other public construction.
- 13.7.3 Replacement. Any work, materials, or equipment, which do not conform to these requirements or the standards set forth in the Contract Documents, may be disapproved by the District, in which case, they shall be removed and replaced by the Contractor at no additional cost or extension of time to the District.
- 13.8 Pre-Construction Orientation/Construction Meetings. The Contractor, in conjunction with the District and the Architect, shall conduct pre construction orientation conferences for the benefit of Subcontractors to orient the Subcontractors to the various reporting procedures and site rules prior to the commencement of actual construction. These Pre-Construction meetings shall include Clash Check Resolution and coordination of the subcontractor Work to help reduce Errors and Omissions and Construction Contingency requests and shall incorporate the Constructability Due Diligence review done by Contractor.
- 13.9 Owner Meetings. The Contractor shall conduct construction and progress meetings with District Representatives, and Construction Managers that occur at least weekly and as otherwise requested by the District, to discuss such matters as procedures, progress problems and scheduling. The Contractor shall prepare and promptly distribute official minutes of such meetings to all parties in attendance including Architect, District and Inspector.
- Budget/Cash Flow Reports. The Contractor shall incorporate approved changes as they 13 10 occur, and develop cash flow reports and forecasts for submittal to the District on a monthly basis. The Contractor shall provide regular monitoring of the approved estimates of Construction Costs, showing actual costs for activities in progress, and estimates for uncompleted tasks. The Contractor shall identify variances between actual and budgeted or estimated costs, and advise the District and the Architect whenever Project costs exceed budgets or estimates. The Contractor shall maintain cost accounting records on authorized additional services or work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records.
- Progress Reports. The Contractor shall record the progress of the Project, and shall submit monthly written progress reports to the District and the Architect including information on

the entire Project, showing percentages of completion and the number and amounts of proposed Extra Work/Modifications and their effect on the Construction Costs as of the date of the report. The Contractor shall also keep a daily log containing a record of weather, Contractors, work on the site, number of workers, work accomplished, problems encountered, and other similar relevant data as the District may require. The Contractor shall make the log available to the District and the Architect. The District shall be promptly informed of all anticipated delays. In the event that the Contractor determines that a schedule modification is necessary, the Contractor shall promptly submit a revised Schedule for approval by the District

13.12 Schedule of Values.

- 13.12.1 Break Down of Schedule of Values. Schedule of Values shall be broken down by Project, site, building, milestone, or other meaningful method to measure the level of Project Completion as determined by the District. The schedule of values shall include, but not be limited, to the Subcontractor Cots, the costs for the Submittals, Punch Lists, Commissioning and Start-Up, Close Out Submittals, and As-Builts
- Based on Contractor Bid Costs. The Schedule of Values shall be based on the costs 13.12.2 from Contractor's bid to the District. However, the submission of the Schedule of Values shall not be front loaded so the Contractor is paid a greater value than the value of the Work actually performed and shall not shift funds from parts of the Project that are later to Work that is performed earlier.
- 13.12.3 Largest Dollar Value for Each Line Item. Identify subcontractors and materials suppliers proposed to provide portions of Work equal to or greater than ten thousand dollars (\$10,000) or one-half (1/2) of one percent (1%) of their Contract Price, whichever is less.
- 13.12.4 Allowances. Any Allowances provided for in the Contract shall be a line item in the Schedule of Values.
- 13.12.5 Labor and Materials Shall Be Separate. Labor and Materials shall be broken into two separate line items unless specifically agreed in writing by the District.
- 13.12.6 District Approval Required. The District shall review all submissions of Schedule of Values received pursuant to this Article in a timely manner. All submissions must be approved by the District before becoming the basis of any payment.
- 13.13 Scheduling. Contractor shall complete the construction pursuant to the CPM Construction as required under Article 9.
- As Builts. Throughout the duration of the Project, Contractor shall maintain on a current 13.14 basis an accurate and complete set of As-Built Drawings (and Annotated Specifications) clearly showing all changes, revisions to specifications and substitutions during construction, including, without limitation, field changes and the final location of all electrical and mechanical equipment, utility lines, ducts, outlets, structural members, walls, partitions, and other significant features. In case a specification allows Contractor to elect one of several brands, makes, or types of material or equipment, the annotations shall show which of the allowable items the Contractor has furnished. The Contractor will update the As-Built Drawings and Annotated Specifications as often as necessary to keep them current, but no less often than weekly.
 - 13.14.1 Updates. Contractor shall update As-Built Drawings with complete information on an area of Work at or near the time when the Work is being performed and prior to any DSA 152 sign off and prior to any Work being covered.

- 13.14.2 *Storage*. The Record Drawings and Annotated Specifications shall be kept at the Site and available for review and inspection by the District and the Architect. Failure to maintain and update the Record Drawings is a basis to withhold Progress Payments pursuant to Article 29.4.
- 13.14.3 *Upon Beneficial Occupancy*. Contractor shall obtain and pay for reproducible plans upon Beneficial Occupancy. Contractor shall deliver Plans to District Representative (Construction Manager if one is hired for the Project).
- 13.14.4 As-Builts at Completion of Work. On completion of the Work and prior to and as a condition precedent to Application for Retention Payment, the Contractor will provide one neatly prepared and complete set of As-Built Drawings and Annotated Specifications to the District. Contractor shall certify the As-Builts as a complete and accurate reflection of the actual construction conditions of the Work by affixing a Stamp indicating the Drawings are As-Builts and Certifying Accuracy on the final set of As-Builts. Contractor shall also scan the As-builts in color and provide a complete PDF copy in a flash drive to the Architect and the District.
- 13.14.5 Log of Control and Survey Documentation. Contractor shall complete and maintain an accurate log or all control and survey documentation for the Project as the Work progresses. All reference and control points shall be recorded on the As-Built drawings. The basis of elevations shall be one of the established benchmarks that must be maintained on the As-Builts.
- 13.14.6 Record Coordinates for Key Items. Contractor shall record, by coordinates, all utilities on-site with top of pipe elevations, major grade and alignment changes, rim, grate or top of curb and flow line elevations of all drainage structures and sewer manholes. Contractor shall update record information at or near the time when work is occurring in an area and prior to DSA 152 sign off on any category of Work and prior to covering the Work.
- 13.14.7 *BIM As-Built Drawings*. If BIM is utilized for the Project, then an electronic version of such As-Built Drawings and Annotated Specifications will be delivered to District (in an acceptable format to District).

13.15 <u>Miscellaneous Obligations of Contractor</u>

- 13.15.1 District Permit and Other Obligations. It is expressly understood that the District shall pay the DSA for the DSA inspector, soils testing, DSA fees, special testing, etc. If additional review or permits become necessary for reasons not due to Contractor's fault or because of DSA requirements or regulations implemented after the date the GMP is established and not reasonably anticipated at the time the GMP is established, Contractor may seek compensation only for the direct cost (without mark up or added fees) of that review, as an additional cost. In the alternative, District may pay such costs directly to DSA. (Offsite costs and additional inspection costs)
- 13.15.2 Contractor Permit Obligations. Contractor shall pay for all remaining general building permits and ancillary permits and licenses not paid by District prior to the commencement of this Construction Services Agreement. Contractor shall also be responsible for arranging and overseeing all necessary inspections and tests, including inspections by the DSA, permits and occupancy permits, and ensure compliance with any Federal and State laws. All municipal charges for permanent utilities including, but not limited to, sewer, electrical, phone, gas, water, and irrigation shall be paid for by District. Contractor shall be responsible for arranging the payment of such fees by District at least one (1) week in advance of when the payment is due. Contractor may

- either request reimbursement from District for such fees (at direct cost only), or obtain the funds from District prior to paying such fees.
- 13.15.3 Protection. The Contractor shall establish procedures for the protection of all existing structures, equipment, utilities, and other existing improvements, both on site and off
- 13.15.4 Nuisance Abatement. The Contractor shall develop a mutually agreed upon documented program with the District to abate and minimize noise, dust, and disruption to normal activities at the existing facilities on the Site, including procedures to control on site noise, dust, and pollution during construction.
- 13.15.5 Site Mitigation and Remediation. Contractor shall be required to undertake Site mitigation or remediation at its sole cost for items identified in the Due Diligence Documents provided to Contractor. For underground conditions below four (4) feet and hazardous substances that differ from representations in Contract Documents or Due Diligence Documents, Contractor shall provide notice within five (5) days after the discovery of the occurrence of the unforeseen conditions. If Due Diligence documents and information provided to Contractor does not provide notice of the Unforeseen condition then the costs for such work shall be added as an extra pursuant to Article 17. Costs shall be billed to Construction Contingency. However, to the extent Construction Contingency is exceeded, District shall increase the Construction Contingency to include any costs that exceed Construction Contingency arising from Unforeseen underground Conditions and Hazardous substances (see Article 5.1.3 and 5.1.4) that are not documented in the Construction Documents or in the Due Diligence documents reviewed.
- 13 15 6 Utilities. The Contractor shall perform and pay for all temporary utility hook ups and connections; the District shall pay for use of utilities during construction, as well as any fees owed to utility suppliers for connection to existing mainline facilities. Buildings shall be connected to water, gas, sewer, and electric services, complete and ready for use. Service connections shall be made and existing services reconnected.
- 13 15 7 Sanitary Facilities. The Contractor shall provide a sanitary temporary toilet building as directed by the inspector for the use of all workers. The building shall be maintained in a sanitary condition at all times and shall be left at the site until the inspector directs removal. Use of toilet facilities in the work under construction shall not be permitted except by approval of the Inspector.
- 13 15 8 Layout and Field Engineering. All field engineering required for laying out this work and establishing grades for earthwork operations shall be furnished by the Contractor at its expense. Such work shall be done by a qualified civil engineer or land surveyor licensed in California and approved by the Architect. Any required "as built" drawings of site development shall be prepared by a qualified civil engineer or land surveyor licensed in California and approved by the Architect.
- 13.15.9 Cutting and Patching. Contractor shall do all cutting, fitting, or patching of work as required to make its several parts come together properly and fit it to receive or be received by work of other contractors showing upon, or reasonably implied by, the drawings and specifications for the completed structure. Contractor shall make good after them as Architect may direct. All cost caused by defective or ill-timed work shall be borne by party responsible therefore. Contractor shall not endanger any work by cutting, excavating, or otherwise altering work and shall not cut or alter work of any other contractor save with consent or at the direction of Architect.

- 13.15.10 Documents on the Project Site. Contractor shall keep one copy of all Contract Documents, including addenda, change orders, Division I, Title 21 of the California Code of Regulations, Parts 1-5 and 12 of Title 24, and Title 22 of the California Code of Regulations, and the prevailing wage rates applicable to the Project, which are a part of Contract Documents, on job at all times. Said documents shall be kept in good order and shall be available to District representative, Architect and his representatives. Contractor shall be acquainted with and comply with the provisions of said Titles 21, 22 and 24 as they relate to this Project. (See particularly Duties of the Contractor, Title 24 California Code of Regulations, section 4-343.) Contractor shall also be acquainted with and comply with all California Code of Regulations provisions relating to this project, particularly Titles 17, 19, 21, 22 and 24.) Contractor shall also make available all books, records, accounts, contracts, bids, etc. upon request of District.
- 13.15.11 *Contractor to Bind Subcontractors to the Provisions of this Contract.* Contractor shall ensure that Subcontractors are bound to the same extent as Contractor is bound to District.
- 13.15.12 Contractor Responsible for Means and Methods. Contractor shall be solely responsible for the construction means, methods, techniques, sequences, procedures, and coordinating all portions of the work under the Contract Documents, unless the Contract Documents give other specific instructions concerning these matters. Contractor shall be responsible to see that the finished work complies accurately with the Contract Documents. Contractor shall not perform the work without utilizing the Contract Documents or, where required, approved shop drawings, product data, or samples for any such portion of the work.
- 13.15.13 Contractor Responsible for Acts and Omissions of Employees. Contractor shall be responsible to District for acts and omissions of Contractor's employees, subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of the work under direct or indirect contract with Contractor or any of its subcontractors.
- 13.15.14 General DSA Compliance. During the term of this Agreement, Contractor shall coordinate its services with the District, Architect, Project Inspector, and other parties to ensure that all requirements set forth in the DSA's Inspection Card (Form 152) and any subsequent revisions or updates thereto issued or required by DSA, or any other/alternate processes are being met in compliance with DSA requirements. Contractor shall take all action necessary as to not delay progress in meeting any DSA requirements. Contractor shall meet any applicable requirements set forth in DSA's Construction Oversight Process Procedure (PR 13-01) and any subsequent revisions or updates thereto issued or required by DSA. Any references to DSA requirements for the Project shall be deemed to include and incorporate any revisions or updates thereto.

13.16 Close Out

- 13.16.1 All DSA Close-Out requirements (See DSA Certification Guide). Contractor is also specifically directed to Item 3.2 in the DSA Certification Guide and the applicable certificates for the DSA-311 form.
- 13.16.2 Punch List Is Prepared Only After the Project Is Substantially Complete. The Inspector and Architect shall prepare a Punch List of items which is an inspection report of the Work, if any, required in order to complete the Contract Documents and

ensure compliance with the DSA Approved Plans so the Project may be Completed by the Contractor and a final DSA Close-Out is approved. When all Work for the Project is Complete, including Punch Lists and all Work complies with the approved Contract Documents and Change Orders, the Project has reached Final Completion.

- Time for Completion of Punch List. Contractor shall only be given a period of no 13.16.3 more than thirty (30) days to complete the Punch List on Project. During the Punch List period Contractor Superintendent and Project Manager shall remain engaged in the Project and shall not be removed or replaced. If the Punch List is not completed at the end of the Punch List time then Contractor shall issue a valued Punch List within 5 days after the date the Punch List time ends. If Contractor does not issue such a list, the Owner or Architect may issue a valued Punch List to the Contractor and withhold up to 150% of the value of the Punch List Work.
- 13 16 4 As-Builts Up to Date and Complete. The intent of this procedure is to obtain an exact "As-Built" record of the Work upon completion of the project. The following information shall be carefully and correctly drawn on the prints and all items shall be accurately located and dimensioned from finished surfaces of building walls on all record drawings
 - 13.16.4.1 The exact location and elevations of all covered utilities, including valves, cleanouts, etc. must be shown on As-Builts
 - 13.16.4.2 Contractor is liable and responsible for inaccuracies in As-Built drawings, even though they become evident at some future date.
 - 13.16.4.3 Upon completion of the Work and as a condition precedent to approval of Retention Payment, Contractor shall obtain the Inspector's approval of the "As-Built" information. When completed, Contractor shall deliver corrected sepias and/or a Diskette with an electronic file in a format acceptable to the District.
 - 13.16.4.4 District may withhold the cost to hire a draftsman and potholing and testing service to complete Record As-Built Drawings at substantial cost if the Contractor does not deliver a complete set of Record As-Built Drawings. This shall result in withholding of between \$10,000 to \$20,000 per building that does not have a corresponding Record As-Built Drawing.
- 13.16.5 Any Work not installed as originally indicated on drawings
- 13.16.6 All DSA Close-Out requirements (See DSA Certification Guide). Contractor is also specifically directed to Item 3.2 in the DSA Certification Guide and the applicable certificates for the DSA-311 form.
- 13.16.7 Submission of Form 6-C. Contractor shall be required to execute a Form 6-C as required under Title 24 Sections 4-343. The Contractor understands that the filing with DSA of a Form 6-C is a requirement to obtain final DSA Approval of the Construction by Contractor and utilized to verify under penalty of perjury that the Work performed by Contractor complies with the DSA approved Contract Documents.
- 13.16.8 Contractor shall be Responsible for All Costs to Certify the Project. The District may Certify the Project complies with Approved Plans and Specifications by utilizing the procedures under the Project Certification Guide (Located at the DSA website at http://www.documents.dgs.ca.gov/dsa/plan review process/project certification guid e updated 03-15-13.pdf). All costs for professionals, inspection, and testing required

for an alternate Project Certification shall be the Contractor's responsibility and the District reserves its right to institute legal action against the Contractor and Contractor's Surety for all costs to Certify the Project and all costs to correct Non-Compliant Work that is discovered during the Alternate Certification Process.

- 13.16.9 ADA Work that must be corrected to receive DSA certification. See Article 41.
- 13.16.10 *Maintenance Manuals.* At least thirty (30) days prior to final inspection, three (3) copies of complete operations and maintenance manuals, repair parts lists, service instructions for all electrical and mechanical equipment, and equipment warranties shall be submitted. All installation, operating, and maintenance information and drawings shall be bound in 8½" x 11" binders. Provide a table of contents in front and all items shall be indexed with tabs. Each manual shall also contain a list of subcontractors, with their addresses and the names of persons to contact in cases of emergency. Identifying labels shall provide names of manufactures, their addresses, ratings, and capacities of equipment and machinery.
- 13.16.11 Maintenance manuals shall also be delivered in electronic media for the Project. Any demonstration videos shall also be provided on electronic media.
- 13.17 Correction of Work: Warranty. Neither final payment nor any provision in the Contract Documents shall relieve Contractor of responsibility for faulty materials or workmanship incorporated in the Project. Contractor warrants that all work under this Construction Services Agreement will be free of faulty materials or workmanship and hereby agrees, within ten (10) days upon receiving notification from District, to remedy, repair or replace, without cost to District, all defects which may appear as a result of faulty materials or workmanship in the Project, at any time, or from time to time, during a period beginning with commencement of the Project and ending one (1) years after the date of completion of the Project, as defined in Article 18 hereof. The foregoing warranty of Contractor also applies to the remedy, repair or replacement of defects which may appear as a result of faulty designs prepared by Contractor and/or any party retained by, through or under Contractor in connection with the Project, but the foregoing warranty of Contractor does not guarantee against damage to the Project sustained by use, wear, intentional acts, accidents, or lack of normal maintenance or as a result of changes or additions to the Project made or done by parties not directly responsible to Contractor, except where such changes or additions to the Project are made in accordance with Contractor's directions. No guarantee furnished by a party other than Contractor with respect to equipment manufactured or supplied by such party shall relieve Contractor from the foregoing warranty obligation of Contractor. The warranty period set forth herein above shall not apply to latent defects appearing in the Project, and with respect to such defects, the applicable statute of limitations shall apply. Contractor agrees to provide the District with all equipment and materials warranties provided by manufacturers to District but has no obligation to assist in processing such warranty claims after said one (1) year warranty period.
 - 13.17.1 Assignment of Subcontracts. Upon the Completion of the Warranty period, Contractor shall assign to the District all subcontracts with subcontractors, material suppliers or other vendors that provided Work for the Project. This assignment shall include all purchase orders and any change orders or addenda that were executed with the assigned subcontractor.
 - 13.17.1.1 <u>Documents to be Provided to District.</u> Contractor shall provide the following documents to the District as part of Close Out of the project:

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- a. Subcontractor Warranty. Contractor shall provide any warranty documents, including warranties consistent with the requirements of this Contract and the Contract Documents.
- Contracts. Contractor shall provide copies of all subcontracts, b. amendments, change orders and other documents associated with the subcontractor's scope of work and price for work on the Project.
- Subcontractors Bound to the Same Extent as Contractor. The c. Subcontractors shall be bound to the same extent as the Contractor is bound by this CSA and Subcontractors shall be required to include assignment of their contracts to the District.
- Bonds Assignable. Contractor shall ensure that subcontractor d. performance and payment bonds are assignable and can be assigned to the District.
- e. Unconditional Releases. Contractor shall provide as part of the Close Out of the Project, Unconditional Releases for each Subcontractor and Material supplier that provided Work for the Project.
- f. Project Files. Contractor shall provide the District a copy of the entire subcontractor file, including any submittals or shop drawings that were provided by subcontractor.
- District Reserves the Right to Assume Subcontractor g. Contracts Prior to the End of the Warranty Period. District reserves the right to take assignment of subcontractor contracts prior to the end of the warranty period..
- 13.18 Assignment of Anti-Trust Claims. The Contractor offers and agrees to assign to the District all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC 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 purchase of goods, services, or materials pursuant to the Construction Services Agreement. This assignment shall become effective at the time the District tenders the final Lease Payment to Contractor, without further acknowledgment by the parties.

CONTRACT DOCUMENTS AND INTERPRETATIONS 14.

- 14.1 The Contract Documents shall be executed, and/or initialed as appropriate, in duplicate by District and Contractor. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. The intention of the Contract Documents is to include all labor, services and materials reasonably necessary for the proper execution of the work.
- 14.2 It is not intended that work and/or services not covered under any heading, section, branch, class or trade of the specifications shall be supplied, unless it is required elsewhere in the Contract Documents or is reasonably inferable therefrom as being necessary to produce the intended results, in which case such work and/or services shall be supplied by Contractor. Words which have well known technical or trade meanings are used herein in accordance with such recognized meanings. Mutual agreement shall be reached with respect to words

- which do not have a well-known technical or trade meaning and the definition of which come into question.
- 14.3 Drawings and specifications are intended to be fully cooperative and to agree. All drawing and specification changes shall be dated and sequentially recorded. All modifications to drawings and specifications shall be interpreted in conformity with the Contract Documents, which shall govern, unless otherwise specified.

15. SUBMITTALS

15.1 Definitions

- 15.1.1 Deferred Approvals. Approval of certain aspects of the construction may be deferred until the construction Contract has been awarded. To facilitate the design process, DSA grants deferred approval to the design and detailing of certain elements of the Project at the request of the Architect or Engineer of Record. Design elements that may be deferred may include, but are not limited to Access floors, Bleachers, Elevator guide rails and related elevator systems, Exterior wall systems precast concrete, glass fiber reinforced concrete, etc., Skylights, Window wall systems, storefronts, Stage rigging, and other systems as noted in the Contract Documents. (Also see Article 15.3 and 15.6)
- 15.1.2 Shop Drawings. The term "Shop Drawings" as used herein means drawings, diagrams, equipment or product schedules, and other data, which are prepared by Contractor, Subcontractors, manufacturers, suppliers, or distributors illustrating some portion of the Work, and includes: illustrations; fabrication, erection, layout and setting drawings; manufacturer's standard drawings; schedules; descriptive literature, instructions, catalogs, and brochures; performance and test data including charts; wiring and control diagrams; and all other drawings and descriptive data pertaining to materials, equipment, piping, duct and conduit systems, and methods of construction as may be required to show that the materials, equipment, or systems and their position conform to the requirements of the Contract Documents.
- 15.1.3 Manufactured applies to standard units usually mass-produced, and "Fabricated" means items specifically assembled or made out of selected materials to meet individual design requirements. Shop drawings shall: establish the actual detail of all manufactured or fabricated items, indicate proper relation to adjoining work, amplify design details of mechanical and electrical systems and equipment in proper relation to physical spaces in the structure, and incorporate minor changes of design or construction to suit actual conditions.
- 15.1.4 Submittals is a term used interchangeably and sometimes refers to Shop Drawings, Product Data, and Samples since all subcontractor submissions are tracked in a Submittal Log and may include any of the noted items. However, generally, a Submittal is a manufacturer's product information and product data including description, characteristics, size, physical characteristics, and requirements to prepare the jobsite for receiving of the particular manufactured item.
- 15.1.5 Samples. The term "samples" as used herein are physical examples furnished by Contractor to illustrate materials, equipment, or quality and includes natural materials, fabricated items, equipment, devices, appliances, or parts thereof as called for in the Specifications, and any other samples as may be required by the Architect to determine whether the kind, quality, construction, finish, color, and other characteristics of the materials, etc., proposed by the Contractor conform to the required characteristics of the various parts of the Work. All Work shall be in accordance with the approved samples.

- 15.2 Shop Drawings.
 - When Shop Drawings Are Required. Shop drawings are required for prefabricated components and for installation and coordination of these prefabricated components into the Project. In addition, Shop Drawings, are prepared to address the actual size and installation of components from various subcontractors and provides an opportunity for the Contractor to coordinate and address conflicts between the subcontracting trades. In some cases, each subcontractor or trade will provide Shop Drawings in a format agreed upon by District.
 - 15.2.2 Purpose for Shop Drawings. Shop drawings are the Contractor's manufacturer, subcontractor, supplier, vendor or the Contractor's detailed drawings showing particularized method for assembly, specifics to a manufacturer, manufacturer component installation requirements, specifics as to a manufactured item, alterations to a manufactured, a custom created item, or drawn version of more detailed information expanding on the Architect's design shown in the Contact Documents. The Shop Drawings address the appearance, performance, size, weight, characteristics and prescriptive descriptions associated with the Contractor or Contractor's subcontractor's plan for installation or assembly based on the design in the specifications and Contract Documents. The shop drawing often is more detailed than the information shown in the Contract Documents to give the Architect and Engineer the opportunity to review the fabricator's version of the product (along with particulars specific to that particular product), prior to fabrication. References to the Contract Documents, Construction Documents, Drawings, Plans, and Specifications assist the Architect and Engineer in their review of the Shop Drawings. Attachment of manufacturer's material specifications, "catalog cut sheets," and other manufacturer's information may be provided to accompany Shop Drawings. Because Shop Drawings facilitate the Architect's and Engineer's approval of the system, they should be as clear and complete as possible so they may be reviewed by Architect or Engineer for the Project.
 - 15.2.3 Shop Drawing Requirements. The Contractor shall obtain and submit with Shop Drawings all seismic and other calculations and all product data from equipment manufacturers. "Product data" as used herein are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate a material, product, or system for some portion of the Work.
 - 15.2.4 Not a Reproduction of Architectural or Engineering Drawings. The shop drawing are not a reproduction of the architectural or engineering drawings. Instead, they must show more detail than the Construction Documents and details the fabrication and/or installation of the items to the manufacturer's production crew or Contractor's installation crews.
 - 15.2.5 Shop Drawings Engineering Requirements: Some shop drawings require an engineer stamp to be affixed on the drawings and calculations. In such cases, a current and valid engineering stamp shall be affixed by a California registered engineer. No out of State engineers shall stamp Shop Drawings. (See DSA IR A-18). In most cases, an engineer means California registered mechanical, structural, electrical or plumbing engineer. California Registered Civil Engineers will not be accepted for structural details unless specifically approved by DSA.
 - 15.2.6 DSA Approvals Required Prior to Work. No work on a Shop Drawing that requires DSA approval may proceed until DSA approval is received. Contractor has provided DSA approval time and allowed adequate time for corrections in Contractor's Schedule as required pursuant to Article 9.

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- 15.2.7 Shop Drawing Identification. All Shop Drawings must be properly identified with the name of the Project and dated, and accompanied by a letter of transmittal referring to the name of the Project and to the Specification section number for identification of each item clearly stating in narrative form, as well as "clouding" all qualifications, departures, or deviations from the Contract Documents. Shop drawings, for each section of the Work shall be numbered consecutively and the numbering system shall be retained throughout all revisions. All Subcontractor submissions shall be made through the Contractor. Each drawing shall have a clear space for the stamps of Architect and Contractor.
- 15.3 Deferred Approvals. Deferred approvals shall be submitted and processed to ensure all DSA and other governmental approvals are secured so as to not delay the Project. There may be additional requirements for deferred approvals at Division 1 of the Specifications. All deferred approvals shall be prepared by Contractor or Contractor's agent early enough so as to not delay the Project. Contractor is aware that Title 24 California Code of Regulations Section 4-317 have specific requirements for deferred approval as to governing agencies and as to the Architect and Engineer for the Project. As a result, any delay associated with the time for approval by applicable agencies or by the Architect or Architect's consultants shall be Contractor's. Contractor is required to comply with inclusion of Deferred Approvals in the Schedule as required under Article 9
 - 15.3.1 DSA Approvals Required Prior to Work. No work on a deferred approval item may proceed on the components until DSA approval is received. Contractor has provided DSA approval time and allowed adequate time for any DSA revisions in Contractor's Schedule as required pursuant to Article 9.

15.4 Submittals and Samples

- 15.4.1 Information Required With Submittals: Manufacturer, trade name, model or type number and quantities: Information provided must be of sufficient detail to allow Architect and Engineer to compare the submitted item with the specified products and acceptable products listed, in the specification and addenda.
- 15.4.2 Description of Use and Performance Characteristics: Information should be furnished describing the normal use and expected performance of the product. The Architect and Contractor review this information to confirm that the product is appropriate for the intended use.
- 15.4.3 Size and Physical Characteristics: The size and physical characteristics, such as adjustment capabilities, which is reviewed by both the Contractor and Architect. The Contractor has the most available information for comparing adjoining materials and equipment. The Contractor also needs to know the size and weight of the equipment for lifting and handling considerations.
- 15.4.4 Finish Characteristics: The Architect reviews the available finishes and selects the appropriate finish, if the finish was not previously specified in the documents. The Contractor should confirm that finish requirements in the specification are being met by the product.
- 15.4.5 Contractor Responsible for Jobsite Dimensions: Some material is custom-fabricated to job conditions, requiring dimensions from the jobsite. These jobsite dimensions are provided by the Contractor as part of the Contractor's responsibilities for the Project and shall be provided prior to release of the product for manufacture. Contractor shall not rely on Architect or Engineers to provide jobsite dimensions.

- 15.4.6 Full Range of Samples Required (When Specific Items Not Specified). Except in cases where the exact color and type of item is specified since the District is utilizing items Standardized or pre-selected by District, the full range of color, graining, texture, or other characteristics are anticipated for review in finished products, a sufficient number of samples of the specified materials shall be furnished by the Contractor to indicate the full range of characteristics which will be present in the finished products. Products delivered or erected without Submittal and approval without providing a full range of samples shall be subject to rejection. Except for range samples, and unless otherwise called for in the various sections of the Specifications or Specification Section 1, samples shall be submitted in duplicate.
- 15.4.7 *Labeling of Samples.* All samples shall be marked, tagged, or otherwise properly identified with the name of the submitting party, the name of the Project, the purpose for which the samples are submitted and the date.
- 15.4.8 *Transmittal letter.* All samples shall be accompanied by a letter of transmittal containing similar information, together with the Specification section number.
- 15.4.9 *Labels and Instructions*. All samples of materials shall be supplied with the manufacturer's descriptive labels and application instructions. Each tag or sticker shall have clear space for the review stamps of Contractor and Architect.
- 15.4.10 Architect's Review. The Architect will review and, if appropriate, approve submissions and will return them to the Contractor with the Architect's stamp and signature applied thereto, indicating the timing for review and appropriate action in compliance with the Architect's (or District's) standard procedures. In the cases where a CM is hired by the District, CM may be the party that receives and performance logging and initial processing of the Samples. CM may, in some cases, reject samples that are not in conformance with Contract requirements.

15.5 Submittal Submission Procedure

- 15.5.1 Transmittal Letter and Other Requirements. All Submittals must be properly identified with the name of the Project and dated, and each lot submitted must be accompanied by a letter of transmittal referring to the name of the Project and to the Specification section number for identification of each item clearly stating in narrative form, as well as "clouding" on the submissions, all qualifications, departures, or deviations from the Contract Documents. Shop drawings, for each section of the Work shall be numbered consecutively and the numbering system shall be retained throughout all revisions. All Subcontractor submissions shall be made through the Contractor. Each drawing shall have a clear space for the stamps of Architect and Contractor. In the case where a CM is hired on the Project, the CM may be designated to receive the Submittals for the Project, log the Submittals, and in some cases reject Submittals that do not conform to Contract requirements.
- 15.5.2 Copies Required. Each Submittal shall include one (1) legible, reproducible (if electronic is available, electronic copies shall also be provided) and five (5) legible prints of each drawing or schedule, table, cut sheet, etc., including fabrication, erection, layout and setting drawings, and such other drawings as required under the various sections of the Specifications, until final acceptance thereof is obtained. Subcontractor shall submit copies, in an amount as requested by the Contractor, of: (1) manufacturers' descriptive data for materials, equipment, and fixtures, including catalog sheets showing dimensions, performance, characteristics, and capacities; (2) wiring diagrams and controls; (3) schedules; (4) all seismic calculations and other calculations; and (5) other pertinent information as required by the District or Architect.

- 15.5.3 Corrections. The Contractor shall make all corrections required by Architect, District or CM and shall resubmit, as required by Architect or CM, corrected copies of Shop Drawings or new samples until approved. Contractor shall direct specific attention in writing or on resubmitted Shop Drawings to revisions other than the corrections required by the Architect on previous submissions. Professional services required for more than one (1) re-review of required Submittals of Shop Drawings, product data, or samples are subject to charge to the Contractor pursuant to Article 10.4.
- 15.5.4 Approval Prior to Commencement of Work. No portion of the Work requiring a shop drawing or sample submission or other Submittal shall be commenced until the submission has been reviewed by Contractor and Architect (and CM, if applicable) and approved by Architect (and CM where applicable) unless specifically directed in writing by the Architect. All such portions of the Work shall be in accordance with approved Shop Drawings and samples.
- 15.5.5 District's Property. All Submittals, Shop Drawings, computer disks, Clash Checks, constructability reviews, schedules, annotated specifications, samples and other Submittals shall become the District's property upon receipt by the District or Architect.
- 15.6 Schedule Requirements for Submittals. Contractor shall obtain and shall submit all required Submittals (i.e. Shop Drawings, Deferred Approvals, Samples, etc.), in accordance with Contractor's "Schedule for Submission of Shop Drawings and Samples" as required in the scheduling portion of the CSA at Articles 9 and the Specifications (as long as the Specifications do not conflict with CSA. In the case of conflict, the conflicting provision shall be controlled by the CSA and the remaining specification sections shall be interpreted as if the CSA language is inserted) with such promptness as to cause no delay in its own Work or in that of any other contractor or subcontractor but in no event later than thirty five (35) days after the Notice to Proceed is issued except in the specific cases noted as an exception as set forth below. No extensions of time will be granted to Contractor or any Subcontractor because of its failure to have Shop Drawings and samples submitted in accordance with this Article 15 and the Schedule. Each Subcontractor shall submit all Shop Drawings, samples, and manufacturer's descriptive data for the review of the District, the Contractor, and the Architect through the Contractor. Failure to provide the submittals by the listed timelines will subject the Contractor to the assessment of Liquidated Damages for failure to meet the Contract timelines, unless a written extension is requested and approved per section 15.6.1.2.
 - Consideration of Schedule. Contractor has considered lead times, DSA or other 15.6.1 agency governmental review times, Architect or Engineer review times, manufacturing seasons, and specific long lead procurement concerns for all submittals for the Project.
 - 15.6.1.1 All Submittals for the Project except those specifically agreed upon by District and Architect, in writing, and shall be specifically incorporated into the Submittal section of the Schedule so as to not delay the Work. The agreement to allow a later Submittal does not mean that Article 15.6 is waived. Contractor shall order materials and ensure prices are honored and secured for the Project.
 - Structural Steel may be included as a later Submittal than 35 days if Structural Steel is a significant portion of the Work, at least one or some of the Project is a structural steel structural system, or as specifically agreed upon by the Architect or District.

- b. It is specifically agreed that submissions of structural steel Submittals shall not be piecemeal (unless some portion is requested separately by the Owner or Architect), shall provide complete designs, shall be stamped by the Structural Steel subcontractor, Contractor, and Structural Steel Subcontractor's structural engineer at time of submission and as further addressed in this Article.
- c. In no case shall the submission of Structural Steel Drawings delay the critical path for the schedule. If a Milestone is provided for submission of complete structural steel Shop Drawings then the date shall be no later than as set forth in the Milestone
- Exceptions to Submittal Within Thirty-Five (35) Days by Written Agreement. A written request detailing the specific reasons for a submission later than 35 days due to complexity of design, or noncritical path status of the Submittal shall be submitted at the time the Baseline Schedule is submitted. The Baseline Schedule shall not include a delayed Submittal until written agreement is provided. In addition to the request for providing a Submittal after the thirty-five (35) day period, a copy of the Contract with the subcontractor who shall be performing the Submittal, a written statement from the subcontractor verifying that work has commenced on the Submittal and providing subcontractor's own schedule of milestones and completion dates, and a corresponding Submittal designation in the Schedule as required under Article 9.
 - Approval of a delayed Submittal shall not result in any increase in the Contract Price or result in an extension of time for the completion of the Project.
- 15.6.1.3 Piecemeal Submissions of Submittals. Piecemeal Submittals mean providing portions of Shop Drawings or Submittals as they are being completed. The submission of piecemeal Submittals results in the appearance of a submission when there is inadequate information for the Architect or Engineer to adequately review a submission. Piecemeal differs from submission of complete buildings or phases of buildings or complete assemblies. The Architect may agree to allow submission of single buildings or areas as long as the Submittals are complete.

15.7 General Submittal Requirements

- 15.7.1 Contractor Submittal Representations. By submitting Shop Drawings, product data, samples, etc., the Contractor represents that it has determined and verified all materials, field measurements, catalog numbers, related field construction criteria, and other relevant data in connection with each such submission, and that it has checked, verified, and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents, including the construction schedule.
- 15.7.2 Contractor Coordination. By submitting Shop Drawings, Submittals, product data, samples, etc., the Contractor represents that it has determined and verified all materials, field measurements, catalog numbers, related field construction criteria, and other relevant data in connection with each such submission, and that it has checked,

verified, and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents, including the construction schedule. Contractor shall stamp, sign, and date each Submittal indicating its representation that the Submittal meets all of the requirements of the Contract Documents and evidence Contractor's review through execution of the following stamp to be placed on each Shop Drawings:

> "The [contractor] has reviewed and approved the field dimensions and the construction criteria, and has also made written notation regarding any information in the Shop Drawings and Submittals that does not conform to the Contract Documents. This Shop Drawing or Submittal has been coordinated with all other Shop Drawings and Submittals received to date by me as Contractor and this duty of coordination has not been delegated to subcontractors, material suppliers, the Architect, or the Engineers on this Project.

> > Signature of Contractor and date

- 15.7.3 No Deviation from Contract Documents. The submission of the Shop Drawings, product data, samples, etc., shall not deviate from the requirements of the Contract Documents including detailing and design intent which is specifically outlined in Contract Documents except as specifically authorized by the Architect or through an accepted substitution pursuant to Article 16. All deviations from the Contract Documents shall be narratively described in a transmittal accompanying the Shop Drawings. However, Shop Drawings shall not be used as a means of requesting a substitution, the procedure for which is defined in Article 16, "Substitutions."
- 15.7.4 Contractor Responsibility for Shop Drawings Conformance to Contract Documents. Review by District and Architect shall not relieve the Contractor or any Subcontractor from its responsibility in preparing and submitting proper Shop Drawings in accordance with the Contract Documents.
- 15.7.5 Incomplete Submittals. Any submission, which in Architect's opinion is incomplete, contains errors, or has been checked superficially will be returned unreviewed by the Architect for resubmission by the Contractor.
- 15.7.6 Shop Drawings and Submittals Shall Not Be Used as a Method to Make a Substitution. Shop drawings and Submittals shall not be used as a means of requesting a substitution or to make changes in the Contract Documents. If changes are made to the Contract Documents through the Shop Drawings, the Architect shall have the right to reject the Submittal. If the Architect does not note the deviation from the approved plans and specifications, the Contractor is still responsible for the change and the Architect or the District may require the Shop Drawings be revised to properly reflect the approved Contract Documents. The Architect or District may also require that the Contractor bear all costs under Article 10.4 and consequential damages associated with a CCD to revise plans and specifications to accommodate the deviation from approved plans and specifications.
- 15.7.7 Extent of Review. In reviewing Shop Drawings, the Architect will not verify dimensions and field conditions. The Architect will review and approve Shop Drawings, product data, samples, etc., for aesthetics and for conformance with the design concept of the Work and the information in the Contract Documents. The Architect's review shall neither be construed as a complete check which relieves the Contractor, Subcontractor, manufacturer, fabricator, or supplier from responsibility for any deficiency that may exist or from any departures or deviations from the

requirements of the Contract Documents unless the Contractor has, in writing, called the Architect's attention to the deviations at the time of submission. The Architect's review shall not relieve the Contractor or Subcontractors from responsibility for errors of any sort in Shop Drawings or schedules, for proper fitting of the Work, coordination of the differing subcontractor trades and Shop Drawings and Work which is not indicated on the Shop Drawings at the time of submission of Shop Drawings. Contractor and Subcontractors shall be solely responsible for any quantities which may be shown on the Submittals or Contract Documents.

16. REQUEST FOR SUBSTITUTIONS

- 16.1 For purposes of this provision the term "substitution" shall mean a change in product, material, equipment, or method of construction from those required by the Construction Documents proposed by the Contractor.
- 16.2 See Article 1.11.6 concerning applicability of Public Contract Code section 3400 as a result of the Due Diligence investigation by Contractor to establish the GMP.
- 16.3 Contractor may submit requests together with substantiating data for substitution of any "or equal" material, process or article. Any savings generated from the substitution shall be considered Project Savings under Article 7. The District shall not be responsible for any costs of Contractor associated with "or equal" substitution requests. The District has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Is equal in quality/service/ability to the Specified Item. The data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from the Contractor stating that the substituted "or equal" material, process or article is equivalent to that specified in the specification in every way except as listed on the affidavit. Substantiating data shall also include
 - 1. Is equal in quality/service/ability to the Specified Item;
 - 2. Will entail no changes in detail, construction, and scheduling of related work;
 - 3. Will be acceptable in consideration of the required design and artistic effect;
 - 4. Will provide no cost disadvantage to the District;
 - 5. Will require no excessive or more expensive maintenance, including adequacy and availability of replacement parts; and
 - 6. Will required no change of the construction schedule
- 16.4 Failure to submit all the needed substantiating data, including the signed affidavit, to the Architect in a timely fashion so that the substitution can be adequately reviewed may result in the rejection of the proposed substitution. The District is not obligated to review multiple substitution submittals for the same product or item due to the Contractor's failure to submit a complete package initially.
- 16.5 Contractor shall bear the costs of all architectural and engineering work, DSA CCD review fees, and other costs associated with the review of submittals for substitution. See Article
- 16.6 Contractor agrees to include the provisions of this Section in all subcontractor bid documents.

17. EXTRA WORK/MODIFICATIONS (INCLUSION OF CCD COSTS, DSA COSTS, AND AN ICD PROCESS)

No Changes Without Authorization. There shall be no change whatsoever in the drawings, 17.1 specifications, or in the Work without an executed Change Order, Change Order Request, Immediate Change Directive, or order by the Architect for a minor change in the Work as herein provided. District shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless authorized District representative has approved the cost in writing by Change Order or executed Construction Change Document. No extension of time for performance of the Work shall be allowed hereunder unless claim for such extension is made at the time changes in the Work are ordered, and such time duly adjusted in writing in the Change Order. The provisions of the Contract Documents shall apply to all such changes, additions, and omissions with the same effect as if originally embodied in the Drawings and Specifications. Notwithstanding anything to the contrary in this Article 17, all Change Orders shall be prepared and issued by the Architect and shall become effective when executed by the authorized District representative (utilizing either a Construction Contingency Amount or a District Contingency Amount), the Architect, and the Contractor.

CONTRACTOR UNDERSTANDS, ACKNOWLEDGES, AND AGREES THAT THE REASON FOR THIS NOTICE REQUIREMENT IS SO THAT DISTRICT MAY HAVE AN OPPORTUNITY TO ANALYZE THE WORK AND DECIDE WHETHER THE DISTRICT SHALL PROCEED WITH THE CHANGE ORDER OR ALTER THE PROJECT SO THAT SUCH CHANGE IN WORK BECOMES UNNECESSARY AND TO AVOID THE POSSIBLE DELAYS ASSOCIATED WITH THE ISSUANCE OF A NOTICE OF NON-COMPLIANCE.

- Notices of Non-Compliance. Contractor deviation or changes from approved plans and specifications may result in the issuance of a Notice of Non-Compliance (See DSA Form 154). Contractor is specifically notified that deviations from the plans and specifications, whether major or minor, may result in the requirement to obtain a DSA Construction Change Document to correct the Notice of Non-Compliance. (See Article 17.4.1.1 for Definition of CCD). In some cases, the lack of a DSA approved CCD AND verification from the Inspector that a Notice of Non-Compliance has been corrected may result in a critical path delay to the next stage of Work on the Project. Specifically, a deviation from approved plans and specifications may prevent approval of the category of Work listed in the DSA 152 Project Inspection Card. Any delays that are caused by the Contractor's deviation from approved plans and specifications shall be the Contractor's responsibility.
- 17.3 <u>Architect Authority.</u> The Architect will have authority to order minor changes in the Work that do not involve DSA Approval not involving any adjustment in the Contract Sum, or an extension of the Contract Time.
- 17.4 CONSTRUCTION CHANGE DOCUMENT (CCD Category A, and CCD Category B) and IMMEDIATE CHANGE DIRECTIVE (ICD)
 - 17.4.1 Definitions
 - 17.4.1.1 Construction Change Document (CCD). A Construction Change Document is a DSA term that is utilized to address changes to the DSA approved plans and specifications. There are two types of Construction Change Documents. (1) DSA approved CCD Category A (DSA Form 140) for Work affecting Structural, Access or Fire-Life Safety of the Project which will require a DSA approval; and, (2) CCD Category B (DSA Form 141) for work NOT affecting Structural Safety, Access Compliance or Fire and Life Safety that will not require a DSA approval (except to confirm that no Approval is required);

Immediate Change Directive (ICD). An Immediate Change Directive is a written order to the Contractor prepared by the Architect and signed by the District (and CM if there is a CM on the Project) and the Architect, directing a change in the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. The District may by ICD, without invalidating the Contract, direct immediate changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions within. If applicable, the Contract Sum and Contract Time will be adjusted accordingly.

In the case of an Immediate Change Directive being issued, Contractor must commence Work immediately or delays from failure to perform the ICD shall be the responsibility of Contractor and the failure to move forward with Work immediately shall also be grounds for Termination under Article 19 or determination of partial default under Article 12.2.

An ICD does not automatically trigger an Article 20 Dispute or Claim. Contractor must timely follow the procedures outlined at Article 20 and this Article where applicable.

Refer to Forms for a copy of the proposed Immediate Change Directive form.

17.4.1.3 Use to Direct Change. An ICD shall be used to move work forward immediately and to avoid delay. In some cases, an ICD shall be issued in the absence of agreement on the terms of an Extra, or RFP. A copy of an ICD form is provided in the Forms included with this CSA. The anticipated not to exceed price for the Work will be inserted into the ICD. In the case of an ICD issued to correct Contractor Deficiencies or to correct a Contractor caused Notice of Non-Compliance, the ICD may be issued with \$0 and 0 time. Contract may prepare an Extra associated with the ICD pursuant to Article 17. However, Contractor shall proceed with all Work required under an Approved ICD immediately upon issuance. Failure to proceed with the Work under an ICD shall be grounds for Termination for Cause under Article 19 or take over the Work under Article 12.2.

If adequate time exists, an ICD may be subject of an RFP for pricing and determination if any time that may be required. However, if an RFP is not completed, Contractor shall immediately commence Work when an ICD is issued. If the RFP is incomplete, it may still be completed to be submitted for Pricing Purposes as long as the PR is submitted within the timeline provided by the PR, or within 10 days following issuance of the ICD.

17.4.1.4 ICD Issued Over a Notice of Non-Compliance or to Cover Work Subject to a DSA 152 Sign Off. In some cases, an ICD shall be for the purpose of proceeding with Work to keep the Project on Schedule and as an acknowledgement by the District that Contractor is proceeding with Work contrary to a Notice of Non-Compliance, prior to issuance of a DSA approved CCD Category A, or to direct the covering of Work which has not yet received a DSA 152 Inspection Approval to move forward.

- a. Contractor Compliance with all Aspects of an ICD. Contractor is to undertake the ICD and comply with all aspects of the Work outlined in the ICD. Inspector is to inspect the Work pursuant to the ICD. Failure to follow the ICD may result in deduction of the ICD Work under Article 12.2 or Termination of the Contractor pursuant to Article 19.
- b. Exception in the Case of DSA Issued Stop Work Order. Contractor must proceed with an ICD even if a CCD has not been approved by DSA except in the case of a DSA issued Stop Work Order. If a DSA Stop Work Order is issued, Contractor must stop work and wait further direction from the District.
- c. ICD Due to Contractor Deficiency or Contractor Caused Notice of Non-Compliance. If an ICD is issued to correct a Contractor Deficiency or a Contractor caused notice of Non-Compliance, Contractor specifically acknowledges responsibility for all consequential damages associated with the Contractor Deficiency or Contractor Caused Notice of Non-Compliance and all consequential damages and costs incurred to correct the deficiency under Article 10.4.
- 17.5 Extras Request. Extra work or a modification or reduction of requirements or of methods of performing the Construction which differ from the work or requirements set forth in the Construction Documents ("Extra Work/Modifications"); and for such purposes, the District may at any time during the life of this Construction Services Agreement by written order, make such changes as it shall find necessary from Construction Contingency if District approves such request in writing. the costs of the Extra Work/Modifications, as established pursuant to this Article, shall be deducted from Contractor Allowance or Error and Omission Allowance and shall not affect the GMP.
 - 17.5.1 Format. The following format shall be used, as applicable by the District and the Contractor to communicate proposed additions and deductions to the Contract. A copy of a proposed Construction Change Document form is provided at the end of this Article. The Most stringent guidelines will apply to all forms. Total Contractor overhead and profit shall not exceed 15% of the direct cost or 5% of subcontractor costs.

		<u>EXTRA</u>	<u>CREDIT</u>
(1)	Material/Equipment (attach itemized quantity and unit cost plus sales tax)		

		EXTRA	<u>CREDIT</u>
(2)	Actual Labor Cost (attach itemized hours and rates)		
(3)	Subtotal (1-2)		
(4)	If subcontractor performed work, add Subcontractor's overhead and profit to portions performed by it, not to exceed 15% of item (3) above		
(5)	Subtotal		
(6)	General Contractor's Overhead and Profit, not to exceed 15% of Item 3 if Contractor performed the work. If subcontractor performed the work, not to exceed 5% of Item 5. If portions performed by Contractor and subcontractors, portions performed by Contractor shall not exceed 15% of Item 5 and portions performed by Subcontractor shall not exceed 5% of Item 5. [There is no overhead and profit mark-up for Deductive Change Orders under Article 17.6]		
(7)	Subtotal		
(8)	Bond and Liability Insurance Premium, if in fact additional bonds or insurance were actually purchased, not to exceed 1% of Item 7.		
(9)	Total	- -	

The undersigned Contractor approves the foregoing Extra Work as to the changes, if any, and the contract price specified for each item and as to the extension of time allowed, if any, for completion of the entire work on account of said Extra Work, and agrees to furnish all labor, materials and service and perform all work necessary to complete any additional work specified therein, for the consideration stated herein. It is understood that said Extra Work shall be effective upon approval from the District's Designee if such amounts are against the GMP and if Owner Contingency is used when approved by the Governing Board of the District.

It is expressly understood that the value of such extra Work or changes, as determined by any of the aforementioned methods, expressly includes any and all of the Contractor's costs and expenses, both direct and indirect, resulting

from additional time required on the Project or resulting from delay to the Project. Any costs, expenses, damages or time extensions not included are deemed waived.

The Contractor expressly acknowledges and agrees that any change in the Work performed shall not be deemed to constitute a delay or other basis for claiming additional compensation based on theories including, but not limited to, acceleration, suspension or disruption to the Project.

- 17.5.2 Should Contractor claim that any instruction, request, drawing, specification, action, condition, omission, default, or other situation (i) obligates the District to pay additional compensation to the Contractor; or (ii) obligates the District to grant an extension of time for the completion of the Construction Services Agreement; or (iii) constitutes a waiver of any provision in this Construction Services Agreement, CONTRACTOR SHALL NOTIFY THE DISTRICT, IN WRITING, OF SUCH CLAIM AS SOON AS POSSIBLE, BUT IN NO EVENT WITHIN MORE THAN TEN (10) BUSINESS DAYS FROM THE DATE CONTRACTOR HAS ACTUAL OR CONSTRUCTIVE NOTICE OF THE CLAIM. CONTRACTOR SHALL ALSO PROVIDE DISTRICT WITH SUFFICIENT WRITTEN DOCUMENTATION SUPPORTING THE FACTUAL BASIS OF THE CLAIM under Article 20. Contractor shall be required to certify under penalty of perjury the validity and accuracy of any claims submitted. The Contractor's failure to notify the District within the ten (10) business day period shall be deemed a waiver and relinquishment of the claim against the District. If such notice be given within the specified time, the procedure for its consideration shall be as stated above in this Section.
- 17.5.3 All costs associated with the Extra Work/Modification may be in terms of time, money or both.

17.6 Deductive Change Orders

- 17.6.1 All Deductive Change Order(s) must be prepared utilizing the form under Paragraph 17.5 setting forth the actual costs incurred. Except in the case of an Article 12.2 or 29.4 Deductive Change Order where no mark-up shall be allowed, Contractor will be allowed a maximum of 5% total profit and overhead.
- 17.6.2 For Unilateral Deductive Change Orders, or where credits are due from Contractor for Allowances, Deductive Items, Inspection, Damage, DSA CCD review costs, Architect or Inspector costs for after hours or corrective services, Work removed from the Agreement under Article 12.2 or Article 29.4, there shall be no mark-up.
- 17.6.3 District may, at any time, after a Deductive Change Order is presented to Contractor by District for items under Article 12.2 or Article 29.4 of if there is disagreement as to the Deductive Change Order, issue a unilateral Deductive Change Order on the Project and deduct the Deductive Change Order from a Progress Payment, Final Payment, or Retention.

18. TIME OF COMPLETION

18.1 CONTRACTOR HAS 229 CALENDAR DAYS TO COMPLETE THE PROJECT. PLEASE REFER TO THE SUPPLEMENTAL CONDITIONS FOR MILESTONE DATES. ONCE THE DISTRICT HAS ISSUED A NOTICE TO PROCEED, CONTRACTOR SHALL PROCEED WITH THE CONSTRUCTION OF THE PROJECT WITH REASONABLE DILIGENCE. CONTRACTOR AGREES THAT THE PROJECT WILL BE FULLY COMPLETED WITHIN THE CALENDAR DAYS DESIGNATED IN ARTICLE 3.6 CALENDAR DAYS FROM THE NOTICE TO PROCEED, AS SAID TIME MAY BE EXTENDED FOR SUCH PERIODS OF TIME AS CONTRACTOR IS PREVENTED FROM PROCEEDING WITH OR COMPLETING THE PROJECT FOR

ANY CAUSE DESCRIBED IN THIS SECTION 9. OR AS OTHERWISE AGREED TO IN WRITING BY THE DISTRICT AND CONTRACTOR. IF THE WORK IS NOT COMPLETED IN ACCORDANCE WITH THE FOREGOING. IT IS UNDERSTOOD THAT THE DISTRICT WILL SUFFER DAMAGE SINCE CONTRACTOR HAS OVERSTAYED ITS LEASE TERM. IT BEING IMPRACTICAL AND INFEASIBLE TO DETERMINE THE AMOUNT OF ACTUAL DAMAGE, IT IS AGREED THAT CONTRACTOR'S EXTENSION OF THE LEASE SHALL RESULT IN LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE SUM SET FORTH IN ARTICLE 3.7 FOR EACH CALENDAR DAY OF DELAY UNTIL WORK IS COMPLETED AND ACCEPTED AND CONTRACTOR IS ABLE TO DISCONTINUE ITS LEASE WITH THE DISTRICT. CONTRACTOR AND HIS SURETY SHALL BE LIABLE FOR THE AMOUNT THEREOF. ANY MONEY DUE OR TO BECOME DUE THE CONTRACTOR MAY BE RETAINED BY THE DISTRICT TO COVER SAID LIQUIDATED DAMAGES FOR OVERSTAYING THE LEASE. SHOULD SUCH MONEY NOT BE SUFFICIENT TO COVER SAID LIQUIDATED DAMAGES, THE DISTRICT SHALL HAVE THE RIGHT TO RECOVER THE BALANCE FROM THE CONTRACTOR OR ITS SURETIES, WHO WILL PAY SAID BALANCE FORTHWITH.

- 18.2 The term "Fully Completed and Accepted," as used herein, shall mean that all remaining work has been completed in accordance with the Construction Documents and that successful testing, startup and satisfactory operation of the Project as a total unit has been accomplished in substantial conformance with the Construction Documents.
- 18.3 Within five (5) business days after the Project commencement date in the District's Notice to Proceed, Contractor shall furnish District with a Baseline CPM (Critical Path) Schedule pursuant to Article 9, The Contractor shall include the District's occupancy requirements showing portions of the Projects having occupancy priority.
- 18.4 Contractor shall not be charged for liquidated damages, as set forth in the Agreement, for materially differing soil conditions below four (4) feet underground than those outlined in the soils report and from hazardous substances that are encountered that are not documented in the Contract Documents or in the Due Diligence Documents provided to Contractor.
 - 18.4.1 In case of encountering either unforeseen conditions, Contractor shall notify the District in writing immediately prior to testing or continuing work and no later than ten (10) days following encountering the unforeseen condition. After providing written notice, Contractor shall test and provide District with Test results (unless District choses to test) and shall proceed with Work based on the Test results. A Change Order pursuant to Article 17 shall be submitted. All time and expenses shall be verified with the Inspector or District Designee either on the day the extra work occurs, but no later than 10 am the following business day.
 - 18.4.2 Contractor shall not stop work if unforeseen conditions are encountered.
 - Change Orders associated with unforeseen conditions shall be billed as Change Order 18.4.3 Work against Construction Contingency, but if Construction Contingency is exceeded, Owner shall supplement the Construction Contingency to the extent unforeseen conditions as defined in this Article are encountered.
- 18.5 Contractor shall within ten (10) calendar days of beginning of any such delay notify District in writing of causes of delay. Thereupon District shall ascertain the facts and extent of delay and grant extension of time for completing work when, in its judgment, the findings of fact justify such an extension. District's findings of fact thereon shall be final and conclusive on the parties hereto. Extension of time shall apply only to that portion of work

affected by the delay, and shall not apply to other portions of work not so affected. Contractor agrees that the extension of time granted under this Article shall be its sole and exclusive remedy for the consequences of any delay described above. For any such delay resulting from the actions or inactions of Architect, District, or their officers, agents, and employees, or changes to the scope of the Work which impact the schedule, Contractor shall be entitled to reimbursement for its reasonable additional costs resulting from such delay, but not any additional profit or fee.

- 186 Contractor acknowledges the extreme importance of promptly notifying and thoroughly documenting any request for time extension and further specifically acknowledges that District will suffer extreme prejudice should Contractor fail in any way to comply with this requirement. Failure to comply with the procedures and time limits established in this Article shall constitute a waiver of such request. Evidence presented by Contractor that District had actual notice of the time extension request, that District was not prejudiced by Contractor's failure to comply with this requirement, and/or that District considered Contractor's request despite Contractor's failure to strictly comply with this provision shall not render this requirement unenforceable.
- 18.7 Contractor is required to order, obtain, and store materials and equipment sufficiently in advance of its work at no additional cost or advance payment from District to assure that there will be no delays. An extension of time will not be granted for a delay caused by a shortage of materials.
- 18.8 Contractor shall not be entitled to additional compensation for delays within its control. Contractor is aware that governmental agencies, such as the Department of General Services, gas companies, electrical utility companies, water districts and other agencies may have to approve Contractor-prepared drawings or approve a proposed installation. In the event of delays to the Project from such agencies for which Contractor has no control, provided such delays are not caused by Contractor's or any subcontractor's acts or omissions, Contractor may be entitled to a time extension for such delays, but shall not be allowed additional compensation for the costs of such delays.
- 18.9 District reserves the right to occupy any building or portion thereof or use any improvement contemplated by the Contract Documents prior to the completion of the entire Project. A list of work to be completed and corrected by Contractor, if any, shall be prepared and agreed to between District and Contractor before any such occupancy or use. Such occupancy or use shall not operate as an acceptance of any part of the Project but shall start the guaranty-warranty period on the structure or portion thereof so occupied or improvement or equipment so used; provided, however, that such occupancy or use shall not start the guaranty-warranty period as to items appearing on the list of work yet to be completed and corrected or as to structures or improvements (or portions thereof) that are not occupied or used. No such occupancy or use shall be deemed to have occurred unless and until District has given Contractor written notice of its intention to so occupy or use any particular structure or improvement specifying the portion or portions of the structure, improvement or equipment which will be deemed so occupied or used. District and Contractor shall take reasonable steps to obtain the consent of Contractor's insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse of or reduction of such insurance. Such occupancy or use by District shall relieve Contractor of (and District shall assume) the responsibility for injury or damage to said occupied or used portions of the Project resulting from use by District or the public or from the action of the elements or from any other cause, except injury or damage resulting from the operations, negligence or intentional acts of Contractor, any subcontractors or materialmen of any tier, or their officers, employees or agents.

19. **TERMINATION OF AGREEMENT**

19.1 Termination for Breach.

- 19.1.1 If the Contractor refuses or fails to proceed with the construction of the Project or any separable part thereof with such diligence as will insure its completion within the time specified by this Construction Services Agreement or any extension thereof, or fails to complete the Project within such time, or if the Contractor should be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or the Contractor or any of its subcontractors should violate any of the provisions of this Construction Services Agreement, the District may serve written notice upon the Contractor and its Surety of the District's intention to terminate this Construction Services Agreement. This notice of intent to terminate shall contain the reasons for such intention to terminate this Construction Services Agreement and a statement to that effect that the Contractor's right to perform work on the Project shall cease and terminate upon the expiration of ten (10) days unless such violations have ceased and arrangements satisfactory to the District have been made for correction of said violations.
- 19.1.2 In the event that the District serves such written notice of termination upon the Contractor and the Surety, the Surety shall have the right to take over and perform this Construction Services Agreement. If the Surety does not: (1) give the District written notice of Surety's intention to take over and commence performance of this Construction Services Agreement within fifteen (15) days of the District's service of said notice of intent to terminate upon Surety; and (2) actually commence performance of this Construction Services Agreement within thirty (30) days of the District's service of said notice upon Surety; then the District may take over the Project and prosecute the same to completion by separate contract or by any other method it may deem advisable for the account and at the expense of the Contractor.
- 19.1.3 In the event that the District elects to obtain an alternative performance of the Construction Services Agreement as specified above: (1) the District may, without liability for so doing, take possession of and utilize in completion of the Project such materials, appliances, plants and other property belonging to the Contractor that are on the site and reasonably necessary for such completion; and (2) Surety shall be liable to the District for any cost or other damage to the District necessitated by the District securing an alternate performance pursuant to this Article.

19.2 Termination for Convenience.

- 19.2.1 The District may terminate performance of the Project called for by the Contract Documents in whole or, from time to time, in part, if the District determines that a termination is in the District's interest.
- 19.2.2 The District shall terminate all or any part of the Project upon delivery to the Contractor of a "Notice of Termination" specifying that the termination is for the convenience of the District, the extent of termination, and the effective date of such termination.
- 19.2.3 After receipt of Notice of Termination, and except as directed by the District's Representative, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:
 - 1. Stop Work as specified in the Notice of Termination.

- 2. Complete any work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.
- 3. Leave the Property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Documents is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
- 4. Terminate all subcontracts to the extent that they relate to the portions of the work terminated.
- 5. Place no further subcontracts or orders, except as necessary to complete the continued portion of the Construction Services Agreement.
- 6. Submit to the District's Representative, within ten (10) days from the Project termination date found in the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Project termination date, including termination costs related to demobilizing and closing out the project, found in the Notice of Termination. Any documentation substantiating costs incurred by the Contractor solely as a result of the District's exercise of its right to terminate this Construction Services Agreement pursuant to this clause, which costs the Contractor is authorized under the Construction Services Agreement to incur, shall: (i) be submitted to and received by the District no later than thirty (30) days after the Project termination date found in the Notice of Termination; (ii) describe the costs incurred with particularity; and (iii) be conspicuously identified as "Termination Costs occasioned by the District's Termination for Convenience."
- Termination of the Construction Services Agreement shall not relieve the Surety of its 19.2.4 obligation for any just claims arising out of or relating to the work performed on the Project.
- 19.2.5 In the event that the District exercises its right to terminate this Construction Services Agreement pursuant to this clause, the District shall pay the Contractor, upon the Contractor's submission of the documentation required by this provision, and other applicable provisions of the Construction Services Agreement the following amounts:
 - 1. All actual costs incurred according to the provisions of this Construction Services Agreement including but not limited to insurance/OCIP costs incurred in connection with the Project.
 - 2. A reasonable allowance for profit on the cost of the work on the Project performed, provided Contractor establishes to the satisfaction of the District, that it is reasonably probable that the Contractor would have made a profit had the Construction Services Agreement been completed and provided further, that the profit allowed shall in no event exceed five percent (5%) of costs. In no event shall the total amount exceed GMP.
 - 3. A reasonable allowance for Contractor's administrative costs in determining the amount payable due to termination of the Construction Services Agreement under this Article.
- 19.3 Termination of Agreement by Contractor. The Contractor may terminate the Construction Services Agreement upon ten (10) days written notice to the District, whenever: (1) there is

a substantial failure of performance on the part of the District; or (2) the District shall elect not to appropriate funds and/or not to make two (2) successive Sublease Prepayments following the receipt by District of a request from the Contractor in its capacity as Lessor for each such Sublease Prepayment submitted pursuant to Section 26(A) of the Sublease(s). In the event of such termination, the Contractor shall have no claims against the District except for work performed on the Project as of the date of termination.

- 19.4 <u>Assignment of Subcontractors and Suppliers.</u> If the Contract is Terminated, Contractor shall provide District copies of all subcontracts, purchase orders, addenda, invoices, payment records, and project files associated with each Subcontractor and Material Supplier. The District shall have the option to assume any Subcontracts, contracts or purchase orders the District choses. To the extent that vendors are not paid in full for the labor, materials, or services provided, Contractor shall provide an accounting statement showing the amounts paid and the amounts due to the subcontractor and a statement on the anticipated payment status associated with the Termination.
- 19.5 <u>Continuation of Work During Disputes.</u> In the event of a dispute between the parties as to performance of the work or the interpretation of this contract, or payment dispute, the parties shall attempt to resolve the dispute. Pending resolution of this dispute, Contractor agrees to continue the work diligently to completion and shall neither rescind nor terminate the agreement.

20. RESOLUTION OF AGREEMENT CLAIMS

20.1 Decision of Architect. Disputes between District and Contractor involving money or time, including those alleging an error or omission by the Architect shall be referred initially to the Architect for action within ten (10) days after Contractor's Article 17 request for Change is denied. If there is a CM, the CM shall receive the Dispute and may review and also assemble opinions and documents to assist the Architect. A decision by the Architect, pursuant to Article 20.5, shall be required as a condition precedent to proceeding with remedies set forth in Paragraph 20.9 as to all such matters arising prior to the date Retention Payment Application is due, regardless of whether such matters relate to execution and progress of the Work, or the extent to which the Work has reached Final Completion.

The condition precedent of an Architect decision shall be waived if: (1) the position of Architect is vacant; (2) the Architect has not received evidence or has failed to render a decision within agreed time limit; (3) the Architect has failed to take action required under Paragraph 20.5 within thirty (30) days after the Claim is made, forty-five (45) days have passed after the Claim has been referred to the Architect; or (4) the Claim relates to a Stop Notice Claim not arising from any extra change order or Immediate Change Directive for which approval has not been provided.

- 20.2 <u>Architect's Review</u>. The Architect (and CM) will review Disputes and take one or more of the following preliminary actions upon receipt of a Dispute: (1) request additional supporting data from the claimant; (2) submit a schedule to the parties indicating when the Architect expects to take action; (3) reject the Dispute in whole or in part, stating reasons for rejection; (4) recommend approval of the claim; or (5) suggest a compromise. The Architect may also, but is not obligated to, notify the surety, if any, of the nature and amount of the claim.
 - 20.2.1 Architectural Immunity. Architect Review of claims shall be impartial and meant to resolve Disputes. Pursuant to the case, Huber, Hunt & Nichols, Inc. v. Moore (1977) 67 Cal.App.3d 278, the Architect is provided a quasi-judicial immunity for interpreting and deciding Disputes between a District and Contractor.

- 20.3 Documentation if Resolved. If a Dispute has been resolved, the Architect (and/or CM) will prepare a Change Order or obtain appropriate documentation to document the terms for Board approval.
- 20.4 Actions if Not Resolved. If a Dispute has not been resolved and all documentation requested pursuant to Paragraph 20.3 has been provided, the Contractor shall, within ten (10) days after the Architect's preliminary response, assemble all the documents involved in the Dispute including copies of all back-up documentation of costs and the basis for the Dispute and take one or more of the following actions: (1) modify the initial Dispute; (2) notify the Architect that the initial Dispute stands; or (3) supplement with additional supporting data and re-submit to the Architect under Article 20.2.
- 20.5 Architect's Written Decision. If a Dispute has not been resolved after consideration of the foregoing and of other evidence presented by the parties or requested by the Architect, the Architect (or Architect through CM) the Architect shall provide a written decision twenty (20) days after compliance with Article 20.4. Upon expiration of such time period, the Architect (or Architect through CM) will render to the parties its written decision relative to the Dispute, including any change in the Contract Sum or Contract Time or both.

The Architect may also request reasonable additional time to complete Architect's written decision.

If the resolution of the Dispute by the Architect is not satisfactory to the Contractor and copies of all back-up documentation of costs and the basis for the Dispute is fully articulated in a package of material that is complete, the Contractor may then submit a Claim to the District under Article 20.9

- Continuing Contract Performance. Pending final resolution of a Dispute or Claim, 20.6 including, negotiation, mediation, arbitration, or litigation, the Contractor shall proceed diligently with performance of the Contract, and the District shall continue to make any undisputed payments in accordance with the Contract (less any withholdings or offsets). If the Dispute or Claim is not resolved, Contractor agrees it will neither rescind the Contract nor stop the progress of the work, but Contractor's sole remedy shall be to submit such controversy to determination by a court of competent jurisdiction in the county where the project is located, after the project has been completed, and not before.
 - 20.6.1 District's Option to Submit Individual Disputes to Arbitration during Claims and Disputes Process. At the District's sole option, in order to more efficiently resolve claims during the Project and prior to the completion of the Claims Process, pursuant to Public Contract Code Section 9201, the District may submit individual Disputes or Claims for binding arbitration and Contractor agrees to the resolution of for each individual Dispute or Claim by an Arbitrator, including resolution of time and delays. If binding arbitration is utilized for individual disputes, such resolution is full and final as to that particular Dispute or Claim. THIS INDIVIDUAL DISPUTE ARBITRATION PROCESS IS NOT AN ARBITRATION CLAUSE AND SHALL NOT BE CONSTRUED AS AN AGREEMENT TO ARBITRATE. INDIVIDUAL DISPUTES ARBITRATION PROCESS IS FOR THE SOLE PURPOSE OF STREAMLINING AND RESOLVING CLAIMS DURING CONSTRUCTION AND SHALL BE REQUESTED ON SPECIFIC INDIVIDUAL ITEMS BY THE DISTRICT PRIOR TO RETENTION PAYMENT (EVEN IF THERE ARE DEDUCTIONS MADE FROM RETENTION PAYMENT) WHICH REPRESENTS THE FINAL COMPLETION OF THE PROJECT.
 - 20.6.1.1 No Tolling. The Arbitration process shall not toll the Disputes, Claims, or Appeals process under Article 20.

- 20.7 <u>Claims for Concealed Trenches or Excavations Greater Than Four Feet Below the Surface</u>. When any excavation or trenching extends greater than four feet below the surface:
 - 20.7.1 *Immediately upon discovery*, The Contractor shall promptly, and before the following conditions are disturbed, notify the District, by telephone and in writing, of the condition except:
 - Subsurface or latent physical conditions at the Site differing from those indicated in the Drawings, Specifications, or pursuant to the documents and information from Contractor's Due Diligence.
 - Unknown physical conditions at the Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in Work of the character provided for in the Contract.
 - 20.7.2 The District shall investigate the conditions, and if District finds that the conditions do materially so differ, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the Work shall issue a change order or Construction Change Document under the procedures described in the Contract.
 - 20.7.3 In the event that a dispute arises between the public entity or District and the Contractor whether the conditions materially differ, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall not be excused from any scheduled Completion Date provided for by the Contract, but shall proceed with all Work to be performed under the Contract. The Contractor shall retain any and all rights provided either by Contract or by law which pertain to the resolution of disputes and protests between the contracting parties.
- 20.8 <u>Dispute Concerning Extension of Time.</u> If Contractor and District cannot agree upon an extension of time, whether compensable or not, then Contractor must have first completed the procedures set forth in this Article. Upon completion of the procedures set forth in Article 17, Contractor must then comply with the requirements in this Article.
- 20.9 <u>Claims Procedures.</u> Pursuant to the remedies under Public Contract Code Section 9201 and Government Code Section 930.2, Contractor, through execution of this Agreement, also agrees to comply with the Claims requirements under this Article to quickly and efficiently resolve disputes. Further, to provide a level of accuracy to the records submitted, the District shall have the right to audit books and records pursuant to Article 21 based on the actual costs incurred and to reduce the uncertainty in resolving disputes with limited information.
- 20.10 Procedure Applicable to All Claims
 - 20.10.1 Actions if Not Resolved
 - 20.10.1.1 <u>Definition of Claim</u>: A "Claim" is where a Dispute between the parties rises to the level where backup documentation is assembled and provided to the District as a separate demand by the Contractor for (1) time extension, (2) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the CONTRACT and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (3) and amount the payment of which is disputed by the District. (If the Claim is for damages associated with a DSA Stop Work Order, the Contractor shall not be entitled to a request for Compensation, but shall be entitled to utilize Governmental Delay Float (See Article 9.2.1.))

- Filing Claim Is Not Basis to Discontinue Work: The Contractor shall 20.10.1.2 promptly comply with Work under the Contract or Work requested by the District even though a written claim has been filed. The Contractor and the District shall make good faith efforts to resolve any and all claims that may arise during the performance of the Work covered by this Contract.
- 20.10.1.3 <u>Claim Notification:</u> The Contractor shall within seven (7) calendar days after the Written Decision of the Architect, or if the time period for Architect's Decision has passed under Article 20.5, submit a notification, in writing, with the District (and the District's CM) stating clearly the basis for the claim. If the notification is not submitted within seven (7) days after the Written Decision of the Architect or the passage of time under Article 20.1, the Contractor shall be deemed to have waived all right to assert the claim, and the claim shall be denied. Claims submitted after Retention Payment date shall also be considered null and void by the District. All claims shall be reviewed pursuant to this Article.
- 20.10.1.4 The Formal Notification of Claim must be presented as follows:
 - The term "Claim" must be at the top of the page in no smaller than 20 point writing.
 - All documentation submitted pursuant to this Article to the b. Architect shall be submitted with the title "claim."
 - A stack of documents, copy of all project documents, or the submission of random documents shall not constitute an adequate reference to supporting documentation
 - d. Any additional or supporting documentation that Contractor believes is relevant should be submitted at this time.
- 20.10.1.5 Formal Claim Appeal Submission: If the Contractor does not concur with the District's decision regarding the Claim Notification, the Contractor will issue a formal Claim Appeal within fourteen (14) days of receipt of the District's decision and all detailed information in support of the Claim Appeal within thirty (30) days. All appeals shall be submitted before Retention Payment. If the Claim Appeal is not submitted within fourteen (14) calendar days and detailed information within thirty (30) days, the Contractor shall be deemed to have waived its right to assert the Claim and the Claim shall be denied. Contractor's failure to submit any detailed information which is in the possession of Contractor shall render such information inadmissible by Contractor at trial or arbitration.
- 20.10.1.6 Appeal Claim Format: The Contractor shall provide all written detailed documentation which supports the claim, including but not limited to: arguments, justifications, cost, estimates, Schedule analysis and detailed documentation. The format of the Claim Appeal shall be as follows:
 - a. Cover letter.
 - Summary of factual basis of Claim and amount of claim.

- Summary of the basis of the Claim, including the specific clause and section under the Contract under which the claim is made
- d. Documents relating to the Claim, including:
 - 1. Specifications sections in question.
 - 2. Relevant portions of the Drawings
 - 3. Applicable Clarifications (RFI's)
 - Other relevant information, including responses that were received.
 - 5. Contractor Analysis of Claim merit.
- e. Contractor's analysis of any subcontractor vendor claims that are being passed through.
 - 1. Any analysis performed by outside consultants
 - 2. Any legal analysis that Contractor deems relevant
- f. Break down of all costs associated with the Claim.
- g. For claims relating to time extensions, an analysis and supporting documentation evidencing any effect upon the critical path of the Schedule that was prepared under Article 9.
- h. Chronology of events and related correspondence.
- i. Applicable Daily reports and logs.
 - If the Daily Reports or Logs are not available, lost or destroyed, there shall be a presumption that the lost documentation was unfavorable to the Contractor. See California Civil Jury Instruction 204.
- j. For Claims involving overhead, cost escalation, acceleration, disruption or increased costs, a full version of job costs reports organized by category of work or Schedule of Values with budget information tracked against actual costs. Any and all supporting back-up data, including the original bid (and associated original unaltered metadata).
 - The meta data and bid information shall be provided confidentially and subject to a protective order to prevent dissemination to other contractors or to the public. However, the bid documentation should remain intact and available for review and inspection in case of this type of increased cost claim.
 - This data on the bid shall be made available to any District attorneys or experts and shall also be utilized as evidence for any legal proceedings.

- If the bid documentation is not available, lost or destroyed, there shall be a presumption that the lost bid documentation was unfavorable to the Contractor. See California Civil Jury Instruction 204.
- Certification: The Contractor (and subcontractors, if applicable) shall submit with the claim a certification under penalty of perjury:
 - 1. That the Contractor has reviewed the claim and that such claim is made in good faith;
 - 2. Supporting data are accurate and complete to the best of the Contractor's knowledge and belief;
 - The amount requested accurately reflects the amount of compensation for which the Contractor believes the District is liable.
 - 4. That the Contractor is familiar with Government Code Sections 12650 et seq. and Penal Code Section 72 and that false claims can lead to substantial fines and/or imprisonment.
- Signature of Certification: If the Contractor is not an individual, the certification shall be executed by an officer or general partner of the Contractor having overall responsibility for the conduct of the Contractor's affairs.
- Mandatory Claim Appeal Procedure: The Contractor's Claim Appeal shall be denied if it fails to follow the requirements of this Article.
- 20.11 <u>Binding Arbitration of Individual Claim Issues</u>. To expedite resolution of Claims pursuant to Public Contract Code Section 9201, at the District's sole option, the District may submit individual Claims to Arbitration prior to Retention Payment consistent with the requirements of Article 20.6.1
- 20.12 <u>Dispute Resolution</u>. If Claims are not resolved under the procedure set forth above and all Appeals have been exhausted, such claim or controversy shall be submitted to a Arbitration under the AAA Construction Rules after the Project has been completed, and not before.
 - 20.12.1 If a dispute arises out of, or relates to this Construction Services Agreement or the breach thereof, and if said dispute cannot be settled through normal contract negotiations, the parties agree to first endeavor to settle the dispute using mediation.
 - 20.12.2 The costs for all mediation, including the Administrative fees and mediator compensation, will be shared equally by all parties. Fees shall be jointly negotiated by all parties directly with the Administrator. If all parties agree, then the mediation costs may increase as required for resolution of the dispute. The expenses of witnesses for any party shall be paid by the party producing such witnesses.
- 20.12.3 A single mediator, acceptable to all parties, shall be used to mediate the dispute. The mediator will be knowledgeable in construction aspects and will be selected from lists furnished by the Administrator. The initial mediation session shall commence within thirty (30) days of filing, unless otherwise agreed by the parties, or at the direction of the mediator.

- 20.12.4 Mediation hearings will be conducted in an informal manner and discovery will not be allowed unless agreed by all parties. All discussions, statements, or admissions will be confidential to the proceedings and will not be used for any other purpose as it relates to the party's legal position.
- 20.12.5 Spokespersons shall be limited to the District, Contractor, Subcontractor, and Supplier personnel and their consultants. District, Contractor, Subcontractor and Supplier may have an attorney present and shall advise the other parties no less than five (5) business days before the mediation so that the other parties may also have their attorneys present.
- 20.12.6 Any resultant agreements from mediation shall be documented in writing, and may be used as the basis for a change order or other directive as appropriate. All mediation results and documentation shall be non-binding and inadmissible for any purpose in any legal proceedings, in accordance with Evidence Code Section 1152, unless such admission is otherwise agreed in writing by all parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.
- 20.12.7 If mediation is unsuccessful, the parties thereafter may, but are not required to, agree to submit the matter to the Administrator for binding arbitration. If the parties so agree to arbitrate, the following provision shall govern such arbitration, unless the parties otherwise agree in writing. The parties agree that the matter shall be submitted to one (1) arbitrator, unless they agree in writing to three (3) arbitrators. A judgment of a court having competent jurisdiction may be entered upon the award, and such judgment shall be enforceable as a final judgment to the fullest extent under the law. The parties agree to split evenly all arbitration and arbitrator(s)' fees and expenses, subject to readjustment by the arbitrator as part of any award. The arbitration shall be subject to, and proceed in accordance with California Code of Civil Procedure, Sections 1280 through 1294.2. If the parties do not agree to submit to binding arbitration, neither party is prevented from pursuing other legal remedies.

21. MAINTENANCE OF RECORDS; AUDIT/OWNERSHIP OF DOCUMENTS

- 21.1 State Audit. Pursuant to and in accordance with the provisions of Government Code § 8546.7, or any amendments thereto, all books, records, and files of the District, the Contractor, or any Subcontractor connected with the performance of this Contract involving the expenditure of state funds in excess of Ten Thousand Dollars (\$10,000.00), including, but not limited to, the administration thereof, shall be subject to the examination and audit of the Office of the Auditor General of the State of California for a period of five (5) years after Retention Payment is made or a Notice of Completion is Recorded, whichever occurs first. Contractor shall preserve and cause to be preserved such books, records, hard drives, electronic media, and files for the audit period.
- 21.2 District Audit. Pursuant to the remedies under Public Contract Code Section 9201 and Government Code Section 930.2, Contractor, through execution of this Agreement, also agrees the District shall have the right to review and audit, upon reasonable notice, the books and records of the Contractor concerning any monies associated with the Project. The purpose of this Audit is to quickly and efficiently resolve disputes based on the actual costs incurred and to reduce the uncertainty in resolving disputes with limited information. The District shall perform any audits at its own cost and any such audit shall be performed by an independent auditor, having no direct or indirect relationship with the functions or activities being audited or with the business conducted by the Contractor or District. In the even the independent auditor determines that Change Orders, Response to Request for Proposals, Claims, Appeal of Claims, or other requests for payment the Auditor shall report the results of the Audit findings to the District and provide a copy to the Contractor after giving the District Board the opportunity for at least 10 days review. If the Contractor

- disputes the findings of the independent auditor, such dispute shall be handled in the manner set forth under Article 20 entitled Disputes.
- 21.3 Failure to Produce Books or Records. If Contractor having agreed to the terms of this Contract fails to produce books or records requested by Auditor, such failure to produce books or records that were required to be preserved for audit, it shall be presumed that the information contained in the withheld books or records were unfavorable to the Contractor and the Auditor shall note this refusal in the results of the Audit findings for further evaluation by the District and the District's Board. The refusal to release records that are concerning monies associated with the Project may be used as a grounds to Debar the Contractor from future Projects for failure to preserve records under this Article and the failure to produce required audit records may also be used as a grounds for a negative finding against the Contractor depending on the significance of the records that are withheld by Contractor. Failure to produce Job Cost Data tied to Job cost categories and budgets shall be presumed an intentional failure to produce key audit records. Similarly, failure to produce daily time records (prepared at or near the time of the Work actually took place shall be presumed an intentional failure to produce key audited records.
- 21.4 Inefficiency, Acceleration or Delay Claims. If Contractor is seeking costs for inefficiency, home office overhead, or unanticipated increased costs due to delays or acceleration, Contractor shall also produce copies of the original bid tabulation utilized in submitting Contractors bid for the Project. This document shall be considered confidential and shall not be subject to disclosure through a Public Records Act and shall not be distributed to anyone other than the District and the District's counsel. This bid tabulation shall only be used in litigation, arbitration, evaluation of Claims or Disputes, Audit, and trial. If the records for the bid tabulation are kept on a computer, the Contractor shall also produce all metadata (in native format) that accompanies the bid tabulation for inspection to prove the authenticity of the underlying bid tabulation. Failure to produce the bid tabulation for review of inefficiency, home office overhead, or unanticipated increased costs due to delays or accelerations shall be considered material evidence that the bid tabulation was not favorable to the Contractor. This evidence shall be entered as a jury instruction for trial that the bid tabulation was not produced and the bid tabulation information was unfavorable to the Contractor. The evidence may also be used in Debarment Proceedings, and noted as an exception to an Audit Findings.
- 21.5 Upon notification of Contractor concerning the results of the audit and a reasonable time has passed for Contractor to respond to Audit Findings and if either there is no Dispute of the Audit findings under this Article or if the result after utilizing the Disputes Clause confirms the Audit findings, the District may seek any Savings that have not been accounted for with District and may also seek reimbursement for overstated Claims, Change Orders, or Appeal of Claims.
- 21.6 Ownership of Drawings. Notwithstanding any provision of this Agreement, all drawings, specifications, and copies thereof furnished by District are its property. They are not to be used on other work and with exception of signed contract sets, are to be returned to District on request at completion of work.

22. PREVAILING RATES OF WAGES; RECORDS, APPRENTICES

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22.1 Wage Rates. Pursuant to the provisions of Article 2 (commencing at § 1720), Chapter 1, Part 7, Division 2, of the Labor Code, the District has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this public works project is to be performed for each craft, classification, or type of worker needed for this Project from the Director of the Department of Industrial Relations ("Director"). These rates are on file at the administrative office of the District and are also available from the Director of the Department of Industrial Relations. Copies

will be made available to any interested party on request. The Contractor shall post a copy of such wage rates at appropriate, conspicuous, weatherproof points at the Site.

Any worker employed to perform Work on the Project, but such Work is not covered by any classification listed in the published general prevailing wage rate determinations or per diem wages determined by the Director of the Department of Industrial Relations, shall be paid not less than the minimum rate of wages specified therein for the classification which most nearly corresponds to the employment of such person in such classification.

- 22.2 Holiday and Overtime Pay. Holiday and overtime work, when permitted by law, shall be paid for at the rate set forth in the prevailing wage rate determinations issued by the Director of the Department of Industrial Relations or at least one and one-half (1½) times the specified basic rate of per diem wages, plus employer payments, unless otherwise specified in the Contract Documents or authorized by law
- Wage Rates Not Affected by Subcontracts. The Contractor shall pay and shall cause to be 22.3 paid each worker engaged in the execution of the Work on the Project not less than the general prevailing rate of per diem wages determined by the Director, regardless of any contractual relationship which may be alleged to exist between the Contractor or any Subcontractor and such workers.
- 22.4 Per Diem Wages. The Contractor shall pay and shall cause to be paid to each worker needed to execute the Work on the Project per diem wages including, but not limited to, employer payments for health and welfare, pensions, vacation, travel time and subsistence pay as provided for in Labor Code §1773.1.
- 22.5 Forfeiture and Payments. Pursuant to Labor Code §1775, the Contractor shall forfeit to the District, not more than Two Hundred Dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the prevailing wages rates as determined by the Director of the Department of Industrial Relations, for the work or craft in which the worker is employed for any Work done under the Agreement by the Contractor or by any Subcontractor under it. The amount of the penalty shall be determined by the Labor Commissioner and shall be based on consideration of: (1) whether the Contractor or Subcontractor's failure to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily correct upon being brought to the attention of the Contractor or Subcontractor; and (2) whether the Contractor or Subcontractor has a prior record of failing to meet its prevailing wage obligations.

23. **RECORDS OF WAGES PAID**

23.1 Payroll Records

- 23.1.1 Pursuant to §1776 of the Labor Code, each Contractor and Subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by him or her in connection with the Project.
- 23.1.2 All payroll records shall be certified and submitted to the District with each application for payment, but shall not be submitted less than once per month. All payroll records shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:
- 23.1.3 A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

- 23.1.4 A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of District, the Division of Labor Standards Enforcement or the Division of Apprenticeship Standards of the Department of Industrial Relations.
- 23.1.5 A certified copy of all payroll records shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to Paragraph (2) above, the requesting party shall, prior to being provided the records, reimburse the costs, according to law for the preparation by the Contractor, Subcontractor(s), and the entity through which the request was made. The public shall not be given access to such records at the principal office of the Contractor.
- 23.1.6 The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division of Labor Standards Enforcement.
- 23.1.7 The Contractor or Subcontractor(s) shall file a certified copy of all payroll records with the entity that requested such records within 10 calendar days after receipt of a written request.
- 23.1.8 Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor awarded the Contract or the Subcontractor(s) performing the Contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a joint labormanagement committee established pursuant to the federal Labor Management Cooperation Act of 1978 (Section 175a of Title 29 of the United States Code) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number. Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided non-redacted copies of certified payroll records.
- 23.1.9 The Contractor shall inform the District of the location of all payroll records, including the street address, city and county, and shall, within five working days, provide a notice of a change of location and address.
- 23.1.10 The Contractor or Subcontractor(s) shall have ten (10) calendar days in which to comply subsequent to receipt of a written notice requesting payroll records. In the event that the Contractor or Subcontractor(s) fails to comply within the 10-day period, the Contractor or Subcontractor(s) shall, as a penalty to the District, forfeit One Hundred Dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due.
- 23.1.11 Responsibility for compliance with this Article shall rest upon the Contractor.
- 23.2 Withholding of Contract Payments & Penalties

- 23.2.1 The District may withhold or delay contract payments to the Contractor and/or any Subcontractor if:
 - The required prevailing rate of per diem wages determined by the 23.2.1.1 Director of the Department of Industrial Relations is not paid to all workers employed on the Project; or
 - 23.2.1.2 The Contractor or Subcontractor(s) fail to submit all required certified payroll records with each application for payment, but not less than once per month; or
 - 23.2.1.3 The Contractor or Subcontractor(s) submit incomplete or inadequate payroll records; or
 - 23.2.1.4 The Contractor or Subcontractor(s) fail to comply with the Labor Code requirements concerning apprentices; or
 - 23.2.1.5 The Contractor or Subcontractor(s) fail to comply with any applicable state laws governing workers on public works projects.

APPRENTICES 24.

- 24.1 Apprentice Wages and Definitions. All apprentices employed by the Contractor to perform services under the Contract shall be paid the standard wage paid to apprentices under the regulations of the craft or trade for which he or she is employed, and as determined by the Director of the Department of Industrial Relations, and shall be employed only at the craft or trade to which he or she is registered. Only apprentices, as defined in §3077 of the Labor Code, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprenticeship agreements under Chapter 4 (commencing with §3070) of Division 3, are eligible to be employed under this Contract. The employment and training of each apprentice shall be in accordance with the apprenticeship standards and apprentice agreements under which he or she is training, or in accordance with the rules and regulations of the California Apprenticeship Council.
- 24.2 Employment of Apprentices. Contractor agrees to comply with the requirements of Labor Code §1777.5. The Contractor awarded the Project, or any Subcontractor under him or her, when performing any of the Work under the Contract or subcontract, employs workers in any apprenticeable craft or trade, the Contractor and Subcontractor shall employ apprentices in the ratio set forth in Labor Code §1777.5. The Contractor or any Subcontractor must apply to any apprenticeship program in the craft or trade that can provide apprentices to the Project site for a certificate approving the contractor or subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry affected. However, the decision of the apprenticeship program to approve or deny a certificate shall be subject to review by the Administrator of Apprenticeship. The apprenticeship program or programs, upon approving the Contractor or Subcontractor, shall arrange for the dispatch of apprentices to the Contractor or Subcontractor upon the Contractor's or Subcontractor's request. "Apprenticeable craft or trade" as used in this Article means a craft or trade determined as an apprenticeable occupation in accordance with the rules and regulations prescribed by the California Apprenticeship Council. The ratio of work performed by apprentices to journeyman employed in a particular craft or trade on the Project shall be in accordance with Labor Code §1777.5.
- 24.3 Submission of Contract Information. Prior to commencing Work on the Project, the Contractor and Subcontractors shall submit contract award information to the applicable

apprenticeship program(s) that can supply apprentices to the Project and make the request for the dispatch of apprentices in accordance with the Labor Code. The information submitted shall include an estimate of journeyman hours to be performed under the Contact, the number of apprentices proposed to be employed, and the approximate dates the apprentices would be employed. A copy of this information shall also be submitted to the District if requested. Within sixty (60) days after concluding Work on the Project, the Contractor and Subcontractors shall submit to the District, if requested, and to the apprenticeship program a verified statement of the journeyman and apprentice hours performed on the Project.

- 24.4 Apprentice Fund. The Contractor or any Subcontractor under him or her, who, in performing any of the Work under the Contract, employs journeymen or apprentices in any apprenticeable craft or trade shall contribute to the California Apprenticeship Council the same amount that the Director determines is the prevailing amount of apprenticeship training contributions in the area of the Project. The Contractor and Subcontractors may take as a credit for payments to the California Apprenticeship Council any amounts paid by the Contractor or Subcontractor to an approved apprenticeship program that can supply apprentices to the Project. The Contractor and Subcontractors may add the amount of the contributions in computing his or her bid for the Contract.
- 24.5 Prime Contractor Compliance. The responsibility of compliance with Article 13 and §1777.5 of the Labor Code for all apprenticeable occupations is with the Prime Contractor. Any Contractor or Subcontractor that knowingly violates the provisions of this Article or Labor Code §1777.5 shall be subject to the penalties set forth in Labor Code §1777.7.
- WHEN DETERMINING GMP, CONTRACTOR SHALL INCLUDE TO THE EXTENT 24.6 POSSIBLE ANTICIPATED GENERAL PREVAILING WAGE RATES FOR THE TIME WHEN WORK ON THE PROJECT WILL ACTUALLY BE PERFORMED.

25. DEBARMENT OF CONTRACTORS AND SUBCONTRACTORS

The Contractor or any subcontractor working under the Contractor may not perform work on a public works project with a subcontractor who is ineligible to perform work on a public project pursuant to Section 1777.1 or Section 1777.7 of the California Labor Code. Any contract on a public works project entered into between the Contractor and a debarred subcontractor is void as a matter of law. A debarred subcontractor may not receive any public money for performing work as a subcontractor on a public works contract. Any public money that is paid, or may have been paid to a debarred subcontractor by the Contractor on the project shall be returned to the District. The Contractor shall be responsible for the payment of wages to workers of a debarred subcontractor who has been allowed to work on the project.

26. **HOURS OF WORK**

- 26.1 Eight (8) hours of work shall constitute a legal day's work. The Contractor and each subcontractor shall forfeit, as penalty to the District, twenty five dollars (\$25) for each worker employed in the execution of work on the Project by the Contractor or any subcontractor under him for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one calendar day and forty (40) hours in any calendar week in violation of the provisions of the Labor Code, and in particular, Section 1810 to Section 1815, thereof, inclusive, except that work performed by employees of the Contractor and his subcontractors in excess of eight hours per day at not less than one and one half times the basic rate of pay, as provided in Labor Code section 1815.
- Generally, construction work on the Project shall be accomplished on a regularly scheduled 26.2 eight (8) hour per day work shift basis, Monday through Friday, between the hours of 7:00 a.m. and 5:00 p.m., however nothing herein shall prevent Contractor from working

- weekends and after class hours in order to complete the Project so long as not otherwise prohibited by law or local ordinances or regulations.
- Any work necessary to be performed after regular working hours, or on Sundays or other holidays shall be performed and included within the GMP, unless otherwise agreed to in writing before the work in question is commenced pursuant to Section 9, Extra Work/Modifications.

27. PAYROLL RECORDS

- 27.1 This Project is subject to labor compliance monitoring and enforcement by the Compliance Monitoring Unit ("CMU") within the Division of Labor Standards Enforcement pursuant to Title 8, California Code of Regulations, Section 16450 et seq.
- 27.2 The Contractor and all Subcontractors shall be required to furnish, at least monthly, electronic certified payroll records directly to the Labor Commissioner/ Compliance Monitoring Unit in accordance with Title 8, California Code of Regulations, Section 16450 et seq. All payroll records shall be furnished in a format prescribed by Title 8, California Code of Regulations, Section 16401. The Contractor and all Subcontractors are directed to go to https://app.mylcm.com and follow the instructions to enroll in CMU's eCPR system to submit electronic certified payroll records. The District will have direct and immediate access to all CPRs for the Project that are submitted through the eCPR system. The District can use this information for any appropriate purpose, including monitoring compliance, identifying suspected violations, and responding to Public Records Act requests.
- 27.3 The CMU and/or the District's Labor Compliance Consultant may conduct various compliance monitoring and enforcement activities including, but not limited to, confirming the accuracy of payroll records, conducting worker interviews, conducting audits, requiring submission of itemized statements prepared in accordance with Labor Code section 226, and conducting random in-person inspections of the Project site ("On-Site Visits"). On-Site Visits may 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 CMU to ensure compliance with prevailing wage requirements. The CMU 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.
- Any lawful activities conducted or any requests made by the CMU shall not be the basis for any delays, claims, costs, damages or liability of any kind against the District by the Contractor. Contractor and all Subcontractors shall cooperate and comply with any lawful requests by the Compliance Monitoring Unit. The failure of the CMU, the Division of Labor Standards Enforcement, or any other part of the Department of Industrial Relations to comply with any requirement imposed by the California Code of Regulations, Title 8, Chapter 8 shall not of itself constitute a defense to the failure to pay prevailing wages or to comply with any other obligation imposed by Division 2, Part 7, Chapter 1 of the Labor Code.
- 27.5 Prior to commencing any work on the Project, the Contractor shall post the notice/poster required under Title 8, California Code of Regulations, Section 16451(d) in both English and Spanish at a conspicuous, weatherproof area at the Project site. The required notice/poster is available on the CMU website, at the Division of Labor Standards Enforcement District Offices or can be obtained by emailing a request to CMU@dir.ca.gov.

28. PROTECTION OF PERSONS AND PROPERTY

- 28.1 Contractor and subcontractor personnel on Site shall not have been convicted of any criminal offense which may have a discernible adverse impact on District or its students. Contractor shall advise its employees of these requirements before they enter on the Site and shall immediately remove from the Site any employee in violation of these requirements as determined by Contractor or by District. Contractor shall impose these requirements on its subcontractors.
- 28.2 Contractor has been advised and is aware that District limits the use of tobacco products on the construction site, including smokeless tobacco. Contractor shall be responsible for the enforcement of District's tobacco policy among all Contractor's employees and subcontractors while on District property. Contractor understands and agrees that should any employee or subcontractor of Contractor violate this policy, after having already been warned once for violating District's tobacco policy, Contractor shall remove the individual for the duration of the Project. Contractor shall not be entitled to any additional compensation and/or time in completing the Project as a result of such removal.
- 28.3 Contractor shall take all steps necessary to insure that employees of Contractor or any of its subcontractors' employees do not use, consume, or work under the influence of alcohol or illegal drugs while on the Project. Contractor shall prevent any of its employees or its subcontractors' employees from playing any recorded music devices or radios or wearing any radio headphone devices for entertainment while working on the project. Contractor shall also prevent its employees or subcontractors' employees from bringing any animal onto the Project.
- 28.4 Contractor shall be responsible for all damages to persons or property that occur as a result of its fault or negligence in connection with the prosecution of this Contract and shall take all necessary measures and be responsible for the proper care and protection of all materials delivered and work performed until completion and final acceptance by District.
- 28.5 Contractor shall take, and require subcontractors to take, all necessary precautions for safety of workers on the work and shall comply with all applicable federal, state, local and other safety laws, standards, orders, rules, regulations, and building codes to prevent accidents or injury to persons on, about, or adjacent to premises where work is being performed and to provide a safe and healthful place of employment. In addition to meeting all requirements of OSHA, Cal-OSHA, state, and local codes, Contractor shall furnish, erect and properly maintain at all times, as directed by District or required by conditions and progress of work, all necessary safety devices, safeguards, construction canopies, signs, audible devices for protection of the blind, safety rails, belts and nets, barriers, lights, and watchmen for protection of workers and the public and shall post danger signs warning against hazards created by such features in the course of construction. Contractor shall designate a responsible member of its organization on the work, whose duty shall be to post information regarding protection and obligations of workers and other notices required under occupational safety and health laws, to comply with reporting and other occupational safety requirements, and to protect the life, safety and health of workers. Name and position of person so designated shall be reported to District by Contractor. Contractor shall correct any violations of safety laws, rules, orders, standards or regulations. Upon the issuance of a citation or notice of violation by the Division of Occupational Safety and Health, such violation shall be corrected promptly.
- 28.6 In an emergency affecting safety of life or of work or of adjoining property, Contractor, without special instruction or authorization from District, is hereby permitted to act, at its discretion, to prevent such threatened loss or injury; and Contractor shall so act if so authorized or instructed by District. Any compensation claimed by Contractor on account of emergency work shall be determined by agreement.

- 28.7 Contractor shall provide such heat, covering, and enclosures as are necessary to protect all work, materials, equipment, appliances, and tools against damage by weather conditions.
- 28.8 Contractor shall take adequate precautions to protect existing roads, sidewalks, curbs, pavements, utilities, adjoining property and structures (including, without limitation, protection from settlement or loss of lateral support), and to avoid damage thereto, and repair any damage thereto caused by construction operations. All permits, licenses, or inspection fees required for such repair work shall be obtained and paid for by Contractor.
- 28.9 In the event Contractor is required to access District's computer system or network in the performance of the Contract, Contractor shall provide 48-hours advance notification to District. In the event such access infects District's computer network, system, or device with a virus, Trojan Horse, worm, or any other computer programming routine that is intended to damage, detrimentally interfere with, surreptitiously intercept or expropriate any system data or personal information, Contractor agrees to indemnify District and pay for any and all losses, damages and expenses incurred by District to remedy any such infection.
- 28.10 Trenches Five Feet or More in Depth. The Contractor shall submit to the District, in advance of excavation, a detailed plan showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground during the excavation of any trench or trenches five feet or more in depth. The Contractor shall also submit a copy of its annual trench/excavation permit approved by CAL-OSHA. The plan shall be prepared by a registered civil or structural engineer. As part of the plan, a note shall be included stating that the registered civil or structural engineer certifies that the plan complies with CAL OSHA Construction Safety Orders, or stating that the registered civil or structural engineer certifies that the plan is not less effective than the shoring, bracing, sloping, or other provisions of the Safety Orders.
 - 28.10.1 All shoring submittal shall include surcharge loads from adjacent embankments, construction loads and spoil bank. Submittal shall indicate minimum horizontal distance from top of trench to edge of all surcharge loads for all cases of shoring and side slopes.
 - 28.10.2 Nothing in this Section shall relieve Contractor of the full responsibility for providing shoring, bracing sloping, or other provisions adequate for worker protection. If such plan varies from the shoring system standards established by the Construction Safety Orders, the plan shall be prepared by a registered civil or structural engineer and shall be approved by CAL-OSHA. No excavation of such trench or trenches shall be commenced until said plan has been accepted by the District or the person to whom authority to accept has been delegated by the District.
- 28.11 Contractor shall (unless waived by District in writing):
 - 28.11.1 When performing construction on existing sites, become informed and take into specific account the maturity of the students on the site; and when performing work which may interfere with the academic routine before, during, or after hours, enclose working area with a substantial barricade, and arrange work to cause minimum amount of inconvenience and danger to students and faculty in their regular activities.
 - 28.11.2 Not allow any person, other than workers on the Project, or individuals authorized by District to come upon any portion of the premises where work is being performed. Contractor shall require all workers on the Project to be conspicuously identified either by a firm logo on their clothing, or by means of a prominent identification badge.

- 28.11.3 Provide substantial barricades around any shrubs or trees indicated to be preserved.
- 28.11.4 Deliver materials to building area over route designated by District.
- 28.11.5 Take preventive measures to eliminate dust.
- 28.11.6 Confine apparatus, the storage of materials, and the operations of workers to limits indicated by law, ordinances, permits, or directions of District; and shall not interfere with the work or unreasonably encumber premises or overload any structure with materials; and enforce all instructions of District regarding signs, advertising, fires, smoking, the presence of liquor, and the presence of firearms and require that all workers comply with all regulations while on construction site.
- 28.11.7 Take care to prevent disturbing or covering any survey markers, monuments, or other devices marking property boundaries or corners. If such markers are disturbed by accident, they shall be replaced by an approved land surveyor or civil engineer at no cost to District.
- 28.11.8 Not allow personal radios on the work site
- 28.11.9 Where the Project involves work at an operating campus, inform and take such preventive measures necessary to insure that all employees, subcontractors and other individuals authorized on the Project site refrain from any personal contact or conversations with the students on site.
- 28.11.10 Contractor shall not impose structural loading upon any part of the work under construction or upon existing construction on or adjacent to the Site in excess of safe limits, or loading such as to result in damage to the structural, architectural, mechanical, electrical, or other components of the work. The design of all temporary construction equipment and appliances used in construction of the work and not a permanent part thereof, including, without limitation, hoisting equipment, cribbing, shoring, and temporary bracing of structural steel, is the sole responsibility of Contractor. All such items shall conform with the requirements of governing codes and all laws, ordinances, rules, regulations, and orders of all authorities having jurisdiction. Contractor shall take reasonable and customary precautions, such as shoring of masonry walls and temporary tie bracing of structural steel work, to prevent possible wind damage during construction of the work. The installation of such bracing or shoring shall not damage the work in place or the work installed by others. Any damage which does occur shall be promptly repaired by Contractor at no cost to District.
- 28.11.11 Contractor shall require that subcontractors participate in, and enforce, the safety and loss prevention programs established by Contractor for the Project, which will cover all work performed by Contractor and its subcontractors. All subcontractors and material or equipment suppliers shall cooperate fully with Contractor, District, and all insurance carriers. Subcontractors shall immediately, within twenty four (24) hours, report in writing to Contractor all accidents whatsoever arising out of, or in connection with, the performance of the work, whether on or off the Site, which caused death, personal injury, or property damage, giving full details and statements of witnesses. Contractor shall thereafter immediately, within two (2) days, report the facts in writing to District giving full details of the accident.
- 28.11.12 Contractor and subcontractors shall use only those ingress and egress routes designated by District, observe the boundaries of the Site designated by District, park only in those areas designated by District, which areas may be on or off the Site, and

comply with any parking control program established by District, such as furnishing license plate information and placing identifying stickers on vehicles.

- Contractor shall be responsible for providing security services for the Site as needed 28.11.13 for the protection of the Site and as determined in District's reasonable discretion.
- 28.11.14 Contractor shall, for all contracts involving state funds, submit a "Drug-Free Workplace Certification." Contractor shall take all reasonable steps necessary to ensure that any employees of Contractor or any of its subcontractors' employees report for work in a manner fit to do their job. Such employees shall not be under the influence of or in possession of any alcoholic beverage or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety at the Project Site is not affected thereby). Contractor shall advise its employees of these requirements before they enter on the Site and shall immediately remove from the site any employee in violation of these requirements as determined by Contractor or by the District. Contractor shall impose these requirements on its subcontractors.
- 28.11.15 Contractor and subcontractors shall at all times enforce strict discipline and good order among their employees and other persons carrying out the Contract and shall not employ on work any unfit person or anyone not skilled in work assigned to such person. It shall be the responsibility of Contractor to ensure compliance with this Article. Any person in the employ of Contractor or subcontractors whom District may deem incompetent, unfit, intemperate, troublesome or otherwise undesirable shall be excluded from the work Site and shall not again be employed on it except with written consent of District. Contractor must sign and cause all subcontractors to sign the Conduct Rules for Contractors form attached as Exhibit "I" and incorporated herein by this reference prior to commencing work on the Project.
- 28.12 Contractor shall be at all times during the performance of work hereunder in full compliance with the provisions of the Immigration Reform and Control Act of 1986 ("IRCA") in the hiring of its employees, and Contractor shall indemnify, hold harmless and defend District against any and all actions, proceedings, penalties or claims arising out of Contractor's failure to comply strictly with the IRCA.

29. SUBLEASE PAYMENTS AND RETENTION

Contractor shall finance the cost of construction of the Project which costs shall not exceed the GMP, except as otherwise provided in this Construction Services Agreement. Subject to the provisions set forth in the Sublease Agreement(s), each month while Contractor is providing Construction Services, District shall pay to Contractor a sum equal to ninety percent (90%) of value of the construction service work performed up to the last day of the previous month, less aggregate of previous payments. If all of the necessary information is submitted and accurate (including the schedule of values), District shall approve the Lease Payments within fifteen (15) days after District's receipt of the periodic estimate for partial payment and District shall pay such payments within fifteen (15) days after the District's approval of the periodic estimate for partial payment. The parties agree that the District may, in its sole and absolute discretion, decrease any and all remaining retention amounts for Project scope of work to a fixed amount, after such work is completed, and still allow for Extra Work/Modifications as may be agreed upon by the parties pursuant Section 9 hereof for minor work added to the Project's additional scope of work. Lease Payments shall be made on the basis of monthly estimates which shall be prepared by Contractor on a form approved by District and certified by Architect and Project Inspector, or any other approved representative of the District, and filed before the fifth day of the month during which payment is to be made. Work completed as estimated shall be an estimate only and no inaccuracy or error in said estimate shall release Contractor or any bondsman from such work or from enforcing each and every provision of this document and District shall have the right subsequently to correct any error made in any estimate for payment. Contractor shall not be entitled to have any payment estimates processed or be entitled to have any payment made for work performed so long as any lawful or proper direction concerning non-complying work or any portion thereof given by the District lacks correction by Contractor. District shall withhold from the Progress Payments 150% of the estimated value of non-complying work unless satisfactorily corrected or remedied. Contractor shall provide the following documents as part of the monthly lease payment application: 1) Schedule of Values, 2) Project Contingency Trackers, 3) Project Allowance Trackers, 4) Projector Savings Reports (Refer to the Project Savings Section for the Project Savings Items) including the budget versus actual costs of Project Management and General Condition Expenses, 5) Project Daily Reports (Contractor and Subcontractor), 6) Project Safety Reports, 7) Monthly Lien Releases Unconditional and Conditional Waivers (All Contractors), and 8) Monthly Schedule Update and Narratives (with Schedule Recoveries as Needed)

29.1 [RESERVED]

- 29.2 In no event shall the cumulative total of the Lease Payments, along with the balance of any anticipated retention ever exceed the GMP as defined herein, unless specifically allowed under Article 5.
- 29.2.1 Title to new materials and/or equipment for the work of this contract, on a continuous basis while the Project is being completed, shall vest in the District. However, responsibility for such new material and/or work of this contract shall remain with the Contractor until incorporated into the work and accepted by District; no part of said materials and/or equipment shall be removed from its place of storage except for immediate installation in the work of this contract; and Contractor shall keep an accurate inventory of all said materials and/or equipment in a manner satisfactory to the owner or his authorized representative

Notwithstanding anything to the contrary stated above, the Contractor may include in its Request for Payment the value of any structural steel, glue laminated beams, trusses, bleachers and other such custom-made materials prepared specifically for the Project and unique to the Project so long as all of the following requirements are satisfied:

- 29.2.1.1 The aggregate cost of materials stored off-site shall not exceed Twenty Five Thousand Dollars (\$25,000) at any time or as otherwise agreed to be District in writing;
- 29.2.1.2 Title to such materials shall be vested in the District as evidenced by documentation satisfactory in form and substance to the District, including, without limitation, recorded financing statements, UCC filings and UCC searches;
- 29.2.1.3 With each Contractor Request for Payment, the Contractor shall submit to the District a written list identifying each location where materials are stored off-site (which must be a bonded warehouse) and the value of the materials at each location. The Contractor shall procure insurance satisfactory to the District (in its reasonable discretion) for materials stored off-site in an amount not less than the total value thereof:
- 29.2.1.4 The consent of any Surety shall be obtained to the extent required prior to payment for any materials stored off-site;
- 29.2.1.5 Representatives of the District shall have the right to make inspections of the storage areas at any time; and
- 29.2.1.6 Such materials shall be (1) protected from diversion, destruction, theft and damage to the reasonable satisfaction of the District; (2)

specifically marked for use on the Project; and (3) segregated from other materials at the storage facility.

- 29.3 The District shall retain ten (10) percent Retention and release Retention based on the requirements of this Article 26 of the Sublease, as required in this Agreement and specifically until after Close-Out under Article 13.16.
- 29.4 Reasons to Withhold Payment. The District may withhold payment in whole, or in part, to the extent reasonably necessary to protect the District if, in the District's opinion, the representations to the District required by Paragraph 9.4 cannot be made. The District may withhold payment, in whole, or in part, to such extent as may be necessary to protect the District from loss because of, but not limited to:
 - 1. Defective Work not remedied;
 - 2. Stop Notices served upon the District;
 - 3. Liquidated damages assessed against the Contractor;
 - 4. The cost of completion of the Contract if there exists reasonable doubt that the Work can be completed for the unpaid balance of any Contract Price or by the completion date;
 - 5. Damage to the District or other contractor;
 - 6. Unsatisfactory prosecution of the Work by the Contractor;
 - 7. Failure to store and properly secure materials;
 - 8. Failure of the Contractor to submit on a timely basis, proper and sufficient documentation required by the Contract Documents, including, without limitation, acceptable monthly progress schedules, Shop Drawings, Submittal schedules, schedule of values, product data and samples, proposed product lists, executed Change Order, Construction Change Documents, and verified reports;
 - 9. Failure of the Contractor to maintain record drawings;
 - 10. Erroneous estimates by the Contractor of the value of the Work performed, or other false statements in an Application for Payment;
 - 11. Unauthorized deviations from the Contract Documents (including but not limited to Unresolved Notices of Deviations (DSA Form 154));
 - 12. Failure of the Contractor to prosecute the Work in a timely manner in compliance with established progress schedules and completion dates.
 - 13. Failure to properly pay prevailing wages as defined in Labor Code section 1720, et seq.;
 - 14. Failure to properly maintain or clean up the Site;
 - 15. Payments to indemnify, defend, or hold harmless the District;
 - 16. Any payments due to the District including but not limited to payments for failed tests, or utilities changes or permits;
 - 17. Failure to submit an acceptable schedule in accordance with Article 9; or
 - 18. Failure to pay Subcontractor or suppliers as required by Article 29.8

- 19. Failure to secure warranties, including the cost to pay for warranties
- Failure to provide release from material suppliers or subcontractors when requested to do so
- 21. Items deducted pursuant to Article 17.7.
- Incomplete Punch List items under Article 13.6 which have gone through the Article 12.2 process.
- 23. Allowances that have not been used
- 29.5 Reallocation of Withheld Amounts. District may, in its discretion, apply any withheld amount to payment of outstanding claims or obligations as defined in Article 29.3. In so doing, District shall make such payments on behalf of Contractor. If any payment is so made by District, then such amount shall be considered as a payment made under Contract by District to Contractor and District shall not be liable to Contractor for such payments made in good faith. Such payments may be made without prior judicial determination of claim or obligation. District will render Contractor an accounting of such funds disbursed on behalf of Contractor.

If Contractor defaults or neglects to carry out the Work in accordance with the Contract Documents or fails to perform any provision thereof, District may, after ten (10) calendar days written notice to the Contractor and without prejudice to any other remedy make good such deficiencies. The District shall adjust the total Contract price by reducing the amount thereof by the cost of making good such deficiencies. If District deems it inexpedient to correct Work which is damaged, defective, or not done in accordance with Contract provisions, an equitable reduction in the Contract price (of at least 150% of the estimated reasonable value of the nonconforming Work) shall be made therefor.

29.6 Payment After Cure. When the grounds for declining approval are removed, payment shall be made for amounts withheld because of them. No interest shall be paid on any retainage or amounts withheld due to the failure of the Contractor to perform in accordance with the terms and conditions of the Contract Documents.

30. NONCONFORMING WORK

Contractor shall promptly remove from premises all Work identified by District as failing to conform to the Contract whether incorporated or not. Contractor shall promptly replace and re-execute its own Work to comply with the Contract without additional expense to District and shall bear the expense of making good all Work of other contractors destroyed or damaged by such removal or replacement.

If Contractor does not remove such Work which has been identified by District as failing to conform to the Contract Documents within a reasonable time, fixed by written notice, District may remove it and may store the material at Contractor's expense. If Contractor does not pay expenses of such removal within ten (10) calendar days' time thereafter, District may, upon ten (10) calendar days' written notice, sell such materials at auction or at private sale and shall account for net proceeds thereof, after deducting all costs and expenses that should have been borne by Contractor.

31. <u>SUBCONTRACTOR PAYMENTS</u>

31.1 <u>Payments to Subcontractors.</u> No later than ten (10) days after receipt, or pursuant to Business and Professions Code Section 7108.5, the Contractor shall pay to each Subcontractor, out of the amount paid to the Contractor on account of such Subcontractor's portion of the Work, the amount to which said Subcontractor is entitled. The Contractor

- shall, by appropriate agreement with each Subcontractor, require each Subcontractor to make payments to Sub-subcontractors in a similar manner.
- 31.2 <u>No Obligation of District for Subcontractor Payment.</u> The District shall have no obligation to pay, or to see to the payment of, money to a Subcontractor except as may otherwise be required by law.
- 31.3 Payment Not Constituting Approval or Acceptance. An approved Request for Payment, a progress payment, a Certificate of Substantial Completion, or partial or entire use or occupancy of the Project by the District shall not constitute acceptance of Work that is not in accordance with the Contract Documents.
- 31.4 <u>Joint Checks.</u> District shall have the right, if necessary for the protection of the District, to issue joint checks made payable to the Contractor and Subcontractors and material or equipment suppliers. The joint check payees shall be responsible for the allocation and disbursement of funds included as part of any such joint payment. In no event shall any joint check payment be construed to create any contract between the District and a Subcontractor of any tier, any obligation from the District to such Subcontractor, or rights in such Subcontractor against the District. The District may choose to issue joint checks at District's sole discretion and only after all the requirements of that particular district and county are specifically met. Some districts cannot issue joint checks, so the ability to issue joint checks depends on the District and the specific circumstances.

32. <u>SEPARATE CONTRACTS</u>

- 32.1 Reservation of Rights to have other Contractors on Site. District reserves the right to let other contracts in connection with the construction of portions of the Project which are not being performed by Contractor hereunder. Contractor shall afford other contractors reasonable opportunity for the introduction and storage of their materials and the execution of their work and shall properly connect and coordinate the Project with the work of such Contractors. Such contractors shall comply with all applicable State safety laws and regulations and shall provide a certificate of insurance naming Contractor as additional insured
 - 32.1.1 *E-Rate Contractors.* If applicable, the District may have contracts with E-rate contractors to perform cabling and network work throughout its District sites. Contractor shall coordinate with other contractors that are noted by the District, including the need to install network and cabling work during the course of the Project.
- 32.2 Notice of Coordination of Work. If the proper execution of any part of the Contractor's work on the Project depends upon the work of any such Contractors, Contractor shall inspect and promptly report to District any patent defects or other problems it identifies in such work that render it unsuitable for such proper execution and results. Contractor is only required to inspect the work of such other Contractors prior to commencing its own further work in connection with or in relation to that other work. Further, Contractor is only expected to identify patent defects or other problems, and is not required to do any destructive testing or to monitor the progress of such work by other Contractors prior to its completion. In no event shall the work of such other Contractors be covered by the warranty given by Contractor to the District, nor shall Contractor be required to provide insurance for such work.

33. USE OF PREMISES/SAFETY

Contractor shall confine operations at the Site to areas permitted by law, ordinances, permits and the Construction Documents and shall not unreasonably encumber the Site or existing facilities on the Site with any materials or equipment. Contractor shall not load or permit any part of the work to be loaded with a weight so as to endanger the safety of persons or property at the Site. The Contractor shall maintain emergency first aid treatment for his employees which complies with the Federal Occupational Safety and Health Act of 1970 (29 USC, section 651 et seq.).

34. **CLEANING UP**

34.1 Contractor's Responsibility to Clean Up. Contractor at all times shall keep premises free from debris such as waste, dust, excess water, storm water runoffs, rubbish, and excess materials and equipment. Contractor shall not leave debris under, in, or about the premises, but shall promptly remove same from the premises and dispose of it in a lawful manner. Disposal receipts or dump tickets shall be furnished to the Architect within five (5) days of request.

Contractor shall remove rubbish and debris resulting from the Work on a daily basis. Contractor shall maintain the structures and Site in a clean and orderly condition at all times until acceptance of the project by the District. Contractor shall keep its access driveways and adjacent streets, sidewalks, gutters and drains free of rubbish, debris and excess water by cleaning and removal each day. All concrete, sidewalks, and paths of travel shall be broom cleaned daily.

- 34.2 General Final Clean-Up. Upon completion of Work, Contractor shall employ experience workers or professional cleaners for final cleaning. Clean each surface to the condition expected in a normal, commercial, building cleaning and maintenance program.
 - 1. Clean interior and exterior of buildings, including fixtures, equipment, walls, floors, ceilings, roofs, window sills and ledges, horizontal projections, and any areas where debris has collected, so surfaces are free from foreign material or discoloration;
 - 2. Clean the Project site. The grounds should be cleared of any Contractor equipment, raked clean of debris and trash removed. Sweep paved areas broom clean.
 - 3. Repair or replace any damaged materials. Replace any chipped or broken glass.
 - 4. Remove any and all stains.
 - 5. Remove labels that aren't permanent labels.
 - 6. Clean and polish all glass, plumbing fixtures, equipment, finish hardware and similar finish surfaces. Remove any glazing compounds
 - 7. Remove temporary utilities, fencing, barricades, planking, sanitary facilities and similar temporary facilities from Site.
 - 8. Remove temporary film that remains on any hardware, doors or other surfaces.
 - 9. Seal the bottom and tops of all doors
 - 10. Special Clean-Up.
 - 11. In addition to the general cleaning, the following special cleaning shall be done at the completion of the Work in accordance with the specifications including, but not limited
 - 12. Remove putty stains from glazing, then wash and polish glazing.
 - 13. Remove marks, stains, fingerprints and other soil or dirt from painted, stained or decorated work.

- 14. Remove temporary protection and clean and polish floors and waxed surfaces.
- 15. Clean and polish hardware and plumbing trim; remove stains, dust, dirt, plaster and paint
- 16. Wipe surfaces of mechanical and electrical equipment.
- 17. Remove spots, soil, plaster and paint from tile work, and wash tile.
- Clean all fixtures and equipment, remove excess lubrication, clean light fixtures and lamps, polish metal surfaces.
- 19. Vacuum-clean carpeted surfaces.
- 20. Remove debris from roofs, down spout and drainage system.
- 34.3 <u>Failure to Cleanup.</u> If the Contractor fails to clean up as provided in the Contract Documents, the District may do so, and the cost thereof shall be the responsibility of the Contractor pursuant to Article 12.2 and seek a Deductive Change Order.

35. <u>INSURANCE /OCIP</u>

- 35.1 The District will centralize the purchase of insurance for the activities of the Contractor and Subcontractors of every tier for Work performed for the Project. This consolidated purchase of insurance shall be known as Owner Controlled Insurance Program ("OCIP") and will include Workers' Compensation, Employer's Liability, Commercial General Liability, Excess Liability, Builder's Risk, and Contractors Pollution Liability insurance coverage for all eligible contractors. Details of the OCIP are outlined in the District's OCIP Description, attached hereto as Exhibit "F." If the Contractor or any subcontractor is excluded from OCIP coverage or losses coverage, as discussed in the OCIP Description, Contractor shall ensure the uncovered party maintains the insurance coverage described in Section 4.4 of the OCIP Description.
- Contractor shall not pass any insurance-related costs covered by OCIP on to the District. Contractor shall coordinate any Contractor or Subcontractor obligations under the OCIP. The OCIP coverage is limited and the Contractor and all subcontractors may need to purchase additional insurance coverage as necessary to protect itself from any liability arising out of the Contract Documents or to comply with the terms of the Contract Documents. Insurance documents and endorsement forms will be required for the Contractor and any subcontractor beyond what is covered under OCIP or for any entity not covered by the OCIP, as described in Exhibit "F". The expense for additional insurance is the responsibility of the Contractor and shall remain within the GMP.
- 35.3 Contractor and all Subcontractors have included all required insurance costs for the Project which has been incorporated into the GMP. At Project start-up and at Project close-out the Contractor and all Subcontractors shall cooperate with the District's OCIP administrator to provide any requested information or documents necessary for the implementation of the OCIP for the Project. All insurance and related costs due to the implementation of the OCIP will be processed through a deductive change order. Details and the process for determining OCIP net bid costs are set forth in Exhibit "F".
- 35.4 No Waiver Created through Sublease Payments. The making of Sublease Payments or Sublease Prepayments to the Contractor shall not be construed as creating an insurable risk interest by or for the District or be construed as relieving the Contractor or his subcontractors of responsibility for loss from any direct physical loss, damage, or destruction occurring prior to completion of the work by the District.

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35.5 Performance and Payment Bonds

35.5.1 Bond Requirements. Unless otherwise specified in the Supplemental Conditions, prior to commencing any portion of the Work, the Contractor shall furnish separate payment and performance bonds for its portion of the Work which shall cover 100% faithful performance of and payment of all obligations arising under the Contract Documents and/or guaranteeing the payment in full of all claims for labor performed and materials supplied for the Work. All bonds shall be provided by a corporate surety authorized and admitted to transact business in California as sureties.

> To the extent, if any, that the Contract Price is increased in accordance with the Contract Documents, the Contractor shall, upon request of the District, cause the amount of the bonds to be increased accordingly and shall promptly deliver satisfactory evidence of such increase to the District. To the extent available, the bonds shall further provide that no change or alteration of the Contract Documents (including, without limitation, an increase in the Contract Price, as referred to above), extensions of time, or modifications of the time, terms, or conditions of payment to the Contractor will release the surety. If the Contractor fails to furnish the required bonds, the District may terminate the Contract for cause.

- Surety Qualification. Only bonds executed by admitted Surety insurers as defined in 35.5.2 Code of Civil Procedure § 995.120 shall be accepted. Surety must be a Californiaadmitted surety and listed by the U.S. Treasury with a bonding capacity in excess of the Project cost.
- 35.5.3 Alternate Surety Qualifications. If a California-admitted surety insurer issuing bonds does not meet these requirements, the insurer will be considered qualified if it is in conformance with § 995.660 of the California Code of Civil Procedure and proof of such is provided to the District.
- 35.5.4 Contractor is hereby authorized to obtain a Performance and Payment Bond from any subcontractors selected by Contractor at its discretion and cost. Any bonds required by this subsection shall comply with the requirements set forth above.

36. HOLD HARMLESS AND INDEMNITY

Contractor shall defend, indemnify and hold harmless District, Architect, Construction Manager, Inspector, the State of California and their officers, employees, agents and independent contractors from all liabilities, claims, actions, liens, judgments, demands, damages, losses, costs or expenses of any kind arising from death, personal injury, property damage or other cause based or asserted upon any act, omission, or breach connected with or arising from the progress of Work or performance of service under this Agreement or the Contract Documents. As part of this indemnity, Contractor shall protect and defend, at its own expense, District, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors from any legal action including attorney's fees or other proceeding based upon such act, omission, breach or as otherwise required by this Article.

Furthermore, Contractor agrees to and does hereby defend, indemnify and hold harmless District, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors from every claim or demand made, and every liability, loss, damage, expense or attorney's fees of any nature whatsoever, which may be incurred by reason of:

> 36.1.1 Liability for (1) death or bodily injury to persons; (2) damage or injury to, loss (including theft), or loss of use of, any property; (3) any failure or alleged failure to comply with any provision of law or the Contract Documents; or (4) any other loss, damage or expense, sustained by any person, firm or corporation or in connection with the Work called for in this Agreement or the Contract Documents, except for liability resulting from the sole or active negligence, or the willful misconduct of the District.

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- Any bodily injury to or death of persons or damage to property caused by any act, omission or breach of Contractor or any person, firm or corporation employed by Contractor, either directly or by independent contract, including all damages or injury to, loss (including theft), or loss of use of, any property, sustained by any person, firm or corporation, including District, arising out of or in any way connected with Work covered by this Agreement or the Contract Documents, whether said injury or damage occurs either on or off District property, but not for any loss, injury, death or damages caused by the sole or active negligence or willful misconduct of the District.
- 36.1.3 Any dispute between Contractor and Contractor's subcontractors/supplies/sureties, including, but not limited to, any failure or alleged failure of the Contractor (or any person hired or employed directly or indirectly by the Contractor) to pay any Subcontractor or Materialman of any tier or any other person employed in connection with the Work and/or filing of any stop notice or mechanic's lien claims.

Contractor, at its own expense, cost, and risk, shall defend any and all claims, actions, suits, or other proceedings that may be brought or instituted against the District, its officers, agents, Architect or CM, or employees, on account of or founded upon any cause, damage, or injury identified herein and shall pay or satisfy any judgment that may be rendered against the District, its officers, agents or employees in any action, suit or other proceedings as a result thereof.

Contractor shall ensure that its contract with each of its subcontractors contains provisions requiring the subcontractors to defend, indemnify and hold harmless the District, Architect, Inspector, the State of California to a minimum level as set forth in this Article and consistent with the language of this Article.

The Contractor's and Subcontractors' obligation to defend, indemnify and hold harmless the District, Architect, Inspector, the State of California and their officers, employees, agents and independent contractors hereunder shall include, without limitation, any and all claims, damages, and costs for the following: (1) any damages or injury to or death of any person, and damage or injury to, loss (including theft), or loss of use of, any property; (2) breach of any warranty, express or implied; (3) failure of the Contractor or Subcontractors to comply with any applicable governmental law, rule, regulation, or other requirement; (4) products installed in or used in connection with the Work; and (5) any claims of violation of the Americans with Disabilities Act ("ADA")

37. SUBSTITUTION OF SECURITY

In accordance with Public Contract Code section 22300, the District will permit the substitution of securities for any moneys withheld by the District to ensure performance under the Construction Services Agreement. At the request and expense of the Contractors, securities equivalent to the amount withheld shall be deposited with the District, or with a state or federally chartered bank as the escrow agent, who shall then pay such moneys to the Contractor. Upon satisfactory completion of the Construction Services Agreement the securities shall be returned to the Contractor.

38. TITLE TO WORK

Title to all work completed and in the course of construction paid for by District and title to all materials on account of which payment has been made by District to Contractor shall vest in District pursuant to the applicable provisions of the SubLease(s).

39. COMPLIANCE WITH STATE STORM WATER PERMIT FOR CONSTRUCTION

The Contractor shall be required to comply with all conditions of the State Water Resources Control Board (State Water Board) National Pollutant Discharge Elimination System General Permit for Waste Discharge Requirements for Discharges of Storm Water Runoff Associated with Construction Activity (Permit) for all construction activity which results in the disturbance of in excess of one acre of total land area or which is part of a larger common area of development or sale. The Contractor shall be responsible for filing the Notice of Intent and for obtaining the Permit. The Contractor shall be solely responsible for preparing and implementing a Storm Water Pollution

Prevention Plan (SWPPP) prior to initiating Work. It shall be the Contractor's responsibility to evaluate the cost of procuring the Permit and preparing the SWPPP as well as complying with the SWPPP and any necessary revision to the SWPPP. The Contractor shall comply with all requirements of the State Water Resources Control Board. The Contractor shall include all costs of compliance with specified requirements in the GMP.

Contractor shall be responsible for procuring, implementing and complying with the provisions of the Permit and the SWPPP, including the standard provisions, monitoring and reporting requirements as required by the Permit. Contractor shall provide copies of all reports and monitoring information to the District and the Architect.

The Contractor shall comply with the lawful requirements of any applicable municipality, the County, drainage district, and other local agencies regarding discharges of storm water to separate storm drain system or other watercourses under their jurisdiction, including applicable requirements in municipal storm water management programs.

Failure to comply with the Permit is in violation of federal and state law. The Contractor hereby agrees to indemnify and hold harmless the District, its Board members, officers, agents, employees and authorized volunteers from and against any and all claims, demands, losses or liabilities of any kind or nature which the District, its Board members, officers, agents, employees and authorized volunteers may sustain or incur for noncompliance with the Permit arising out of or in connection with the Project, except for liability resulting from the sole established negligence, willful misconduct or active negligence of the District, its Board members, officers, agents, employees or authorized volunteers. District may seek damages from the Contractor for delay in completing the Project in accordance with Section 10 hereof, caused by the Contractor's failure to comply with the Permit.

40. EOUAL OPPORTUNITY CLAUSE

The Contractor herein agrees not to discriminate in its recruiting, hiring, promotion, demotion or termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age or physical handicap in the performance of this Construction Services Agreement and to comply with the provisions of the following laws:

- 40.1 California Fair Employment and Housing Act (Gov. Code 12900 et seq., prohibiting discrimination in employment on account of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex, and prohibiting harassment of an employee or applicant because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, or age);
- 40.2 Federal Civil Rights Act of 1964 (42 USC '2000e et seq., prohibiting discrimination in employment on the basis of race, color, national origin, religion, or sex); Title I of the Americans With Disabilities Act of 1990 (42 USC 12101 et seq., prohibiting discrimination against qualified individuals with a disability in hiring and employment practices);
- 40.3 The Age Discrimination in Employment Act (29 USC 621 et seq., prohibiting age discrimination in employment against individuals who are at least forty years of age);
- 40.4 California Labor Code section 1102.1 (prohibiting discrimination in any aspect of employment or opportunity for employment based on actual or perceived sexual orientation); and
- 40.5 Sexual Orientation
- 40.6 American with Disabilities Act (ADA) (See Article 41).
- 40.7 Any other laws or regulations prohibiting discrimination as may be applicable to Contractor

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41. SPECIAL NOTICE OF AMERICAN'S WITH DISABILITIES ACT

Some of the requirements in the plans and specifications are meant to comply with the American's with Disabilities Act ("ADA"). The requirements of the ADA are technical in nature and may appear to be minor in nature (i.e. whether a walkway or ramp has a 2% cross-slope). Contractor is warned that even the slightest deviation from the specific requirements from the ADA is considered a Civil Rights Violation and subjects the District to fines of three times actual damages sustained by a handicap individual or up to \$4,000 per violation and attorney's fees required to enforce the ADA violation. As a result of the significant liability and exposure associated with ADA aspects of the Contract, Contractor shall take special care to meet all ADA requirements detailed in the plans and specifications. Failure to comply with ADA rules that results in a Notice of Non-Compliance shall be repaired to meet ADA requirements promptly. In addition, any ADA violations that are not identified by Inspector or Architect that are later identified shall be repaired and charged back to the Contractor through a Deductive Change Order.

41.1 <u>Indemnification of ADA Claims.</u> ADA claims arising from failure to comply with plans and specifications shall be indemnified, held harmless and defended by Contractor. Further, any withholdings for ADA violations in Article 29.4 shall include potential redesign costs and an accelerated repair costs due to the potential for ADA claims arising from DSA posting of ADA violations on the Project.

42. PATENTS, ROYALTIES, AND INDEMNITIES

The Contractor shall hold and save the District and its officers, agents, and employees harmless from liability of any nature or kind, including cost and expense, for or on account of any patented or unpatented invention, process, article, or appliance manufactured or used in the performance of this Construction Services Agreement, including its use by the District, except to the extent a method or means was specifically required by the Contract Documents.

43. EXCISE TAX

If under federal excise tax law any transaction hereunder constitutes a sale on which a federal excise tax is imposed and the sale is exempt from such excise tax because it is a sale to a state or local government for its exclusive use, the District, upon request, will execute a certificate of exemption which will certify (1) that the District is a political subdivision of the state for the purposes of such exemption and (2) that the sale is for the exclusive use of the District. No excise tax for such materials shall be included in the GMP.

44. PROHIBITED INTERESTS

No official of District and no District representative who is authorized in such capacity and on behalf of District to negotiate, make, accept, or approve, or to take part in negotiating, making, accepting or approving any architectural, engineering, inspection, construction or material supply contract or any subcontract in connection with construction of Project, shall be or become directly or indirectly interested financially in this Construction Services Agreement or any part thereof. No officer, employee, architect, attorney, engineer or inspector of or for District who is authorized in such capacity and on behalf of District to exercise any executive, supervisory or other similar functions in connection with construction of Project, shall become directly or indirectly interested financially in this Construction Services Agreement or in any part thereof.

45. <u>COMPLIANCE WITH DTSC GUIDELINES – IMPORTED SOIL/SOILS INSPECTION</u>

45.1 If the Project requires the use of imported soils, the Contractor shall be responsible to use and shall certify that the imported material it uses is free of any hazardous and/or toxic substance or material of any nature or type as defined in accordance with California Law and the California Health and Safety Code. The District reserves the right to reject any imported material that has come from agricultural or commercial land uses. Contractor must notify the District of the source of material and comply with the applicable Regional Water Quality Control Board Resolution and when applicable, with the guidelines of the Department of Toxic Substances Control (DTSC).

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45.2 Unless otherwise provided, when a soils investigation report obtained from test holes at the site is available, such report shall not be a part of this contract. Nevertheless, with respect to any such soils investigation and/or geotechnical report regarding the site, it shall be the responsibility of the Contractor to review and be familiar with such report. Any information obtained from such report or any information given on drawings as to subsurface soil condition or to elevations of existing grades or elevations of underlying rock is approximate only, is not guaranteed, and does not form a part of the contract, unless otherwise specifically provided. Contractor is required to make a visual examination of site and must make whatever tests it deems appropriate to determine the underground condition of the soil. Limited soil tests and subsurface investigations, if any, are available for review and consideration by Contractor and were conducted for the purpose of design only. Subsurface investigation information is made available by District solely as a matter of convenience and general information for Contractor and Contractor is expected to review and be familiar with such information. No representation is made by District or Architect that information provided is completely representative of all conditions and materials which may be encountered. If such a report is referenced in the Contract Documents for performance of the Project, such reference shall be to establish minimum requirements only. Further, no representation is made by District or Architect that information provided is solely adequate for purposes of construction. District disclaims responsibility for interpretations by Contractor of soil and subsurface investigation information, such as in protecting soil-bearing values, rock profiles, presence and scope of boulders and cobbles, soil stability and the presence, level and extent of underground water. Contractor shall determine means, methods, techniques and sequences necessary to achieve required characteristics of completed Work. Conditions found after execution of the Construction Services Agreement to be materially different from those reported and which are not customarily encountered in the geographic area of the Project hall be governed by provisions of this Construction Services Agreement for unforeseen conditions.

HAZARDOUS WASTE AND UNKNOWN PHYSICAL CONDITIONS 46.

Contractor shall promptly, and before the following conditions are disturbed, notify the District, in writing, of any:

- 1. Material that Contractor believes may be material that is 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, including geological, soils, and or water table issues which impede construction or increase Construction Costs.
- 3. Unknown physical conditions at the Site (not including structures or improvements) of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Construction Services Agreement.
 - 46.1 District shall promptly investigate the conditions, and if it finds that the conditions materially so differ, and the materials that are not on reports or documents supplied or reviewed as part of Contractor's Due Diligence shall be submitted as a Change Order under Article 17 and, upon approval, shall be deducted from District Contingency. There shall be no work stoppage after written notice is provided of the hazardous substances encountered that were not documented in the Due Diligence documents reviewed by Contractor.
 - 46.2 In the event that a dispute arises between District and Contractor whether the conditions materially differ from Due Diligence documents reviewed for hazardous substances, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by this Construction Services Agreement but shall proceed with all work to be performed under the Construction Services Agreement.

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47. NO ASBESTOS CERTIFICATION

- 47.1 <u>Asbestos Free Installation Certification:</u> Contractor shall execute and submit an "Asbestos Free Materials Certification," and further, is aware of the following
 - 47.1.1 Should asbestos containing materials be installed by the Contractor in violation of this certification, or if removal of asbestos containing materials is part of the Project, decontaminations and removals will be performed in accordance with the requirements of all applicable laws and will meet the following criteria:
 - 47.1.1.1 Decontamination and removal of work found to contain asbestos or work installed with asbestos containing equipment shall be done only under the supervision of a qualified consultant, knowledgeable in the field of asbestos abatement and accredited by the Environmental Protection Agency (EPA).
 - 47.1.1.2 The asbestos removal contractor shall be an EPA accredited contractor qualified in the removal of asbestos and shall be chosen and approved by the asbestos consultant who shall have sole discretion and final determination in this matter.
 - 47.1.1.3 The asbestos consultant shall be chosen and approved by the District which shall have sole discretion and final determination in this matter.
 - 47.1.1.4 The work will not be accepted until asbestos contamination is reduced to levels deemed acceptable by the asbestos consultant.
 - 47.1.2 If removal of asbestos containing materials is part of the Project, the cost of all asbestos removal, including, but not necessarily limited to the cost of the asbestos removal contractor, the cost of the asbestos consultant, analytical and laboratory fees, time delays and additional costs that may be incurred by the District shall be borne entirely by the Contractor.
 - 47.1.3 Hold Harmless: Interface of work for the Project with work containing asbestos shall be executed by the Contractor at his/her risk and at his/her discretion with full knowledge of the currently accepted standards, hazards, risks and liabilities associated with asbestos work and asbestos containing products. By execution of the Construction Services Agreement the Contractor acknowledges the above and agrees to the fullest extent permitted by law to hold harmless the District, its Board and each member of the Board, its officers, employees, agents, representatives, including its architect and assigns, for all asbestos liability which may be associated with this work. The Contractor further agrees to instruct his/her employees with respect to the above mentioned standards, hazards, risk and liabilities.

48. <u>LAWS AND REGULATIONS</u>

Contractor shall give all notices and comply with all laws, ordinances, rules, and regulations bearing on conduct of work as indicated and specified. If Contractor observes that drawings and specifications are at variance therewith, it shall promptly notify Architect in writing and any necessary changes shall be adjusted as provided in this Construction Services Agreement for changes in work. If Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, and without such notice to the District's Architect, it shall bear all costs arising therefrom.

49. [RESERVED]

50. AGREEMENT MODIFICATIONS

No waiver, alteration or modification of any of the provisions of this Construction Services Agreement shall be binding upon either District or Contractor unless the same shall be in writing and signed by both District and Contractor.

51. **NOTICES**

All communications in writing between District and Contractor, including without limitation, applications for payment, shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by telex, telegram, or fax followed by regular mail, addressed pursuant to the Notice Section of Article 3.

THIRD-PARTY CLAIMS 52.

Pursuant to Public Contract Code section 9201(b) and (c). District shall provide Contractor with timely notification of the receipt of any third-party claim, relating to the Contract. District is entitled to recover its reasonable costs incurred in providing such notification.

53. ASSIGNMENT

Except Contractor's responsibility to assign subcontractors and material suppliers to District upon Project Completion and the running of the Warranty Period, Contractor shall not assign or sublet the Lease, Sublease or this Construction Services Agreement, nor shall Contractor assign any monies due or to become due to it hereunder. Contractor has unique abilities and understanding of the Project from negotiations and the Due Diligence that has been undertaken and, thus, any assignment will not transfer to the assignee the specific understanding associated with Contractor on this Project.

54. **HEADINGS**

The headings herein contained are inserted only as a matter of convenience and reference and are not meant to define, limit or describe the scope or intent of the Contract Documents or in any way to affect the terms and provisions set forth herein.

55. INTEGRATION/MODIFICATION

This Construction Services Agreement represents the entire understanding of District and Contractor as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein, and it shall not be amended, altered or changed except by a written agreement signed by the parties hereto.

APPLICABLE LAW/ PROVISIONS REQUIRED BY LAW DEEMED INSERTED **56.**

The terms and provisions of this Construction Services Agreement shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Construction Services Agreement the action shall be brought in a state court situated in the County of Orange, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. In the event of any such litigation between the parties, the parties shall pay for their respective costs incurred, including attorneys' fees.

Each and every provision of law and clause required by law to be inserted in this Construction Services Agreement shall be deemed to be inserted herein and the Construction Services Agreement shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the Construction Services Agreement shall forthwith be physically amended to make such insertion or correction.

57. SUCCESSION OF RIGHTS AND OBLIGATIONS

All rights and obligations under this Construction Services Agreement shall inure to and be binding upon the successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the parties hereto have, by their duly authorized representatives, executed this

Construction Services Agreement, in duplicate, as of the day and year first above written. CONTRACTOR DISTRICT: RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT Title DATE: DATE:

EXHIBIT "A"

SCOPE OF WORK / PLANS AND SPECIFICATIONS / ADDENDUM "A" $\,$

[TO BE INSERTED]

EXHIBIT "B"

MASTER BUDGET

[TO BE INSERTED]

EXHIBIT "C"

DVBE REQUIREMENTS

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EXHIBIT "D" PAYMENT BOND (CALIFORNIA PUBLIC WORK)

KNOW ALL MEN BY THESE PRESENTS:

	IAGO COMMUNITY COLLEGE DISTRICT (sometimes
referred to hereinafter as "Obligee") has awarde	d to (hereinafter
designated as the "Principal" or "Contractor")	ed to (hereinafter , an agreement for the work described as follows:
	fter referred to as the "Public Work"); and
,	rnish a bond in connection with said Contract, and pursuant to
California Civil Code Section 9550;	
NOW, THEREFORE, We,	, the undersigned Contractor,
as Principal; and	, the undersigned Contractor,, a corporation organized and existing under the laws of the
State of , and duly authorized to	transact business under the laws of the State of California, as
	O SANTIAGO COMMUNITY COLLEGE DISTRICT and to
•	itled by law to file stop notices under California Civil Code
	tion entitled to make a claim on this bond, in the sum of
, , , , , , ,	rs (\$), such sum being not less than one
	by said Obligee under the terms of said Contract, for which
	ves, 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, its heirs, executors, administrators, successors, or assigns, or subcontractor, shall fail to pay any person or persons named in Civil Code Section 9100; or fail to pay for any materials, provisions, or other supplies, used in, upon, for, or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code, with respect to work or labor thereon of any kind; or shall fail to deduct, withhold, and pay over to the Employment Development Department, any amounts required to be deducted, withheld, and paid over by Unemployment Insurance Code Section 13020 with respect to work and labor thereon of any kind, then said Surety will pay for the same, in an amount not exceeding the amount herein above set forth, and in the event suit is brought upon this bond, also will pay such reasonable attorneys' fees as shall be fixed by the court, awarded and taxed as provided in California Civil Code Section 9550 et seq.

This bond shall inure to the benefit of any person named in Civil Code Section 9100 giving such person or his/her assigns a right of action in any suit brought upon this bond.

It is further stipulated and agreed that the Surety of this bond shall not be exonerated or released from the obligation of the bond by any change, extension of time for performance, addition, alteration or modification in, to, or of any contract, Plans, or specifications, or agreement pertaining or relating to any scheme or work of improvement herein above described; or pertaining or relating to the furnishing of labor, materials, or equipment therefor, nor by any change or modification of any terms of payment or extension of time for payment pertaining or relating to any scheme or work of improvement herein above described; nor by any rescission or attempted rescission of the contract, agreement or bond; nor by any conditions precedent or subsequent in the bond attempting to limit the right of recovery of claimants otherwise entitled to recover under any such contract or agreement or under the bond; nor by any fraud practiced by any person other than the claimant seeking to recover on the bond; and that this bond be construed most strongly against the Surety and in favor of all persons for whose benefit such bond is given; and under no circumstances shall the Surety be released from liability to those for whose benefit such bond has been given, by reason of any breach of contract between the Obligee and the Contractor or on the part of any obligee named in such bond; that the sole condition of recovery shall be that the claimant is a person described in California Civil Code Section 9100, and who has not been paid the full amount of his or her claim; and that the Surety does hereby waive notice of any such change, extension of time, addition, alteration or modification herein mentioned.

ESS WHEREOF this instru day of	ment has been duly executed by the Principal and Surety above, 20
	PRINCIPAL/CONTRACTOR:
	By:
	SURETY:
	By:

IMPORTANT: THIS IS A REQUIRED FORM.

Surety companies executing bonds must possess a certificate of authority from the California Insurance Commissioner authorizing them to write surety insurance defined in California Insurance Code Section 105, and if the work or project is financed, in whole or in part, with federal, grant or loan funds, Surety's name must also appear on the Treasury Department's most current list (Circular 570 as amended).

Any claims under this bond may be addressed to:	
(Name and Address of Surety)	(Name and Address of agent or representative for service for service of process in California)
	Tilology
Telephone:	Telephone:
STATE OF CALIFORNIA)) ss.	
COUNTY OF)	
in-Fact of the (Surety) and the (Surety) thereto and his of	, a Notary Public in , who proved to me on the basis of s) is/are subscribed to the within instrument as the Attorney-acknowledged to me that he/she/they subscribed the name of own name as Attorney-in-Fact on the executed instrument.
true and correct.	
WITNESS my hand and official seal.	
Notary Public in and for said State	(SEAL)
Commission expires:	
NOTE: A copy of the power-of-attorney to local repres	sentatives of the bonding company must be attached hereto.

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EXHIBIT "E" CONTRACT PERFORMANCE BOND (CALIFORNIA PUBLIC WORK)

KNOW ALL MEN BY THESE PRESENTS:

THAT W	HEREAS, the RANCHO SA	ANTIAGO (COMMUNITY	COLLEGE	DISTRICT	(sometimes
referred to herein	nafter as "Obligee") has a	warded to				
(hereinafter designation	ated as the "Principal" or "C	Contractor").	an agreement	for the wor	k described	as follows:
	(here					
	S, the work to be performed					
contract for said I	Public Work dated			, (herein	after referre	ed to as the
"Contract"), which	Public Work dated Contract is incorporated herein	by this refer	ence; and			
WHEREA	S, the Contractor is required by	y said Contra	ct to perform th	ne terms there	eof and to pro	ovide a bond
both for the perforn	nance and guaranty thereof.		-		_	
-						
NOW, TH	EREFORE, we,, and duly authorized			, the un	dersigned C	ontractor, as
Principal, and		, a corp	oration organiz	ed and existi	ng under the	laws of the
State of	, and duly authorized	to transact	ousiness under	the laws of the	he State of C	California, as
Surety, are held an	d firmly bound unto the RAN	CHO SANT	IAGO COMM	UNITY COL	LEGE DIST	RICT in the
one hundred percen	t (100%) of the total amount pa	avable by sai	d Obligee unde	r the terms of	f said Contra	ct. for which
	uly to be made, we bind ourse					
	y, firmly by these presents.	rves, our ner	is, enecutors, u	anningti ators,	, saccessors,	ana assigns,
joining and severally	y, mining by these presents.					

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, if the bounded Contractor, his or her heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, and agreements in said Contract and any alteration thereof made as therein provided, on his or her 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 guarantees of all materials and workmanship; and indemnify, defend and save harmless the Obligee, its officers and agents, as stipulated in said Contract, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

The Surety, for value received, hereby stipulates and agrees that it shall not be exonerated or released from the obligation of this bond (either by total exoneration or pro tanto) by any change, extension of time, alteration in or addition to the terms of the contract or to the work to be performed there under or the specifications accompanying the same, nor by any change or modification to any terms of payment or extension of time for any payment pertaining or relating to any scheme of work of improvement under the contract. Surety also stipulates and agrees that it shall not be exonerated or released from the obligation of this bond (either by total exoneration or pro tanto) by any overpayment or underpayment by the Obligee that is based upon estimates approved by the Architect. The Surety stipulates and agrees that none of the aforementioned changes, modifications, alterations, additions, extension of time or actions shall in any way affect its obligation on this bond, and it does hereby waive notice of any such changes, modifications, alterations, additions or extension of time to the terms of the contract, or to the work, or the specifications as well notice of any other actions that result in the foregoing.

Whenever Principal shall be, and is declared by the Obligee to be, in default under the Contract, the Surety shall promptly either remedy the default, or shall promptly take over and complete the Contract through its agents or independent contractors, subject to acceptance and approval of such agents or independent contractors by Obligee as hereinafter set forth, in accordance with its terms and conditions and to pay and perform all obligations of Principal under the Contract, including, without limitation, all obligations with respect to warranties, guarantees and the payment of liquidated damages; or, at Obligee's sole discretion and election, Surety shall obtain a bid or bids for

completing the Contract in accordance with its terms and conditions, and upon determination by Obligee of the lowest responsible bidder, arrange for a contract between such bidder and the Obligee and make available as Work progresses (even though there should be a default or succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the "balance of the Contract price" (as hereinafter defined), and to pay and perform all obligations of Principal under the Contract, including, without limitation, all obligations with respect to warranties, guarantees and the payment of liquidated damages. The term "balance of the Contract price," as used in this paragraph, shall mean the total amount payable to Principal by the Obligee under the Contract and any modifications thereto, less the amount previously paid by the Obligee to the Principal, less any withholdings by the Obligee allowed under the Contract. Obligee shall not be required or obligated to accept a tender of a completion contractor from the Surety.

Surety expressly agrees that the Obligee may reject any agent or contractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Principal. Unless otherwise agreed by Obligee, in its sole discretion, Surety shall not utilize Principal in completing the Contract nor shall Surety accept a bid from Principal for completion of the work in the event of default by the Principal.

No final settlement between the Obligee and the Contractor shall abridge the right of any beneficiary hereunder, whose claim may be unsatisfied.

The Surety shall remain responsible and liable for all patent and latent defects that arise out of or relate to the Contractor's failure and/or inability to properly complete the Public Work as required by the Contract and the Contract Documents. The obligation of the Surety hereunder shall continue so long as any obligation of the Contractor remains.

Contractor and Surety agree that if the Obligee is required to engage the services of an attorney in connection with enforcement of the bond, Contractor and Surety shall pay Obligee's reasonable attorneys' fees incurred, with or without suit, in addition to the above sum.

In the event suit is brought upon this bond by the Obligee and judgment is recovered, the Surety shall pay all costs incurred by the Obligee in such suit, including reasonable attorneys' fees to be fixed by the Court.

	IN WITNESS WHEREOF, we have hereunto set our hands and seals this	day of	
	IN WITNESS WHEREOF, we have hereunto set our hands and seals this	uay 01	
20			

	PRINCIPAL/CONTRACTOR:
	By:
	SURETY:
	By:
	Attorney-in-Fact
The rate of premium on this bond is	per thousand.
The total amount of premium charged: \$ corporate surety).	(This must be filled in by a
IMPORTANT: THIS IS A REQUIRED FORM.	
Commissioner authorizing them to write surety insu	is a certificate of authority from the California Insurance urance defined in California Insurance Code Section 105, and if with federal, grant or loan funds, Surety's name must also appear ular 570 as amended).
Any claims under this bond may be addressed to: (Name and Address of Surety)	(Name and Address of agent or representative for service for service of process in California)
Telephone:	Telephone:

)	
COUNTY OF) ss.)	
evidence to be the person(s) w (S	whose name(s) is/are subscribed to the Surety) and acknowledged to me	, a Notary Public in and for said, who proved to me on the basis of satisfactory e within instrument as the Attorney-in-Fact of the that he/she/they subscribed the name of the ttorney-in-Fact on the executed instrument.
I certify under PENALTY OI true and correct.	F PERJURY under the laws of the S	State of California that the foregoing paragraph is
WITNESS my hand and offici	ial seal.	
		(SEAL)
	Ctoto	(SEAL)
Notary Public in and for said S	State	(SEAL)

NOTE: A copy of the power-of-attorney to local representatives of the bonding company must be attached hereto.

005706.00029 11722884.1

EXHIBIT "F"

[Insert District OCIP / Insurance Requirements]

EXHIBIT "G"

CONTRACTOR'S CERTIFICATE REGARDING WORKERS' COMPENSATION

Labor Code section 3700 in relevant part provides:

Every employer except the State shall secure the payment of compensation in one or more of the following ways:

- (a) By being insured against liability to pay compensation in one or more insurers duly authorized to write compensation insurance in this State.
- (b) By securing from the Director of Industrial Relations a certificate of consent to self-insure, either as an individual employee or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his employees.

I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Construction Services Agreement.

Contractor			
Title	-		
Date			

(In accordance with article 5 (commencing at section 1860), chapter l, part 7, division 2 of the Labor Code, the above certificate must be signed and filed with the awarding body prior to performing any work under this Construction Services Agreement.)

EXHIBIT "H"

DRUG-FREE WORKPLACE CERTIFICATION

This Drug-Free Workplace Certification form is required from all successful bidders pursuant to the requirements mandated by Government Code Sections 8350 et seq., the Drug-Free Workplace Act of 1990. The Drug-Free Workplace Act of 1990 requires that every person or organization awarded a contract or grant for the procurement of any property or service from any State agency must certify that it will provide a drug-free workplace by performing certain specified acts. In addition, the Act provides that each contract or grant awarded by a State agency may be subject to suspension of payments or termination of the contract or grant, and the Trade Contractor or grantee may be subject to debarment from future contracting, if the contracting agency determines that specified acts have occurred.

Pursuant to Government Code Section 8355, every person or organization awarded a contract or grant from a State agency shall certify that it will provide a drug-free workplace by doing all of the following:

- 1. Publishing a statement, notifying employees that the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited in the person's or organization's workplace, and specifying actions which will be taken against employees for violations of the prohibition.
 - 2. Establishing a drug-free awareness program to inform employees about all of the following:
 - a. The dangers of drug abuse in the workplace;
 - b. The person's or organization's policy of maintaining a drug-free workplace;
 - c. The availability of drug counseling, rehabilitation and employee-assistance programs; and
 - d. The penalties that may be imposed upon employees for drug abuse violations;
- 3. Requiring that each employee engaged in the performance of the contract or grant be given a copy of the statement required by subdivision (a) and that, as a condition of employment on the contract or grant, the employee agrees to abide by the terms of the statement.
- I, the undersigned, agree to fulfill the terms and requirements of Government Code Section 8355 listed above and will (a) publish a statement notifying employees concerning the prohibition of controlled substance at the workplace, (b) establish a drug-free awareness program, and (c) require each employee engaged in the performance of the contact be given a copy of the statement required by section 8355(a) and require such employee agree to abide by the terms of that statement.

I also understand that if the Rancho Santiago Community College District determines that I have either (a) made a false certification herein, or (b) violated this certification by failing to carry out the requirements of Section 8355, that the contract awarded herein is subject to termination, suspension of payments, or both. I further understand that, should I violate the terms of the Drug-Free Workplace Act of 1990, I may be subject to debarment in accordance with the requirements of Sections 8350 et seq.

I acknowledge that I am aware of the provisions of Government Code Sections 8350 et seq. and hereby certify that I will adhere to the requirements of the Drug-Free Workplace Act of 1990.

DATE:		
	TRADE CONTRACTOR	
	By:	
	Signature	

EXHIBIT "I"

CONDUCT RULES FOR CONTRACTORS

Each contractor/subcontractor, when performing work on Rancho Santiago Community College District property, in addition to complying with the provisions of the Construction Services Agreement, shall adhere to the following rules of conduct:

- 1. Professional and courteous conduct is expected and will be displayed at all times.
- 2. Interaction with students, staff, and/or other visitors is prohibited with the exception of designated administrators.
- 3. The use of profanity and/or disparaging language will not be tolerated.
- 4. All contractors/subcontractors shall wear a means of identification on site when classes are in session which must be approved by the District prior to commencement of work.
- 5. All contractors/subcontractors shall remain in the vicinity of his/her work and will not stray to other areas of the property not involved in the project, including student and staff toilet facilities.
- 6. Pursuant to Government Code Section 8350 et seq., the Rancho Santiago Community College District is a drug-free workplace. This policy shall be strictly enforced.
- 7. Contractors are prohibited from bringing on site and/or consuming alcoholic beverages on any District property.
- 8. The use of any tobacco products on District property other than in designated areas, if any, is strictly prohibited.
- Any lewd, obscene or otherwise indecent acts, words, or behavior by any contractor/subcontractor shall not be tolerated.
- 10. All contractors/subcontractors shall conform to a dress code whereby:
 - A. No clothing that contains violent, suggestive, derogatory, obscene, or racially-biased material may be worn.
 - B. Garments, accessories or personal grooming artifacts with slogans, graphics, or pictures promoting drugs, alcohol, tobacco, or any other controlled substances which are prohibited to minors will not be allowed.
- 11. No fire arms are allowed on campuses/District property.

Non-compliance with any of the above-stated rules of conduct by any contractor/subcontractor may be sufficient grounds for immediate removal from the job site and termination of the contract.

I acknowledge that I am aware of the above-stated rules of conduct and hereby certify that all of my Company's employees, consultants, suppliers, and/or any subcontractors will adhere to these provisions.

Date	Authorized Signature
	Print Name
	Company

EXHIBIT "J"

CONTINUITY OF WORK AGREEMENT

[TO BE INSERTED]

5.6 (135)

Division 1 Forms

IMMEDIATE CONSTRUCTION CHANGE DIRECTIVE NO.

PROJECT:	
TO:	
You are hereby directed to provide the extra work necessary to comply with this ICD.	
DESCRIPTION OF CHANGE:	
COST (This cost shall not be exceeded):	
TIME FOR COMPLETION:	
NOTE:	
Pursuant to Article 17.4.1.2 An Immediate Change Directive is a written order to the Contract Architect and signed by the District (and CM if there is a CM on the Project) and the Architect, di the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract District may by ICD, without invalidating the Contract, direct immediate changes in the Work scope of the Contract consisting of additions, deletions, or other revisions within. If applicable, and Contract Time will be adjusted accordingly. CONTRACTOR SHALL PROCEED WITH WIN THIS ICD IMMEDIATELY UPON RECEIPT OR THE DISTRICT MAY EITH CONTRACTOR IN EITHER PARTIAL DEFAULT PURSUANT TO ARTICLE 12.2 OR TPURSUANT TO ARTICLE 19.	recting a change in Time, or both. The within the general the Contract Sum ORK SET FORTH TER HOLD THE
Architect	
District	

CERTIFICATE OF SUBSTANTIAL COMPLETION

PROJECT:
TO:
As the Architect for the Project described above, the Project has reached Substantial Completion. Substantia Completion is not reached unless and until each of the following three (3) conditions have been met: (1) all contractually required items have been installed with the exception of only minor and Incomplete Punch Items (See Article 13.16 of the Construction Services Agreement); (2) All Fire/Life Safety Systems have been installed, and are working and signed off on the DSA Form 152 Inspection Card, all building systems including mechanical, electrical and plumbing are all functioning; and (3) the Project is fit for occupancy and its intended use
I certify that the Project has reached Substantial Completion as defined above.
Architect

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

DISTRICT OFFICE - BUSINESS OPERATIONS/FISCAL SERVICES

To:	Board of Trustees	Date: December 9, 2013
Re:	Adoption of Resolution No. 13-44 – Resolution for the Ap Qualifications and Proposals for Lease/Leaseback Service Renovations at Santa Ana College	
Action:	Request for Adoption	

BACKGROUND:

Education Code section 81335 the "lease/leaseback provision", permits a district's governing board to lease real property for the purpose of constructing buildings for district use. This delivery method is recognized by the state legislature as a proven method to deliver education facilities on time, on budget and with a reduced level of public agency risk associated with design issues, delays and cost overruns. The lease/leaseback delivery method will be structured to include a competitive proposal process along with a "Request for Qualifications" and "Request for Proposal" for services.

ANALYSIS:

Resolution No. 13-44 will authorize District staff to issue a Request for Qualifications and Proposals seeking proposals from qualified contractors to participate in Lease/Leaseback services for the Dunlap Hall Renovations project at Santa Ana College. The resolutions and agreements have been reviewed and approved by both Hugh Lee and John Dacey.

This project is funded by Measure Q.

RECOMMENDATION:

It is recommended that the Board of Trustees adopt Resolution No. 13-44, which authorizes staff to issue a Request for Qualifications and Proposals seeking Proposals from qualified contractors to construct a project pursuant to Education Code section 81335 and to enter into a Site Lease, Facilities Sub-Lease, and Related Construction Agreements regarding Dunlap Hall Renovations at Santa Ana College as presented.

Fiscal Impact:	To Be Determined	Board Date: December 9, 2013
Prepared by:	Carri Matsumoto, Assistant Vice Chancellor, Facility Planning & District Construction and Support Services	
Submitted by:	Peter J. Hardash, Vice Chancellor, Business Operations/Fiscal Services	
Recommended by:	Raúl Rodríguez, Ph.D., Chancellor	

BEFORE THE GOVERNING BOARD OF THE RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

RESOLUTION FOR APPROVAL OF DISTRICT AUTHORIZING REQUEST FOR QUALIFICATIONS AND PROPOSALS SEEKING PROPOSALS FROM QUALIFIED CONTRACTORS FOR LEASE LEASEBACK SERVICES FOR DUNLAP HALL RENOVATIONS AT SANTA ANA COLLEGE

RESOLUTION NO.	13-44

Resolution No. 13-44 of the Board of Trustees of the Rancho Santiago Community College District Authorizing Staff to issue a Request for Qualifications and Proposals seeking Proposals from Qualified Contractors to Construct a Project pursuant to Education Code section 81335 and to enter into a Site Lease, Facilities Sub-Lease, and Related Construction Agreements Regarding the Dunlap Hall Renovations (the "Project");

WHEREAS, the Board of Trustees of the Rancho Santiago Community College District ("District") currently owns, previously acquired, and/or has held for some time in a manner required by law, a fee simple interest the real property and improvements thereon commonly referred to as Santa Ana College 1530 W. 17th Street Santa Ana, CA 92706 ("Site"), and intends to construct on a portion of said Site a public work of improvement commonly referred to as Dunlap Hall Renovations which occupies a portion of said Site;

WHEREAS, a portion of the Site, is in need of having new construction and renovation work including the addition of elevators, repair of concrete decks, and renovation of stairs and handrail replacement, as well as restroom upgrades;

WHEREAS, Education Code Section 81330 *et seq*. authorizes the governing board of a community college district to let to any person, firm or corporation any real property belonging to the district if the instrument by which such property is let requires the lessee to construct on the demised premises, a building or buildings for use of the district during the term thereof, and provides that title to the building shall vest in the District at the expiration of that term;

WHEREAS, the District's Board has adopted and approved plans and specifications and secured all necessary governmental approvals, including the Division of State Architect's preliminary approval, for the construction of the Project and therefore met the requirements of Education Code section 81332 which requires the Project's plans and specifications to be adopted prior to entering into agreements;

WHEREAS, the District has determined, with the input of District consultants and outside legal counsel that: (1) the District has available funds on hand that have been designated from local bond funds to construct the Project and make the lease payments describe in the Facilities Sub-Lease for such improvements; (2) awarding a contract for construction of the Project is authorized by Education Code section 81335; (3) that using the authority provided for in Education Code section 81335 which allows the District to cause the construction of the Project

through lease and sub-lease of the Site, is in the best interest of the District because it is most likely to result in the most qualified contractor being hired for the specific project in question at the best price due to the flexibility in selecting a contractor provided for under Education Code section 81335; (4) proceeding as proposed is in the best interests of the District and the citizens residing within the District; and (5) the entering into the Site Lease, Facilities Sub-Lease, and related agreements will not affect an increase in the applicable maximum tax rate of the District;

WHEREAS, the District intends to enter into a Site Lease, Facilities Sub-Lease, and other related agreements with a general contractor, licensed and in good standing with the state of California, to construct the public work of improvement on a portion of the Site and, if applicable, the facilities currently located thereon, pursuant to the District's authority under Education Code section 81335, samples of which are attached hereto and/or otherwise have been previously provided to the Board;

WHEREAS, the District intends to enter into a Site Lease for a minimum rental amount not less than One Dollar (\$1) per year and for a period of time not to exceed eight months from date of Notice to Proceed;

WHEREAS, the District intends to enter into a Facilities Sub-Lease and other agreements with a general contractor, licensed and in good standing with the state of California, regarding the Site and the facilities currently located thereon so that the general contractor, during the term of the Leases, shall have the obligation to construct on a portion of the Site a public work of improvement as described in the Construction Services Agreement attached as Exhibit "A" to the Facilities Sub-Lease, with the result being that full and clear fee simple title to the Site and all improvements thereon shall vest immediately in the District without any further action at the expiration of the terms of the Leases, or sooner as may be provided in the Lease Agreements;

WHEREAS, the form of agreements entitled "Site Lease Agreement", "Facilities Sub-Lease Agreement", and "Construction Services Agreement", attached hereto as Exhibit A, each presented to the Board and each to be entered into by and between the District and the selected Builder which together provide generally for (i) the lease by the District of the Site to Builder, (ii) the sublease of the Site and the lease of the Project by Builder to the District, and (iii) the payment of certain lease payments by the District under the Sublease in an amount equal to the aggregate construction costs for the Project as set forth in the Construction Services Agreement ("Lease Payments"), are approved subject to any revisions which are acceptable to both District's Vice Chancellor for Fiscal and Business Services and District's legal counsel;

WHEREAS, notwithstanding all of the foregoing, the District also recognizes the need of the District, District employees, and/or students, may have the need to use certain portions of the Site being leased, and/or the existing facilities thereon, during the Lease terms, and as such, the Leases shall provide for such access and uses during the terms of the Leases;

WHEREAS, the District has determined that District Staff, specifically the Vice Chancellor for Fiscal and Business Services, is in the best position to determine what other terms and conditions are in the best interest of the District regarding said Leases and other agreements; and

WHEREAS, all acts, conditions, and things required by the laws of the State of California to exist, to have happened and to have been performed precedent to and in connection with the

consummation of the transaction authorized hereby, do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the District is now duly authorized and empowered, pursuant to each and every requirement of law, to consummate the appropriate agreements for the purpose, in the manner, and upon the terms herein provided.

THEREFORE, BE IT NOW RESOLVED, that the District's Board, after due, full and careful consideration of all of the information provided to it by Staff and legal counsel, and after finding all the recitals contained herein to be true and correct, has, for all of the reasons expressed above, and based on the authority provided to the District under Education Code section 81335, and any and all other applicable authority, hereby delegates authority to the Vice Chancellor for Fiscal and Business Services to:

- 1. issue a request for proposals and qualifications and to select a general contractor, licensed and in good standing with the state of California to construct the public work of improvement commonly known as Dunlap Hall Renovations;
- 2. enter into on the District's behalf a Site Lease, Facilities Sub-Lease and other related agreements for the Project for a period of time not to exceed eight months from date of Notice to Proceed; for a yearly rental value not to be less than One Dollar (\$1) per year; to provide for access to and use of the leased portion of the Site for District employees, personnel and students as needed during the term of the Leases; to construct the public work of improvement; to have full and clear fee simple title in and to the Site and all improved facilities thereon immediately vest back in the District before or at the conclusion of the Lease terms; and to include in said Leases all other terms and conditions that are in the best interests of the District:
- 3. enter into a construction agreement with a general contractor, licensed and in good standing with the state of California, at a total cost to the District to be determined by the Vice Chancellor for Fiscal and Business Services as the Guaranteed Maximum Price which shall not exceed the maximum amount approved by the Board for this Project; and
- 4. report back to the Board for ratification of the Site Lease, Facilities Sub-Lease and related construction agreements once executed by the general contractor.

Said delegation and authority shall be valid during the construction of the Project, or until otherwise rescinded by the Board.

		AND ADOPTED by the Governing Board of the Rancho strict this 9 th of December, 2013, by the following vote:
	AYES:	
	NOES:	
	ABSENT:	
	ABSTAINED:	
Resolution	passed and adopted b	rtify that the foregoing is full, true, and correct copy of the by said Board at a regularly scheduled and conducted meeting on if on file in office of said Board. President of the Board of Trustees Rancho Santiago Community College District
was regula Community December, IN	y College District Governly introduced and a y College District Governly, by the above de WITNESS WHEREO	, Clerk of the Board of Trustees of the Rancho Santiago verning Board, do hereby certify that the foregoing Resolution adopted by the Board of Trustees of the Rancho Santiago verning Board at a regular meeting thereof held on the 9 th of scribed vote of the Governing Board; F, I have hereunto set my hand and affixed the official seal of College District Governing Board this 9th day of December
		Clerk of the Board of Trustees Rancho Santiago Community College District

EXHIBIT "A"

DRAFT SITE LEASE AGREEMENT DRAFT FACILITIES SUB-LEASE AGREEMENT DRAFT CONSTRUCITON SERVICES AGREEMENT

DUNLAP HALL RENOVATIONS PROJECT

SITE LEASE

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT and

Dated as of _____

DUNLAP HALL RENOVATIONS PROJECT

SITE LEASE

This SITE LEASE is dated as of	and is by and between the Rancho Santiago
Community College District, a community college duly organ	nized and existing under the laws of the State of
California (the "District") as lessor and	, a California corporation operating
under the laws of the State of California (the "Lessee").	

WHEREAS, the District desires to provide for the construction of certain public improvements known as the Dunlap Hall Renovations Project (DSA # 04-112285) (collectively, the "Project") at the Santa Ana College site; and

WHEREAS, the District's governing board has determined that it is in the best interests of the District and for the common benefit of the citizens it serves to construct the Project by leasing to the Lessee land and existing buildings at the _______ site at which the public improvements are to be constructed, as more specifically described in Exhibit "A," (the "Site"), and subleasing from the Lessee the Site and the Project under a Sublease Agreement (the "Sublease") attached hereto as Exhibit "B" and by this reference incorporated herein; and

WHEREAS, the Lessee has conducted Due Diligence of the Site and the Project to determine the suitability of the site, site conditions, utilities, hazardous substances, and other conditions for the construction of the Project. (more fully detailed at Article 5 of the Construction Services Agreement); and

WHEREAS, the District and the Lessee have entered into a Construction Services Agreement ("Construction Services Agreement"), attached hereto as Exhibit "C" and by this reference incorporated herein, to ensure that the Project will meet the District's expectations; and

WHEREAS, the District is authorized under Section 81355 of the California Education Code to lease the Site and its governing body has duly authorized the execution of this Site Lease; and

WHEREAS, the Lessee is authorized to lease the Site and to construct the Project on the Site, and has duly authorized the execution and delivery of the Sublease and this Site Lease.

NOW THEREFORE, in consideration of the covenants hereinafter set forth, District and Lessee agree as follows:

- 1. **<u>DEFINITIONS.</u>** Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this lease, have the meanings as herein specified.
 - A. "Construction Services Agreement" (CSA) means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.
 - B. "Construction Documents" (Sometimes referred to as Contract Documents) consist of the Agreement between District and Contractor (hereinafter the Agreement or Contract), the Construction Services Agreement, the Site Lease, the Sublease, (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the entry into this Agreement, Modifications issued after execution of the Contract. A Modification is a written amendment to the Contract signed by parties, a Change Order, a Construction Change Directive, or a written order for a minor change in the Work issued by the Architect. The Contract Documents collectively form the Contract. The Contract represents the entire and integrated Agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or

2

modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Architect and Contractor, between the District and any Subcontractor or Sub-subcontractor, or between any persons or entities other than the District and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties. (See Article 14 of the CSA)

- C. "Day" means a calendar day unless specifically designated as a business day.
- D. "District" means the Rancho Santiago Community College District, a community college district duly organized and existing under the laws of the State of California.
- E. <u>"Effective Date"</u> shall mean the Project commencement date found in the Notice to Proceed for the Project in accordance with Article 4.26 of the Construction Services Agreement.
- F. <u>"Lessee"</u> shall mean ______, and its successors and assigns.
- G. <u>"Project"</u> means the improvements and equipment to be constructed and installed by the Lessee, as more particularly described and/or referenced in Exhibit "A" to the Sublease.
- H. "Site" refers to the grounds of the Project or in some cases may refer to multiple sites as defined in the Contract Documents and such adjacent lands as may be directly affected by the performance of the Work, more particularly described in Exhibit "A" attached hereto.
- "Site Lease" means this Site Lease together with any duly authorized and executed amendment hereto under which the District leases the Site to the Lessee.
- J. <u>"Sublease"</u> means the Sublease dated of even date herewith, by and between the District and the Lessee together with any duly authorized and executed amendment thereto.
- K. <u>"Sublease Payment"</u> means any payment required to be made by the District pursuant to Article 7 of the Sublease.
- L. <u>"Sublease Prepayment"</u> means any payment required to be made by the District pursuant to Article 26 of the Sublease.
- M. "Term of this Lease" or "Term" means the time during which this Lease is in effect, as provided for in Article 3 of this Site Lease.

2. SITE LEASE.

The District leases to the Lessee, and the Lessee leases from the District, on the terms and conditions set forth herein, the Site situated in the City of Santa Ana, County of Orange, State of California, more specifically described in Exhibit "A" attached hereto, including any real property improvements now or hereafter affixed thereto.

3. TERM.

3

The term of this Site Lease shall become effective upon the authorized execution of this Site Lease and upon completion of Lessee's Due Diligence with regard to the Site and issuance of a Notice to Proceed. The term of this Site Lease shall terminate as of the last day of the Sublease, unless sooner terminated as provided thereby. If on the scheduled date of termination of this Site Lease, Sublease Payments shall have therefore been abated at any time and for any reason, then the term of this Site Lease shall be subject to a Liquidated Damages cost as set forth in Article 3.7 of the Construction Services Agreement and the Site Lease shall be extended until the date upon which all such Sublease Payments shall be fully paid. Without limiting any other term or provision of the Sublease Agreement or Construction Services Agreement between the parties, at the termination of this Site Lease, natural or otherwise, title to the Site, and any improvements constructed thereon by the Lessee, shall vest in the District in accordance with Education Code section 81335.

- 4. **REPRESENTATIONS, COVENANTS, AND WARRANTIES OF THE DISTRICT**. The District represents, covenants and warrants to the Lessee that:
 - A. The District has good and merchantable fee title to the Site and has authority to enter into and perform its obligations under this Site Lease;
 - B. There are no liens on the Site other than Permitted Encumbrances;
 - C. All taxes, assessments or impositions of any kind with respect to the Site, if applicable, except current taxes, have been paid in full;
 - D. The Site is properly zoned (or subject to an exception from zoning) for the intended purpose and utilization of the Site;
 - E. The District is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to the Site;
 - F. Except for Validation Actions concerning the Project, there is no litigation of any kind currently pending or threatened regarding the Site or the District's use of the Site for the purposes contemplated by this Site Lease;
 - G. To the best of the District's knowledge, except for that which shall be disclosed by the District prior to the Project commencement date in the Notice to Proceed:
 - (1) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any State or Federal Law relating thereto (hereinafter collectively called "Environmental Regulations", and also including, but not limited to, urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Site or the Lessee or the Lessee's subcontractors to any damages, penalties or liabilities under any applicable Environmental Regulation (hereinafter collectively called "Hazardous Substances", are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Site;
 - (2) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Site into the environment;

- (3) the Site has not been used as or for a mine, a landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station;
- (4) no underground storage tank is now located in the Site or has previously been located therein;
- (5) no violation of any Environmental Regulation now exists relating to the Site, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Site by any governmental entity or agency which in any way relates to Hazardous Substances;
- (6) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (1) above;
- (7) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under over or from the Site;
- (8) the Site is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and
- (9) the Site is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release-of any Hazardous Substance.
- H. To the extent permitted by law, the District shall not abandon the Site for the use for which it is currently required by the District and further, shall not seek to substitute or acquire property to be used as a substitute for the uses for which the Site and Project are to be maintained under the Site Lease.
- I. The term "Permitted Encumbrances" as used herein shall mean, as of any particular time:
 - (1) liens for general ad valorem taxes and assessments, if any, not then delinquent;
 - (2) this Site Lease; the Sublease; any right or claim of any mechanic, laborer, materialman, supplier, or vendor, if applicable, not filed or perfected in the manner prescribed by law; easements, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions, or restrictions which exist of record as of the date of this Site Lease and which will not materially impair the use of the Site;
 - (3) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions, or restrictions established following the date of recordation of this Site Lease and to which the Lessee and the District consent in writing which will not impair or impede the operation of the Site.
- 5. **REPRESENTATIONS AND WARRANTIES OF THE LESSEE.** The Lessee represents and warrants to the District that:

- A. The Lessee is duly organized in the State of California, and in good standing under the laws of the State of California, with full corporate power and authority to lease and own real and personal property;
- B. The Lessee has full power, authority and legal right to enter into and perform its obligations under this Site Lease, and the execution, delivery and performance of this Site Lease has been duly authorized by all necessary corporate actions on the part of the Lessee and does not require any further approvals or consents;
- C. Execution, delivery and performance of this Site Lease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which the Lessee is a party or by which it or its property is bound;
- D. There is no pending or, to the best knowledge of the Lessee, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of the Lessee to perform its obligations under this Site Lease; and

6. **RENTAL**.

The Lessee shall pay to the District as and for advance rental hereunder \$1.00 per year or part thereof, or the aggregate sum of One Dollar [\$1.00 x number of years of lease] (\$1.00), on or before the date of commencement of the term of this Site Lease. The Lessee shall have no obligation to make rental payments hereunder in the event the Effective Date of this Site Lease does not occur as a result of the District's inability to issue a Notice to Proceed for the Project pursuant to the provisions of Article 4.26 of the Construction Services Agreement.

PURPOSE.

The Lessee shall use the Site solely for the purpose of constructing the Project thereon and for subleasing the Site and the Project to the District; provided, that upon the occurrence of an Event of Default by the District under the Sublease, the Lessee may exercise the remedies provided for in the Construction Services Agreement or the Sublease.

TERMINATION. The Lessee agrees, upon termination of this Site Lease:

- A. To quit and surrender the Site in the same good order and condition as it was in at the time of commencement of the term hereunder, reasonable wear and tear excepted;
- B. To release and reconvey to the District any liens and encumbrances created or caused by the Lessee; and
- C. That any permanent improvements and structures existing upon the Site at the time of the termination of this Site Lease shall remain thereon and title thereto shall vest in the District.

Notwithstanding the District's foregoing rights in the event of termination, the Lessee shall retain the right to full compensation for all services rendered prior to the termination, including all rights they have under the Construction Services Agreement and the Sublease as well as all recourse provided by California law including common law, for the value of the work performed on the Site and/or the Project.

In the event the Construction Services Agreement is terminated pursuant to the provisions therein, this Site Lease shall immediately terminate.

8.

9. **QUIET ENJOYMENT**.

The District covenants and agrees that it will not take any action to prevent the Lessee's quiet enjoyment of the Site during the term hereof; and, that in the event District's fee title to the Site is ever challenged so as to interfere with the Lessee's right to occupy, use and enjoy the Site, the District will use all governmental powers at its disposal, including the power of eminent domain, to obtain unencumbered fee title to the Site and to defend the Lessee's right to occupy, use, and enjoy the Site. The District, however, retains the right, throughout the Site Lease Term, to use the Site for District purposes, pursuant to the terms of the Sublease.

10. NO LIENS

The District shall not mortgage, sell, assign, transfer or convey the Site or any part thereof to any person during the term of this Site Lease, without the written consent of the Lessee. Nothing herein shall preclude the District from granting utility easements across the Site to facilitate the use and operation of the Project for which it is intended.

11. **RIGHT OF ENTRY**.

The District reserves the right for any of its duly authorized representatives to enter upon the Site at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof, but in doing so shall not interfere with the Lessee's operations on the Project.

12. <u>ASSIGNMENT AND SUBLEASING.</u>

The Lessee will not assign or otherwise dispose of or encumber the Site or this Site Lease without the written consent of the District.

13. NO WASTE.

The Lessee agrees that at all times that it is in possession of the Site it will not commit suffer or permit any waste on the Site, and it will not willfully or knowingly use or permit the use of the Site for any illegal act or purpose.

14. **DEFAULT**.

In the event the Lessee shall be in default in the performance of any obligation on its part to be performed under the terms of the Construction Services Agreement and this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Lessee, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the Sublease shall be deemed to occur as a result thereof.

15. <u>EMINENT DOMAIN</u>.

In the event the whole or any part of the Site or the improvements thereon, including but not limited to the Project, is taken by eminent domain, the financial interest of the Lessee shall be recognized and is hereby determined to be the amount of all Sublease Payments then due or past due, the next succeeding Sublease Payment and the purchase option price as set forth in Article 26 of the Sublease less any unearned interest as of the date the Lessee receives payment in full. The balance of the award in such eminent domain action, if any, shall be paid to the District.

16. **TAXES**.

The terms of this Site Lease may result in the creation of a possessory interest. If such a possessory interest is vested in a private party to this document, the private party may be subjected to the payment of personal property taxes levied on such interest. Pursuant to Section 107.6 of the California Revenue and Taxation Code, District hereby notifies Lessee that: (i) the property interest obtained by Lessee pursuant to the Site Lease may be subject to property taxation; and (ii) Lessee may be subject to the payment of property taxes levied on the property interest obtained by Lessee.

17. **LIQUIDATED DAMAGES**.

Pursuant to Lessee's Due Diligence, as further described in Article 5 of the Construction Services Agreement, Lessee has determined the term of this Site Lease which shall extend until the Punch List is completed under Article 13.16 of the Construction Services Agreement. The Lease shall not extend longer than ninety (90) days beyond the Contract Time as Defined at Article 3.6 of the General Conditions. Pursuant to Article 3.7 of the Construction Services Agreement, Liquidated Damages shall apply to the Lessee if the Contract Time plus ninety (90) days is exceeded due to the unanticipated extension of the Lease Period under this Site Lease.

18. **PARTIAL INVALIDITY**.

If any one or more of the terms, covenants or conditions or this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

19. **NOTICES**

Any notices or filings required to be given or made under this Site Lease shall be served, given or made in writing upon the District or the Lessee, as the case may be, by personal delivery or registered mail to the respective addresses given below. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice. Any such notices shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by telex, telegram, or fax followed by regular mail, addressed as follows:

If to District:	Rancho Santiago Community College District Facility Planning, District Construction and Support 2323 North Broadway, Suite 112-3 Santa Ana, CA 92706-1640 Attn: Carri Matsumoto, Assistant Vice Chancellor		
If to Lessee:	Attn:		

20. BINDING EFFECT.

This Site Lease shall inure to the benefit of and shall be binding upon the District, the Lessee and its respective successors in interest and assigns.

21. <u>AMENDMENTS AND MODIFICATIONS</u>

This Site Lease shall not be effectively amended, changed, modified, altered or terminated without the written agreement of the District and the Lessee.

22. EXECUTION IN COUNTERPARTS.

This Site Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

23. <u>LAWS, VENUE AND ATTORNEYS' FEES</u>

The terms and provisions of this Site Lease shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Site Lease, the action shall be brought in a state court situated in the County of **Orange**, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. In the event of any such litigation between the parties, the parties shall pay for their respective costs incurred, including attorneys' fees.

24. <u>INTEGRATION/MODIFICATION</u>.

This Site Lease represents the entire understanding of the District and Lessee as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein and shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

25. **HEADINGS**.

The captions or headings in this Site Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Site Lease.

26. **TIME.**

Time is of the essence in this Site Lease and each and all of its provisions.

IN WITNESS WHEREOF, the parties hereto have executed this Site Lease by their authorized officers as of the day and year first written above.

RANCHO SANTIAGO COMMUNITY COLLEGE	
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9

DISTRICT "DISTRICT"	"LESSEE"
	BY:
BY:	

10

EXHIBIT "A"

DESCRIPTION OF SITE

EXHIBIT "B"

SUBLEASE

EXHIBIT "C"

CONSTRUCTION SERVICES AGREEMENT

DUNLAP HALL RENOVATIONS PROJECT

SUBLEASE AGREEMENT

Between
RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT
and
Dated as of

DUNLAP HALL RENOVATIONS PROJECT

SUBLEASE AGREEMENT

	This S	SUBLEASE .	AGRE	EMENT (("Sublease	e") is	dated a	s of				, and is 1	oy and	l betwe	en
the					Rancho	Santia	ago Cor	nmui	nity Co	ollege	Dist	rict, a com	ımunit	y colle	ege
district	duly	organized	and	existing	under	the	laws	of	the	State	of	Californi	a ("	District	t"),
				, a (California	corp	oration	and	operat	ting u	nder	the laws	of the	State	of
Californ	ia ("Le:	ssor").													

RECITALS:

WHEREAS, the District deems it essential for its own governmental purpose, to finance the construction of certain improvements known as the Dunlap Hall Renovations (DSA # 04-112285) described in Exhibit "A" attached hereto (collectively, the "Project") and situated on the Santa Ana College site described in Exhibit "B" attached hereto (the "Site"); and

WHEREAS, pursuant to Section 81330 *et seq.* of the Education Code, the District may enter into leases and agreements relating to real property and buildings used by the District; and

WHEREAS, pursuant to Section 81335 of the Education Code, the District is leasing the Site to Lessor under a lease agreement dated the date hereof (the "Site Lease") attached hereto as Exhibit "C" in consideration of Lessor leasing and subleasing the Project and the Site to the District pursuant to the terms of this Sublease; and

WHEREAS, the District owns the Site and, pursuant to that certain Construction Services Agreement entered into by and between the District and Lessor of even date herewith (the "Construction Services Agreement") attached hereto as Exhibit "D," has prepared and adopted plans and specifications for the completion of the Project which have been approved pursuant to law as required by Section 81332 of the Education Code; and

WHEREAS the District and Lessor agree to mutually cooperate now or hereafter, to the extent possible, in order to sustain the intent of this Sublease and the bargain of both parties hereto, and to provide Sublease Payments to be made on the dates and in the amount set forth herein.

WITNESSETH:

In consideration of the mutual covenants hereinafter set forth, the District and Lessor parties hereto agree as follows:

- 1. **<u>DEFINITIONS.</u>** Unless the context otherwise requires, the terms defined in this Article shall, for all purposes of this Sublease, have the meanings as herein specified.
 - A. "Certificate of Acceptance and Notice of Completion" mean those certificates signed by a District Representative to the effect that the Project has been substantially completed.
 - B. "Construction Costs" means any and all costs incurred by the Lessor with respect to the construction and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date hereof, including, without limitation, costs for Site preparation, the removal or demolition of existing structures, the construction of the Project and related facilities and improvements, and all other work in connection therewith, security of the Site and Project, Lessor's overhead and supervision at the project site, all costs and expenses including any taxes or insurance premiums paid by the Lessor with respect to the Property, and administrative and other expenses necessary or incident to the Project, excluding Lessor's and Developers' home office overhead and profit. The term "Construction Costs" includes all Lessor's costs associated with preparing or generating additional copies of any Construction

Documents, as defined below, related to or required for the Project, including preparation or generation of additional plans and specifications for Lessor's subcontractors. In no event shall Construction Costs exceed the Guaranteed Maximum Price.

- C. "Construction Services Agreement" (CSA) means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.
- D. "Construction Documents" (Sometimes referred to as Contract Documents) consist of the Agreement between District and Lessor (hereinafter the Agreement or Contract), the Construction Services Agreement, the Site Lease, the Sublease, (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the entry into this Agreement, Modifications issued after execution of the Contract. A Modification is a written amendment to the Contract signed by parties, a Change Order, a Construction Change Directive, or a written order for a minor change in the Work issued by the Architect. The Contract Documents collectively form the Contract. The Contract represents the entire and integrated Agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Architect and Lessor, between the District and any Subcontractor or Sub-subcontractor, or between any persons or entities other than the District and the Lessor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties. (See Article 14 of the CSA).
- E. "Day" means a calendar day unless specifically designated as a business day.
- F. "District" means the Rancho Santiago Community College District, a community college district duly organized and existing under the laws of the State of California.
- G. <u>"Effective Date"</u> shall mean the Project commencement date found in the Notice to Proceed for the Project in accordance with Article 4.26 of the Construction Services Agreement.
- H. "Event of Default" means one or more events of default as defined in Article 21 of this Sublease.
- I. "Guaranteed Maximum Price" or "GMP" means the Guaranteed Maximum Price established pursuant to Article 5 of the CSA to be paid to Lessor for Lessor's construction of the Project hereunder, subject to any adjustments for Extra Work/Modifications as provided in Article 17 of the CSA.
- J. "Lessor" shall mean ______, and its successors and assigns.
- K. <u>"Prepayment Price"</u> means the price to be paid by the District to exercise its option to purchase the Site and the Project prior to the natural termination of this Sublease, in accordance with the provisions of Article 26 herein.
- L. <u>"Project"</u> means the improvements and equipment to be constructed and installed by the Lessor, as more particularly described and/or referenced in Exhibit "A" attached hereto.
- M. "Site" refers to the grounds of the Project or in some cases may refer to multiple sites as defined in the Contract Documents and such adjacent lands as may be directly affected by the performance of the Work, particularly described in Exhibit "B" attached hereto.

- N. "Site Lease" means the Site Lease of even date herewith, by and between the District and the Lessor as set forth in Exhibit "C" attached hereto, together with any duly authorized and executed amendment thereto under which the District leases the Site to the Lessor.
- O. "Sublease" means this Sublease together with any duly authorized and executed amendment hereto.
- P. <u>"Sublease Payment"</u> means any payment required to be made by the District pursuant to Article 7 of this Sublease.
- Q. <u>"Sublease Prepayment"</u> means any payment required to be made by the District pursuant to Article 26 of this Sublease.
- R. "Term of this Sublease" or "Term" means the time during which this Sublease is in effect, as provided for in Article 3 of this Sublease.

2. <u>SUBLEASE</u>.

Lessor hereby leases and subleases to District, and District hereby leases and subleases from Lessor the Project and the Site, including any real property improvements now or hereafter affixed thereto in accordance with the provisions herein for the full term of this Sublease. The leasing by the Lessor to the District of the Site shall not effect or result in a merger of the District's leasehold estate pursuant to this Sublease and its fee estate as lessor under the Site Lease, and the Lessor shall continue to have and hold a leasehold estate in said Site pursuant to the Site Lease throughout the term thereof and the term of this Sublease.

3. <u>TERM OF THE SUBLEASE</u>.

The terms and conditions of this Sublease shall become effective upon issuance of a Notice to Proceed. The term of the Sublease shall terminate upon completion of the Punchlist defined under Article 13.16 of the Construction Services Agreement and payment of the last Sublease Payment, unless sooner terminated as hereinafter provided.

- A. Termination of Term. Except as otherwise provided, the Term of this Sublease shall terminate upon the earliest of any of the following events:
 - (1) An Event of Default and the Lessor's election to terminate this Sublease pursuant to the provisions of Sections 21 and 22, hereof;
 - (2) The arrival of the last day of the Term of this Sublease and payment of all Sublease Payments hereunder; or
 - (3) The exercise of the District's option under Article 26 hereof.
- 4. **REPRESENTATIONS, WARRANTIES AND COVENANTS OF DISTRICT.** The District represents and warrants to Lessor that:
 - A. District is a public community college district, duly organized and existing under the Constitution and laws of the State of California with authority to enter into this Sublease and to perform all of its obligations hereunder;
 - B. District's governing body has duly authorized the execution and delivery of this Sublease and further represents and warrants that all requirements have been met and procedures followed to ensure its enforceability;

- C. The execution, delivery and performance of this Sublease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which District is a party by which it or its property is bound;
- D. There is no pending or, to the knowledge of District, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of District to perform its obligations under this Sublease;
- E. The Project and the Site are essential to District in the performance of its governmental functions and their estimated useful life to the District exceeds the term of this Sublease;
- F. District shall take such action as may be necessary to include all Sublease Payments in its annual budget and annually to appropriate an amount necessary to make such Sublease Payments;
- G. District shall not abandon the Site for the use for which it is currently required by District and, to the extent permitted by law, District shall not seek to substitute or acquire property to be used as a substitute for the uses for which the site is maintained under the Sublease; and
- H. District shall not allow any Hazardous Substances (as such term is defined in the Site Lease and limited by that which shall be disclosed by the District prior to the Project commencement date in the Notice to Proceed) to be used or stored on, under or about the Site.
- 5. **REPRESENTATIONS AND WARRANTIES OF LESSOR.** Lessor represent and warrant to District that:
 - A. Lessor is duly organized in the State of California, and in good standing as a corporation under the laws of the State of California, with full corporate power and authority to lease and own real and personal property;
 - B. Lessor has full power, authority and legal right to enter into and perform its obligations under this Sublease, and the execution, delivery and performance of this Sublease has been duly authorized by all necessary corporate actions on the part of Lessor and does not require any further approvals or consents;
 - C. The execution, delivery and performance of this Sublease does not and will not result in any breach of or constitute a default under any indenture, mortgage, contract, agreement or instrument to which Lessor is a party by which they or their property is bound;
 - D. There is no pending or, to the knowledge of Lessor, threatened action or proceeding before any court or administrative agency which will materially adversely affect the ability of Lessor to perform their obligations under this Sublease; and
 - E. Lessor will not mortgage or encumber the Site or the Sublease or assign this Sublease or their rights to receive Sublease Payments hereunder, except as permitted herein.

6. CONSTRUCTION/ACQUISITION.

A. District has entered into a Construction Services Agreement and a Site Lease with Lessor in order to acquire and construct the Project. The cost of the construction and installation of the Project is determined by the GMP as set forth in Article 5 of the Construction Services Agreement.

B. In order to ensure that moneys sufficient to pay all costs will be available for this purpose when required, District shall maintain on deposit, and shall annually appropriate funds sufficient to make all Sublease Payments which become due to Lessor under this Sublease Agreement.

SUBLEASE PAYMENTS.

7.

- A. District shall pay Lessor lease payments (the "Sublease Payments") as provided by the Construction Services Agreement. In no event shall the sum of the Sublease Payments due hereunder exceed the GMP as it may be revised by the District from time to time in accordance with the provisions set forth in the Construction Services Agreement. The Sublease Payments shall be adjusted to reflect any adjustment to the GMP agreed to in writing by the District and the Contractor. The District shall have no obligation to make Sublease payments hereunder in the even the Effective Date of this Sublease does not occur as a result of District's inability to issue a Notice to Proceed.
- B. Should the District fail to pay any part of the Sublease Payments not otherwise excused pursuant to this Article or Article 9 hereof, or otherwise questioned or challenged by the District pursuant to the Construction Services Agreement, within twenty-five (25) business days from the due date thereof, the District shall, upon Lessor's written request, pay interest on such delinquent payment from the date said payment was due until paid at the rate of seven percent (7%) per annum or the maximum legal rate chargeable to Public Entities, whichever is less. The obligation of the District to pay Sublease Payments hereunder shall constitute a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitations or requirements concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District.
- C. In the event that the District exercises its option under Article 26(B) below, and purchases the Project by paying the Prepayment Price, the District's obligations under this Sublease, including but not limited to the District's obligation to pay Sublease Payments under this Section, shall thereupon cease and terminate.
- D. Except as specifically provided in this Article and in Article 9 hereof or as otherwise provided by law, the obligation of the District to make Sublease Payments when due and payable hereunder will be absolute and unconditional in all events and will not be subject to any set-off, defense, counterclaim, abatement or recoupment for any reason whatsoever.

8. **FAIR RENTAL VALUE**.

Sublease Payments shall be paid by District in consideration of the right of possession of, and the continued quiet use and enjoyment of, the Project and the Site during the lease. The parties hereto have agreed and determined that such total rental is not in excess of the fair rental value of the Project and the Site. In making such determination, consideration has been given to the fair market value of the Project and the Site, other obligations of the parties under this Sublease (including but not limited to costs of maintenance, taxes and insurance), the uses and purposes which may be served by the Project and the Site and the benefits therefrom which will accrue to the District and the general public, the ability of the District to make additions, modifications and improvements to the Project and the Site which are not inconsistent with the Construction Services Agreement (Exhibit "D" hereof) and which do not interfere with the Lessor's work on the Project and the Site.

9. **SUBLEASE ABATEMENT**.

In addition to delay of Sublease Payments provided in Article 7, above, Sublease Payments due hereunder with respect to the Project and the Site shall be subject to abatement prior to the commencement of the use of the Project and the Site by the District or during any period in which, by reason of material damage to or destruction of the Project or the Site, there is substantial interference with the use and right of possession by the District of the Project and the Site or any substantial portion thereof. For each potential incident of substantial interference, decisions to be made on i) whether or not abatement shall apply; ii) the date upon which abatement shall commence; iii) the applicable portion of Sublease Payments to be abated and; iv) the concluding date of the particular abatement shall all be subject to determinations by the District. The amount of Sublease abatement shall be such that the Sublease Payments paid by the District during the period of Project and Site restoration do not exceed the fair rental value of the usable portions of the Project and Site. In the event of any damage or destruction to the Project or the Site, this Sublease shall continue in full force and effect.

10. <u>USE OF SITE AND PROJECT</u>.

During the term of this Sublease, Lessor shall provide the District with quiet use and enjoyment of the Site without suit, or hindrance from Lessor or their assigns, provided District is in compliance with its duties under this Sublease. District will not use, operate or maintain the Site or Project improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. District shall provide all permits and licenses, if any, necessary for the operation of the Project and Site. In addition, the District agrees to comply in all respects (including, without limitation, with respect to the time, maintenance and operation of the Project and Site) with laws of all jurisdictions in which its operations involving the Project and Site may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Site or the Project; provided, however, that District may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of Lessor, adversely affect the estate of Lessor in and to the Site or the Project or its interest or rights under this Sublease. Lessor acknowledges that at any time during the term of this Sublease, District may access the Site to conduct District business. Lessor acknowledges and agrees to the District's use or occupation of the Site, so long as such use or occupation does not unreasonably interfere with construction of the Project. Upon substantial completion of the Project or severable portions hereof, the Lessor shall provide the District with quiet use and enjoyment of the Site without suit or hindrance from the Lessor or its assigns, subject to reasonable interference from ongoing construction operations on any remaining portion of the Site under construction by the Lessor.

11. LESSOR'S INSPECTION/ACCESS TO THE SITE.

District agrees that Lessor and any of Lessor's representatives shall have the right at all reasonable times to enter upon the Site or any portion thereof to construct and improve the Project, to examine and inspect the Site and the Project and to exercise its remedies pursuant to the section in this Sublease entitled "Remedies on Default." District further agrees that Lessor and any of Lessor's representatives shall have such rights of access to the Site as may be reasonably necessary to cause the proper maintenance of the Site and the Project in the event of failure by District to perform its obligations hereunder.

12. **PROJECT ACCEPTANCE**.

District shall acknowledge final inspection and completion of the Project by executing and recording a Notice of Completion. The validity of this Sublease will not be affected by any delay in or failure of completion of the Project.

ALTERATIONS AND ATTACHMENTS. All permanent additions and improvements that are made to the Project shall belong to and become the property of Lessor, subject to the provisions of this Sublease and Sections 25 and 26 hereof. Separately identifiable attachments added to the Project by the District shall remain the property of the District. At Lessor's request, the District agrees to remove the attachments and restore the Project to substantially as good condition as when acquired and constructed, normal wear and tear excepted, in the event of failure by the District to perform its obligations hereunder.

14. <u>INTENTIONALLY DELETED</u>.

15. <u>UTILITIES</u>.

Until the date the Project is deemed Substantially Complete under Article 4.43 of the Construction Services Agreement, Lessor shall, in its own name, contract for and pay the expenses of all utility services required for the Project once constructed and Site, such utilities, including but not limited to, all air conditioning, heating, electrical, gas, water, and sewer units. Once the Project is Substantially Complete under Article 4.43 of the Construction Services Agreement, the District shall be liable for payment as well as maintenance of all utility services received.

- 16. <u>INTENTIONALLY DELETED.</u>
- 17. <u>INTENTIONALLY DELETED.</u>
- 18. <u>INTENTIONALLY DELETED.</u>
- 19. **TAXES**.

District shall keep the Project and the Site free and clear of all levies, liens, and encumbrances and shall pay all license fees, registration fees, assessments, charges, and taxes (municipal, state, and federal) if applicable, which may now or hereafter be imposed upon the ownership, leasing, renting, sale, possession, or use of the Project and the Site, excluding, however, all taxes on or measured by Lessor's income.

20. <u>INTENTIONALLY DELETED.</u>

- 21. **EVENTS OF DEFAULT.** The term "Event of Default," as used in this Sublease means the occurrence of any one or more of the following events:
 - A. The District fails to make any unexcused Sublease Payment (or any other payment) within fifteen (15) days after the due date thereof or the District fails to perform or observe any other covenant, condition or agreement to be performed or observed by it hereunder and such failure to either make the payment or perform the covenant, condition or agreement is not cured within ten (10) days after written notice thereof by Lessor;
 - B. The Lessor discovers that any statement, representation or warranty made by the District in this Sublease, or in any document ever delivered by the District pursuant hereto or in connection herewith is misleading or erroneous in any material respect;
 - C. The District becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the of creditors, applies or consents to the appointment of a receiver, trustee, conservator or liquidator of the District or of all or a substantial part of its assets, or a petition for relief is filed by the District under federal bankruptcy, insolvency or similar laws.

- **REMEDIES ON DEFAULT.** Upon the happening of any Event of Default, Lessor may exercise remedies set forth below; provided, however, that notwithstanding anything herein to the contrary, there shall be no right under any circumstances to accelerate the Sublease Payments or otherwise declare any Sublease Payments not then in default to be immediately due and payable. The District shall continue to remain liable for the payment of Sublease Payments and damages for breach of this Sublease and the performance of all conditions herein such Sublease Payments and damages shall be payable to Lessor at the time and in the manner set forth in subsections (A) and (B) of this Section:
 - A. In the event that Lessor does not elect to terminate this Sublease pursuant to subsection (B) below, the District agrees to and shall remain liable for the payment of Sublease Payments and the performance of all conditions herein and shall reimburse Lessor for the full amount of the Sublease Payments to the end of the Sublease term.
 - B. In the event of termination of this Sublease by Lessor at its option and in the manner hereinafter provided on account of default by the District, the District shall pay Lessor Sublease Payments then owing for past Sublease Payments due and not paid, compensation on the basis of time and materials for all labor, materials and services provided up to the date of Lessor's termination of the Sublease. Neither notice to pay Sublease Payments or to deliver up possession of the Project and the Site given pursuant to law nor any proceeding in unlawful detainer taken by Lessor shall of itself operate to terminate this Sublease. In the event of any such litigation between the parties, the parties shall pay for their respective costs incurred, including attorneys' fees.

No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein, but each shall be cumulative of every other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time; provided, however, that notwithstanding any provisions to the contrary herein, Lessor shall not under any circumstances have the right to accelerate the Sublease Payments that fall due in future Sublease periods or otherwise declare any Sublease Payments not then in default to be immediately due and payable.

23. **NON-WAIVER**.

22.

No covenant or condition to be performed by District or Lessor under this Sublease can be waived except by the written consent of the other party. Forbearance or indulgence by District or Lessor in any regard whatsoever shall not constitute a waiver of the covenant or condition in question. Until complete performance by the District or Lessor of said covenant or condition, the other party shall be entitled to invoke any remedy available to it under this Sublease or by law or in equity despite said forbearance or indulgence.

24. **ASSIGNMENT**.

Without the prior written consent of the Lessor, which consent shall not be unreasonably withheld, the District shall not (a) assign, transfer, pledge, or hypothecate this Sublease, the Project and the Site, or any part thereof, or any interest therein, or (b) sublet or lend the use of the Project or any part thereof. However, District may lease, license or otherwise allow use or occupation of the Site for third party use so long as such use or occupation does not unreasonably interfere with construction of the Project. Consent to any of the foregoing prohibited acts applies only in the given instance and is not a consent to any subsequent like act by the District or any other person. The Lessor shall not assign its obligations under this Sublease with the exception of their obligation to issue default notices and to convey or reconvey their interest in the Project and Site to the District upon full satisfaction of the

District's obligations hereunder; however, the Lessor may assign their right, title and interest in this Sublease, the Sublease Payments and other amounts due hereunder and the Project in whole or in part to one or more assignees or subassignees at any time upon written notice to the District. No assignment shall be effective as against the District unless and until the District is so notified in writing. The District shall pay all Sublease Payments due hereunder pursuant to the direction of Lessor or the assignee named in the most recent assignment or notice of assignment. During the Sublease term, the District shall keep a complete and accurate record of all such assignments. Subject always to the foregoing, this Sublease inures to the benefit of, and is binding upon, the heirs, legatees, personal representatives, successors, and assigns of the parties hereto.

25. **OWNERSHIP**.

The Project is and shall at all times be and remain the sole and exclusive property of the Lessor, and the District shall have no right, title, or interest therein or thereto except as expressly set forth herein. During the Term of this Sublease Agreement, the District shall hold title to the Site and obtain title to the Project from the Lessor, and any and all additions which comprise fixtures, repairs, replacements or modifications thereof, as construction progresses and lease payments are made to Lessor. During the term of this Sublease Agreement, the Lessor shall have a leasehold interest in the Site pursuant to the Site Lease. If the District prepays the Sublease Payments in full pursuant to Article 27 hereof or otherwise pays all Sublease Payments, all remaining right, title and interest of the Lessor, if any, in and to the Project and the Site, shall be fully transferred to and vested in the District. Title shall be transferred to and vested in the District hereunder without the necessity for any further instrument of transfer. At the termination of this Sublease Agreement, title to the Site, and any improvements constructed thereon shall vest in the District.

26. SUBLEASE PREPAYMENTS/PURCHASE OPTION.

- A. <u>Sublease Prepayments</u>. At any time during the term of this Sublease, the District may, upon the request of the Lessor or on upon its own initiative, make Sublease Prepayments to the Lessor. No Sublease Prepayments requested by the Lessor may be made by the District in an amount not to exceed the aggregate true cost to the Lessor of the work on the Project completed to the date the Lessor submits the request for a Sublease Prepayment less the aggregate amount of: (1) all Sublease Payments previously made by the District to the Lessor; (2) all Sublease Prepayments previously made by the District to the Lessor; (3) all amounts previously retained pursuant to Article 26(A)(3), below, from Sublease Prepayments previously made by the District to the Lessor (unless the Lessor shall have previously substituted securities for such retained amounts pursuant to Article 26(A)(3), and (4) the Retention for such Sublease Prepayment pursuant to Article 26(A)(1), below, have been met. In the event District elects to make Sublease Prepayments, the Prepayment Price, contemplated in Article 26(B), below, shall be adjusted accordingly.
 - (1) The following are conditions precedent to any Sublease Prepayments made to the Lessor pursuant to a request of the Lessor:
 - a. Satisfactory progress of the Construction pursuant to the time schedule required pursuant to Article 9 of the Construction Services Agreement (the "Time Schedule") shall have been made as determined in Article 26 (A)(2), below.
 - b. Lessor shall also submit to the District (i) duly executed conditional lien releases and waivers (in the form provided in California Civil Code section

8132) from the Lessor and all Subcontractors, consultants and other persons retained by the Lessor in connection with the Project, whereby such persons conditionally waive all lien and stop notice rights against the District, the Project and the Project site with respect to the pending Sublease Prepayment to be made by the District, (ii) duly executed unconditional lien releases and waivers (in the form provided in California Civil Code section 8134) from the Lessor and all subcontractors, consultants and other persons retained by the Lessor in connection with the Project, whereby such persons unconditionally and irrevocably waive all lien and stop notice rights against the District, the Project and the Project site with respect to all previous Sublease Prepayments made by the District, and (iii) any other items that the Lessor may be required to collect and distribute to the District pursuant to the terms and provisions of the Construction Services Agreement. Lessor shall promptly pay all amounts due to each subcontractor, consultant and other person retained by Lessor in connection with the Project no later than ten (10) days after Lessor's receipt of a Sublease Prepayment from the District.

- (2) The determination of whether satisfactory progress of the Construction pursuant to the Time Schedule has occurred shall be made by the inspector hired by the District pursuant to Article 10 of the Construction Services Agreement. If the District's inspector determines that pursuant to the Time Schedule, the work required to be performed, as stated in the Lessor's Sublease Prepayment request has not been substantially completed, the Lessor shall not be eligible to receive the requested Sublease Prepayment.
- (3) The District shall retain an amount equal to ten percent (10%) of each Sublease Prepayment ("Retention") made at Lessor's request, unless said Retention is modified pursuant to Article 20 of the Construction Provisions. Lessor shall have the right, as delineated in Article 35 of the Construction Services Agreement, to substitute securities for any Retention withheld by the District, pursuant to the provisions of Public Contract Code section 22300. At any time after fifty percent of the work has been completed, if the Governing Board of the District finds that satisfactory progress is being made, it may make any of the remaining Sublease Prepayments in full
- B. <u>Purchase Option</u>. If the District is not in default hereunder, the District shall be granted options to purchase not less than all the Project in as-is condition. The Prepayment Price at any given time shall be an amount equal to the GMP, as it may be revised from time to time, less the sum of any Sublease Payments and/or Sublease Prepayments made by the District prior to the date on which the District elects to exercise its option under this Section.

27. **RELEASE OF LIENS**.

- A. Notwithstanding Article 26, upon District executing a Certificate of Acceptance and filing a Notice of Completion on the Project, as such term is defined herein and in the Construction Services Agreement, Lessor or its assignee and the District shall release Lessor's leasehold interest in Project and the Site. However, District shall retain any and all claims and or warranties it may have under the Construction Services Agreement.
- B. Lessor shall authorize, execute and deliver to the District all documents reasonably requested by the District to evidence (i) the release of any and all liens created pursuant to the provisions of this Sublease and the Site Lease, and (ii) any other documents required to terminate the Site Lease and this Sublease.

28. <u>TERMINATION OF CONSTRUCTION SERVICES AGREEMENT.</u>

In the event the Construction Services Agreement is terminated pursuant to the provisions contained therein, this Sublease shall immediately terminate.

29. <u>SEVERABILITY</u>.

If any provision of this Sublease shall be held invalid or unenforceable by a court of competent jurisdiction, such holdings shall not invalidate or render unenforceable any other provision of this Sublease, unless elimination of such provision materially alters the rights and obligations embodied in this Sublease.

30. <u>INTEGRATION/MODIFICATION</u>.

This Sublease constitutes the entire agreement between Lessor and the District as to those matters contained herein, and supersedes and cancels any prior oral or written understanding, promises or representations with respect to those matters covered herein, and it shall not be amended, altered, or changed except by a written agreement signed by the parties hereto.

31. NOTICES

Services of all notices under this Sublease shall be sufficient if given personally or mailed to the party involved at its respective address hereinafter set forth or at such address as such party may provide in writing from time to time. Any change in the addresses noted shall not be binding upon the other party unless preceded by no less than thirty (30) days prior written notice. Any such notices shall be deemed to have been received by the addressee if delivered to the person for whom they are intended or if sent by registered mail, return receipt requested, or by telex, telegram, or fax followed by regular mail, addressed as follows:

If to Lessor:	
	Attn:

If to District:

Rancho Santiago Community College District Facility Planning, District Construction and Support 2323 North Broadway, Suite 112-3 Santa Ana, CA 92706-1640 Attn: Carri Matsumoto, Assistant Vice Chancellor

32. <u>TITLES</u>.

The titles to the sections of this Sublease are solely for the convenience of the parties and are not an aid in the interpretation thereof.

33. <u>TIME</u>.

Time is of the essence in this Sublease and each and all of its provisions.

34. LAWS, VENUE AND ATTORNEYS' FEES.

The terms and provisions of this Sublease shall be construed in accordance with the laws of the State of California. If any action is brought in a court of law to enforce any term of this Sublease,

the action shall be brought in a state court situated in the County of **Orange**, State of California, unless a court finds jurisdiction or venue is only proper in a federal court, or a court outside this county. In the event of any such litigation between the parties, each party shall bear its own attorney's fees.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease by their authorized officers as of the day and year first written above.

RANCHO SANTIAGO COMMUNITY COLLEGE		
DISTRICT "DISTRICT"	"LESSOR"	
BY:	BY:	
BY:	BY:	

EXHIBIT A

DESCRIPTION OF PROJECT

EXHIBIT B

DESCRIPTION OF SITE

EXHIBIT C

SITE LEASE

EXHIBIT D

CONSTRUCTION SERVICES AGREEMENT

SANTA ANA COLLEGE DUNLAP HALL RENOVATION

CONSTRUCTION SERVICES AGREEMENT

Between

RANCHO SANTIAGO COMMUNITY COLLEGE DISTRICT

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[]
Dated as of		

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EXHIBIT "A" Scope of Work / Plans and Specifications EXHIBIT "B" Master Budget EXHIBIT "C" DVBE Requirements

EXHIBIT "D" Payment Bond

EXHIBIT "E" Performance Bond

EXHIBIT "F" Insurance/OCIP Description

EXHIBIT "G" Contractor's Certificate Regarding Workers' Compensation

EXHIBIT "H" Drug-Free Workplace Certification

EXHIBIT "I" Conduct Rules for Contractors

EXHIBIT "J" Continuity of Work Agreement

SANTA ANA COLLEGE DUNLAP HALL RENOVATION

CONSTRUCTION SERVICES AGREEMENT

This Construction Services Agreement is made as of	, 2013, by and between the
Rancho Santiago Community College District, a California Community College	ge District organized and existing
under the laws of the State of California (hereinafter called the "District"), and	, a
California corporation operating under the laws of the State of	("Contractor").
General intent of agreement:	
WHEREAS, the District entered into an agreement with	(the "Architect") to provide
architectural services for the District for the purpose of developing plans and spe	ecifications for the construction of
the Dunlap Hall Renovation (DSA #04-112285)(collectively, the "Project").	

1. GENERAL INTENT

- 1.1 The Board of Trustees has reviewed the different methodologies available to deliver a Public Works Project and has carefully considered the options of competitive bid to a general contractor who would be responsible for the entire project, a construction management managed multi-prime trade contract project, an at-risk construction management contract, turn-key delivery by another public entity or delivered by another public entity through a joint use Project, but have through Board action and independent staff and Board review determined that there are benefits and detriments to each delivery method.
- 1.2 The Board of Trustees has also reviewed the Lease-Leaseback methodology under California Education Code section 81335 which permits the governing board of a community college district to lease to any person, firm, or corporation any real property owned by the District if the instrument by which such property is leased requires the lessee to construct on the leased premises, or provide for the construction thereon, of a building for the use of the community college district, during the term of the lease, and provides that title to that building shall vest in the community college district prior to or at the expiration of the lease.
- 1.3 As part of the Board of Trustee's consideration of the possible methods of delivery, the Board has also reviewed available literature considering the benefits and detriments of the Lease-Leaseback delivery method including documents and discussions from the Community College Facility Coalition and the Community College League of California.
- 1.4 If Building Information Modeling is used for the Project, , the Board of Trustees understands that unique to the Lease-Leaseback delivery method, the Lease-Leaseback Contractor will not only be undertaking the traditional Due Diligence of investigating existing Project related information, documents and the Project site, but now included as part of the Contractor's Due Diligence as part of this Lease-Leaseback delivery method, the Contractor will be performing Building Information Modeling of the plans and specifications to visualize conflicts that may have not been located by the Architect as part of the Architect's constructability review when the plans and specifications were being prepared. This Building Information Modeling will allow the walk-through of a project to visualize the actual built project on a computer, views of each unique trade, conflict detection review, work with subcontractors and suppliers to efficiently and cost effectively resolve coordination issues interactively with the Architect and the Architect's design team both before construction and as each subcontractor and supplier for the Project develops submittals that will be coordinated through Building Information Modeling by the Contractor who performs coordination and conflict review of the interaction of each

subcontractor and supplier submittal with the Architect's DSA approved Construction Documents. If Building Information Modeling is not used for the Project, this section is inapplicable and the Contractor shall be required to conduct traditional due diligence, as discussed herein.

- 1.5 The Board of Trustees in its consideration of the substantial evidence that is available to the District staff and through the Board's own research has determined that this ability to work between the Contractor and the Architect to resolve a greater percentage of construction claims that would ordinarily arise through any of the other delivery methods addressed in Article 1.1 above also provides the ability of the Contractor to determine the likely level of errors and omissions, and provides a Guaranteed Maximum Price for the Project based on the complete construction of the Project electronically on a computer and interaction between both the Contractor and the Architect where in the past neither the technology nor the ability to work through potential claims on a computer were available to a California community college district. The unique ability to determine with certainty the budget numbers for the Project provides this Board of Trustees the ability to not only ensure that the District is best serving the community and its students, but also provides the ability to focus resources towards future and simultaneous projects that could not be undertaken during any of the other delivery methods since a sizable contingency needs to be set aside for potential claims, litigation, arbitration, mediation, and delays that could jeopardize the ability to plan for occupancy of the building or the possibility of having to spend significant resources to procure alternative facilities with only litigation and collection of liquidated damages as the tools to redress the failure to properly or timely deliver a Project.
- As part of this Lease-Leaseback Construction Services Agreement, a site lease with Contractor (the "Site Lease"), for the Project has been entered and is attached as Exhibit "A" of the Site Lease (the "Site") in order for Contractor to construct improvements to this existing sites and act as the Owner of the Project to provide a greater degree of control over insurability of the overall Project, ability to coordinate site related items such as utilities and offsite Work, a greater primary control and oversight over subcontractors and suppliers for the Project as the Owner of the Site and the Project.
- 1.7 In addition, the Contractor leases the constructed portions of the Site and the Project back to the District pursuant to a Sublease Agreement (the "Sublease") under which the District will be required to make sublease payments to the Contractor for the use and occupancy of the portions of the Project that are delivered by the Contractor under this Construction Services Agreement as verified by the Contractor, Architect, and Inspector in the Payment Applications that are submitted for the Project; and
- 1.8 It is agreed that either upon the expiration (or at the District's option prior to the expiration) of the Lease and Sublease, title to the Project shall vest in the District; and
- 1.9 Contractor represents that Contractor is uniquely experienced in Construction of Public Schools and Community Colleges including but not limited to the specific requirements and regulations of the Field Act as administered by the Division of State Architect, working with the Division of State Architect, Office of Public School Construction, California Department of Education and work with the various applicable other State and local agencies that have jurisdiction over the Project, is duly licensed as a contractor in the State of California, and is prepared to analyze, synthesize and efficiently perform construction work for the District as more fully set forth in this Agreement
- 1.10 Contractor has thoroughly conducted Due diligence to establish a Guaranteed Maximum Price for the Project (which may include an Errors and Omissions allowance reflecting conflict items that could not be fully revised through the Conflict and Clash resolution

process and an allowance for Contractor's own errors and omissions) that will not be exceeded. Contractor has investigated the site conditions and reviewed the Construction Documents to establish that there are no known problems with respect to the site conditions or the Construction Documents and that Contractor can and will construct the Project for the Guaranteed Maximum Price as set forth in Article 3.8 and defined in Article 5 of this Construction Services Agreement, and Contractor will not seek any additional compensation whatsoever, including, without limitation, any requests based upon known site conditions, extensions on the Lease beyond the Lease period or any requests, except for such additional compensation provided for herein based upon unforeseen conditions and/or errors or omissions contained within the plans and specifications or Construction Documents.

- 1.11 Since the Contractor has entered into a Lease and is performing this Construction Services Agreement on Leased Premises, Contractor understands and agrees that a number of Public Contract Laws do not apply to this project including the following:
- 1.11.1 Public Contract Code Section 1104 addressing completeness and accuracy of plans. Specifically, Contractor has performed Due Diligence concerning the plans, Due Diligence to establish the Construction Contingency, and Due Diligence to establish the Errors and Omissions Contingency to address deficiencies or concerns over accuracy of the plans.
- 1.11.2 Public Contract Code Section 7201 addressing reduction of retention to 5% unless a project is sufficiently complex. Given the fact that the Project is a leased premise and payments made are lease payments for the completed premises which are being leased back to the District, the District shall also withhold another 5% for a total 10% withholding as the District's security deposit for the lease to ensure that the premises that a constructed are not damaged and turned over in a complete and habitable condition.
- 1.11.3 Public Contract Code Section 7107 addressing release of retention payments and penalties for failure to release retention payments within the specified time periods do not apply to the security deposit funds.
- 1.11.4 Public Contract Code Section 4100 et. seq addressing subcontractor listing shall not apply. However, the District is requiring an open book accounting and the public selection of subcontractors pursuant to Article 6.3 of this Agreement.
- 1.11.5 Public Contract Code Section 20651 addressing competitive bidding does not apply to the Project pursuant to the specific language of Education Code Section 81335 which states "...the governing board of a community college district may let, for a minimum rental of one dollar (\$1) a year, to any person, firm, or corporation any real property that belongs to the district if the instrument by which such property is let requires the lessee therein to construct on the demised premises, or provide for construction thereon of, a building or buildings for the use of the community college district during the term thereof..."
- 1.11.6 Public Contract Code Section 3400 addressing proprietary specifications does not apply since the Contractor has leased premises to build a Project. The specific items have been addressed through Due Diligence review and are incorporated as part of the Guaranteed Maximum Price for the Project. Substitutions and Value Engineering are allowed to address cost savings and to more efficiently build the Project at Articles 5.3 and 16.
- 1.11.7 Public Contract Code Section 7104 addressing unforeseen underground conditions and hazardous substances do not apply. However, given the significant costs

associated with unforeseen underground conditions and hazardous substances, to the extent that the Contract Documents and Due Diligence does not disclose either conditions that differ below four (4) feet below the surface or hazardous substances that are not disclosed in either AHERA or hazardous substances surveys, then the District shall approve a change order under District Contingency pursuant to Article 8. Contractor shall thoroughly investigate the site, review existing as-builts, and review existing GPR data, prior to GMP development to establish full contractor Due Diligence. If Contractor encounters unforeseen underground conditions consistent with Public Contract Code Section 7104(c), written notice is required to the District, testing shall be conducted, and Contractor shall continue Work on the Project and shall submit the costs pursuant to the Change Order language at Article 17.

1.11.8 Public Contract Code Section 7105 addressing destruction of premises pursuant to Acts of God. However, instead of statutory termination of a Project that is damaged beyond the noted amount, the District has placed specific insurance requirements for the leased premises to address possible destruction of the Project and the underlying leased premises.

2. TITLE 24 RESPONSIBILITIES – GENERAL INTENT OF THE CSA

Contractor accepts the contractual relationship established between it and District by this Construction Services Agreement, and Contractor covenants with District to furnish reasonable skill and judgment in constructing the Project as set forth in the Construction Documents, as defined in Article 4.14 for the Project which are described and/or set forth herein as Exhibit "A." Contractor agrees to furnish efficient business administration, coordination review of the plans and specifications, coordination of the work of the subcontractors and vendors and superintendence to furnish at all times an adequate supply of professionals, workers, and materials and to perform the work appropriately, expeditiously, economically, and consistent with the Construction Services Agreement and Construction Documents as defined in Article 14, below.

- 2.1 <u>Title 24 Responsibilities</u>. The Contractor shall continually supervise and direct the Work using the Contractor's best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences, procedures; and shall coordinate all portions of the Work in conformance with the Contract Documents. Specific duties of the Contractor shall include those set out in Section 43 of Title 21 of the California Code of Regulations and Section 4-343 of Title 24 of the California Code of Regulations. These duties include, but are not limited to the following:
 - 2.1.1 *Responsibilities*. It is the duty of the Contractor to complete the Work covered by his or her Contract in accordance with the approved Plans and Specifications. The Contractor in no way is relieved of any responsibility by the activities of the Architect, Engineer, Inspector or DSA in the performance of their duties.
 - 2.1.2 *Performance of the Work.* The Contractor shall carefully study the approved Plans and Specifications and shall plan its schedule of operations well ahead of time. If at any time it is discovered that work is being done which is not in accordance with the approved plans and specifications, the Contractor shall correct the Work immediately.
 - 2.1.3 *Inconsistencies*. All inconsistencies or timing or sequences which appear to be in error in the Plans and Specifications shall promptly be called to the attention of the Architect or, Engineer, for interpretation or correction. Local conditions which may affect the structure shall be brought to the Architect's attention at once. In no case, shall the instruction of the Architect be construed to cause work to be done which is not in conformity with the approved plans, specifications, change orders, Construction Change Documents, and as required by law. (See Title 24 Section 4-343)

- 2.1.4 Verified Reports. The Contractor shall make and submit to the office from time to time, verified reports as required in Title 24 Section 4-366. As part of the Close-Out of the Project (see Article 14.15.10), Contractor shall be required to execute a Form 6-C as required under Title 24 Sections 4-343.
- 2.1.5 Reporting Requirements. Contractor shall fully comply with any and all reporting requirements of Education Code Sections 81147, et seq., in the manner prescribed by Title 24, as applicable.
- 2.1.6 Contractor Responsibility. The Contractor shall be responsible to the District for acts and omissions of the Contractor's employees, Subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of the Work under direct or indirect contract with the Contractor or any of its Subcontractors.
- All Work is performed Under the Direction of Inspector. Pursuant to Title 24 2.1.7 requirements, the Contractor shall not carry on Work except with the knowledge of the Inspector. (See Title 24 generally)
- 2.1.8 Contractor to Establish Timing and Protocol with Inspector. Contractor shall establish a protocol for requesting inspection with Inspector so as to not delay the Work and provide adequate time for the Inspector to perform inspection. If such a protocol is not established ahead of time, Inspector may utilize the time criteria set by Title 24 of 48 hours in advance of submitting form DSA 156 for each new area. DSA requirements under PR 13-01 specifically gives the Special Inspector fourteen (14) days to post to the DSA website. Contractor is responsible for delays and for failure to plan.
- 2.1.9 Conformance with Approved Submittals. This conformance includes performing all Work only in conformance with approved Submittals, Shop Drawings, and Samples or the Inspector may be required to issue a DSA Form 154 Notice of Deviation from approved DSA Contract Documents.
- Incremental Assemblies. For some Projects, there may be a need to incrementally 2.1.10 install certain assemblies. It is up to Contractor to identify areas and assemblies that may be constructed incrementally. Contractor must identify and establish incremental areas of construction and establish protocols with Inspector for DSA 152 approvals so they may be presented to DSA. See PR-13 item 2.1.10 for further discussion.
- 2.1.11 Coordination with Outside Contractors. If any of the Work for the Project is known to include Work performed by contractors retained directly by the District, Contractor shall be responsible for the coordination and sequencing of the Work of those other contractors so as to avoid any impact on the Project Schedule.

3. NEGOTIATED TERMS 3.1

District:

	Facilities Planning, District Construction and Suj 2323 North Broadway, Suite 112-3 Santa Ana, Ca 92706-1640	pport
3.2 <u>Notice</u>	es: Carri Matsumoto, Assistant Vice Chancellor e-mail cm23232@rsccd.edu	
3.3 <u>Contr</u>	actor: [Name]	
	[Address]	
EAC Dunlan Hall Denovation		Construction Services Agreement

Rancho Santiago Community College District

		[City]			
		[Telephone]			
3.4	Notices:				
		[e-mail]			
3.5	The following are established through Contractor's review of the Program, Contract Documents and through Contractor's Due Diligence prior to entering into this Agreement:				
3.6	Contract Time (Art. 4.16 and 9.1) is two hundred twenty nine (229) Calendar Days.				
3.7	Liquidated Damages for overstaying Lease (Art. 18) is Three Thousand Dollars (\$300.00) per day.				
3.8	Guaranteed	d Maximum Price (Art. 5) is			
3.8.1	Const	truction Contingency (within GMF	P) is		
3.8.2	Error	s and Omissions Contingency (wit	thin GMP) is		
		on to the GMP is Unforeseen Underted extras as follows:	erground Condition	ons, and District Conting	gency
3.9	District's	Contingency	(Art.	8) District Contingence	is cy is
	carried outside of the GMP.				-

4. <u>DEFINITIONS</u>

- 4.1 Action of the Governing Board is a vote of a majority of the District's Board of Trustees.
- 4.2 <u>Allowances</u> means budgets established for specific scopes of the Work which cannot be clearly defined at the time that the GMP is established. Expenditures from the GMP will either arise from Construction Contingency or Errors and Omissions Contingency and shall be submitted pursuant to Article 17 addressing Change Orders. The amount of the Change Order shall reflect the difference between actual costs approved by the District and the allowance amounts established in the GMP.
- 4.3 <u>As-Builts</u> are a set of Plans and Specifications maintained by the Contractor clearly showing all changes, revisions, substitutions, field changes, final locations, and other significant features of the Project. The As-Builts shall be maintained continuously throughout the Work for the Project and is both a prerequisite to the issuance of Pay Application and a requirement for Contract Close-Out. See Article 13.14.
- 4.4 <u>Architect</u> means the architect, engineer, or other design professional engaged by the District to design and perform general observation of the work of construction and interpret the drawings and specifications for the Project. Also see Article 4.
- 4.5 <u>Beneficial Occupancy</u> is the point in time when a building or buildings are fit for occupancy is fit for occupancy and its intended use Basic requirements are the building is safe, at or near Substantial Completion, and all life safety is operational. The fact that a building is occupied does not mean that the building is ready for Beneficial Occupancy if there are elements that are unsafe or if life safety items are not operational. Taking occupancy on a structure that is under a fire watch is not considered beneficial occupancy. Further, taking of Beneficial Occupancy is not a point in time when retention is due unless

- the entire campus has obtained a Certificate of Substantial Completion that meets the definition of Article 4.42
- 4.6 <u>Claims</u>. A Claim is a request for payment, supported by back-up documentation which includes, invoices time sheets, or other documents substantiating legitimacy or entitlement that is submitted during the Project or immediately following the Project made prior to the Final Retention Payment Application and prior to Final Completion of the Project. A "Claim" means a separate demand by the Contractor for (1) time extension, (2) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the CONTRACT and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (3) and amount the payment of which is disputed by the District. See Article 20.
- 4.7 <u>Close-Out</u> means the process for Final Completion of the Project, but also includes the requirements for the DSA Certification that the Project is Complete (See DSA Certification Guide). See Article 13.16.
- 4.8 <u>Complete</u> means that all Work in the Contract Documents is finished, the requirements of the Contract Documents have been met, the Project has been Closed Out, and all Work has ceased on the Project. This may also be referred to as Final Completion. In most cases, the recording of a Notice of Completion shall represent Completion of the Project. Beneficial Occupancy does not mean the Work is Complete.
- 4.9 <u>Completion Date</u> is the date when all Work for the Project shall be Substantially Complete and is the date assigned at the end of the Contract Time for the Project. See Article 4.42.
- 4.10 Construction Change Document (CCD). A Construction Change Document is a DSA term that is utilized to address changes to the DSA approved plans and specifications. There are two types of Construction Change Documents. (1) DSA approved CCD Category A (DSA Form 140) for work affecting Structural, Access or Fire-Life Safety of the Project which will require a DSA approval; and, (2) CCD Category B (DSA Form 141) for work NOT affecting Structural Safety, Access Compliance or Fire and Life Safety that will not require a DSA approval (except to confirm that no Approval is required). See Article 17.4.
- 4.11 <u>Construction Services Agreement (CSA)</u> means this Construction Services Agreement, together with any duly authorized and executed amendments hereto.
- 4.12 <u>Construction or Construction Services</u> means all labor and services necessary for the construction of the Project, and all materials, equipment, tools, supplies and incidentals incorporated or to be incorporated in such construction as fully described in the Contract Documents.
- 4.13 Construction Costs means any and all costs incurred by the Contractor with respect to the construction and equipping, as the case may be, of the Project, whether paid or incurred prior to or after the date hereof, including, without limitation, costs for Site preparation, the removal or demolition of existing structures, the construction of the Project and related facilities and improvements, and all other work in connection therewith, security of the Site and Project, Contractors' overhead and supervision at the project site, all costs and expenses including any taxes or insurance premiums paid by the Contractor with respect to the Property, and administrative and other expenses necessary or incident to the Project, excluding Contractors' and Developers' home office overhead and profit. The term "Construction Costs" includes all Contractor's costs associated with preparing or generating additional copies of any Construction Documents, as defined below, related to or required for the Project, including preparation or generation of additional plans and specifications for Contractor's subcontractors. In no event shall Construction Costs exceed the Guaranteed Maximum Price.

- 4.14 Construction Documents (Sometimes referred to as Contract Documents) consist of the Agreement between District and Contractor (hereinafter the Agreement or Contract), this Construction Services Agreement, the Lease, the Sublease, (General, Supplementary and other Conditions), Drawings, Specifications, Addenda issued prior to the entry into this Agreement, Modifications issued after execution of the Contract. A Modification is a written amendment to the Contract signed by parties, a Change Order, a Construction Change Document, or a written order for a minor change in the Work issued by the Architect. The Contract Documents collectively form the Contract. The Contract represents the entire and integrated Agreement between the parties hereto and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a written Modification. The Contract Documents shall not be construed to create a contractual relationship of any kind between the Architect and Contractor, between the District and any Subcontractor or Sub-subcontractor, or between any persons or entities other than the District and the Contractor. The Architect shall, however, be entitled to performance and enforcement of obligations under the Contract intended to facilitate performance of the Architect's duties. (See Article 14)
- 4.15 <u>Contract Documents</u> means those documents which form the entire Contract by and between District and Contractor. The Contract Documents consist of this Construction Services Agreement, including all exhibits and attachments hereto, the Construction Documents, the Site Lease(s), and the Sublease(s). See Article 4.14 and 14.
- 4.16 <u>Contract Time</u> is the time period specified in the Contract Documents in which the Project shall be completed. This is sometimes referred to a Contract Duration, or "time in which the Contractor has to complete the Project". See Article 9.
- 4.17 <u>Day means a calendar day unless specifically designated as a business day.</u>
- 4.18 <u>Drawings or Plans</u> are graphic and pictorial portions of the Contract Documents prepared for the Project and approved changes thereto, wherever located and whenever issued, showing the design, location, and scope of the Work, generally including plans, elevations, sections, details, schedules, and diagrams as drawn or approved by the Architect. Sometimes Drawings will also be included in Addenda, Change Orders, and Specifications.
- 4.19 <u>Due Diligence</u> is the review and analysis of "as built", title documents, prior design documents, geotechnical reports, prior design reports, surveys, and site investigations provided by the District and synthesizing of information utilized to determine the components of the GMP. Requirements for Due Diligence are further addressed at Article 5. See Specifically Article 5.3.
- 4.20 <u>DSA</u> is the Division of State Architect. DSA is the agency that provides design and construction oversight for K-12 Schools, Community Colleges, and State Funded Charter School Projects. DSA is the responsible agency for this Project and Contractor has submitted a bid for the Project since Contractor is familiar with Contractor's responsibilities under the DSA requirements more thoroughly set forth at Title 24 of the California Code of Regulations. Contractor agrees to abide by the jurisdiction of DSA and shall construct the Project to conform with the approved plans, specifications, Addenda, and Change Orders (inclusive of approved CCD's and ICD's issued by the District pending CCD approval). The DSA website is at http://www.dgs.ca.gov/dsa.
- 4.21 <u>Float</u> the total number of days an activity may be extended or delayed without delaying the Completion Date shown in the schedule. Float will fall into three categories: (1) Rain Days; (2) Governmental Delays; and, (3) Project Float. See Article 9.2.
- 4.22 <u>Immediate Change Directive (ICD).</u> A written order prepared by the Architect and signed by the District and the Architect, directing a change in the Work where the Work must

- proceed immediately and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. See Article 17.4.1.2
- 4.23 <u>Inspector of Record (IOR)</u> or Project Inspector (PI) is the individual retained by the District in accordance with Title 24 of the California Code of Regulations and who will be assigned to the Project
- 4.24 <u>Guaranteed Maximum Price or GMP</u> means the Guaranteed Maximum Price established pursuant to Article 5 to be paid to Contractor for Contractor's construction of the Project hereunder, subject to any adjustments for Extra Work/Modifications as provided in Article 17.
- 4.25 <u>Notice of Non-Compliance (DSA Form 154)</u> is a document issued by the Inspector if there is a deviation from the DSA approved Plans, Specifications, and Change Orders. See Article 17.2.
- 4.26 <u>Notice to Proceed.</u> After execution of this Construction Services Agreement and the Site Lease(s) and Sublease(s) between the parties, the District shall issue a notice to the Contractor to proceed with the Project ("Notice to Proceed"), which Notice to Proceed shall include the date upon which commencement for the Project shall commence.
- 4.27 <u>Project</u> means the improvements and equipment to be constructed and installed by the Contractor, as more particularly described and/or referenced in Exhibit "A" attached hereto.
- 4.28 <u>Provide, when used throughout this CSA</u> shall incorporate the phrases "provide complete in place," and "furnish and install complete."
- 4.29 <u>Punch List</u> is a list of minor repair items, prepared after the issuance of a Certificate of Substantial Completion, by the Inspector and Architect of Work required in order to complete the Contract Documents and ensure compliance with the DSA Approved Plans so the Project may be Closed Out. Issuance of the Retention Payment is dependent upon the proper completion of the Punch List. See Article 13.16 and Article 29.
- 4.30 Request for Information (RFI) is a written request prepared by the Contractor requesting the Architect to provide additional information necessary to clarify or amplify an item which the Contractor believes is not clearly shown or called for in the drawings or specifications, or to address problems which have arisen under field conditions.
- 4.31 <u>Schedule</u> is the Contractor's view of the practical way in which the Work will be accomplished. In this Agreement there is a requirement for a Baseline Schedule and regular Schedule Updates that show all Work to be completed during the Contract Time and shall include all items listed under Article 9.3. See Article 9.
- 4.32 <u>Schedule of Values</u> is a detailed breakdown of the Contract Price for each Project, building, Phase of Work or Site as determined by the District. This Schedule of Values shall adequately detail the price for the Work so Progress Payments Applications can be meaningfully reviewed by the Inspector, Architect of Record, Engineer of Record, and District. (See Article 13.12)
- 4.33 <u>Separate Contracts</u> are Contracts that the District may have with other Contractors, vendors, suppliers, or entities to perform Work on the Project. This may include, but is not limited to Multi-Prime Trade Contractors, furniture installers, testing agencies, clean-up contractors, or network or low voltage contractors. Contractor shall plan for certain other contractors that may also be working on the Project site and address these other contractors in Contractor's Schedule. See Article 32.

- 4.34 <u>Site_refers</u> to the grounds of the Project or in some cases may refer to multiple sites as defined in the Contract Documents and such adjacent lands as may be directly affected by the performance of the Work.
- 4.35 <u>Site Lease</u> means the Site Lease(s) of even date herewith, by and between the District and the Contractor together with any duly authorized and executed amendment thereto under which the District leases the Site to the Contractor.
- 4.36 <u>Specifications</u> are that portion of the Contract Documents consisting of the written requirements for material, equipment, construction systems, instructions, quality assurance standards, workmanship, and performance of related services.
- 4.37 <u>Standards, Rules, and Regulations</u> referred to are recognized printed standards and shall be considered as one and a part of these specifications within limits specified. Federal, state and local regulations are incorporated into the Contract Documents by reference.
- 4.38 Stop Work Order, or an Order to Comply is issued when either (1) the Work proceeds without DSA approval; (2) the Work proceeds without a DSA Inspector of Record, or (3) where DSA determines that the Work is not being performed in accordance with applicable rules and regulations, and would compromise the structural integrity of the Project or would endanger lives. If a Stop Work Order is issued, the Work in the affected area shall cease until DSA withdraws the Stop Work Order. Pursuant to Education Code Section 81133.5, the District shall not be held liable in any action filed against the District for any delays caused by compliance with the Stop Work Order
- 4.39 <u>Subcontractor</u> means any person or entity, including trade contractors, who have a contract with Contractor to perform any work or supply materials for the Project.
- 4.40 <u>Sublease(s)</u> means the Sublease(s) of even date herewith by and between the District and Contractor together with any duly authorized and executed amendment hereto under which the District subleases the Site from the Contractor.
- 4.41 <u>Sublease Payment</u> means any payment required to be made by the District pursuant to Section 29 of the Sublease.
- 4.42 <u>Substantial Completion</u> is not reached unless and until each of the following three (3) conditions have been met: (1) all contractually required items have been installed with the exception of only minor and Incomplete Punch Items (See Article 13.16); (2) All Fire/Life Safety Systems have been installed, and are working and signed off on the DSA Form 152 Inspection Card, all building systems including mechanical, electrical and plumbing are all functioning; and (3) the Project is fit for occupancy and its intended use. For the purposes of this Contract, any references to Completion Date means Substantial Completion Date.
- 4.43 <u>Substitution</u> is a change in product, material, equipment, or method of construction from those required by the Construction Documents proposed by the Contractor. Specific requirements for substitutions are set forth at Article 16.
- 4.44 Work shall include all labor, materials, services and equipment necessary for the Contractor to fulfill all of its obligations pursuant to the Contract Documents. It shall include extension of Contractor's obligations to subcontractor to perform Subcontractor Due Diligence including, but not limited to, visiting the Site of the proposed Work (a continuing obligation after the commencement of the Work), fully acquainting and familiarizing itself with the conditions as they exist and the character of the operations to be carried out under the Contract Documents, and make such investigation as it may see fit so that it shall fully understand the facilities, physical conditions, and restrictions attending the Work under the Contract Documents. Each such Contractor or Subcontractor shall also thoroughly examine

and become familiar with the Drawings, Specifications, and associated Contract Documents.

4.45 <u>Workers</u> include laborers, workers, and mechanics.

5. ESTABLISHMENT OF GUARANTEED MAXIMUM PRICE "GMP"

- 5.1 <u>Guaranteed Maximum Price (GMP)</u> is a price agreed upon between the District and Contractor that shall not be exceeded for the Construction of the Project within the Contract Time based on Contractor's thorough review of the Contract Documents, Due Diligence in investigation of all aspects of the Project. A Construction Contingency (Article 5.2.1) and an Errors and Omissions Contingency (Article 5.2.2) is contained within the GMP. Costs that are outside of the GMP shall be the result of either a District request (from District Contingency), an amount from Allowances or after District has been timely notified in writing of the existence of an unforeseen Condition as follows:
 - 5.1.1 Allowance Items
 - 5.1.2 Owner Requested Additional Work (See Article 8)
 - 5.1.3 Unforeseen Underground Soil Conditions that meet the requirements of Article 13.15.5 and 18.4.
 - 5.1.4 Unforeseen Hazardous Substances that were not noted or addressed either in the Due Diligence or identified by the District under Article 13.15.5 and 18.4.
- GMP. As a result of the Due Diligence of Contractor, the GMP for the Project is set forth 5.2 under Article 3.8. The GMP is based upon all Due Diligence performed, the approved plans and specifications, and all other Contract Documents existing and reviewed by the Contractor at the time this Construction Services Agreement is entered into as more fully described and referenced in the Scope of Work set forth in Exhibit "A." Contractor's detailed line item costing of the Project, or Master Budget, totaling the GMP is attached hereto as Exhibit "B." Furthermore, District and Contractor represent and warrant that the GMP consists of Sublease Payments which incorporate tenant improvement/progress payments to be paid by District during the course of construction, plus the additional sums to be paid as a portion of the rental of the Site. District and Contractor represent and warrant that 1) the total amount of Sublease Payments and optional prepayment thereof includes the total rental for the Project, which total does not exceed the fair market value for the Project, 2) said rental amount has been incorporated into the GMP in consideration and inducement of this document and the Site Lease and Sublease Agreement(s), the uses and purposes which may be served by the Project, and the benefits therefrom which will accrue to the District and the general public, and 3) said rental amount shall be paid by the District as a part of the GMP, pursuant to the terms of this document, with District nonlocal match contribution local funds.

The parties agree that the GMP includes an agreed upon fair market rental value to be paid as rental/lease payments or prepayment thereof, therefore no additional rental payments shall be made by District. Sublease Payments by the District pursuant to the Sublease and Section 29 hereof shall be commensurate with the GMP.

The GMP is an "all inclusive" price for the Project that is calculated after significant Due Diligence. Except for Owner Requested Changes, and the Allowance, the GMP shall not be exceeded under any circumstances. Contractor has taken on all contingencies and calculated those contingencies out in the form of the Construction Contingency. Contractor specifically agrees that once the Construction Contingency is fully exhausted, that Contractor can and shall complete the

Project pursuant to the terms of this Agreement within the Contract Time. No disputes concerning compensation, extras, application of Contingencies, or Allowances shall be utilized as grounds to slow down or to stop work. The following two contingencies have been calculated through the Due Diligence of the Contractor and shall be calculated against the contingency amounts based on application of the Change Order language of Article 17.

- 5.2.1 Construction Contingency. The Construction Contingency set forth at Article 3.8.1 is for the use of the Contractor, as approved by the District, to pay for miscellaneous work items which are required to complete the Project including to cover trade scope gaps, missed work, areas of damage that may occur between trades during construction, subcontractor coordination problems, and Contractor coordination errors. The Contractor shall not use the Construction Contingency to pay for costs related to the following: (a) errors or omissions in the construction documents; (b) discrepancies with the plans and specifications pertaining to applicable building code requirements; and/or (c) enhancements or additions to the Scope of Work desired by the District. The Contractor shall obtain written approval from the District's representative prior to using the Construction Contingency. Furthermore, the District has the autonomy to use the Construction Contingency as it sees fit. The following may be considered, at the District's sole discretion, valid Construction Contingency items: 1) overtime and premium time, 2) costs to address safety items, 3) coordination issues and errors, 4) stop gaps, 5) trade damage, and 6) savings from substitutions. If on final completion of the Project, funds are remaining in the Construction Contingency, such funds shall remain unspent and allocated to the District as the District sees fit to use.
- 5.2.2 Errors and Omissions Allowance. Within the GMP shall be a line item amount to cover errors and omissions in the plans and specifications ("Errors and Omissions Allowance"). The Errors and Omissions Allowance at Article 3.8.2 is calculated based on a thorough review of the plans and specifications and a constructability review of the documents. Specifically, it is the coordination items that could not be addressed through the clash detection and coordination meetings and a factor determined based on the coordination review that has been performed by Contractor. The Errors and Omissions Allowance is created from Contractor's Due Diligence and based on Contractor's experience on similar projects. As a result, Contractor agrees that Contractor shall not seek to charge District for Errors and Omissions in excess of the Errors and Omissions Allowance. In other words, the Errors and Omissions Allowance is the maximum sum available to compensate the Contractor for Errors and Omissions on the part of the Architect and Architect's Consultants and is the maximum amount that can be charged.
 - 5.2.2.1 In the event errors or omissions are discovered in the plans and specifications which make strict compliance with the specifications impractical, Contractor shall identify why the specific item was not addressed in the Constructability review and Clash Detection. Secondly, Contractor must identify the reason the errors and omissions could not be foreseen. Upon a satisfactory showing, the District may include these costs to the Errors and Omissions Allowance.
 - 5.2.2.2 Any Delays associated with errors and omissions that make compliance with the plans impractical shall also be evaluated under the same criteria as 5.2.2.1. Failure to include proper justifying documentation shall constitute a waiver of the associated Claim.

Contractor shall notify the District under the Change Order Provisions of the need for such work and specifically identify the Work as Errors and Omissions by submitting to the District for its consideration and approval or disapproval, a written request for the work before such work is performed. If District approves such request in writing, the costs of the work, shall be added to or deducted from the Errors and Omissions Allowance within the GMP. Any funds remaining in the Errors and Omissions Allowance at the completion of the Project shall remain unspent and allocated to the District as the District sees fit to use, except for any portions of Savings added to the Errors and Omissions Allowance, which Savings shall be allocated between the parties as provided in Article 7 below.

5.3 Due Diligence

- 5.3.1 Documents Reviewed. Contractor has visited the site, entered and evaluated the structures on the site, reviewed all as-built information, environmental reports, Asbestos Hazard Emergency Response Act of 1986 reports applicable to the Project, lead reports, reports on any other hazardous substances, reviewed environmental impact reports, reviewed applicable mitigation measures for the Project, performed any testing to assure Contractor of the current site conditions, reviewed available records from City and/or County Records on the Project
- 5.3.2 Review of Existing Conditions. Contract must have performed basic confirmation of the As-Built information that exists as part of the Due Diligence process. This basic confirmation shall include:
- 5.3.3 <u>Confirmation of overall dimensions</u> of major column lines, location of elements where coordination of new construction to existing construction is to occur, confirmation that the rooms noted are located on the drawings, review and confirmation that rooms have not been reconfigured.
 - 5.3.3.1 <u>Confirmation of location for utilities and supporting infrastructure.</u> Contractor shall review the utilities and confirm that the infrastructure from the As-Builts and Contract Documents are consistent with the actual As-Built Conditions of the Project site.
 - 5.3.3.2 <u>Confirmation that fire/life safety elements are consistent with expectations of the Contract Documents.</u> Specifically, confirmation of the integrity of one-hour corridors, fire separations, working fire sprinklers, working fire alarms, communications systems, EMS systems, and other systems that are to remain in use and relied upon as part of the anticipated Project.
 - 5.3.3.3 Review of the Environmental Documents (Asbestos, Lead, PCB's, etc.) and general confirmation that the scope of hazardous substances is consistent with that which is shown on the environmental reports that are provided.
 - 5.3.3.4 Confirmation of Working hours and specific conditions which will affect the ability to work. Contractor shall check requirements for the local city and county and confirm working hours and days, testing schedules at the District for days when work shall not occur, other critical days when work cannot occur, mitigation measures in the EIR or Negative Declaration that may affect the ability to Work on the Project. This review shall help Contractor build a working schedule for the Project.
- 5.3.4 Review of Construction Documents. Contractor has performed a complete and diligent review of all plans, specifications, addenda, bulletins or other documents provided as the Construction Documents or otherwise mentioned in the Construction

Documents. The Contractor has written RFIs to address potential design issues prior to the GMP development to obtain a comprehensive GMP that addresses design and constructability issues.

- 5.3.5 *Inconsistencies*. All inconsistencies, timing or sequences which appear to be in error in the Plans and Specifications shall promptly be called to the attention of the Architect or, Engineer, for interpretation or correction. Local conditions which may affect the structure shall be brought to the Architect's attention at once. In no case, shall the instruction of the Architect be construed to cause work to be done which is not in conformity with the approved plans, specifications, change orders, Construction Change Documents, and as required by law. (See Title 24 Section 4-343)
- 5.3.6 [*RESERVED*]
- 5.3.7 *Coordination Review.* Contractor shall perform a constructability review of the Construction Documents as part of its Due Diligence to determine the level of Errors and Omissions that should be included in the Errors and Omissions Allowance.
- 5.3.8 Option if No Clash Detection or Coordination Review. If no Clash detection or Coordination Review is performed, the District has the option of not including any Errors and Omissions contingency in the GMP.
- Price Fluctuations. As part of Contractor's due diligence responsibilities, Contractor 5.3.9 is required to order, obtain, and store materials and equipment sufficiently in advance of its Work at no additional cost or advance payment from District to assure that there will be no delays. Contractor understands that this is a multi-year contract and that materials fluctuate in value and shall have adequately addressed market fluctuations through agreements with Contractor Vendors or by other means. Contractor further understands and incorporates into Contractor's bid cost any wage rate increases during the Project for the Contractor's labor force as well as all other subcontractor and vendor labor forces. Contractor also understands the length of the Project schedule and has incorporated an appropriate budget to include labor, material, and equipment escalation costs into the GMP. At no time will the District accept any costs associated with these increases. District shall not be responsible for market fluctuations in costs or labor rate increases during the Project. Contractor further has incorporated any and all cost increases in areas of Work where there may be schedule variations so that cost increases are not passed through to the District.
- 5.3.10 Coordination Review. Contractor has thoroughly reviewed the plans, specifications, and other Due Diligence documents and satisfied itself that the Construction Contingency is adequate to complete the Project for the GMP. Such review, as further described in this Article, includes site investigations, interviews, constructability reviews, cost estimating, boring, testing, investigation with subcontractors and suppliers on pricing and availability of materials, and other actions to satisfy Contractor that the Project GMP is sufficient to Complete the Project.
- 5.3.11 *Due Diligence Determinations.* Contractor has utilized all the available Due Diligence information to verify that the contingencies and allowances are adequate and that the Project can be constructed without exceeding the GMP:
 - 5.3.11.1 <u>Construction Contingency</u>. Based on review of the scope of work submitted from each subcontractor, Contractor's Due Diligence and review shall be utilized to determine the size of the Construction Contingency to cover unforeseen conditions (other than noted in Article 5.1), cover trade scope gaps, missed work, areas of damage that may occur between trades during construction, subcontractor coordination

problems, Contractor coordination errors, and miscellaneous work items

- 5.3.11.2 <u>Errors and Omission Contingency.</u> Based on a thorough review of the available Construction Documents and information located pursuant to the Due Diligence performed, a set-aside (if agreed upon with the District in writing) may be made for an Errors and Omissions allowance that may be utilized to compensate for construction work to correct Errors and Omissions in the plans and specifications.
- 5.3.11.3 <u>District Contingency (sometimes called Owner Contingency).</u> District Contingency is a sum that is set aside by the District to address any additional services. Specifics on application of the Owner Contingency are set forth at Article 8.
- 5.3.12 Implied Warranty Plans Are Fit for Construction Does Not Apply. Public Contract Code Section 1104 addressing the warranty that plans are fit for construction does not apply to this Project since Contractor has had an opportunity to conduct this Due Diligence Review and set both Construction Contingency and Errors and Omission Contingency to address potential constructability or coordination problems in the plans. District has, however, excluded both underground conditions and hazardous substances from contingency amounts due to the unpredictability associated with encountering such conditions. Nevertheless, Contractor is to notify District, conduct testing, and continue with Work on areas containing underground and hazardous conditions so as to not delay the Work.
- 5.3.13 Schedule. Contractor's Due Diligence will also be critical to the Contractor's determination of the number of days required to complete the Project. Contractor will determine if the suggested number of days from the District and Architect can be performed and shall also consider whether the Project requires Governmental or Rain day float that exceeds that set forth in Article 9. If Contractor does not note any concerns with the suggested Contract Time, then it is presumed that Contractor is in agreement with the proposed completion date the Contractor, by entering into this Agreement, has determined for itself that the Project Contract Time is realistic, reasonable and includes all required Float under Article 9.

6. OPEN BOOK ACCOUNTING AND SELECTION OF SUBCONTRACTORS

- 6.1 Open Book Accounting. The Contractor's GMP shall be based on actual procured quotes and bids from subcontractors, vendors, and suppliers or based on estimated costs. In addition, Contractor shall include an estimated overhead and profit line item along with the cost for Contractor supplied labor. This total construction cost, or Base Cost, shall be added to subcontractor, vendor and supplier contingencies and the Construction Contingency (which includes an Errors and Omissions Allowance) to form the entire GMP. As costs are incurred during the course of the Project, the Job Cost Accounting shall be updated to include actual costs incurred. A report on costs shall be prepared as part of the GMP process and shall be provided on a regular basis to the District.
 - 6.1.1 *Purpose*. While competitive bidding is often viewed as the lowest price, utilizing the lowest bid neither results in the best contractor, efficient construction, or a properly completed product. In some cases, the Project becomes significantly more expensive because competitive bid contractors either don't understand the drawings, aren't qualified to build the Project, or are seeking to utilize the legal process to make money by bringing claims against the District. The lease Leaseback methodology provides the ability to negotiate for the most qualified competent contractor and allow coordination and interaction between the Contractor, Architect and District to alleviate

unnecessary problems or areas that would result in claims. However, in exchange for this flexibility and reduction in claims, it is in the District's best interests, as a public entity, to ensure that the Project accounting information is available for review and the financial aspects of the Project can be fully reviewed. Thus, Contractor agrees that all job cost information shall be kept in an "open book" manner, shall show the actual transactions that occurred for the Project and shall be disclosable to the State if State funds are being utilized.

6.1.2 [Reserved]

- 6.1.3 Value Engineering During the Project. In addition to Value Engineering addressed at Article 5 below, Contractor may have occasion where better pricing can be obtained from subcontractors or suppliers. This better pricing shall be treated as part of Savings under Article 7.
- 6.2 <u>Scope Reduction Not Savings</u>. The District at all times shall have the right to reduce the scope of the Project. If the District reduces the scope of the Project, the GMP shall be reduced to contemplate the reduced Scope of Work, pursuant to the provisions of Article 17. To the extent possible, it is the mutual goal of the District and Contractor to maximize the Scope of Work as allowed by the GMP. Reductions in scope are not considered Savings.

6.3 Selection of Subcontractors

6.3.1 In the interest of minimizing the expenditure of funds for the construction of the Project, the Contractor agrees to select appropriately State of California licensed subcontractors for each trade component of the Project in a manner that fosters competition. Contractor agrees that it will either solicit bids from subcontractors pursuant to the competitive bid procedures set forth in the Public Contract Code, including the specific provisions of Public Contract Code section 20110 et seq., or utilize an informal bidding process established by the Contractor which also incorporates competitive bid procedures subject to prior District written approval. Unless an alternative procedure is accepted by the District in writing, Contractor shall: (1) solicit a minimum of six (6) bids per trade, (2) Pre-qualify bidders and identify for the District, prior to day of bid opening, the criteria for pre-qualification of subcontractors for District comment and approval, (3) Require bidders to attend bid walk, provide notice and allow District representative and District's consultants to be present at mandatory bid walk, (4) Provide District with Notice to Bidders and a list of all solicited bidders, (5) Provide District with summary sheet of all bid amounts on day of bid opening, (6) Provide notice and allow District representative to be present at bid opening, (7) Prior to providing Guaranteed Maximum Price, provide District with a CD including all bid documents scanned in PDF, and (8) comply with the DVBE requirements in accordance with Section 6.3.3 below. Contractor shall ensure that the proposed subcontractors have the financial resources, qualifications, and experience to complete the work for which it is proposed and is available to do so. Contractor shall also provide the District with a detailed recommendation with regard to which subcontractor(s) and supplier(s) it believes will bring the most value to the Project, review all proposals for comparability with regard to scope, and adjust and organize all proposals in such a manner that will allow the District Team to compare them on an equal basis. Contractor shall inform all bidders that the District will not be a party to any contracts for construction services executed by the Contractor and selected bidders, subcontractors or suppliers. No Project subcontractor shall be afforded the protections of Public Contract Code section 4100 et seq. In no case will the Contractor award any subcontracts until the District has concurred to the scope and price of the subcontracted services in writing. The Contractor shall verify the Experience Modification Rate (EMR) for the proposed subcontractors prior to bid

- solicitation to ensure they meet the Owner Controlled Insurance Program (OCIP) requirements, referenced herein. The District shall have final approval of subcontractors and suppliers.
- 6.3.2 Contractor shall provide the District with full documentation regarding the bids or competitive quotes received by Contractor. In no event shall such documentation be redacted or obliterated. In the event the Contractor does not comply with this provision, the District may terminate this Construction Services Agreement in accordance with the provisions of Section 19 below.
- 6.3.3 Compliance with Disabled Veteran Business Enterprise (DVBE) contracting goals is required under this Construction Services Agreement. In accordance with Education Code section 71028 the District has a DVBE participation goal of 3% per year of the overall dollar amount expended each year by the District. The District is seeking DVBE participation under this Construction Services Agreement.
 - 6.3.3.1 The Contractor must require bidding subcontractors to make a good faith effort to contact and utilize DVBE contractors and suppliers in securing bids for performance of the Project. Their efforts shall be documented on the DVBE Good Faith Effort Form attached as Exhibit C. Information regarding certified DVBE firms can be obtained from the Office of Small Business Certification and Resources (OSBCR) at (916) 323-5478 or (916) 322-5060 as well as the OSBCR website at www.dgs.ca.gov/osbcr. Verification of DVBE status must be obtained from the OSBCR by receiving an approved certification letter and reference number from that office. Contractor must retain documentation of its good faith efforts, in the event such documentation is requested by the District. Good faith efforts are demonstrated by evidence of the following: a) contact was made with the District regarding the identification of DVBEs; b) contact was made with other state agencies and with DVBE organizations to identify DVBEs; c) advertising was published in trade papers and papers focusing on DVBEs; d) invitations to bid were submitted to potential DVBE contractors; and e) available DVBEs were considered.

7. <u>SAVINGS AND VALUE ENGINEERING</u>

- 7.1 General Intent. The purpose of Savings is to minimize the expenditure of funds for the construction of the Project on items that exceed the minimum criteria required without a corresponding benefit to the District. The District also wishes to eliminate any excess quality levels or performance criteria provided in the construction documents so long as such elimination does not alter the design, aesthetics, safety standards or configuration or space, and does not increase future maintenance and operation costs. The District and the Contractor shall work cooperatively with each other, in good faith, to identify appropriate opportunities to reduce the Project costs and promote Savings. There are two stages when Savings may be generated. They are (1) Value Engineering when establishing the GMP and (2) Savings generated through changes, reductions, or subcontractor negotiations that may occur after the GMP is established.
 - 7.1.1 Value Engineering is a review of systems so excess quality, unnecessary design elements, reconfiguration for efficiency, or other changes may be made to reduce the cost of a project. Sometimes, timing and sequences or re-use of materials that are unique to a project or area may generate savings. For example, if export soil is generated on a site which may have a substantial cost for transportation and removal could be sold to offset the costs incurred then a savings may be generated for the

Project. Similarly, if concrete is ground, it may be sold for aggregate rather than as demolished construction materials.

- 7.1.2 Other Savings is savings generated over the course of the Project through subcontractor negotiations, replacement of subcontractors, or through other means and shall be calculated as part of the overall costs for the Project as part of the "Open Accounting" of the Project and shall be counted towards Project Savings.
- 7.2 Sharing and Calculation for Return of Savings. The Contractor is required to return to the District savings associated with the project as it relates to value engineering, contractor buy out, overhead and general conditions savings, substitution savings, and scope duplications savings. The savings shall be tracked under a monthly report and provided as part of the pay application documents. If Contractor realizes a Savings on an aspect of the Project, including but not limited to, Value Engineering or Other Savings after the GMP is established and after execution of this Construction Services Agreement, such Savings shall be returned to the District. The District can also use the project savings to refill any Contingency budgets or allowance budgets, as needed. Calculation of Savings shall be determined by adding all expenses for the Project (excluding Change Orders and Owner and Construction Contingency Expenses), separating out overhead costs and either using the actual overhead costs, or the percentage set for overhead in the Article 5.3, whichever is higher an applying the percentage for profit against the GMP (less Change orders, Owner and Construction Contingency). Any remaining money shall be considered Savings. If the Project expenses exceed the GMP, then there are no Savings for the Project and the GMP shall apply. A separate calculation of whether there are savings associated with Change Orders under the Owner and Construction Contingency may be performed to determine if there are any savings that remain on these areas and applied to the overall savings calculation
- 7.3 <u>Savings Determined Through Audit.</u> District may, at its own costs, have an audit conducted of the project related job costs to determine Savings as further outlined in Article 21

8. <u>DISTRICT CONTINGENCY</u>

- 8.1 Sometimes, it is sometimes necessary to accommodate for changes to the Project arising from the program that will be occupying the Project when it is completed, actually seeing the physical construction and seeing items that would better suit the educational program or practical operation of the buildings that are part of this CSA.
- 8.2 The District Contingency is an allowance for use by the District that can be used to pay the Contractor to perform additional services ("Additional Services") not described in this Construction Services Agreement. This District Contingency is outside of the GMP, is not part of the original bond, except to the extent that District contingency is utilized as a Change to the Contract under Article 17, and may be used for Owner requested additions, revisions to the Project, moving furniture or equipment, and other District unforeseen items. Contractor shall provide a cost estimate and a written description of the Additional Services required to perform such work. The District shall set aside a contingency amount outside the GMP, defined at Article 5 ("District Contingency") in the amount set forth at Article 3.9, which District Contingency shall be used for such Additional Services. Compensation for such Additional Services shall be negotiated and agreed upon in writing, in advance of Contractor's performing or contracting for such Additional Services. Nothing in this Construction Services Agreement shall be construed as limiting the valuation and amount to be paid to Contractor for such Additional Services or its implementation should a written agreement for such services be executed. Contractor shall not be entitled to compensation for Additional Services required as a result of Contractor's acts, errors or omissions. Further any Architectural Errors and Omissions shall not come out of District Contingency.

8.3 Additionally, while District is in no way limited by the manner in which it decides to utilize the District Contingency, said District Contingency shall not be used for any costs associated with errors or omissions in the plans and specifications until such time, if ever, the Errors and Omissions Allowance has been fully exhausted. Any funds remaining in the District Contingency at the completion of the Project shall remain unspent and remain allocated to the District.

9. SCHEDULE

- 9.1 <u>Contract Time:</u> Contractor shall perform and reach Substantial Completion (See Article 4.42) within the time specified in the Agreement. Moreover, Contractor shall proceed on a properly developed and approved CPM Master Baseline Schedule, which represents the Contractor's view of the practical way in which the Work will be accomplished. Note that Contract Time includes and incorporates all Float and other Baseline inclusions as noted in Article 9.3 and as otherwise specifically noted in Article 9
- 9.2 Float is the total number of days an activity may be extended or delayed without delaying the Completion Date shown in the schedule. Float will fall into three categories: (1) Rain Days; (2) Governmental Delays; and, (3) Project Float. Project Float and Rain Days are owned by the Project and may be utilized as necessary for critical path delays once the days become available for consumption (i.e. the rain day arrives and is not utilized since rain did not occur or Work was performed on the interior of a building). However, Governmental Delay float shall not be utilized for purposes other than to address critical path delays that arise due to approvals, Inspector approvals or verifications on governmental forms.
 - 9.2.1 Governmental Delay Float. Given DSA requirements for submission and approval of CCD's prior to a DSA Form 152 sign off on areas of Work that deviate from approved plans and specifications, and the anticipated delays that may arise from this CCD procedure, no less than twenty-five (25) days per calendar year shall be set aside as Governmental Float to be utilized on critical path delays. A pro-rated number of days shall be calculated based on length of Contract Time. (For example, a two (2) year Contract Time shall require fifty (50) days of Governmental Float. If the Contract Time is 182 days, then the Contract Time shall require twelve and one half (12.5) days of Governmental Float) This Governmental Delay float must be incorporated into the schedule and should be incorporated in each critical activity as Contractor deems fit. Specifically, major categories of Work under the DSA 152 (Project Inspection Card) should be allocated Governmental Delay Float at the Contractor's discretion. Governmental Delay Float on the Project may exceed 25 days per one (1) year period, but Contractor is required to include not be less than 25 days of Governmental Delay Float during each one (1) year period.
 - 9.2.2 Inclement Weather (Rain Days). The Contractor will only be allowed a time extension for unusually severe weather if it results in precipitation or other conditions which in the amount, frequency, or duration is in excess of the norm at the location and time of year in question as established by the National Oceanic and Atmospheric Administration (NOAA) weather data. No less than 22 calendar days for each Calendar year for Southern California. The NOAA weather related days (22 days in Southern California) shall be set aside as float within the Baseline Schedule. Additional days beyond the NOAA shall be considered under the same criteria that weather days are granted below.
 - 9.2.3 Granting of Days beyond those Anticipated. A Rain Day shall be granted by Architect or CM if the weather prevents the Contractor from beginning Work at the usual daily starting time, or prevents the Contractor from proceeding with seventy-five (75%) of the normal labor and equipment force towards completion of the day's current controlling item on the accepted schedule for a period of at least five hours, and the

- crew is dismissed as a result thereof, the Architect will designate such time as unavoidable delay and grant one (1) critical path activity calendar-day extension if there is no available float for the calendar year.
- 9.2.4 *Project Float* is all remaining float, including extra days included in a particular activity.
- 9.3 <u>Inclusions in Baseline.</u> In addition to Scheduling requirements set forth at Article 9, Contractor is specifically directed to include in Contractor's Baseline Schedule and all Schedule updates that provide for the following items required pursuant to this CSA, including but not limited to:
 - 9.3.1 Rain Day Float (excluding inclement weather) as required under Article 9.2.2. For example, if the NOAA provides 22 days of rain days, all 22 days must be incorporated and noted in the schedule. Further, any days required to clean-up or dry out shall be included for operations that are likely to require a clean-up or dry out period. Days that are not utilized shall be considered float owned by the Project.
 - 9.3.2 Governmental Delay Float under Article 9.2.1. This Governmental Delay Float shall only be utilized for Governmental Delays and shall not be considered available float owned by the Project. This float shall only be distributed to the Project upon the completion of the Project and shall be used to offset liquidated damages for overstaying the Lease and shall not generate compensable delays.
 - 9.3.3 Submittal and Shop drawing schedule under Article 9.6 and 15.6.
 - 9.3.4 Deferred Approvals under Article 15.3 and 15.6
 - 9.3.5 Time for separate contractors, including furniture installation and start up activities, under Article 32.
 - 9.3.6 Coordination and timing of any drawings, approvals, notifications, permitting, connection, and testing for all utilities for the Project. (See Article 13.15.2.)
 - 9.3.7 Testing, special events, or District activities.
- 9.4 <u>Schedule Updates.</u> Contractor shall update the schedule each month to address actual start dates and durations, the percent complete on activities, actual completion dates, estimated remaining duration for the Work in progress, estimated start dates for Work scheduled to start at future times and changes in duration of Work items
 - 9.4.1 Listing of Items Causing Delays. Schedule Updates shall provide a listing of activities which are causing delay in the progress of Work and a narrative shall be provided showing a description of problem areas, anticipated delays, and impacts on the Construction Schedule. Simply stating "District Delay" or "Architect Delay" shall be an inadequate listing.
 - 9.4.2 Recovery Schedule. In addition to providing a schedule update every thirty (30) days, the Contractor, shall take the steps necessary to improve Contractor's progress and demonstrate to the District and Architect that the Contractor has seriously considered how the lost time, the Completion Date, or the milestones that are required to be met within the terms of the Contract. Contractor shall provide a Recovery Schedule showing how Milestones and the Completion Date will be met.
 - 9.4.2.1 <u>Failure to Provide a Recovery Schedule.</u> Shall subject Contractor to the assessment of Liquidated Damages for failure to meet the Contract Time.

- 9.5 <u>Time of the Essence.</u> Time limits stated in the Contract Documents are of the essence to the Contract. By executing the Agreement, the Contractor confirms that the Contract Time is a reasonable period for performing the Work
- 9.6 <u>Time for Preparing Submittals Must Be Incorporated in Schedule</u>: Contractor shall include Submittals as line items in the Baseline Schedule. Time for preparing and coordinating Submittals shall not delay the Work, Milestones, or the Completion Date.
- 9.7 Reference Supplemental Conditions for Submittal Timelines. Failure to provide the submittals by the listed timelines will subject the Contractor to the assessment of Liquidated Damages for failure to meet the Contract timelines.

10. INSPECTION OF WORK/INSPECTOR AND ARCHITECT

- 10.1 <u>Inspection of Work/Inspector</u>. The District shall hire its own Division of State Architect Inspector as required by law. District, District's Representatives, and the Division of the State Architect shall at all times have access to the work whether it is in preparation or progress, and Contractor shall provide proper facilities for such access and for inspection.
 - 10.1.1 General. One or more project inspectors employed by the District and approved by the Division of the State Architect will be assigned to the Work in accordance with the requirements of Title 24 of the California Code of Regulations. The Inspector(s) duties are as specifically defined in Title 24 Section 4-333 and 4-342 and in DSA IR A-8.
 - 10.1.2 Inspector's Duties and DSA Noted Timelines for Inspection. All Work shall be under the observation of the Inspector. Contractor shall establish a protocol for requesting inspection with Inspector so as to not delay the Work and provide adequate time for the Inspector to perform inspection. If such a protocol is not established ahead of time, Inspector may utilize the time criteria set by Title 24 of 48 hours in advance of submitting form DSA 156 for each new area. The Inspector shall have free access to any or all parts of the Work at any time. The Contractor shall furnish the Inspector such information as may be necessary to keep the Inspector fully informed regarding progress and manner of Work and character of materials. Such observations shall not, in any way, relieve the Contractor from responsibility for full compliance with all terms and conditions of the Contract, or be construed to lessen to any degree the Contractor's responsibility for providing efficient and capable superintendence. The Inspector is not authorized to make changes in the drawings or specifications nor shall the Inspector's approval of the Work and methods relieve the Contractor of responsibility for the correction of subsequently discovered defects, or from its obligation to comply with the Contract Documents.
 - 10.1.3 Electronic Posting. Inspector shall electronically post DSA required documents on the DSA electronic posting website. It is the Contractor's responsibility to determine the status of posting and determine if all the criteria for sign off of a category of Work on the Project Inspection Card (Form DSA 152) as defined more thoroughly in the most current version of the DSA 152 manual posted on the DSA website.
 - 10.1.4 *Incremental Approvals under PR-13*. Inspector may collaborate with Contractor about approval of areas that may be constructed and approved incrementally under the DSA 152 card pursuant to the guidelines of PR-13 at Article 1.17. Inspector shall work with Contractor to present incremental approval proposals to DSA.
 - 10.1.5 Inspector's Authority to Reject or Stop Work. The Inspector shall have the authority to reject Work whenever provisions of the Contract Documents are not being complied with, and Contractor shall instruct its Subcontractors and employees

accordingly. In addition, the Inspector may stop any Work that poses a probable risk of harm to persons or property. The Contractor shall instruct its employees, Subcontractors, material and equipment suppliers, etc., accordingly. The absence of any Stop Work Order or rejection of any portion of the Work shall not relieve the Contractor from any of its obligations pursuant to the Contract Documents.

- 10.1.6 Inspector's Facilities. Within seven (7) days after notice to proceed, the Contractor shall provide the Inspector with the temporary facilities as required. More specific requirements for the Inspector facilities may be further described under Division 1 of the Specifications.
- 10.1.7 Testing Times. The District will provide inspection and testing at its cost during the normal eight (8) hour day Monday through Friday (except holidays). Work by the Contractor outside of the normal eight (8) hour day shall constitute an authorization from the Contractor to the District to provide inspection and testing as required outside of the normal eight (8) hour day. Contractor shall provide adequate time for inspections so as to not delay the Work. An advanced timing protocol may be established pursuant to Article 10. If the Contractor is behind Schedule then it is incumbent on the Contractor to provide advance forecast through look ahead of the anticipated date for inspection so the Inspector may plan their activities so as to not delay the Project. Contractor shall reimburse District for any additional costs associated with inspection and testing (including re-inspection and re-testing) outside the normal eight-hour day and for any retests caused by the Contractor pursuant to Article 10.4.
- Contractor Is Required to Coordinate Testing and Inspections. It is the Contractor's responsibility to request special inspections with sufficient time so all testing may be timely completed and posted so work may proceed and the Inspector's signature is attached to the Project Inspection Card (Form 152). Specifically, timely request for special inspection under the DSA Verified Report Forms 291 (laboratory), DSA Verified Report Form 292 (Special Inspection), and DSA Verified Report 293 (geotechnical) since DSA requirements under PR 13-01 specifically gives the Special Inspections 14 days to post to the DSA website. Failure to plan and pay (if applicable) for quicker delivery of Special Inspections may be counted as Float, but is not considered Governmental Delay Float under Article 9.2.1.
- 10.1.9 Special Inspection Out of State, Out of Country or Remote from Project. If Contractor has a subcontractor or supplier that requires in plant or special inspections or tests that are out of the Country, out of State or a Distance of more than 200 miles from the Project site, the District shall provide the Special Inspector or individual performing tests time for inspection and testing during normal work hours. Contractor, however, is responsible for the cost of travel, housing, food, out of area premiums that may be in the Inspector/Testing Agreement with District, or other expenses necessary to ensure proper inspection or testing is provided by a DSA Certified Inspector, Special Inspector, or individual performing tests. In some cases all three (DSA Inspector, Special Inspector, and Testing) may be required. In addition, if the DSA Certified Inspector, Special Inspector, or individual performing test has contractual travel clauses or special rates for out of town inspection, Contractor is responsible for all costs associated with the contractual travel costs in addition to all other costs. Arrangements for inspection and/or testing shall be made far enough in advance so as to not delay the Work.
- 10.2 <u>STOP WORK ORDER.</u> DSA may issue a Stop Work Order, or an Order to Comply, when either (1) the Work proceeds without DSA approval; (2)_the Work proceeds without a DSA Inspector of Record, or (3) where DSA determines that the Work is not being performed in accordance with applicable rules and regulations, and would compromise the structural

integrity of the Project or would endanger lives. If a Stop Work Order is issued, the Work in the affected area shall cease until DSA withdraws the Stop Work Order. Pursuant to Education Code Section 81133.5, the District shall not be held liable in any action filed against the District for any delays caused by compliance with the Stop Work Order, except to the extent that an error or omission by the District is the basis for the issuance of the Stop Work Order.

10.3 Inspector's Field Office. Contractor shall provide for the use of inspector a separate trailer or temporary private office of not less than seventy five square feet of floor area to be located as directed by District and to be maintained until removal is authorized by District. The Office shall be of substantial waterproof construction with adequate natural light and ventilation. Door shall have a key type lock or padlock hasp. The Inspector's field office shall have heating and air-conditioning and shall be equipped with a telephone, internet connection, working computer, a fax machine and use of an on-site copier at Contractor's expense. A table satisfactory for the study of plans and two chairs shall be provided by Contractor. Contractor shall provide and pay for adequate electric lights, and adequate heat and air conditioning for the field office until authorized removal.

10.4 RESPONSIBILITY FOR ADDITIONAL CHARGES INCURRED BY THE DISTRICT FOR PROFESSIONAL SERVICES

- If at any time prior to the completion of the requirements under the Contract Documents, the District is required to provide or secure additional professional services (including CM, Inspection, Architect, Engineering and Special Consultant Services) for any reason by any act of the Contractor, the District may seek a Deductive Change Order for any costs incurred for any such additional services, which costs shall be deducted from the next progress payment. A Deductive Change Order shall be independent from any other District remedies and shall not be considered a waiver of any District rights or remedies. District will develop a tracking mechanism to track the deductive CORs required for the items identified in this Section. Contractor will be advised of the associated costs and will be given proper notification and reporting of the potential deductive change order amounts. If payments then or thereafter due to the Contractor are not sufficient to cover such amounts, the Contractor shall pay the difference to the District. Additional services shall include, but shall not be limited to, the following:
 - Services made necessary by the default of the Contractor (Article 19 or Article 12.2).
 - b) Services made necessary due to the defects or deficiencies in the Work of the
 - Preparation of a CCD or ICD to correct a Contractor Deficiency, or Contractor Caused Notice
 - d) of Non-Compliance (Article 17.2)
 - Services required by failure of the Contractor to perform according to any provision of the Contract Documents.
 - f) Services in connection with evaluating substitutions of products, materials, equipment, Subcontractors' proposed by the Contractor, and making subsequent revisions to drawings, specifications, obtaining DSA approvals, DSA costs for review of CCD's, other governmental agency review costs, and providing other documentation required (except for the situation where the specified item is no longer manufactured or available). (Article 16)

- g) Services for evaluating and processing Claims or Disputes submitted by the Contractor in connection with the Work outside the established Change Order process.
- h) Services required by the failure of the Contractor to prosecute the Work in a timely manner in compliance within the specified time of completion.
- Services in conjunction with the testing, adjusting, balancing and start-up of equipment other than the normal amount customarily associated for the type of Work involved.
- Services in conjunction with more than one (1) re-review of Submittals of Shop Drawings, product data, samples, RFI's etc.

11. ARCHITECT

- 11.1 Architect's Status. In general and where appropriate and applicable, the Architect shall observe the progress and quality of the work on behalf of the District. The Architect shall have the authority to act on behalf of District only to the extent expressly provided in this Construction Services Agreement. After consultation with the Inspector and after using his/her best efforts to consult with the District, the Architect shall have authority to stop work whenever such stoppage may be necessary in his reasonable opinion to insure the proper execution of the Construction Services Agreement. Contractor further acknowledges that the Architect shall be, in the first instance, the judge of the performance of this Construction Services Agreement
- 11.2 <u>Architect's Decisions.</u> Contractor shall promptly notify District in writing if the Architect fails within a reasonable time, make decisions on all claims of the District or Contractor and on all other matters relating to the execution and progress of the Project.

12. DISTRICT RESPONSIBILITIES

- 12.1 District Site Representations. District warrants and represents that, District has, and will continue to retain at all times during the course of construction, legal title to the Site and that said land is properly subdivided and zoned so as to permit the construction and use of said Site. District further warrants and represents that title to said land is free of any easements, conditions, limitation, special permits, variances, agreements or restrictions which would prevent, limit, or otherwise restrict the construction or use of said facility. However, in the event easements for permanent structures or permanent changes in existing facilities are necessary, they shall be secured and paid for by District, unless otherwise specified. Reference is made to the fact that District has provided information on the Site to Contractor. Such information shall not relieve the Contractor of its responsibility; and the interpretation of such data regarding the Site, as disclosed by any borings or other preliminary investigations, is not warranted or guaranteed, either expressly or implicitly, by the District. The Contractor shall be responsible for having ascertained pertinent local conditions such as location, accessibility and general character of the Site and for having satisfied himself as to the conditions under which the work is to be performed. After the Due Diligence engaged in by Contractor to establish a proper price for the GMP, no claim for any allowances because of Contractor's error or negligence in acquainting himself with the conditions at the Site will be recognized except as specifically noted as unforeseen under Article 5.1.3 or Article 5.1.4.
- 12.2 <u>Partial Default: District Right to Take Over Work (Two (2) day notice to Cure and Correct)</u>. If the Contractor Defaults or neglects to carry out the Work in accordance with the Contract Documents, the District may provide a two (2) business day written notice to cure (a shorter period of time in the case of Emergency or a critical path delay) Contractor's

Partial Default in a specific segregated area of work. The District's right to issue a Partial Default of the Contractor's Work and take over that segregated area of Work includes, but is not limited to:

- a) Failure to supply adequate workers on the entire Project or any part thereof;
- b) Failure to supply a sufficient quantity of materials;
- c) Failure to perform any provision of this Contract;
- Failure to comply with safety requirements, or due to Contractor is creation of an unsafe condition;
- e) Cases of bona fide emergency;
- f) Failure to order materials in a timely manner;
- g) Failure to prepare deferred-approval items or Shop Drawings in a timely manner;
- Failure to comply with Contractor's Baseline or Update Schedule, meet critical Milestones which would result in a Delay to the Critical Path, or Delay the Contract Time;
- Failure to comply with the Subletting and Subcontracting Fair Practices, Public Contract Code section 4100, et seq.
- j) Failure to meet the requirements of the American's with Disabilities Act;
- k) Failure to complete Punch List work;
- 1) Failure to proceed on an Immediate Change Directive
- 12.2.1 Failure to correct a Notice of Deviation. If during the two (2) business day period, the Contractor fails to Cure and correct the deficiency noted in the notice of Partial Default with diligence and promptness, the District may correct such deficiencies without prejudice to other remedies the District may have, including a Termination for Cause as set forth in Article 19.
- 12.2.2 Service of Notice of Partial Default with Right to Cure. A written notice of Partial Default and right to Cure under Article 12.2 ("Article 12.2 Notice" or "Notice of Partial Default") shall be served by facsimile (with a copy provided by e-mail to the e-mail address provided on the Bid submitted and copied to the Project Superintendent).
- 12.2.3 Shortened Time for Partial Default in the Case of Emergencies. In an Emergency situation, the District may correct any of the deficiencies described in Article 12.2 without prejudice to other remedies by providing service of written notice of Emergency requiring a shortened time for Partial Default specifying the time given to Cure, if any.
- 12.2.4 Shortened Time for Partial Default in the Case of Critical Path Delay. In the case of critical path delay, the District may correct any of the deficiencies described in Article 12.2 without prejudice to other remedies providing service of written notice of Critical Path Delay to the Contractor with a specific description of the critical path delay items noting the line item or area of Work that is on the Critical Path and prescribe the length of shortened time to Cure, if any.

12.2.5 Written Notice of Partial Default to be Deducted by Deductive Change Order. The District shall have the right to determine the reasonable value of the Article 12.2 Partial Default Work, or if there is an actual value for the Work, shall use that value and issue a Deductive Change Orders under Article 17.6.

13. CONTRACTOR RESPONSIBILITIES.

- 13.1 Full Time Supervision. Contractor shall keep on the Work at all times during its progress a competent, English speaking construction Superintendent satisfactory to the District. The Superintendent shall be present on a full-time basis, shall be dedicated exclusively to the Project and shall not share superintendency duties with another project or job. The Superintendent shall not be replaced except with written consent of the District. The Superintendent shall represent the Contractor in its absence and shall be fully authorized to receive and fulfill any instruction from the Architect, the Inspector, the District or any other District representative (including CM in the cases where the District has a CM representative). All Requests for Information shall be reviewed and signed by the Superintendent and Project Manager and responses thereto shall be given to the Superintendent and Project Manager. The Superintendent shall have authority to bind Contractor through the Superintendent's acts. The Superintendent shall represent the Contractor, and communications given to the Superintendent shall be binding on the Contractor. Before commencing the Work, Contractor shall give written notice to District (and CM representative) and Architect of the name and a Statement of Qualifications of such superintendent. Superintendent shall not be changed except with written consent of District, unless a superintendent proves to be unsatisfactory to Contractor and ceases to be in its employ, in which case, Contractor shall notify District and Architect in writing. Contractor shall provide a replacement superintendent approved by the District prior to performing additional work.
- 13.2 <u>Staff</u>: Notwithstanding other requirements of the Contract Documents, the Contractor and each Subcontractor shall: (1) furnish a competent and adequate staff as necessary for the proper administration, coordination, supervision, and superintendence of its portion of the Work; (2) organize the procurement of all materials and equipment so that the materials and equipment will be available at the time they are needed for the Work; and (3) keep an adequate force of skilled and fit workers on the job to complete the Work in accordance with all requirements of the Contract Documents.
- 13.3 Contractor shall notify District and Architect, in writing, when Contractor desires to change the Project Manager for the Project, and shall provide the information specified above. The new Project Manager cannot serve on the Project until approved by District. District shall have the right, at any time, to direct a change in Contractor's Project Manager if performance is unsatisfactory, as determined by District, in its sole discretion.
- 13.4 Contractor shall give efficient supervision to the work, using its skill and attention and shall cause working drawings and specifications to be prepared and submitted to the District. Following agreement by Contractor and District with respect to said working drawings and specifications, it shall be Contractor's responsibility to perform the work described in said working drawings and specifications in substantial compliance with the Construction Documents.
- 13.5 Right to Remove. District shall have the right, but not the obligation, to require the removal from the Project of any superintendent, staff member, agent, or employee of any Contractor, Subcontractor, material or equipment supplier.
- 13.6 <u>Discipline</u>. The Contractor shall enforce strict discipline and good order among the Contractor's and Subcontractor's employees, and other persons carrying out the Contract. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks

assigned to them. As used in this subsection, "unfit" includes any person who the District concludes is improperly skilled for the task assigned to that person, who fails to comply with the requirements of this article, or who creates safety hazards which jeopardize other persons and/or property.

13.7 <u>Labor and Materials</u>

- 13.7.1 *Contractor to Provide.* Unless otherwise provided in the Contract Documents, the Contractor shall provide and pay for labor, material, equipment, tools, construction equipment and machinery, water, heat, air conditioning, utilities, transportation, and other facilities, services and permits necessary for proper execution and completion of the Work whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.
- 13.7.2 Quality. Unless otherwise specified, all materials and equipment to be permanently installed in the Project shall be new and shall be of the highest quality or as specifically stated in the Contract Documents. The Contractor shall, if requested, furnish satisfactory evidence as to kind and quality of all materials and equipment within ten (10) days of a written request by the District, including furnishing the District with bona fide copies of invoices for materials or services provided on the Project. All labor shall be performed by workers skilled in their respective trades, and shall be of the same or higher quality as with the standards of other public construction.
- 13.7.3 *Replacement*. Any work, materials, or equipment, which do not conform to these requirements or the standards set forth in the Contract Documents, may be disapproved by the District, in which case, they shall be removed and replaced by the Contractor at no additional cost or extension of time to the District.
- 13.8 <u>Pre-Construction Orientation/Construction Meetings</u>. The Contractor, in conjunction with the District and the Architect, shall conduct pre construction orientation conferences for the benefit of Subcontractors to orient the Subcontractors to the various reporting procedures and site rules prior to the commencement of actual construction. These Pre-Construction meetings shall include Clash Check Resolution and coordination of the subcontractor Work to help reduce Errors and Omissions and Construction Contingency requests and shall incorporate the Constructability Due Diligence review done by Contractor.
- 13.9 Owner Meetings. The Contractor shall conduct construction and progress meetings with District Representatives, and Construction Managers that occur at least weekly and as otherwise requested by the District, to discuss such matters as procedures, progress problems and scheduling. The Contractor shall prepare and promptly distribute official minutes of such meetings to all parties in attendance including Architect, District and Inspector.
- 13.10 <u>Budget/Cash Flow Reports.</u> The Contractor shall incorporate approved changes as they occur, and develop cash flow reports and forecasts for submittal to the District on a monthly basis. The Contractor shall provide regular monitoring of the approved estimates of Construction Costs, showing actual costs for activities in progress, and estimates for uncompleted tasks. The Contractor shall identify variances between actual and budgeted or estimated costs, and advise the District and the Architect whenever Project costs exceed budgets or estimates. The Contractor shall maintain cost accounting records on authorized additional services or work performed under unit costs, additional work performed on the basis of actual costs of labor and materials, or other work requiring accounting records.
- 13.11 <u>Progress Reports.</u> The Contractor shall record the progress of the Project, and shall submit monthly written progress reports to the District and the Architect including information on

the entire Project, showing percentages of completion and the number and amounts of proposed Extra Work/Modifications and their effect on the Construction Costs as of the date of the report. The Contractor shall also keep a daily log containing a record of weather, Contractors, work on the site, number of workers, work accomplished, problems encountered, and other similar relevant data as the District may require. The Contractor shall make the log available to the District and the Architect. The District shall be promptly informed of all anticipated delays. In the event that the Contractor determines that a schedule modification is necessary, the Contractor shall promptly submit a revised Schedule for approval by the District

13.12 Schedule of Values.

- 13.12.1 Break Down of Schedule of Values. Schedule of Values shall be broken down by Project, site, building, milestone, or other meaningful method to measure the level of Project Completion as determined by the District. The schedule of values shall include, but not be limited, to the Subcontractor Cots, the costs for the Submittals, Punch Lists, Commissioning and Start-Up, Close Out Submittals, and As-Builts
- 13.12.2 Based on Contractor Bid Costs. The Schedule of Values shall be based on the costs from Contractor's bid to the District. However, the submission of the Schedule of Values shall not be front loaded so the Contractor is paid a greater value than the value of the Work actually performed and shall not shift funds from parts of the Project that are later to Work that is performed earlier.
- 13.12.3 Largest Dollar Value for Each Line Item. Identify subcontractors and materials suppliers proposed to provide portions of Work equal to or greater than ten thousand dollars (\$10,000) or one-half (1/2) of one percent (1%) of their Contract Price, whichever is less.
- 13.12.4 *Allowances*. Any Allowances provided for in the Contract shall be a line item in the Schedule of Values.
- 13.12.5 *Labor and Materials Shall Be Separate*. Labor and Materials shall be broken into two separate line items unless specifically agreed in writing by the District.
- 13.12.6 *District Approval Required.* The District shall review all submissions of Schedule of Values received pursuant to this Article in a timely manner. All submissions must be approved by the District before becoming the basis of any payment.
- 13.13 <u>Scheduling.</u> Contractor shall complete the construction pursuant to the CPM Construction as required under Article 9.
- 13.14 As Builts. Throughout the duration of the Project, Contractor shall maintain on a current basis an accurate and complete set of As-Built Drawings (and Annotated Specifications) clearly showing all changes, revisions to specifications and substitutions during construction, including, without limitation, field changes and the final location of all electrical and mechanical equipment, utility lines, ducts, outlets, structural members, walls, partitions, and other significant features. In case a specification allows Contractor to elect one of several brands, makes, or types of material or equipment, the annotations shall show which of the allowable items the Contractor has furnished. The Contractor will update the As-Built Drawings and Annotated Specifications as often as necessary to keep them current, but no less often than weekly.
 - 13.14.1 *Updates*. Contractor shall update As-Built Drawings with complete information on an area of Work at or near the time when the Work is being performed and prior to any DSA 152 sign off and prior to any Work being covered.

- 13.14.2 *Storage*. The Record Drawings and Annotated Specifications shall be kept at the Site and available for review and inspection by the District and the Architect. Failure to maintain and update the Record Drawings is a basis to withhold Progress Payments pursuant to Article 29.4.
- 13.14.3 *Upon Beneficial Occupancy*. Contractor shall obtain and pay for reproducible plans upon Beneficial Occupancy. Contractor shall deliver Plans to District Representative (Construction Manager if one is hired for the Project).
- 13.14.4 As-Builts at Completion of Work. On completion of the Work and prior to and as a condition precedent to Application for Retention Payment, the Contractor will provide one neatly prepared and complete set of As-Built Drawings and Annotated Specifications to the District. Contractor shall certify the As-Builts as a complete and accurate reflection of the actual construction conditions of the Work by affixing a Stamp indicating the Drawings are As-Builts and Certifying Accuracy on the final set of As-Builts. Contractor shall also scan the As-builts in color and provide a complete PDF copy in a flash drive to the Architect and the District.
- 13.14.5 Log of Control and Survey Documentation. Contractor shall complete and maintain an accurate log or all control and survey documentation for the Project as the Work progresses. All reference and control points shall be recorded on the As-Built drawings. The basis of elevations shall be one of the established benchmarks that must be maintained on the As-Builts.
- 13.14.6 Record Coordinates for Key Items. Contractor shall record, by coordinates, all utilities on-site with top of pipe elevations, major grade and alignment changes, rim, grate or top of curb and flow line elevations of all drainage structures and sewer manholes. Contractor shall update record information at or near the time when work is occurring in an area and prior to DSA 152 sign off on any category of Work and prior to covering the Work.
- 13.14.7 *BIM As-Built Drawings*. If BIM is utilized for the Project, then an electronic version of such As-Built Drawings and Annotated Specifications will be delivered to District (in an acceptable format to District).

13.15 <u>Miscellaneous Obligations of Contractor</u>

- 13.15.1 District Permit and Other Obligations. It is expressly understood that the District shall pay the DSA for the DSA inspector, soils testing, DSA fees, special testing, etc. If additional review or permits become necessary for reasons not due to Contractor's fault or because of DSA requirements or regulations implemented after the date the GMP is established and not reasonably anticipated at the time the GMP is established, Contractor may seek compensation only for the direct cost (without mark up or added fees) of that review, as an additional cost. In the alternative, District may pay such costs directly to DSA. (Offsite costs and additional inspection costs)
- 13.15.2 Contractor Permit Obligations. Contractor shall pay for all remaining general building permits and ancillary permits and licenses not paid by District prior to the commencement of this Construction Services Agreement. Contractor shall also be responsible for arranging and overseeing all necessary inspections and tests, including inspections by the DSA, permits and occupancy permits, and ensure compliance with any Federal and State laws. All municipal charges for permanent utilities including, but not limited to, sewer, electrical, phone, gas, water, and irrigation shall be paid for by District. Contractor shall be responsible for arranging the payment of such fees by District at least one (1) week in advance of when the payment is due. Contractor may

- either request reimbursement from District for such fees (at direct cost only), or obtain the funds from District prior to paying such fees.
- 13.15.3 Protection. The Contractor shall establish procedures for the protection of all existing structures, equipment, utilities, and other existing improvements, both on site and off site.
- 13.15.4 *Nuisance Abatement.* The Contractor shall develop a mutually agreed upon documented program with the District to abate and minimize noise, dust, and disruption to normal activities at the existing facilities on the Site, including procedures to control on site noise, dust, and pollution during construction.
- 13.15.5 Site Mitigation and Remediation. Contractor shall be required to undertake Site mitigation or remediation at its sole cost for items identified in the Due Diligence Documents provided to Contractor. For underground conditions below four (4) feet and hazardous substances that differ from representations in Contract Documents or Due Diligence Documents, Contractor shall provide notice within five (5) days after the discovery of the occurrence of the unforeseen conditions. If Due Diligence documents and information provided to Contractor does not provide notice of the Unforeseen condition then the costs for such work shall be added as an extra pursuant to Article 17. Costs shall be billed to Construction Contingency. However, to the extent Construction Contingency is exceeded, District shall increase the Construction Contingency to include any costs that exceed Construction Contingency arising from Unforeseen underground Conditions and Hazardous substances (see Article 5.1.3 and 5.1.4) that are not documented in the Construction Documents or in the Due Diligence documents reviewed.
- 13.15.6 Utilities. The Contractor shall perform and pay for all temporary utility hook ups and connections; the District shall pay for use of utilities during construction, as well as any fees owed to utility suppliers for connection to existing mainline facilities. Buildings shall be connected to water, gas, sewer, and electric services, complete and ready for use. Service connections shall be made and existing services reconnected.
- 13.15.7 Sanitary Facilities. The Contractor shall provide a sanitary temporary toilet building as directed by the inspector for the use of all workers. The building shall be maintained in a sanitary condition at all times and shall be left at the site until the inspector directs removal. Use of toilet facilities in the work under construction shall not be permitted except by approval of the Inspector.
- 13.15.8 Layout and Field Engineering. All field engineering required for laying out this work and establishing grades for earthwork operations shall be furnished by the Contractor at its expense. Such work shall be done by a qualified civil engineer or land surveyor licensed in California and approved by the Architect. Any required "as built" drawings of site development shall be prepared by a qualified civil engineer or land surveyor licensed in California and approved by the Architect.
- 13.15.9 *Cutting and Patching*. Contractor shall do all cutting, fitting, or patching of work as required to make its several parts come together properly and fit it to receive or be received by work of other contractors showing upon, or reasonably implied by, the drawings and specifications for the completed structure. Contractor shall make good after them as Architect may direct. All cost caused by defective or ill-timed work shall be borne by party responsible therefore. Contractor shall not endanger any work by cutting, excavating, or otherwise altering work and shall not cut or alter work of any other contractor save with consent or at the direction of Architect.

- 13.15.10 Documents on the Project Site. Contractor shall keep one copy of all Contract Documents, including addenda, change orders, Division I, Title 21 of the California Code of Regulations, Parts 1-5 and 12 of Title 24, and Title 22 of the California Code of Regulations, and the prevailing wage rates applicable to the Project, which are a part of Contract Documents, on job at all times. Said documents shall be kept in good order and shall be available to District representative, Architect and his representatives. Contractor shall be acquainted with and comply with the provisions of said Titles 21, 22 and 24 as they relate to this Project. (See particularly Duties of the Contractor, Title 24 California Code of Regulations, section 4-343.) Contractor shall also be acquainted with and comply with all California Code of Regulations provisions relating to this project, particularly Titles 17, 19, 21, 22 and 24.) Contractor shall also make available all books, records, accounts, contracts, bids, etc. upon request of District.
- 13.15.11 *Contractor to Bind Subcontractors to the Provisions of this Contract.* Contractor shall ensure that Subcontractors are bound to the same extent as Contractor is bound to District.
- 13.15.12 Contractor Responsible for Means and Methods. Contractor shall be solely responsible for the construction means, methods, techniques, sequences, procedures, and coordinating all portions of the work under the Contract Documents, unless the Contract Documents give other specific instructions concerning these matters. Contractor shall be responsible to see that the finished work complies accurately with the Contract Documents. Contractor shall not perform the work without utilizing the Contract Documents or, where required, approved shop drawings, product data, or samples for any such portion of the work.
- 13.15.13 Contractor Responsible for Acts and Omissions of Employees. Contractor shall be responsible to District for acts and omissions of Contractor's employees, subcontractors, material and equipment suppliers, and their agents, employees, invitees, and other persons performing portions of the work under direct or indirect contract with Contractor or any of its subcontractors.
- 13.15.14 General DSA Compliance. During the term of this Agreement, Contractor shall coordinate its services with the District, Architect, Project Inspector, and other parties to ensure that all requirements set forth in the DSA's Inspection Card (Form 152) and any subsequent revisions or updates thereto issued or required by DSA, or any other/alternate processes are being met in compliance with DSA requirements. Contractor shall take all action necessary as to not delay progress in meeting any DSA requirements. Contractor shall meet any applicable requirements set forth in DSA's Construction Oversight Process Procedure (PR 13-01) and any subsequent revisions or updates thereto issued or required by DSA. Any references to DSA requirements for the Project shall be deemed to include and incorporate any revisions or updates thereto.

13.16 Close Out

- 13.16.1 All DSA Close-Out requirements (See DSA Certification Guide). Contractor is also specifically directed to Item 3.2 in the DSA Certification Guide and the applicable certificates for the DSA-311 form.
- 13.16.2 Punch List Is Prepared Only After the Project Is Substantially Complete. The Inspector and Architect shall prepare a Punch List of items which is an inspection report of the Work, if any, required in order to complete the Contract Documents and

ensure compliance with the DSA Approved Plans so the Project may be Completed by the Contractor and a final DSA Close-Out is approved. When all Work for the Project is Complete, including Punch Lists and all Work complies with the approved Contract Documents and Change Orders, the Project has reached Final Completion.

- 13.16.3 *Time for Completion of Punch List.* Contractor shall only be given a period of no more than thirty (30) days to complete the Punch List on Project. During the Punch List period Contractor Superintendent and Project Manager shall remain engaged in the Project and shall not be removed or replaced. If the Punch List is not completed at the end of the Punch List time then Contractor shall issue a valued Punch List within 5 days after the date the Punch List time ends. If Contractor does not issue such a list, the Owner or Architect may issue a valued Punch List to the Contractor and withhold up to 150% of the value of the Punch List Work.
- 13.16.4 As-Builts Up to Date and Complete. The intent of this procedure is to obtain an exact "As-Built" record of the Work upon completion of the project. The following information shall be carefully and correctly drawn on the prints and all items shall be accurately located and dimensioned from finished surfaces of building walls on all record drawings
 - 13.16.4.1 The exact location and elevations of all covered utilities, including valves, cleanouts, etc. must be shown on As-Builts
 - 13.16.4.2 Contractor is liable and responsible for inaccuracies in As-Built drawings, even though they become evident at some future date.
 - 13.16.4.3 Upon completion of the Work and as a condition precedent to approval of Retention Payment, Contractor shall obtain the Inspector's approval of the "As-Built" information. When completed, Contractor shall deliver corrected sepias and/or a Diskette with an electronic file in a format acceptable to the District.
 - 13.16.4.4 District may withhold the cost to hire a draftsman and potholing and testing service to complete Record As-Built Drawings at substantial cost if the Contractor does not deliver a complete set of Record As-Built Drawings. This shall result in withholding of between \$10,000 to \$20,000 per building that does not have a corresponding Record As-Built Drawing.
- 13.16.5 Any Work not installed as originally indicated on drawings
- 13.16.6 *All DSA Close-Out requirements* (See DSA Certification Guide). Contractor is also specifically directed to Item 3.2 in the DSA Certification Guide and the applicable certificates for the DSA-311 form.
- 13.16.7 Submission of Form 6-C. Contractor shall be required to execute a Form 6-C as required under Title 24 Sections 4-343. The Contractor understands that the filing with DSA of a Form 6-C is a requirement to obtain final DSA Approval of the Construction by Contractor and utilized to verify under penalty of perjury that the Work performed by Contractor complies with the DSA approved Contract Documents.
- 13.16.8 Contractor shall be Responsible for All Costs to Certify the Project. The District may Certify the Project complies with Approved Plans and Specifications by utilizing the procedures under the Project Certification Guide (Located at the DSA website at http://www.documents.dgs.ca.gov/dsa/plan_review_process/project_certification_guiderupdated 03-15-13.pdf). All costs for professionals, inspection, and testing required

for an alternate Project Certification shall be the Contractor's responsibility and the District reserves its right to institute legal action against the Contractor and Contractor's Surety for all costs to Certify the Project and all costs to correct Non-Compliant Work that is discovered during the Alternate Certification Process.

- 13.16.9 ADA Work that must be corrected to receive DSA certification. See Article 41.
- 13.16.10 *Maintenance Manuals*. At least thirty (30) days prior to final inspection, three (3) copies of complete operations and maintenance manuals, repair parts lists, service instructions for all electrical and mechanical equipment, and equipment warranties shall be submitted. All installation, operating, and maintenance information and drawings shall be bound in 8½" x 11" binders. Provide a table of contents in front and all items shall be indexed with tabs. Each manual shall also contain a list of subcontractors, with their addresses and the names of persons to contact in cases of emergency. Identifying labels shall provide names of manufactures, their addresses, ratings, and capacities of equipment and machinery.
- 13.16.11 Maintenance manuals shall also be delivered in electronic media for the Project. Any demonstration videos shall also be provided on electronic media.
- 13.17 Correction of Work: Warranty. Neither final payment nor any provision in the Contract Documents shall relieve Contractor of responsibility for faulty materials or workmanship incorporated in the Project. Contractor warrants that all work under this Construction Services Agreement will be free of faulty materials or workmanship and hereby agrees, within ten (10) days upon receiving notification from District, to remedy, repair or replace, without cost to District, all defects which may appear as a result of faulty materials or workmanship in the Project, at any time, or from time to time, during a period beginning with commencement of the Project and ending one (1) years after the date of completion of the Project, as defined in Article 18 hereof. The foregoing warranty of Contractor also applies to the remedy, repair or replacement of defects which may appear as a result of faulty designs prepared by Contractor and/or any party retained by, through or under Contractor in connection with the Project, but the foregoing warranty of Contractor does not guarantee against damage to the Project sustained by use, wear, intentional acts, accidents, or lack of normal maintenance or as a result of changes or additions to the Project made or done by parties not directly responsible to Contractor, except where such changes or additions to the Project are made in accordance with Contractor's directions. No guarantee furnished by a party other than Contractor with respect to equipment manufactured or supplied by such party shall relieve Contractor from the foregoing warranty obligation of Contractor. The warranty period set forth herein above shall not apply to latent defects appearing in the Project, and with respect to such defects, the applicable statute of limitations shall apply. Contractor agrees to provide the District with all equipment and materials warranties provided by manufacturers to District but has no obligation to assist in processing such warranty claims after said one (1) year warranty period.
 - 13.17.1 Assignment of Subcontracts. Upon the Completion of the Warranty period, Contractor shall assign to the District all subcontracts with subcontractors, material suppliers or other vendors that provided Work for the Project. This assignment shall include all purchase orders and any change orders or addenda that were executed with the assigned subcontractor.
 - 13.17.1.1 <u>Documents to be Provided to District.</u> Contractor shall provide the following documents to the District as part of Close Out of the project:

- Subcontractor Warranty. Contractor shall provide any warranty documents, including warranties consistent with the requirements of this Contract and the Contract Documents.
- Contracts. Contractor shall provide copies of all subcontracts, amendments, change orders and other documents associated with the subcontractor's scope of work and price for work on the Project.
- c. Subcontractors Bound to the Same Extent as Contractor. The Subcontractors shall be bound to the same extent as the Contractor is bound by this CSA and Subcontractors shall be required to include assignment of their contracts to the District.
- Bonds Assignable. Contractor shall ensure that subcontractor performance and payment bonds are assignable and can be assigned to the District.
- e. Unconditional Releases. Contractor shall provide as part of the Close Out of the Project, Unconditional Releases for each Subcontractor and Material supplier that provided Work for the Project.
- f. *Project Files.* Contractor shall provide the District a copy of the entire subcontractor file, including any submittals or shop drawings that were provided by subcontractor.
- g. District Reserves the Right to Assume Subcontractor Contracts Prior to the End of the Warranty Period. District reserves the right to take assignment of subcontractor contracts prior to the end of the warranty period..
- 13.18 Assignment of Anti-Trust Claims. The Contractor offers and agrees to assign to the District all rights, title and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 USC 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 purchase of goods, services, or materials pursuant to the Construction Services Agreement. This assignment shall become effective at the time the District tenders the final Lease Payment to Contractor, without further acknowledgment by the parties.

14. CONTRACT DOCUMENTS AND INTERPRETATIONS

- 14.1 The Contract Documents shall be executed, and/or initialed as appropriate, in duplicate by District and Contractor. The Contract Documents are complementary, and what is required by any one shall be as binding as if required by all. The intention of the Contract Documents is to include all labor, services and materials reasonably necessary for the proper execution of the work.
- 14.2 It is not intended that work and/or services not covered under any heading, section, branch, class or trade of the specifications shall be supplied, unless it is required elsewhere in the Contract Documents or is reasonably inferable therefrom as being necessary to produce the intended results, in which case such work and/or services shall be supplied by Contractor. Words which have well known technical or trade meanings are used herein in accordance with such recognized meanings. Mutual agreement shall be reached with respect to words

- which do not have a well-known technical or trade meaning and the definition of which come into question.
- 14.3 Drawings and specifications are intended to be fully cooperative and to agree. All drawing and specification changes shall be dated and sequentially recorded. All modifications to drawings and specifications shall be interpreted in conformity with the Contract Documents, which shall govern, unless otherwise specified.

15. SUBMITTALS

15.1 Definitions

- 15.1.1 Deferred Approvals. Approval of certain aspects of the construction may be deferred until the construction Contract has been awarded. To facilitate the design process, DSA grants deferred approval to the design and detailing of certain elements of the Project at the request of the Architect or Engineer of Record. Design elements that may be deferred may include, but are not limited to Access floors, Bleachers, Elevator guide rails and related elevator systems, Exterior wall systems precast concrete, glass fiber reinforced concrete, etc., Skylights, Window wall systems, storefronts, Stage rigging, and other systems as noted in the Contract Documents. (Also see Article 15.3 and 15.6)
- 15.1.2 Shop Drawings. The term "Shop Drawings" as used herein means drawings, diagrams, equipment or product schedules, and other data, which are prepared by Contractor, Subcontractors, manufacturers, suppliers, or distributors illustrating some portion of the Work, and includes: illustrations; fabrication, erection, layout and setting drawings; manufacturer's standard drawings; schedules; descriptive literature, instructions, catalogs, and brochures; performance and test data including charts; wiring and control diagrams; and all other drawings and descriptive data pertaining to materials, equipment, piping, duct and conduit systems, and methods of construction as may be required to show that the materials, equipment, or systems and their position conform to the requirements of the Contract Documents.
- 15.1.3 Manufactured applies to standard units usually mass-produced, and "Fabricated" means items specifically assembled or made out of selected materials to meet individual design requirements. Shop drawings shall: establish the actual detail of all manufactured or fabricated items, indicate proper relation to adjoining work, amplify design details of mechanical and electrical systems and equipment in proper relation to physical spaces in the structure, and incorporate minor changes of design or construction to suit actual conditions.
- 15.1.4 Submittals is a term used interchangeably and sometimes refers to Shop Drawings, Product Data, and Samples since all subcontractor submissions are tracked in a Submittal Log and may include any of the noted items. However, generally, a Submittal is a manufacturer's product information and product data including description, characteristics, size, physical characteristics, and requirements to prepare the jobsite for receiving of the particular manufactured item.
- 15.1.5 Samples. The term "samples" as used herein are physical examples furnished by Contractor to illustrate materials, equipment, or quality and includes natural materials, fabricated items, equipment, devices, appliances, or parts thereof as called for in the Specifications, and any other samples as may be required by the Architect to determine whether the kind, quality, construction, finish, color, and other characteristics of the materials, etc., proposed by the Contractor conform to the required characteristics of the various parts of the Work. All Work shall be in accordance with the approved samples.

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- 15.2 Shop Drawings.
 - 15.2.1 When Shop Drawings Are Required. Shop drawings are required for prefabricated components and for installation and coordination of these prefabricated components into the Project. In addition, Shop Drawings, are prepared to address the actual size and installation of components from various subcontractors and provides an opportunity for the Contractor to coordinate and address conflicts between the subcontracting trades. In some cases, each subcontractor or trade will provide Shop Drawings in a format agreed upon by District.
 - 15.2.2 Purpose for Shop Drawings. Shop drawings are the Contractor's manufacturer, subcontractor, supplier, vendor or the Contractor's detailed drawings showing particularized method for assembly, specifics to a manufacturer, manufacturer component installation requirements, specifics as to a manufactured item, alterations to a manufactured, a custom created item, or drawn version of more detailed information expanding on the Architect's design shown in the Contact Documents. The Shop Drawings address the appearance, performance, size, weight, characteristics and prescriptive descriptions associated with the Contractor or Contractor's subcontractor's plan for installation or assembly based on the design in the specifications and Contract Documents. The shop drawing often is more detailed than the information shown in the Contract Documents to give the Architect and Engineer the opportunity to review the fabricator's version of the product (along with particulars specific to that particular product), prior to fabrication. References to the Contract Documents, Construction Documents, Drawings, Plans, and Specifications assist the Architect and Engineer in their review of the Shop Drawings. Attachment of manufacturer's material specifications, "catalog cut sheets," and other manufacturer's information may be provided to accompany Shop Drawings. Because Shop Drawings facilitate the Architect's and Engineer's approval of the system, they should be as clear and complete as possible so they may be reviewed by Architect or Engineer for the Project.
 - 15.2.3 Shop Drawing Requirements. The Contractor shall obtain and submit with Shop Drawings all seismic and other calculations and all product data from equipment manufacturers. "Product data" as used herein are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Contractor to illustrate a material, product, or system for some portion of the Work.
 - 15.2.4 Not a Reproduction of Architectural or Engineering Drawings. The shop drawing are not a reproduction of the architectural or engineering drawings. Instead, they must show more detail than the Construction Documents and details the fabrication and/or installation of the items to the manufacturer's production crew or Contractor's installation crews.
 - 15.2.5 Shop Drawings Engineering Requirements: Some shop drawings require an engineer stamp to be affixed on the drawings and calculations. In such cases, a current and valid engineering stamp shall be affixed by a California registered engineer. No out of State engineers shall stamp Shop Drawings. (See DSA IR A-18). In most cases, an engineer means California registered mechanical, structural, electrical or plumbing engineer. California Registered Civil Engineers will not be accepted for structural details unless specifically approved by DSA.
 - 15.2.6 DSA Approvals Required Prior to Work. No work on a Shop Drawing that requires DSA approval may proceed until DSA approval is received. Contractor has provided DSA approval time and allowed adequate time for corrections in Contractor's Schedule as required pursuant to Article 9.

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- 15.2.7 Shop Drawing Identification. All Shop Drawings must be properly identified with the name of the Project and dated, and accompanied by a letter of transmittal referring to the name of the Project and to the Specification section number for identification of each item clearly stating in narrative form, as well as "clouding" all qualifications, departures, or deviations from the Contract Documents. Shop drawings, for each section of the Work shall be numbered consecutively and the numbering system shall be retained throughout all revisions. All Subcontractor submissions shall be made through the Contractor. Each drawing shall have a clear space for the stamps of Architect and Contractor.
- Deferred Approvals. Deferred approvals shall be submitted and processed to ensure all DSA and other governmental approvals are secured so as to not delay the Project. There may be additional requirements for deferred approvals at Division 1 of the Specifications. All deferred approvals shall be prepared by Contractor or Contractor's agent early enough so as to not delay the Project. Contractor is aware that Title 24 California Code of Regulations Section 4-317 have specific requirements for deferred approval as to governing agencies and as to the Architect and Engineer for the Project. As a result, any delay associated with the time for approval by applicable agencies or by the Architect or Architect's consultants shall be Contractor's. Contractor is required to comply with inclusion of Deferred Approvals in the Schedule as required under Article 9
 - 15.3.1 DSA Approvals Required Prior to Work. No work on a deferred approval item may proceed on the components until DSA approval is received. Contractor has provided DSA approval time and allowed adequate time for any DSA revisions in Contractor's Schedule as required pursuant to Article 9.

15.4 Submittals and Samples

- 15.4.1 *Information Required With Submittals*: Manufacturer, trade name, model or type number and quantities: Information provided must be of sufficient detail to allow Architect and Engineer to compare the submitted item with the specified products and acceptable products listed, in the specification and addenda.
- 15.4.2 Description of Use and Performance Characteristics: Information should be furnished describing the normal use and expected performance of the product. The Architect and Contractor review this information to confirm that the product is appropriate for the intended use.
- 15.4.3 Size and Physical Characteristics: The size and physical characteristics, such as adjustment capabilities, which is reviewed by both the Contractor and Architect. The Contractor has the most available information for comparing adjoining materials and equipment. The Contractor also needs to know the size and weight of the equipment for lifting and handling considerations.
- 15.4.4 *Finish Characteristics:* The Architect reviews the available finishes and selects the appropriate finish, if the finish was not previously specified in the documents. The Contractor should confirm that finish requirements in the specification are being met by the product.
- 15.4.5 Contractor Responsible for Jobsite Dimensions: Some material is custom-fabricated to job conditions, requiring dimensions from the jobsite. These jobsite dimensions are provided by the Contractor as part of the Contractor's responsibilities for the Project and shall be provided prior to release of the product for manufacture. Contractor shall not rely on Architect or Engineers to provide jobsite dimensions.

- 15.4.6 Full Range of Samples Required (When Specific Items Not Specified). Except in cases where the exact color and type of item is specified since the District is utilizing items Standardized or pre-selected by District, the full range of color, graining, texture, or other characteristics are anticipated for review in finished products, a sufficient number of samples of the specified materials shall be furnished by the Contractor to indicate the full range of characteristics which will be present in the finished products. Products delivered or erected without Submittal and approval without providing a full range of samples shall be subject to rejection. Except for range samples, and unless otherwise called for in the various sections of the Specifications or Specification Section 1, samples shall be submitted in duplicate.
- 15.4.7 *Labeling of Samples.* All samples shall be marked, tagged, or otherwise properly identified with the name of the submitting party, the name of the Project, the purpose for which the samples are submitted and the date.
- 15.4.8 *Transmittal letter.* All samples shall be accompanied by a letter of transmittal containing similar information, together with the Specification section number.
- 15.4.9 *Labels and Instructions*. All samples of materials shall be supplied with the manufacturer's descriptive labels and application instructions. Each tag or sticker shall have clear space for the review stamps of Contractor and Architect.
- 15.4.10 Architect's Review. The Architect will review and, if appropriate, approve submissions and will return them to the Contractor with the Architect's stamp and signature applied thereto, indicating the timing for review and appropriate action in compliance with the Architect's (or District's) standard procedures. In the cases where a CM is hired by the District, CM may be the party that receives and performance logging and initial processing of the Samples. CM may, in some cases, reject samples that are not in conformance with Contract requirements.

15.5 Submittal Submission Procedure

- 15.5.1 Transmittal Letter and Other Requirements. All Submittals must be properly identified with the name of the Project and dated, and each lot submitted must be accompanied by a letter of transmittal referring to the name of the Project and to the Specification section number for identification of each item clearly stating in narrative form, as well as "clouding" on the submissions, all qualifications, departures, or deviations from the Contract Documents. Shop drawings, for each section of the Work shall be numbered consecutively and the numbering system shall be retained throughout all revisions. All Subcontractor submissions shall be made through the Contractor. Each drawing shall have a clear space for the stamps of Architect and Contractor. In the case where a CM is hired on the Project, the CM may be designated to receive the Submittals for the Project, log the Submittals, and in some cases reject Submittals that do not conform to Contract requirements.
- 15.5.2 Copies Required. Each Submittal shall include one (1) legible, reproducible (if electronic is available, electronic copies shall also be provided) and five (5) legible prints of each drawing or schedule, table, cut sheet, etc., including fabrication, erection, layout and setting drawings, and such other drawings as required under the various sections of the Specifications, until final acceptance thereof is obtained. Subcontractor shall submit copies, in an amount as requested by the Contractor, of: (1) manufacturers' descriptive data for materials, equipment, and fixtures, including catalog sheets showing dimensions, performance, characteristics, and capacities; (2) wiring diagrams and controls; (3) schedules; (4) all seismic calculations and other calculations; and (5) other pertinent information as required by the District or Architect.

- 15.5.3 Corrections. The Contractor shall make all corrections required by Architect, District or CM and shall resubmit, as required by Architect or CM, corrected copies of Shop Drawings or new samples until approved. Contractor shall direct specific attention in writing or on resubmitted Shop Drawings to revisions other than the corrections required by the Architect on previous submissions. Professional services required for more than one (1) re-review of required Submittals of Shop Drawings, product data, or samples are subject to charge to the Contractor pursuant to Article 10.4.
- 15.5.4 Approval Prior to Commencement of Work. No portion of the Work requiring a shop drawing or sample submission or other Submittal shall be commenced until the submission has been reviewed by Contractor and Architect (and CM, if applicable) and approved by Architect (and CM where applicable) unless specifically directed in writing by the Architect. All such portions of the Work shall be in accordance with approved Shop Drawings and samples.
- 15.5.5 District's Property. All Submittals, Shop Drawings, computer disks, Clash Checks, constructability reviews, schedules, annotated specifications, samples and other Submittals shall become the District's property upon receipt by the District or Architect.
- 15.6 Schedule Requirements for Submittals. Contractor shall obtain and shall submit all required Submittals (i.e. Shop Drawings, Deferred Approvals, Samples, etc.), in accordance with Contractor's "Schedule for Submission of Shop Drawings and Samples" as required in the scheduling portion of the CSA at Articles 9 and the Specifications (as long as the Specifications do not conflict with CSA. In the case of conflict, the conflicting provision shall be controlled by the CSA and the remaining specification sections shall be interpreted as if the CSA language is inserted) with such promptness as to cause no delay in its own Work or in that of any other contractor or subcontractor but in no event later than thirty five (35) days after the Notice to Proceed is issued except in the specific cases noted as an exception as set forth below. No extensions of time will be granted to Contractor or any Subcontractor because of its failure to have Shop Drawings and samples submitted in accordance with this Article 15 and the Schedule. Each Subcontractor shall submit all Shop Drawings, samples, and manufacturer's descriptive data for the review of the District, the Contractor, and the Architect through the Contractor. Failure to provide the submittals by the listed timelines will subject the Contractor to the assessment of Liquidated Damages for failure to meet the Contract timelines, unless a written extension is requested and approved per section 15.6.1.2.
 - 15.6.1 Consideration of Schedule. Contractor has considered lead times, DSA or other agency governmental review times, Architect or Engineer review times, manufacturing seasons, and specific long lead procurement concerns for all submittals for the Project.
 - 15.6.1.1 All Submittals for the Project except those specifically agreed upon by District and Architect, in writing, and shall be specifically incorporated into the Submittal section of the Schedule so as to not delay the Work. The agreement to allow a later Submittal does not mean that Article 15.6 is waived. Contractor shall order materials and ensure prices are honored and secured for the Project.
 - a. Structural Steel may be included as a later Submittal than 35 days if Structural Steel is a significant portion of the Work, at least one or some of the Project is a structural steel structural system, or as specifically agreed upon by the Architect or District.

- b. It is specifically agreed that submissions of structural steel Submittals shall not be piecemeal (unless some portion is requested separately by the Owner or Architect), shall provide complete designs, shall be stamped by the Structural Steel subcontractor, Contractor, and Structural Steel Subcontractor's structural engineer at time of submission and as further addressed in this Article.
- c. In no case shall the submission of Structural Steel Drawings delay the critical path for the schedule. If a Milestone is provided for submission of complete structural steel Shop Drawings then the date shall be no later than as set forth in the Milestone
- Exceptions to Submittal Within Thirty-Five (35) Days by Written Agreement. A written request detailing the specific reasons for a submission later than 35 days due to complexity of design, or non-critical path status of the Submittal shall be submitted at the time the Baseline Schedule is submitted. The Baseline Schedule shall not include a delayed Submittal until written agreement is provided. In addition to the request for providing a Submittal after the thirty-five (35) day period, a copy of the Contract with the subcontractor who shall be performing the Submittal, a written statement from the subcontractor verifying that work has commenced on the Submittal and providing subcontractor's own schedule of milestones and completion dates, and a corresponding Submittal designation in the Schedule as required under Article 9.
 - Approval of a delayed Submittal shall not result in any increase in the Contract Price or result in an extension of time for the completion of the Project.
- 15.6.1.3 Piecemeal Submissions of Submittals. Piecemeal Submittals mean providing portions of Shop Drawings or Submittals as they are being completed. The submission of piecemeal Submittals results in the appearance of a submission when there is inadequate information for the Architect or Engineer to adequately review a submission. Piecemeal differs from submission of complete buildings or phases of buildings or complete assemblies. The Architect may agree to allow submission of single buildings or areas as long as the Submittals are complete.

15.7 <u>General Submittal Requirements</u>

- 15.7.1 Contractor Submittal Representations. By submitting Shop Drawings, product data, samples, etc., the Contractor represents that it has determined and verified all materials, field measurements, catalog numbers, related field construction criteria, and other relevant data in connection with each such submission, and that it has checked, verified, and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents, including the construction schedule.
- 15.7.2 Contractor Coordination. By submitting Shop Drawings, Submittals, product data, samples, etc., the Contractor represents that it has determined and verified all materials, field measurements, catalog numbers, related field construction criteria, and other relevant data in connection with each such submission, and that it has checked,

verified, and coordinated the information contained within such Submittals with the requirements of the Work and of the Contract Documents, including the construction schedule. Contractor shall stamp, sign, and date each Submittal indicating its representation that the Submittal meets all of the requirements of the Contract Documents and evidence Contractor's review through execution of the following stamp to be placed on each Shop Drawings:

"The [contractor] has reviewed and approved the field dimensions and the construction criteria, and has also made written notation regarding any information in the Shop Drawings and Submittals that does not conform to the Contract Documents. This Shop Drawing or Submittal has been coordinated with all other Shop Drawings and Submittals received to date by me as Contractor and this duty of coordination has not been delegated to subcontractors, material suppliers, the Architect, or the Engineers on this Project.

Signature of Contractor and date

- 15.7.3 No Deviation from Contract Documents. The submission of the Shop Drawings, product data, samples, etc., shall not deviate from the requirements of the Contract Documents including detailing and design intent which is specifically outlined in Contract Documents except as specifically authorized by the Architect or through an accepted substitution pursuant to Article 16. All deviations from the Contract Documents shall be narratively described in a transmittal accompanying the Shop Drawings. However, Shop Drawings shall not be used as a means of requesting a substitution, the procedure for which is defined in Article 16, "Substitutions."
- 15.7.4 Contractor Responsibility for Shop Drawings Conformance to Contract Documents.

 Review by District and Architect shall not relieve the Contractor or any Subcontractor from its responsibility in preparing and submitting proper Shop Drawings in accordance with the Contract Documents.
- 15.7.5 *Incomplete Submittals*. Any submission, which in Architect's opinion is incomplete, contains errors, or has been checked superficially will be returned unreviewed by the Architect for resubmission by the Contractor.
- 15.7.6 Shop Drawings and Submittals Shall Not Be Used as a Method to Make a Substitution. Shop drawings and Submittals shall not be used as a means of requesting a substitution or to make changes in the Contract Documents. If changes are made to the Contract Documents through the Shop Drawings, the Architect shall have the right to reject the Submittal. If the Architect does not note the deviation from the approved plans and specifications, the Contractor is still responsible for the change and the Architect or the District may require the Shop Drawings be revised to properly reflect the approved Contract Documents. The Architect or District may also require that the Contractor bear all costs under Article 10.4 and consequential damages associated with a CCD to revise plans and specifications to accommodate the deviation from approved plans and specifications.
- 15.7.7 Extent of Review. In reviewing Shop Drawings, the Architect will not verify dimensions and field conditions. The Architect will review and approve Shop Drawings, product data, samples, etc., for aesthetics and for conformance with the design concept of the Work and the information in the Contract Documents. The Architect's review shall neither be construed as a complete check which relieves the Contractor, Subcontractor, manufacturer, fabricator, or supplier from responsibility for any deficiency that may exist or from any departures or deviations from the

requirements of the Contract Documents unless the Contractor has, in writing, called the Architect's attention to the deviations at the time of submission. The Architect's review shall not relieve the Contractor or Subcontractors from responsibility for errors of any sort in Shop Drawings or schedules, for proper fitting of the Work, coordination of the differing subcontractor trades and Shop Drawings and Work which is not indicated on the Shop Drawings at the time of submission of Shop Drawings. Contractor and Subcontractors shall be solely responsible for any quantities which may be shown on the Submittals or Contract Documents.

16. REQUEST FOR SUBSTITUTIONS

- 16.1 For purposes of this provision the term "substitution" shall mean a change in product, material, equipment, or method of construction from those required by the Construction Documents proposed by the Contractor.
- 16.2 See Article 1.11.6 concerning applicability of Public Contract Code section 3400 as a result of the Due Diligence investigation by Contractor to establish the GMP.
- 16.3 Contractor may submit requests together with substantiating data for substitution of any "or equal" material, process or article. Any savings generated from the substitution shall be considered Project Savings under Article 7. The District shall not be responsible for any costs of Contractor associated with "or equal" substitution requests. The District has the complete and sole discretion to determine if a material, process or article is an "or equal" material, process or article that may be substituted. Is equal in quality/service/ability to the Specified Item. The data required to substantiate requests for substitutions of an "or equal" material, process or article data shall include a signed affidavit from the Contractor stating that the substituted "or equal" material, process or article is equivalent to that specified in the specification in every way except as listed on the affidavit. Substantiating data shall also include
 - 1. Is equal in quality/service/ability to the Specified Item;
 - 2. Will entail no changes in detail, construction, and scheduling of related work;
 - 3. Will be acceptable in consideration of the required design and artistic effect;
 - 4. Will provide no cost disadvantage to the District;
 - 5. Will require no excessive or more expensive maintenance, including adequacy and availability of replacement parts; and
 - 6. Will required no change of the construction schedule
- 16.4 Failure to submit all the needed substantiating data, including the signed affidavit, to the Architect in a timely fashion so that the substitution can be adequately reviewed may result in the rejection of the proposed substitution. The District is not obligated to review multiple substitution submittals for the same product or item due to the Contractor's failure to submit a complete package initially.
- 16.5 Contractor shall bear the costs of all architectural and engineering work, DSA CCD review fees, and other costs associated with the review of submittals for substitution. See Article 10.4
- 16.6 Contractor agrees to include the provisions of this Section in all subcontractor bid documents.

17. EXTRA WORK/MODIFICATIONS (INCLUSION OF CCD COSTS, DSA COSTS, AND AN ICD PROCESS)

17.1 No Changes Without Authorization. There shall be no change whatsoever in the drawings, specifications, or in the Work without an executed Change Order, Change Order Request, Immediate Change Directive, or order by the Architect for a minor change in the Work as herein provided. District shall not be liable for the cost of any extra work or any substitutions, changes, additions, omissions, or deviations from the Drawings and Specifications unless authorized District representative has approved the cost in writing by Change Order or executed Construction Change Document. No extension of time for performance of the Work shall be allowed hereunder unless claim for such extension is made at the time changes in the Work are ordered, and such time duly adjusted in writing in the Change Order. The provisions of the Contract Documents shall apply to all such changes, additions, and omissions with the same effect as if originally embodied in the Drawings and Specifications. Notwithstanding anything to the contrary in this Article 17, all Change Orders shall be prepared and issued by the Architect and shall become effective when executed by the authorized District representative (utilizing either a Construction Contingency Amount or a District Contingency Amount), the Architect, and the Contractor.

CONTRACTOR UNDERSTANDS, ACKNOWLEDGES, AND AGREES THAT THE REASON FOR THIS NOTICE REQUIREMENT IS SO THAT DISTRICT MAY HAVE AN OPPORTUNITY TO ANALYZE THE WORK AND DECIDE WHETHER THE DISTRICT SHALL PROCEED WITH THE CHANGE ORDER OR ALTER THE PROJECT SO THAT SUCH CHANGE IN WORK BECOMES UNNECESSARY AND TO AVOID THE POSSIBLE DELAYS ASSOCIATED WITH THE ISSUANCE OF A NOTICE OF NON-COMPLIANCE.

- Notices of Non-Compliance. Contractor deviation or changes from approved plans and specifications may result in the issuance of a Notice of Non-Compliance (See DSA Form 154). Contractor is specifically notified that deviations from the plans and specifications, whether major or minor, may result in the requirement to obtain a DSA Construction Change Document to correct the Notice of Non-Compliance. (See Article 17.4.1.1 for Definition of CCD). In some cases, the lack of a DSA approved CCD AND verification from the Inspector that a Notice of Non-Compliance has been corrected may result in a critical path delay to the next stage of Work on the Project. Specifically, a deviation from approved plans and specifications may prevent approval of the category of Work listed in the DSA 152 Project Inspection Card. Any delays that are caused by the Contractor's deviation from approved plans and specifications shall be the Contractor's responsibility.
- 17.3 <u>Architect Authority.</u> The Architect will have authority to order minor changes in the Work that do not involve DSA Approval not involving any adjustment in the Contract Sum, or an extension of the Contract Time.
- 17.4 CONSTRUCTION CHANGE DOCUMENT (CCD Category A, and CCD Category B) and IMMEDIATE CHANGE DIRECTIVE (ICD)
 - 17.4.1 Definitions
 - 17.4.1.1 Construction Change Document (CCD). A Construction Change Document is a DSA term that is utilized to address changes to the DSA approved plans and specifications. There are two types of Construction Change Documents. (1) DSA approved CCD Category A (DSA Form 140) for Work affecting Structural, Access or Fire-Life Safety of the Project which will require a DSA approval; and, (2) CCD Category B (DSA Form 141) for work NOT affecting Structural Safety, Access Compliance or Fire and Life Safety that will not require a DSA approval (except to confirm that no Approval is required);

Immediate Change Directive (ICD). An Immediate Change Directive is a written order to the Contractor prepared by the Architect and signed by the District (and CM if there is a CM on the Project) and the Architect, directing a change in the Work and stating a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. The District may by ICD, without invalidating the Contract, direct immediate changes in the Work within the general scope of the Contract consisting of additions, deletions, or other revisions within. If applicable, the Contract Sum and Contract Time will be adjusted accordingly.

In the case of an Immediate Change Directive being issued, Contractor must commence Work immediately or delays from failure to perform the ICD shall be the responsibility of Contractor and the failure to move forward with Work immediately shall also be grounds for Termination under Article 19 or determination of partial default under Article 12.2.

An ICD does not automatically trigger an Article 20 Dispute or Claim. Contractor must timely follow the procedures outlined at Article 20 and this Article where applicable.

Refer to Forms for a copy of the proposed Immediate Change Directive form.

17.4.1.3 Use to Direct Change. An ICD shall be used to move work forward immediately and to avoid delay. In some cases, an ICD shall be issued in the absence of agreement on the terms of an Extra, or RFP. A copy of an ICD form is provided in the Forms included with this CSA. The anticipated not to exceed price for the Work will be inserted into the ICD. In the case of an ICD issued to correct Contractor Deficiencies or to correct a Contractor caused Notice of Non-Compliance, the ICD may be issued with \$0 and 0 time. Contract may prepare an Extra associated with the ICD pursuant to Article 17. However, Contractor shall proceed with all Work required under an Approved ICD immediately upon issuance. Failure to proceed with the Work under an ICD shall be grounds for Termination for Cause under Article 19 or take over the Work under Article 12.2.

If adequate time exists, an ICD may be subject of an RFP for pricing and determination if any time that may be required. However, if an RFP is not completed, Contractor shall immediately commence Work when an ICD is issued. If the RFP is incomplete, it may still be completed to be submitted for Pricing Purposes as long as the PR is submitted within the timeline provided by the PR, or within 10 days following issuance of the ICD.

17.4.1.4 ICD Issued Over a Notice of Non-Compliance or to Cover Work Subject to a DSA 152 Sign Off. In some cases, an ICD shall be for the purpose of proceeding with Work to keep the Project on Schedule and as an acknowledgement by the District that Contractor is proceeding with Work contrary to a Notice of Non-Compliance, prior to issuance of a DSA approved CCD Category A, or to direct the covering of Work which has not yet received a DSA 152 Inspection Approval to move forward.

- a. Contractor Compliance with all Aspects of an ICD. Contractor is to undertake the ICD and comply with all aspects of the Work outlined in the ICD. Inspector is to inspect the Work pursuant to the ICD. Failure to follow the ICD may result in deduction of the ICD Work under Article 12.2 or Termination of the Contractor pursuant to Article 19.
- b. Exception in the Case of DSA Issued Stop Work Order. Contractor must proceed with an ICD even if a CCD has not been approved by DSA except in the case of a DSA issued Stop Work Order. If a DSA Stop Work Order is issued, Contractor must stop work and wait further direction from the District.
- c. ICD Due to Contractor Deficiency or Contractor Caused Notice of Non-Compliance. If an ICD is issued to correct a Contractor Deficiency or a Contractor caused notice of Non-Compliance, Contractor specifically acknowledges responsibility for all consequential damages associated with the Contractor Deficiency or Contractor Caused Notice of Non-Compliance and all consequential damages and costs incurred to correct the deficiency under Article 10.4.
- 17.5 Extras Request. Extra work or a modification or reduction of requirements or of methods of performing the Construction which differ from the work or requirements set forth in the Construction Documents ("Extra Work/Modifications"); and for such purposes, the District may at any time during the life of this Construction Services Agreement by written order, make such changes as it shall find necessary from Construction Contingency if District approves such request in writing. the costs of the Extra Work/Modifications, as established pursuant to this Article, shall be deducted from Contractor Allowance or Error and Omission Allowance and shall not affect the GMP.
 - 17.5.1 Format. The following format shall be used, as applicable by the District and the Contractor to communicate proposed additions and deductions to the Contract. A copy of a proposed Construction Change Document form is provided at the end of this Article. The Most stringent guidelines will apply to all forms. Total Contractor overhead and profit shall not exceed 15% of the direct cost or 5% of subcontractor costs.

		<u>EXTRA</u>	<u>CREDIT</u>
(1)	Material/Equipment (attach itemized quantity and unit cost plus sales tax)		

		<u>EXTRA</u>	<u>CREDIT</u>
(2)	Actual Labor Cost (attach itemized hours and rates)		
(3)	Subtotal (1-2)		
(4)	If subcontractor performed work, add Subcontractor's overhead and profit to portions performed by it, not to exceed 15% of item (3) above		
(5)	Subtotal		
(6)	General Contractor's Overhead and Profit, not to exceed 15% of Item 3 if Contractor performed the work. If subcontractor performed the work, not to exceed 5% of Item 5. If portions performed by Contractor and subcontractors, portions performed by Contractor shall not exceed 15% of Item 5 and portions performed by Subcontractor shall not exceed 5% of Item 5. [There is no overhead and profit mark-up for Deductive Change Orders under Article 17.6]		
(7)	Subtotal		
(8)	Bond and Liability Insurance Premium, if in fact additional bonds or insurance were actually purchased, not to exceed 1% of Item 7.		
(9)	Total		

The undersigned Contractor approves the foregoing Extra Work as to the changes, if any, and the contract price specified for each item and as to the extension of time allowed, if any, for completion of the entire work on account of said Extra Work, and agrees to furnish all labor, materials and service and perform all work necessary to complete any additional work specified therein, for the consideration stated herein. It is understood that said Extra Work shall be effective upon approval from the District's Designee if such amounts are against the GMP and if Owner Contingency is used when approved by the Governing Board of the District.

It is expressly understood that the value of such extra Work or changes, as determined by any of the aforementioned methods, expressly includes any and all of the Contractor's costs and expenses, both direct and indirect, resulting

5.7 (85)

from additional time required on the Project or resulting from delay to the Project. Any costs, expenses, damages or time extensions not included are deemed waived.

The Contractor expressly acknowledges and agrees that any change in the Work performed shall not be deemed to constitute a delay or other basis for claiming additional compensation based on theories including, but not limited to, acceleration, suspension or disruption to the Project.

- 17.5.2 Should Contractor claim that any instruction, request, drawing, specification, action, condition, omission, default, or other situation (i) obligates the District to pay additional compensation to the Contractor; or (ii) obligates the District to grant an extension of time for the completion of the Construction Services Agreement; or (iii) constitutes a waiver of any provision in this Construction Services Agreement, CONTRACTOR SHALL NOTIFY THE DISTRICT, IN WRITING, OF SUCH CLAIM AS SOON AS POSSIBLE, BUT IN NO EVENT WITHIN MORE THAN TEN (10) BUSINESS DAYS FROM THE DATE CONTRACTOR HAS ACTUAL OR CONSTRUCTIVE NOTICE OF THE CLAIM. CONTRACTOR SHALL ALSO PROVIDE DISTRICT WITH SUFFICIENT WRITTEN DOCUMENTATION SUPPORTING THE FACTUAL BASIS OF THE CLAIM under Article 20. Contractor shall be required to certify under penalty of perjury the validity and accuracy of any claims submitted. The Contractor's failure to notify the District within the ten (10) business day period shall be deemed a waiver and relinquishment of the claim against the District. If such notice be given within the specified time, the procedure for its consideration shall be as stated above in this Section.
- 17.5.3 All costs associated with the Extra Work/Modification may be in terms of time, money or both.

17.6 Deductive Change Orders

- 17.6.1 All Deductive Change Order(s) must be prepared utilizing the form under Paragraph 17.5 setting forth the actual costs incurred. Except in the case of an Article 12.2 or 29.4 Deductive Change Order where no mark-up shall be allowed, Contractor will be allowed a maximum of 5% total profit and overhead.
- 17.6.2 For Unilateral Deductive Change Orders, or where credits are due from Contractor for Allowances, Deductive Items, Inspection, Damage, DSA CCD review costs, Architect or Inspector costs for after hours or corrective services, Work removed from the Agreement under Article 12.2 or Article 29.4, there shall be no mark-up.
- 17.6.3 District may, at any time, after a Deductive Change Order is presented to Contractor by District for items under Article 12.2 or Article 29.4 of if there is disagreement as to the Deductive Change Order, issue a unilateral Deductive Change Order on the Project and deduct the Deductive Change Order from a Progress Payment, Final Payment, or Retention.

18. TIME OF COMPLETION

18.1 CONTRACTOR HAS 229 CALENDAR DAYS TO COMPLETE THE PROJECT. PLEASE REFER TO THE SUPPLEMENTAL CONDITIONS FOR MILESTONE DATES. ONCE THE DISTRICT HAS ISSUED A NOTICE TO PROCEED, CONTRACTOR SHALL PROCEED WITH THE CONSTRUCTION OF THE PROJECT WITH REASONABLE DILIGENCE. CONTRACTOR AGREES THAT THE PROJECT WILL BE FULLY COMPLETED WITHIN THE CALENDAR DAYS DESIGNATED IN ARTICLE 3.6 CALENDAR DAYS FROM THE NOTICE TO PROCEED, AS SAID TIME MAY BE EXTENDED FOR SUCH PERIODS OF TIME AS CONTRACTOR IS PREVENTED FROM PROCEEDING WITH OR COMPLETING THE PROJECT FOR

ANY CAUSE DESCRIBED IN THIS SECTION 9. OR AS OTHERWISE AGREED TO IN WRITING BY THE DISTRICT AND CONTRACTOR. IF THE WORK IS NOT COMPLETED IN ACCORDANCE WITH THE FOREGOING. IT IS UNDERSTOOD THAT THE DISTRICT WILL SUFFER DAMAGE SINCE CONTRACTOR HAS OVERSTAYED ITS LEASE TERM. IT BEING IMPRACTICAL AND INFEASIBLE TO DETERMINE THE AMOUNT OF ACTUAL DAMAGE, IT IS AGREED THAT CONTRACTOR'S EXTENSION OF THE LEASE SHALL RESULT IN LIQUIDATED DAMAGES, AND NOT AS A PENALTY, THE SUM SET FORTH IN ARTICLE 3.7 FOR EACH CALENDAR DAY OF DELAY UNTIL WORK IS COMPLETED AND ACCEPTED AND CONTRACTOR IS ABLE TO DISCONTINUE ITS LEASE WITH THE DISTRICT. CONTRACTOR AND HIS SURETY SHALL BE LIABLE FOR THE AMOUNT THEREOF. ANY MONEY DUE OR TO BECOME DUE THE CONTRACTOR MAY BE RETAINED BY THE DISTRICT TO COVER SAID LIQUIDATED DAMAGES FOR OVERSTAYING THE LEASE. SHOULD SUCH MONEY NOT BE SUFFICIENT TO COVER SAID LIQUIDATED DAMAGES, THE DISTRICT SHALL HAVE THE RIGHT TO RECOVER THE BALANCE FROM THE CONTRACTOR OR ITS SURETIES, WHO WILL PAY SAID BALANCE FORTHWITH.

- 18.2 The term "Fully Completed and Accepted," as used herein, shall mean that all remaining work has been completed in accordance with the Construction Documents and that successful testing, startup and satisfactory operation of the Project as a total unit has been accomplished in substantial conformance with the Construction Documents.
- 18.3 Within five (5) business days after the Project commencement date in the District's Notice to Proceed, Contractor shall furnish District with a Baseline CPM (Critical Path) Schedule pursuant to Article 9, The Contractor shall include the District's occupancy requirements showing portions of the Projects having occupancy priority.
- 18.4 Contractor shall not be charged for liquidated damages, as set forth in the Agreement, for materially differing soil conditions below four (4) feet underground than those outlined in the soils report and from hazardous substances that are encountered that are not documented in the Contract Documents or in the Due Diligence Documents provided to Contractor.
 - In case of encountering either unforeseen conditions, Contractor shall notify the District in writing immediately prior to testing or continuing work and no later than ten (10) days following encountering the unforeseen condition. After providing written notice, Contractor shall test and provide District with Test results (unless District choses to test) and shall proceed with Work based on the Test results. A Change Order pursuant to Article 17 shall be submitted. All time and expenses shall be verified with the Inspector or District Designee either on the day the extra work occurs, but no later than 10 am the following business day.
 - 18.4.2 Contractor shall not stop work if unforeseen conditions are encountered.
 - 18.4.3 Change Orders associated with unforeseen conditions shall be billed as Change Order Work against Construction Contingency, but if Construction Contingency is exceeded, Owner shall supplement the Construction Contingency to the extent unforeseen conditions as defined in this Article are encountered.
- 18.5 Contractor shall within ten (10) calendar days of beginning of any such delay notify District in writing of causes of delay. Thereupon District shall ascertain the facts and extent of delay and grant extension of time for completing work when, in its judgment, the findings of fact justify such an extension. District's findings of fact thereon shall be final and conclusive on the parties hereto. Extension of time shall apply only to that portion of work

affected by the delay, and shall not apply to other portions of work not so affected. Contractor agrees that the extension of time granted under this Article shall be its sole and exclusive remedy for the consequences of any delay described above. For any such delay resulting from the actions or inactions of Architect, District, or their officers, agents, and employees, or changes to the scope of the Work which impact the schedule, Contractor shall be entitled to reimbursement for its reasonable additional costs resulting from such delay, but not any additional profit or fee.

- 18.6 Contractor acknowledges the extreme importance of promptly notifying and thoroughly documenting any request for time extension and further specifically acknowledges that District will suffer extreme prejudice should Contractor fail in any way to comply with this requirement. Failure to comply with the procedures and time limits established in this Article shall constitute a waiver of such request. Evidence presented by Contractor that District had actual notice of the time extension request, that District was not prejudiced by Contractor's failure to comply with this requirement, and/or that District considered Contractor's request despite Contractor's failure to strictly comply with this provision shall not render this requirement unenforceable.
- 18.7 Contractor is required to order, obtain, and store materials and equipment sufficiently in advance of its work at no additional cost or advance payment from District to assure that there will be no delays. An extension of time will not be granted for a delay caused by a shortage of materials.
- 18.8 Contractor shall not be entitled to additional compensation for delays within its control. Contractor is aware that governmental agencies, such as the Department of General Services, gas companies, electrical utility companies, water districts and other agencies may have to approve Contractor-prepared drawings or approve a proposed installation. In the event of delays to the Project from such agencies for which Contractor has no control, provided such delays are not caused by Contractor's or any subcontractor's acts or omissions, Contractor may be entitled to a time extension for such delays, but shall not be allowed additional compensation for the costs of such delays.
- 18.9 District reserves the right to occupy any building or portion thereof or use any improvement contemplated by the Contract Documents prior to the completion of the entire Project. A list of work to be completed and corrected by Contractor, if any, shall be prepared and agreed to between District and Contractor before any such occupancy or use. Such occupancy or use shall not operate as an acceptance of any part of the Project but shall start the guaranty-warranty period on the structure or portion thereof so occupied or improvement or equipment so used; provided, however, that such occupancy or use shall not start the guaranty-warranty period as to items appearing on the list of work yet to be completed and corrected or as to structures or improvements (or portions thereof) that are not occupied or used. No such occupancy or use shall be deemed to have occurred unless and until District has given Contractor written notice of its intention to so occupy or use any particular structure or improvement specifying the portion or portions of the structure, improvement or equipment which will be deemed so occupied or used. District and Contractor shall take reasonable steps to obtain the consent of Contractor's insurance company or companies and shall, without mutual written consent, take no action with respect to partial occupancy or use that would cause cancellation, lapse of or reduction of such insurance. Such occupancy or use by District shall relieve Contractor of (and District shall assume) the responsibility for injury or damage to said occupied or used portions of the Project resulting from use by District or the public or from the action of the elements or from any other cause, except injury or damage resulting from the operations, negligence or intentional acts of Contractor, any subcontractors or materialmen of any tier, or their officers, employees or agents.

19. TERMINATION OF AGREEMENT

19.1 Termination for Breach.

- 19.1.1 If the Contractor refuses or fails to proceed with the construction of the Project or any separable part thereof with such diligence as will insure its completion within the time specified by this Construction Services Agreement or any extension thereof, or fails to complete the Project within such time, or if the Contractor should be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or the Contractor or any of its subcontractors should violate any of the provisions of this Construction Services Agreement, the District may serve written notice upon the Contractor and its Surety of the District's intention to terminate this Construction Services Agreement. This notice of intent to terminate shall contain the reasons for such intention to terminate this Construction Services Agreement and a statement to that effect that the Contractor's right to perform work on the Project shall cease and terminate upon the expiration of ten (10) days unless such violations have ceased and arrangements satisfactory to the District have been made for correction of said violations.
- In the event that the District serves such written notice of termination upon the Contractor and the Surety, the Surety shall have the right to take over and perform this Construction Services Agreement. If the Surety does not: (1) give the District written notice of Surety's intention to take over and commence performance of this Construction Services Agreement within fifteen (15) days of the District's service of said notice of intent to terminate upon Surety; and (2) actually commence performance of this Construction Services Agreement within thirty (30) days of the District's service of said notice upon Surety; then the District may take over the Project and prosecute the same to completion by separate contract or by any other method it may deem advisable for the account and at the expense of the Contractor.
- 19.1.3 In the event that the District elects to obtain an alternative performance of the Construction Services Agreement as specified above: (1) the District may, without liability for so doing, take possession of and utilize in completion of the Project such materials, appliances, plants and other property belonging to the Contractor that are on the site and reasonably necessary for such completion; and (2) Surety shall be liable to the District for any cost or other damage to the District necessitated by the District securing an alternate performance pursuant to this Article.

19.2 <u>Termination for Convenience.</u>

- 19.2.1 The District may terminate performance of the Project called for by the Contract Documents in whole or, from time to time, in part, if the District determines that a termination is in the District's interest.
- 19.2.2 The District shall terminate all or any part of the Project upon delivery to the Contractor of a "Notice of Termination" specifying that the termination is for the convenience of the District, the extent of termination, and the effective date of such termination.
- 19.2.3 After receipt of Notice of Termination, and except as directed by the District's Representative, the Contractor shall, regardless of any delay in determining or adjusting any amounts due under this Termination for Convenience clause, immediately proceed with the following obligations:
 - 1. Stop Work as specified in the Notice of Termination.

- Complete any work specified in the Notice of Termination in a least cost/shortest time manner while still maintaining the quality called for under the Contract Documents.
- 3. Leave the Property upon which the Contractor was working and upon which the facility (or facilities) forming the basis of the Contract Documents is situated in a safe and sanitary manner such that it does not pose any threat to the public health or safety.
- 4. Terminate all subcontracts to the extent that they relate to the portions of the work terminated.
- 5. Place no further subcontracts or orders, except as necessary to complete the continued portion of the Construction Services Agreement.
- 6. Submit to the District's Representative, within ten (10) days from the Project termination date found in the Notice of Termination, all of the usual documentation called for by the Contract Documents to substantiate all costs incurred by the Contractor for labor, materials and equipment through the Project termination date, including termination costs related to demobilizing and closing out the project, found in the Notice of Termination. Any documentation substantiating costs incurred by the Contractor solely as a result of the District's exercise of its right to terminate this Construction Services Agreement pursuant to this clause, which costs the Contractor is authorized under the Construction Services Agreement to incur, shall: (i) be submitted to and received by the District no later than thirty (30) days after the Project termination date found in the Notice of Termination; (ii) describe the costs incurred with particularity; and (iii) be conspicuously identified as "Termination Costs occasioned by the District's Termination for Convenience."
- 19.2.4 Termination of the Construction Services Agreement shall not relieve the Surety of its obligation for any just claims arising out of or relating to the work performed on the Project.
- 19.2.5 In the event that the District exercises its right to terminate this Construction Services Agreement pursuant to this clause, the District shall pay the Contractor, upon the Contractor's submission of the documentation required by this provision, and other applicable provisions of the Construction Services Agreement the following amounts:
 - 1. All actual costs incurred according to the provisions of this Construction Services Agreement including but not limited to insurance/OCIP costs incurred in connection with the Project.
 - 2. A reasonable allowance for profit on the cost of the work on the Project performed, provided Contractor establishes to the satisfaction of the District, that it is reasonably probable that the Contractor would have made a profit had the Construction Services Agreement been completed and provided further, that the profit allowed shall in no event exceed five percent (5%) of costs. In no event shall the total amount exceed GMP.
 - A reasonable allowance for Contractor's administrative costs in determining the amount payable due to termination of the Construction Services Agreement under this Article.
- 19.3 <u>Termination of Agreement by Contractor.</u> The Contractor may terminate the Construction Services Agreement upon ten (10) days written notice to the District, whenever: (1) there is

a substantial failure of performance on the part of the District; or (2) the District shall elect not to appropriate funds and/or not to make two (2) successive Sublease Prepayments following the receipt by District of a request from the Contractor in its capacity as Lessor for each such Sublease Prepayment submitted pursuant to Section 26(A) of the Sublease(s). In the event of such termination, the Contractor shall have no claims against the District except for work performed on the Project as of the date of termination.

- 19.4 <u>Assignment of Subcontractors and Suppliers.</u> If the Contract is Terminated, Contractor shall provide District copies of all subcontracts, purchase orders, addenda, invoices, payment records, and project files associated with each Subcontractor and Material Supplier. The District shall have the option to assume any Subcontracts, contracts or purchase orders the District choses. To the extent that vendors are not paid in full for the labor, materials, or services provided, Contractor shall provide an accounting statement showing the amounts paid and the amounts due to the subcontractor and a statement on the anticipated payment status associated with the Termination.
- 19.5 <u>Continuation of Work During Disputes.</u> In the event of a dispute between the parties as to performance of the work or the interpretation of this contract, or payment dispute, the parties shall attempt to resolve the dispute. Pending resolution of this dispute, Contractor agrees to continue the work diligently to completion and shall neither rescind nor terminate the agreement.

20. RESOLUTION OF AGREEMENT CLAIMS

20.1 Decision of Architect. Disputes between District and Contractor involving money or time, including those alleging an error or omission by the Architect shall be referred initially to the Architect for action within ten (10) days after Contractor's Article 17 request for Change is denied. If there is a CM, the CM shall receive the Dispute and may review and also assemble opinions and documents to assist the Architect. A decision by the Architect, pursuant to Article 20.5, shall be required as a condition precedent to proceeding with remedies set forth in Paragraph 20.9 as to all such matters arising prior to the date Retention Payment Application is due, regardless of whether such matters relate to execution and progress of the Work, or the extent to which the Work has reached Final Completion.

The condition precedent of an Architect decision shall be waived if: (1) the position of Architect is vacant; (2) the Architect has not received evidence or has failed to render a decision within agreed time limit; (3) the Architect has failed to take action required under Paragraph 20.5 within thirty (30) days after the Claim is made, forty-five (45) days have passed after the Claim has been referred to the Architect; or (4) the Claim relates to a Stop Notice Claim not arising from any extra change order or Immediate Change Directive for which approval has not been provided.

- 20.2 <u>Architect's Review.</u> The Architect (and CM) will review Disputes and take one or more of the following preliminary actions upon receipt of a Dispute: (1) request additional supporting data from the claimant; (2) submit a schedule to the parties indicating when the Architect expects to take action; (3) reject the Dispute in whole or in part, stating reasons for rejection; (4) recommend approval of the claim; or (5) suggest a compromise. The Architect may also, but is not obligated to, notify the surety, if any, of the nature and amount of the claim.
 - 20.2.1 Architectural Immunity. Architect Review of claims shall be impartial and meant to resolve Disputes. Pursuant to the case, Huber, Hunt & Nichols, Inc. v. Moore (1977) 67 Cal.App.3d 278, the Architect is provided a quasi-judicial immunity for interpreting and deciding Disputes between a District and Contractor.

- 20.3 <u>Documentation if Resolved.</u> If a Dispute has been resolved, the Architect (and/or CM) will prepare a Change Order or obtain appropriate documentation to document the terms for Board approval.
- 20.4 <u>Actions if Not Resolved.</u> If a Dispute has not been resolved and all documentation requested pursuant to Paragraph 20.3 has been provided, the Contractor shall, within ten (10) days after the Architect's preliminary response, assemble all the documents involved in the Dispute including copies of all back-up documentation of costs and the basis for the Dispute and take one or more of the following actions: (1) modify the initial Dispute; (2) notify the Architect that the initial Dispute stands; or (3) supplement with additional supporting data and re-submit to the Architect under Article 20.2.
- 20.5 Architect's Written Decision. If a Dispute has not been resolved after consideration of the foregoing and of other evidence presented by the parties or requested by the Architect, the Architect (or Architect through CM) the Architect shall provide a written decision twenty (20) days after compliance with Article 20.4. Upon expiration of such time period, the Architect (or Architect through CM) will render to the parties its written decision relative to the Dispute, including any change in the Contract Sum or Contract Time or both.

The Architect may also request reasonable additional time to complete Architect's written decision.

If the resolution of the Dispute by the Architect is not satisfactory to the Contractor and copies of all back-up documentation of costs and the basis for the Dispute is fully articulated in a package of material that is complete, the Contractor may then submit a Claim to the District under Article 20.9

- 20.6 <u>Continuing Contract Performance.</u> Pending final resolution of a Dispute or Claim, including, negotiation, mediation, arbitration, or litigation, the Contractor shall proceed diligently with performance of the Contract, and the District shall continue to make any undisputed payments in accordance with the Contract (less any withholdings or offsets). If the Dispute or Claim is not resolved, Contractor agrees it will neither rescind the Contract nor stop the progress of the work, but Contractor's sole remedy shall be to submit such controversy to determination by a court of competent jurisdiction in the county where the project is located, after the project has been completed, and not before.
 - 20.6.1 District's Option to Submit Individual Disputes to Arbitration during Claims and Disputes Process. At the District's sole option, in order to more efficiently resolve claims during the Project and prior to the completion of the Claims Process, pursuant to Public Contract Code Section 9201, the District may submit individual Disputes or Claims for binding arbitration and Contractor agrees to the resolution of for each individual Dispute or Claim by an Arbitrator, including resolution of time and delays. If binding arbitration is utilized for individual disputes, such resolution is full and final as to that particular Dispute or Claim. THIS INDIVIDUAL DISPUTE ARBITRATION PROCESS IS NOT AN ARBITRATION CLAUSE AND SHALL NOT BE CONSTRUED AS AN AGREEMENT TO ARBITRATE. INDIVIDUAL DISPUTES ARBITRATION PROCESS IS FOR THE SOLE PURPOSE OF STREAMLINING AND RESOLVING CLAIMS DURING CONSTRUCTION AND SHALL BE REQUESTED ON SPECIFIC INDIVIDUAL ITEMS BY THE DISTRICT PRIOR TO RETENTION PAYMENT (EVEN IF THERE ARE DEDUCTIONS MADE FROM RETENTION PAYMENT) WHICH REPRESENTS THE FINAL COMPLETION OF THE PROJECT.
 - 20.6.1.1 <u>No Tolling.</u> The Arbitration process shall not toll the Disputes, Claims, or Appeals process under Article 20.

- 20.7 <u>Claims for Concealed Trenches or Excavations Greater Than Four Feet Below the Surface</u>. When any excavation or trenching extends greater than four feet below the surface:
 - 20.7.1 *Immediately upon discovery*, The Contractor shall promptly, and before the following conditions are disturbed, notify the District, by telephone and in writing, of the condition except:
 - 1. Subsurface or latent physical conditions at the Site differing from those indicated in the Drawings, Specifications, or pursuant to the documents and information from Contractor's Due Diligence.
 - Unknown physical conditions at the Site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in Work of the character provided for in the Contract.
 - 20.7.2 The District shall investigate the conditions, and if District finds that the conditions do materially so differ, and cause a decrease or increase in the Contractor's cost of, or the time required for, performance of any part of the Work shall issue a change order or Construction Change Document under the procedures described in the Contract.
 - 20.7.3 *In the event that a dispute* arises between the public entity or District and the Contractor whether the conditions materially differ, or cause a decrease or increase in the Contractor's cost of, or time required for, performance of any part of the Work, the Contractor shall not be excused from any scheduled Completion Date provided for by the Contract, but shall proceed with all Work to be performed under the Contract. The Contractor shall retain any and all rights provided either by Contract or by law which pertain to the resolution of disputes and protests between the contracting parties.
- 20.8 <u>Dispute Concerning Extension of Time.</u> If Contractor and District cannot agree upon an extension of time, whether compensable or not, then Contractor must have first completed the procedures set forth in this Article. Upon completion of the procedures set forth in Article 17, Contractor must then comply with the requirements in this Article.
- 20.9 <u>Claims Procedures.</u> Pursuant to the remedies under Public Contract Code Section 9201 and Government Code Section 930.2, Contractor, through execution of this Agreement, also agrees to comply with the Claims requirements under this Article to quickly and efficiently resolve disputes. Further, to provide a level of accuracy to the records submitted, the District shall have the right to audit books and records pursuant to Article 21 based on the actual costs incurred and to reduce the uncertainty in resolving disputes with limited information.
- 20.10 Procedure Applicable to All Claims
 - 20.10.1 Actions if Not Resolved
 - 20.10.1.1 Definition of Claim: A "Claim" is where a Dispute between the parties rises to the level where backup documentation is assembled and provided to the District as a separate demand by the Contractor for (1) time extension, (2) payment of money or damages arising from Work done by or on behalf of the Contractor pursuant to the CONTRACT and payment of which is not otherwise expressly provided for or the claimant is not otherwise entitled to, or (3) and amount the payment of which is disputed by the District. (If the Claim is for damages associated with a DSA Stop Work Order, the Contractor shall not be entitled to a request for Compensation, but shall be entitled to utilize Governmental Delay Float (See Article 9.2.1.))

- 20.10.1.2 <u>Filing Claim Is Not Basis to Discontinue Work</u>: The Contractor shall promptly comply with Work under the Contract or Work requested by the District even though a written claim has been filed. The Contractor and the District shall make good faith efforts to resolve any and all claims that may arise during the performance of the Work covered by this Contract.
- 20.10.1.3 Claim Notification: The Contractor shall within seven (7) calendar days after the Written Decision of the Architect, or if the time period for Architect's Decision has passed under Article 20.5, submit a notification, in writing, with the District (and the District's CM) stating clearly the basis for the claim. If the notification is not submitted within seven (7) days after the Written Decision of the Architect or the passage of time under Article 20.1, the Contractor shall be deemed to have waived all right to assert the claim, and the claim shall be denied. Claims submitted after Retention Payment date shall also be considered null and void by the District. All claims shall be reviewed pursuant to this Article.
- 20.10.1.4 The Formal Notification of Claim must be presented as follows:
 - a. The term "Claim" must be at the top of the page in no smaller than 20 point writing.
 - b. All documentation submitted pursuant to this Article to the Architect shall be submitted with the title "claim."
 - A stack of documents, copy of all project documents, or the submission of random documents shall not constitute an adequate reference to supporting documentation
 - Any additional or supporting documentation that Contractor believes is relevant should be submitted at this time.
- 20.10.1.5 Formal Claim Appeal Submission: If the Contractor does not concur with the District's decision regarding the Claim Notification, the Contractor will issue a formal Claim Appeal within fourteen (14) days of receipt of the District's decision and all detailed information in support of the Claim Appeal within thirty (30) days. All appeals shall be submitted before Retention Payment. If the Claim Appeal is not submitted within fourteen (14) calendar days and detailed information within thirty (30) days, the Contractor shall be deemed to have waived its right to assert the Claim and the Claim shall be denied. Contractor's failure to submit any detailed information which is in the possession of Contractor shall render such information inadmissible by Contractor at trial or arbitration.
- 20.10.1.6 <u>Appeal Claim Format</u>: The Contractor shall provide all written detailed documentation which supports the claim, including but not limited to: arguments, justifications, cost, estimates, Schedule analysis and detailed documentation. The format of the Claim Appeal shall be as follows:
 - a. Cover letter.
 - b. Summary of factual basis of Claim and amount of claim.

- Summary of the basis of the Claim, including the specific clause and section under the Contract under which the claim is made.
- d. Documents relating to the Claim, including:
 - 1. Specifications sections in question.
 - 2. Relevant portions of the Drawings
 - 3. Applicable Clarifications (RFI's)
 - 4. Other relevant information, including responses that were received.
 - 5. Contractor Analysis of Claim merit.
- e. Contractor's analysis of any subcontractor vendor claims that are being passed through.
 - 1. Any analysis performed by outside consultants
 - 2. Any legal analysis that Contractor deems relevant
- f. Break down of all costs associated with the Claim.
- g. For claims relating to time extensions, an analysis and supporting documentation evidencing any effect upon the critical path of the Schedule that was prepared under Article 9.
- h. Chronology of events and related correspondence.
- i. Applicable Daily reports and logs.
 - If the Daily Reports or Logs are not available, lost or destroyed, there shall be a presumption that the lost documentation was unfavorable to the Contractor. See California Civil Jury Instruction 204.
- j. For Claims involving overhead, cost escalation, acceleration, disruption or increased costs, a full version of job costs reports organized by category of work or Schedule of Values with budget information tracked against actual costs. Any and all supporting back-up data, including the original bid (and associated original unaltered metadata).
 - The meta data and bid information shall be provided confidentially and subject to a protective order to prevent dissemination to other contractors or to the public. However, the bid documentation should remain intact and available for review and inspection in case of this type of increased cost claim.
 - 2. This data on the bid shall be made available to any District attorneys or experts and shall also be utilized as evidence for any legal proceedings.

- If the bid documentation is not available, lost or destroyed, there shall be a presumption that the lost bid documentation was unfavorable to the Contractor. See California Civil Jury Instruction 204.
- Certification: The Contractor (and subcontractors, if applicable) shall submit with the claim a certification under penalty of perjury:
 - 1. That the Contractor has reviewed the claim and that such claim is made in good faith;
 - 2. Supporting data are accurate and complete to the best of the Contractor's knowledge and belief;
 - 3. The amount requested accurately reflects the amount of compensation for which the Contractor believes the District is liable.
 - 4. That the Contractor is familiar with Government Code Sections 12650 et seq. and Penal Code Section 72 and that false claims can lead to substantial fines and/or imprisonment.
- Signature of Certification: If the Contractor is not an individual, the certification shall be executed by an officer or general partner of the Contractor having overall responsibility for the conduct of the Contractor's affairs.
- Mandatory Claim Appeal Procedure: The Contractor's Claim Appeal shall be denied if it fails to follow the requirements of this Article.
- 20.11 <u>Binding Arbitration of Individual Claim Issues</u>. To expedite resolution of Claims pursuant to Public Contract Code Section 9201, at the District's sole option, the District may submit individual Claims to Arbitration prior to Retention Payment consistent with the requirements of Article 20.6.1
- 20.12 <u>Dispute Resolution</u>. If Claims are not resolved under the procedure set forth above and all Appeals have been exhausted, such claim or controversy shall be submitted to a Arbitration under the AAA Construction Rules after the Project has been completed, and not before.
 - 20.12.1 If a dispute arises out of, or relates to this Construction Services Agreement or the breach thereof, and if said dispute cannot be settled through normal contract negotiations, the parties agree to first endeavor to settle the dispute using mediation.
 - 20.12.2 The costs for all mediation, including the Administrative fees and mediator compensation, will be shared equally by all parties. Fees shall be jointly negotiated by all parties directly with the Administrator. If all parties agree, then the mediation costs may increase as required for resolution of the dispute. The expenses of witnesses for any party shall be paid by the party producing such witnesses.
 - 20.12.3 A single mediator, acceptable to all parties, shall be used to mediate the dispute. The mediator will be knowledgeable in construction aspects and will be selected from lists furnished by the Administrator. The initial mediation session shall commence within thirty (30) days of filing, unless otherwise agreed by the parties, or at the direction of the mediator.

- 20.12.4 Mediation hearings will be conducted in an informal manner and discovery will not be allowed unless agreed by all parties. All discussions, statements, or admissions will be confidential to the proceedings and will not be used for any other purpose as it relates to the party's legal position.
- 20.12.5 Spokespersons shall be limited to the District, Contractor, Subcontractor, and Supplier personnel and their consultants. District, Contractor, Subcontractor and Supplier may have an attorney present and shall advise the other parties no less than five (5) business days before the mediation so that the other parties may also have their attorneys present.
- 20.12.6 Any resultant agreements from mediation shall be documented in writing, and may be used as the basis for a change order or other directive as appropriate. All mediation results and documentation shall be non-binding and inadmissible for any purpose in any legal proceedings, in accordance with Evidence Code Section 1152, unless such admission is otherwise agreed in writing by all parties. Mediators shall not be subject to any subpoena or liability and their actions shall not be subject to discovery.
- 20.12.7 If mediation is unsuccessful, the parties thereafter may, but are not required to, agree to submit the matter to the Administrator for binding arbitration. If the parties so agree to arbitrate, the following provision shall govern such arbitration, unless the parties otherwise agree in writing. The parties agree that the matter shall be submitted to one (1) arbitrator, unless they agree in writing to three (3) arbitrators. A judgment of a court having competent jurisdiction may be entered upon the award, and such judgment shall be enforceable as a final judgment to the fullest extent under the law. The parties agree to split evenly all arbitration and arbitrator(s)' fees and expenses, subject to readjustment by the arbitrator as part of any award. The arbitration shall be subject to, and proceed in accordance with California Code of Civil Procedure, Sections 1280 through 1294.2. If the parties do not agree to submit to binding arbitration, neither party is prevented from pursuing other legal remedies.

21. MAINTENANCE OF RECORDS; AUDIT/OWNERSHIP OF DOCUMENTS

- 21.1 State Audit. Pursuant to and in accordance with the provisions of Government Code § 8546.7, or any amendments thereto, all books, records, and files of the District, the Contractor, or any Subcontractor connected with the performance of this Contract involving the expenditure of state funds in excess of Ten Thousand Dollars (\$10,000.00), including, but not limited to, the administration thereof, shall be subject to the examination and audit of the Office of the Auditor General of the State of California for a period of five (5) years after Retention Payment is made or a Notice of Completion is Recorded, whichever occurs first. Contractor shall preserve and cause to be preserved such books, records, hard drives, electronic media, and files for the audit period.
- 21.2 <u>District Audit.</u> Pursuant to the remedies under Public Contract Code Section 9201 and Government Code Section 930.2, Contractor, through execution of this Agreement, also agrees the District shall have the right to review and audit, upon reasonable notice, the books and records of the Contractor concerning any monies associated with the Project. The purpose of this Audit is to quickly and efficiently resolve disputes based on the actual costs incurred and to reduce the uncertainty in resolving disputes with limited information. The District shall perform any audits at its own cost and any such audit shall be performed by an independent auditor, having no direct or indirect relationship with the functions or activities being audited or with the business conducted by the Contractor or District. In the even the independent auditor determines that Change Orders, Response to Request for Proposals, Claims, Appeal of Claims, or other requests for payment the Auditor shall report the results of the Audit findings to the District and provide a copy to the Contractor after giving the District Board the opportunity for at least 10 days review. If the Contractor

- disputes the findings of the independent auditor, such dispute shall be handled in the manner set forth under Article 20 entitled Disputes.
- 21.3 Failure to Produce Books or Records. If Contractor having agreed to the terms of this Contract fails to produce books or records requested by Auditor, such failure to produce books or records that were required to be preserved for audit, it shall be presumed that the information contained in the withheld books or records were unfavorable to the Contractor and the Auditor shall note this refusal in the results of the Audit findings for further evaluation by the District and the District's Board. The refusal to release records that are concerning monies associated with the Project may be used as a grounds to Debar the Contractor from future Projects for failure to preserve records under this Article and the failure to produce required audit records may also be used as a grounds for a negative finding against the Contractor depending on the significance of the records that are withheld by Contractor. Failure to produce Job Cost Data tied to Job cost categories and budgets shall be presumed an intentional failure to produce key audit records. Similarly, failure to produce daily time records (prepared at or near the time of the Work actually took place shall be presumed an intentional failure to produce key audited records.
- 21.4 Inefficiency, Acceleration or Delay Claims. If Contractor is seeking costs for inefficiency, home office overhead, or unanticipated increased costs due to delays or acceleration, Contractor shall also produce copies of the original bid tabulation utilized in submitting Contractors bid for the Project. This document shall be considered confidential and shall not be subject to disclosure through a Public Records Act and shall not be distributed to anyone other than the District and the District's counsel. This bid tabulation shall only be used in litigation, arbitration, evaluation of Claims or Disputes, Audit, and trial. If the records for the bid tabulation are kept on a computer, the Contractor shall also produce all metadata (in native format) that accompanies the bid tabulation for inspection to prove the authenticity of the underlying bid tabulation. Failure to produce the bid tabulation for review of inefficiency, home office overhead, or unanticipated increased costs due to delays or accelerations shall be considered material evidence that the bid tabulation was not favorable to the Contractor. This evidence shall be entered as a jury instruction for trial that the bid tabulation was not produced and the bid tabulation information was unfavorable to the Contractor. The evidence may also be used in Debarment Proceedings, and noted as an exception to an Audit Findings.
- 21.5 Upon notification of Contractor concerning the results of the audit and a reasonable time has passed for Contractor to respond to Audit Findings and if either there is no Dispute of the Audit findings under this Article or if the result after utilizing the Disputes Clause confirms the Audit findings, the District may seek any Savings that have not been accounted for with District and may also seek reimbursement for overstated Claims, Change Orders, or Appeal of Claims.
- 21.6 Ownership of Drawings. Notwithstanding any provision of this Agreement, all drawings, specifications, and copies thereof furnished by District are its property. They are not to be used on other work and with exception of signed contract sets, are to be returned to District on request at completion of work.

22. PREVAILING RATES OF WAGES; RECORDS, APPRENTICES

22.1 Wage Rates. Pursuant to the provisions of Article 2 (commencing at § 1720), Chapter 1, Part 7, Division 2, of the Labor Code, the District has obtained the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work in the locality in which this public works project is to be performed for each craft, classification, or type of worker needed for this Project from the Director of the Department of Industrial Relations ("Director"). These rates are on file at the administrative office of the District and are also available from the Director of the Department of Industrial Relations. Copies

will be made available to any interested party on request. The Contractor shall post a copy of such wage rates at appropriate, conspicuous, weatherproof points at the Site.

Any worker employed to perform Work on the Project, but such Work is not covered by any classification listed in the published general prevailing wage rate determinations or per diem wages determined by the Director of the Department of Industrial Relations, shall be paid not less than the minimum rate of wages specified therein for the classification which most nearly corresponds to the employment of such person in such classification.

- 22.2 <u>Holiday and Overtime Pay.</u> Holiday and overtime work, when permitted by law, shall be paid for at the rate set forth in the prevailing wage rate determinations issued by the Director of the Department of Industrial Relations or at least one and one-half (1½) times the specified basic rate of per diem wages, plus employer payments, unless otherwise specified in the Contract Documents or authorized by law
- 22.3 <u>Wage Rates Not Affected by Subcontracts.</u> The Contractor shall pay and shall cause to be paid each worker engaged in the execution of the Work on the Project not less than the general prevailing rate of per diem wages determined by the Director, regardless of any contractual relationship which may be alleged to exist between the Contractor or any Subcontractor and such workers.
- 22.4 <u>Per Diem Wages.</u> The Contractor shall pay and shall cause to be paid to each worker needed to execute the Work on the Project per diem wages including, but not limited to, employer payments for health and welfare, pensions, vacation, travel time and subsistence pay as provided for in Labor Code §1773.1.
- 22.5 <u>Forfeiture and Payments.</u> Pursuant to Labor Code §1775, the Contractor shall forfeit to the District, not more than Two Hundred Dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the prevailing wages rates as determined by the Director of the Department of Industrial Relations, for the work or craft in which the worker is employed for any Work done under the Agreement by the Contractor or by any Subcontractor under it. The amount of the penalty shall be determined by the Labor Commissioner and shall be based on consideration of: (1) whether the Contractor or Subcontractor's failure to pay the correct rate of per diem wages was a good faith mistake and, if so, the error was promptly and voluntarily correct upon being brought to the attention of the Contractor or Subcontractor; and (2) whether the Contractor or Subcontractor has a prior record of failing to meet its prevailing wage obligations.

23. RECORDS OF WAGES PAID

23.1 Payroll Records

- 23.1.1 Pursuant to §1776 of the Labor Code, each Contractor and Subcontractor shall keep an accurate payroll record showing the name, address, social security number, work classification and straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker or other employee employed by him or her in connection with the Project.
- 23.1.2 All payroll records shall be certified and submitted to the District with each application for payment, but shall not be submitted less than once per month. All payroll records shall be available for inspection at all reasonable hours at the principal office of the Contractor on the following basis:
- 23.1.3 A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

- 23.1.4 A certified copy of all payroll records shall be made available for inspection or furnished upon request to a representative of District, the Division of Labor Standards Enforcement or the Division of Apprenticeship Standards of the Department of Industrial Relations.
- A certified copy of all payroll records shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to Paragraph (2) above, the requesting party shall, prior to being provided the records, reimburse the costs, according to law for the preparation by the Contractor, Subcontractor(s), and the entity through which the request was made. The public shall not be given access to such records at the principal office of the Contractor.
- 23.1.6 The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the Division of Labor Standards Enforcement.
- 23.1.7 The Contractor or Subcontractor(s) shall file a certified copy of all payroll records with the entity that requested such records within 10 calendar days after receipt of a written request.
- 23.1.8 Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the District, the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address and social security number. The name and address of the Contractor awarded the Contract or the Subcontractor(s) performing the Contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a joint labormanagement committee established pursuant to the federal Labor Management Cooperation Act of 1978 (Section 175a of Title 29 of the United States Code) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number. Notwithstanding any other provision of law, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to Section 329 of the Unemployment Insurance Code and other law enforcement agencies investigating violations of law shall, upon request, be provided non-redacted copies of certified payroll records.
- 23.1.9 The Contractor shall inform the District of the location of all payroll records, including the street address, city and county, and shall, within five working days, provide a notice of a change of location and address.
- 23.1.10 The Contractor or Subcontractor(s) shall have ten (10) calendar days in which to comply subsequent to receipt of a written notice requesting payroll records. In the event that the Contractor or Subcontractor(s) fails to comply within the 10-day period, the Contractor or Subcontractor(s) shall, as a penalty to the District, forfeit One Hundred Dollars (\$100.00) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due.
- 23.1.11 Responsibility for compliance with this Article shall rest upon the Contractor.
- 23.2 <u>Withholding of Contract Payments & Penalties</u>

- 23.2.1 The District may withhold or delay contract payments to the Contractor and/or any Subcontractor if:
 - 23.2.1.1 The required prevailing rate of per diem wages determined by the Director of the Department of Industrial Relations is not paid to all workers employed on the Project; or
 - 23.2.1.2 The Contractor or Subcontractor(s) fail to submit all required certified payroll records with each application for payment, but not less than once per month; or
 - 23.2.1.3 The Contractor or Subcontractor(s) submit incomplete or inadequate payroll records; or
 - 23.2.1.4 The Contractor or Subcontractor(s) fail to comply with the Labor Code requirements concerning apprentices; or
 - 23.2.1.5 The Contractor or Subcontractor(s) fail to comply with any applicable state laws governing workers on public works projects.

24. APPRENTICES

- Apprentice Wages and Definitions. All apprentices employed by the Contractor to perform services under the Contract shall be paid the standard wage paid to apprentices under the regulations of the craft or trade for which he or she is employed, and as determined by the Director of the Department of Industrial Relations, and shall be employed only at the craft or trade to which he or she is registered. Only apprentices, as defined in §3077 of the Labor Code, who are in training under apprenticeship standards that have been approved by the Chief of the Division of Apprenticeship Standards and who are parties to written apprenticeship agreements under Chapter 4 (commencing with §3070) of Division 3, are eligible to be employed under this Contract. The employment and training of each apprentice shall be in accordance with the apprenticeship standards and apprentice agreements under which he or she is training, or in accordance with the rules and regulations of the California Apprenticeship Council.
- Employment of Apprentices. Contractor agrees to comply with the requirements of Labor Code §1777.5. The Contractor awarded the Project, or any Subcontractor under him or her, when performing any of the Work under the Contract or subcontract, employs workers in any apprenticeable craft or trade, the Contractor and Subcontractor shall employ apprentices in the ratio set forth in Labor Code §1777.5. The Contractor or any Subcontractor must apply to any apprenticeship program in the craft or trade that can provide apprentices to the Project site for a certificate approving the contractor or subcontractor under the apprenticeship standards for the employment and training of apprentices in the area or industry af