

**AGREEMENT
BETWEEN
CENTRAL VALLEY SCHOOL DISTRICT
AND CONTRACTOR
PUBLIC WORKS CONTRACT**

This AGREEMENT is made as of the _____ day of _____, 2021, between:

The "School District":

Central Valley School District No. 356
19307 E. Cataldo Avenue
Spokane Valley, Washington 99016
Attn: Jay Rowell, Deputy Superintendent

and the "Contractor":

Attn: _____

A general description of the Project is:

Spokane Gun Club Reclamation
19615 E. Sprague Avenue
Spokane Valley, Washington

The Architect/Engineer ("A/E"), is:

Hart Crowser, a Division of Haley & Aldrich
505 W. Riverside Avenue, Suite 205
Spokane, Washington 99201
Attn: John Haney

The School District's Project Manager is:

OAC Services Inc.
1717 S. Rustle Street, Suite 105
Spokane, Washington 99224
Attn: Jonathan Miller, CCM, PMP; Senior Project Manager
jmiller@oacsvcs.com

The School District and Contractor agree as set forth below.

**ARTICLE 1
THE WORK**

1.1 The Contractor shall fully execute and complete the entire Work described in the Contract Documents.

**ARTICLE 2
DATES OF COMMENCEMENT AND SUBSTANTIAL AND FINAL COMPLETION**

2.1 Contract award and notice to proceed are expected to be provided by the School District with on-site work to begin on or about November 15, 2021.

2.2 The Contractor shall achieve Substantial Completion of the entire Work no later than June 30, 2022 and shall achieve Final Completion no later than fifteen days thereafter, subject to adjustments of the Contract Time as provided in the Contract Documents.

2.3 Liquidated damages shall be \$500 per day for each calendar day after the Contract Time that Substantial Completion is not attained.

ARTICLE 3
CONTRACT SUM

3.1 The School District shall pay the Contractor, for the Contractor's performance of the Contract, the Contract Sum of _____ Dollars (\$ _____), subject to additions and deductions as provided in the Contract Documents. Sales tax is not included in and shall be added to the Contract Sum.

3.2 The Contract Sum is based upon and includes the following alternates, if any, which are described in the Contract Documents and are hereby accepted by the School District: _____

3.3 Unit prices, if any, are as follows: See the completed bid form

3.4 Allowances, if any, are as follows: _____

3.5 This Project is estimated to cost one million dollars or more and so this Project is subject to the apprenticeship requirements of RCW 39.04.320 and Section 10.17 in the attached General Conditions.

ARTICLE 4
PAYMENT

4.1 The School District will make payments to the Contractor as provided below and elsewhere in the Contract Documents based upon Application(s) for Payment submitted by the Contractor. The School District will make progress payments on account of the Contract Sum per Article 15. The School District will make final payment, constituting the entire unpaid balance of the Contract Sum except statutory retainage, to the Contractor when the Work has achieved Final Completion, the Agreement has been fully performed, and the School District's Board of Directors has accepted the Work. The retainage shall be paid pursuant to RCW 60.28 and the Contract Documents. A performance and payment bond is required; see Article 17.

4.2 Payments due and unpaid under the Agreement shall bear interest at the Bank of America prime rate plus 2%, unless a higher rate is required by RCW 39.76.

ARTICLE 5
PERMITS AND FEES

5.1 The School District will secure and pay for only the following permits: Grading Permit.

5.2 The Contractor shall secure and pay for, as a part of the Contract Sum, all other permits and governmental fees, licenses and inspections necessary for proper execution and completion of the construction of the Work, including without limitation all subcontractor permits and fees and including plan check fees.

5.3 The School District shall secure and pay for necessary approvals, easements, assessments and charges required for the use or occupancy of permanent structures or permanent changes in existing facilities.

ARTICLE 6
PROPERTY INSURANCE

6.1 The School District shall include this project in its existing property insurance and/or builders risk policy for loss or damage to the property in the course of construction.

6.2 The Contractor shall be responsible for securing property insurance for its own equipment. This property insurance shall be on an "all-risk" or equivalent policy form and shall include, but not be limited to, coverage for fire and extended coverage, theft, vandalism, malicious mischief, collapse and windstorm. Any deductible shall be the sole responsibility of the Contractor.

6.3 Any loss insured under subsection 6.1 is to be adjusted with the School District and made payable to the School District as trustee for the insureds, as their interest may appear. The Contractor shall pay each subcontractor a just share of any insurance moneys received by the Contractor, and by appropriate agreement, written where legally required for validity, shall require each subcontractor to make payments to his sub-subcontractors in similar manner.

6.4 The School District as trustee shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within five days after the occurrence of loss to the School District's exercise of this power, and if such objection is made, the matter shall be decided by a court of competent jurisdiction or as the parties in interest otherwise agree. The School District as trustee shall, in that case, make settlement with the insurers in accordance with directions of the court.

ARTICLE 7
ENUMERATION OF CONTRACT DOCUMENTS

The Contract Documents are enumerated as follows, except for modifications issued after execution of this Agreement. In the event of a conflict or discrepancy among or in the Contract Documents, interpretation shall be governed in the following order of priority, except that Addenda shall control on specific changes:

- 7.1 This executed Agreement between the School District and Contractor.
- 7.2 Any Special or Supplementary and other Conditions of the Agreement.
- 7.3 The attached General Conditions
- 7.4 The Addenda (if any) as follows:

<u>Number</u>	<u>Date</u>	<u>Pages</u>
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- 7.5 The Specifications as follows: As listed in the Index of the Project Manual.
- 7.6 The Drawings as follows: As listed in the Index of Drawings.
- 7.7 Any other documents forming part of the Contract Documents and listed below:
Department of Labor and Industries Prevailing Wage Rates.

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

CENTRAL VALLEY SCHOOL DISTRICT No. 356

CONTRACTOR

By _____
(Signature)

By _____
(Signature)

(Printed name and title)

(Printed name and title)

GENERAL CONDITIONS

ARTICLE 8

THE CONTRACT DOCUMENTS

8.1 The intent of the Contract Documents is to include all items necessary for the proper execution and completion of the Work by the Contractor. The Contract Documents are complementary, and what is required by one is as binding as if required by all. Performance by the Contractor is required to the extent consistent with the Contract Documents and reasonably inferable from them as being necessary to produce the intended results.

8.2 The Contract Documents shall not be construed to create a contractual relationship of any kind between the School District and a Subcontractor of any tier, between the A/E (if any) and the Contractor, or between any persons or entities other than the School District and Contractor.

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

8.4 The term "A/E" means the entity listed as such on the first page of this Agreement, if any. The A/E may be an architect, engineering or similar company, or consultant, and is not necessarily a licensed architect or engineer. If "None" or "N/A" is listed for the A/E, then the School District or its designated representative will perform all of the functions of the A/E described herein. The A/E is not an agent of the School District, and is not authorized to speak on behalf of or bind the School District.

8.5 The Contractor's execution of the Agreement is a representation and acknowledgement that the Contractor has visited the site and become familiar with the local conditions under which the Work is to be performed, that the Contract Sum is reasonable compensation for all the Work, and that the Contract Time is adequate for the performance of the Work. The Contractor's execution of the Agreement is a further representation and acknowledgement that the Contractor has carefully checked and verified all pertinent figures and that it has carefully examined the Contract Documents and the Project site, including any existing structures, and that it has satisfied itself as to the nature, location, character, quality and quantity of the Work, the labor, materials, equipment, goods, supplies, work, services and other items to be furnished, and all other requirements of the Contract Documents, as well as the surface conditions and other matters that may be encountered at the Project site or affect performance of the Work or the cost or difficulty thereof.

ARTICLE 9

ADMINISTRATION OF THE AGREEMENT

9.1 The School District, with assistance from the A/E and the Project Manager, will provide administration of the Agreement. The School District must approve in writing all changes in the Contract Sum or Time and all Change Orders, Construction Change Directives, and payments to the Contractor.

9.2 Neither any representative of the School District nor the A/E nor the Project Manager is authorized to revoke, alter, enlarge, relax or release any requirements of the Contract Documents, nor to approve or accept any portion of the Work whether or not executed in accordance with, nor to issue instructions contrary to the Contract Documents.

9.3 The School District or the A/E may disapprove, condemn or reject work when, in its opinion, the Work does not conform to the Contract Documents. The School District or the A/E may require special inspection or testing of any Work in accordance with the provisions of the Contract Documents whether or not such Work is then fabricated, installed or completed.

9.4 The School District, Project Manager or the A/E may call, schedule and conduct job meetings, which the Contractor and representatives of its Subcontractors shall attend, to discuss such matters as procedures, progress, problems and scheduling.

9.5 The School District, Project Manager and the A/E may visit the site at intervals each considers appropriate to the stage of the Work to become generally familiar with the progress and quality of the completed Work. However, neither will be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work.

9.6 The School District may occupy the site during the course of the Work.

ARTICLE 10

THE CONTRACTOR

10.1 The Contractor shall perform, 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, personnel and procedures, for safety, and for coordinating all portions of the Work under the Agreement, unless the Contract Documents specifically provide other instructions concerning these matters. The Contractor shall be and operate as an independent contractor in the performance of the Work and shall have complete control over and responsibility for all personnel performing the Work. The Contractor is not authorized to enter into any agreements or undertakings for or on behalf of the School

District or to act as or be an agent or employee of the School District.

10.2 The Contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, remediation, disposal, and other facilities and services necessary for the proper execution and completion of the Work, whether temporary or permanent and whether or not incorporated or to be incorporated in the Work.

10.3 Workers. The Contractor shall enforce strict discipline and good order among the Contractor's employees and other persons carrying out the Work. The Contractor shall not permit employment of unfit persons or persons not skilled in tasks assigned to them. The Contractor shall be responsible to the School District for the acts and omissions of the Contractor's employees, Subcontractors of any tier and their agents and employees, and other persons performing portions of the Work under a contract with the Contractor. At no change to the Contract Sum or Contract Time, the School District may provide written notice requiring the Contractor to remove from the Work any employee or other person carrying out the Work that the School District considers objectionable. If the Work is being performed at a site in active school use or where there is a likelihood of contact with children, a person shall be unfit and removed from the site if he or she is a registered sex offender or has pled guilty to or has been convicted of any felony crime involving the physical injury or death of a child (RCW 9A.32 or RCW 9A.36 but not RCW 46.61--motor vehicle violation), the physical neglect of a child (RCW 9A.42), sexual offenses against a minor (RCW 9A.44), sexual exploitation of a child (RCW 9.68A), the sale or purchase of a minor child (RCW 9A.64.030), promoting prostitution of a child (RCW 9A.88), or violation of similar laws of another jurisdiction. Failure to comply with this section shall be grounds for the immediate termination of this Agreement for cause.

10.3.1 Background Checks. In the event Contractor or any of Contractor's or its Subcontractors' agents, employees, or applicants for employment will have regularly scheduled unsupervised access to children at the Project site and/or hire employees who will have regularly scheduled unsupervised access to children, Contractor shall require a record check through the Washington State Patrol criminal investigation system under RCW 43.43.830-43.43.834, 10.97.030 and 10.97.050, and through the Federal Bureau of Investigation before hiring the employee or allowing such employee onto the Project site. The record check shall include a fingerprint check using a complete Washington State criminal identification fingerprint card. The Contractor shall provide a copy of the record to the person applying for employment to the School District. If the Contractor or applicant has a record check within previous two years, the Contractor may waive the requirement. The Contractor shall pay for the requirements set forth in this Section.

10.4 Warranty. The Contractor warrants that materials and equipment furnished under the Agreement will be of good quality and new, that the Work will be performed in a

skillful and workmanlike manner, free from defects not inherent in the quality required or explicitly permitted, and that the Work will conform to the requirements of the Contract Documents. The School District may conclude that Work not conforming to these requirements, including substitutions or deviations from the drawings or specifications not properly approved and authorized, is defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modifications not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage.

10.5 Taxes and Fees. The Contractor shall pay sales, consumer, use, B & O, and other similar taxes that are legally enacted when bids are received, whether or not yet effective or merely scheduled to go into effect.

10.6 Legal Compliance. The Contractor shall comply with and give notices required by laws, ordinances, rules, regulations, and lawful orders of public authorities bearing on performance of the Work. The Contractor shall promptly notify the School District and A/E in writing if the Contractor observes the Drawings or Specifications to be at variance with them.

10.7 Submittals. The Contractor shall review, approve and submit to the School District or A/E with reasonable promptness Shop Drawings, Product Data, Samples and similar submittals required by the Contract Documents. The Work shall be in accordance with approved submittals.

10.8 Progress Schedule. Within seven days of execution of this Agreement, the Contractor shall submit a preliminary schedule of the Work to the School District. Failure to do so shall constitute a material breach of the Contract and a material breach of the conditions of the bid bond. Within thirty days after execution of the Agreement, and before any progress payment need be made, the Contractor, after consultations with its Subcontractors, shall submit a Progress Schedule to the School District. Neither the School District nor the A/E will, however, be required to review or approve the substance or sequence of the Progress Schedule, which are the Contractor's sole responsibility. The Contractor will be responsible for planning, scheduling, managing, and reporting the progress of the Work in accordance with all of the specific methods and submittals described in the Contract Documents. The Contractor shall use the Contract Schedule to plan, coordinate, and prosecute the Work in an orderly and expeditious manner.

10.9 Clean-Up. The Contractor shall keep the premises and surrounding area free from accumulation of waste materials or rubbish caused by operations under the Agreement. Prior to completion of the Work or at the School District's request, the Contractor shall remove from and about the Project waste materials, rubbish, the Contractor's tools, construction equipment, machinery and surplus materials. If the Contractor fails to do so, the School District may do so and charge to the Contractor all costs incurred.

10.10 Access. The Contractor shall provide the School District and the A/E and their respective consultants access to the Work wherever located.

10.11 Royalties and Patents. The Contractor shall pay all royalties and license fees, shall defend suits or claims for infringement of patent rights and shall hold the School District and the A/E harmless from loss on account thereof, unless the Contract Documents require the particular infringing design, process or product of a particular manufacturer or manufacturers.

10.12 Indemnification. Subject to the following conditions and to the fullest extent permitted by law, the Contractor shall defend, indemnify, and hold harmless the School District and A/E and their respective agents, employees, directors, consultants, successors and assigns (“Indemnified Parties”) from and against all claims, damages, losses and expenses, direct and indirect, or consequential, including but not limited to costs and attorneys’ fees incurred on such claims and in proving the right to indemnification, arising out of or resulting from or connected to the performance of the Work, any act or omission of the Contractor, its agents, any of its Subcontractors of any tier, and anyone directly or indirectly employed by the Contractor or Subcontractors of any tier (“Indemnitor”). The Contractor will fully defend, indemnify, and hold harmless the Indemnified Parties for the sole negligence of the Indemnitor. The Contractor will defend, indemnify, and hold harmless the Indemnified Parties for the concurrent negligence of the Indemnitor to the extent of the Indemnitor’s negligence. The Contractor agrees to being added by the School District as a party to any mediation, arbitration, or litigation with third parties in which the School District alleges indemnification or contribution from an Indemnitor. The Contractor agrees that all of its Subcontractors of any tier will, in the subcontracts, similarly stipulate; in the event any does not, the Contractor shall be liable in place of such Subcontractor(s). To the extent a court or arbitrator strikes any portion of this indemnification provision for any reason, all remaining provisions shall retain their vitality and effect. In claims against any person or entity indemnified under this Section 10.12 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under this Section 10.12 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers’ compensation acts, disability benefit acts or other employee benefit acts. After mutual negotiation of the parties, the Contractor waives immunity as to the School District, the A/E and their consultants only under Title 51 RCW, “Industrial Insurance.” IF THE CONTRACTOR DOES NOT AGREE WITH THIS WAIVER, IT MUST PROVIDE A WRITTEN NOTICE TO THE SCHOOL DISTRICT PRIOR TO THE DATE FOR THE RECEIPT OF BIDS, OR THE CONTRACTOR WILL BE DEEMED TO HAVE NEGOTIATED AND WAIVED THIS IMMUNITY. The provisions of this Section shall survive the expiration or termination of this Agreement.

10.13 Prevailing Wages.

10.13.1 Pursuant to RCW 39.12, no worker, laborer, or mechanic employed in the performance of any part of this Agreement shall be paid less than the “prevailing rate of wage” (in effect as of the date that bids are due) as determined by the Industrial Statistician of the Department of Labor and Industries, ESAC Division, PO Box 44540, Olympia WA 98504-4540, Telephone (360) 902-5335. The schedule of the prevailing wage rates for the locality or localities where this Work will be performed is attached and made a part of this Agreement by reference as though fully set forth herein; if not attached, then the applicable prevailing wages are determined as of the Bid Date for the county in which the Project is located and are available at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp>. A copy is available for viewing at the School District’s office, and a hard copy will be mailed upon request. To the extent that there is any discrepancy between the attached or provided schedule of prevailing wage rates and the published rates as are applicable under WAC 296-127-011, or if no schedule is attached, then the applicable published rates shall apply at no increase to the Contract Sum. The Contractor shall provide the respective Subcontractors with a schedule of the applicable prevailing wage rates. The Industrial Statistician will answer questions relating to prevailing wage data upon request.

10.13.2 Pursuant to RCW 39.12.060, in case any dispute arises as to what are the prevailing rates of wages for work of a similar nature, and such dispute cannot be adjusted by the parties in interest, including labor and management representatives, the matter shall be referred for arbitration to the director of the Department of Labor and Industries, whose decision therein shall be final and conclusive and binding on all parties involved in the dispute.

10.13.3 The Contractor shall defend, indemnify and hold the School District harmless, including attorneys’ fees, from any violation or alleged violation of RCW 39.12 (“Prevailing Wages on Public Works”) and RCW 51 (“Industrial Insurance”), including without limitation RCW 51.12.050, by the Contractor, any Subcontractor of any tier, or any person performing Work on behalf of the Contractor or any Subcontractor of any tier.

10.14 The Contractor shall comply with all applicable provisions of RCW 49.28.

10.15 Pursuant to RCW 49.70 and WAC 296-307-560 et seq., the Contractor shall provide the School District copies of and have available at the Project Site a workplace survey or material safety data sheets for all “hazardous” chemicals under the control or use of Contractor or any Subcontractor at the Project Site.

10.16 The Contractor shall maintain and preserve for at least three years from the date of final payment books, ledgers, records, documents, estimates, bidding documents, correspondence, logs, schedules, electronic data and other evidence relating or pertaining to the costs incurred by the Contractor in connection with or related to the Agreement and/or

performance of the Contract (“records”) to such extent and in such detail as will properly reflect and fully support compliance with the Contract Documents and with all costs, charges and other amounts of whatever nature for which reimbursement or payment is or may be claimed under the Contract. The Contractor agrees to make available at all reasonable times at the office of the Contractor all such records for inspection, audit and reproduction (including electronic reproduction) by the School District and its representatives. These requirements shall be applicable to each Subcontractor of any tier and included in each Subcontract and purchase order issued with respect to the Work. The Contractor agrees, on behalf of itself, its representatives, and Subcontractors of any tier and their representatives, that any rights under RCW 42.56 will commence at Final Acceptance, and that the invocation of such rights at any time by the Contractor or a Subcontractor of any tier or any of their representatives shall initiate an equivalent right to disclosures from the Contractor and Subcontractors of any tier for the benefit of the School District. Because of the importance of the access of such records to the School District in the case of a Claim, if the Contractor or any Subcontractor fails to fully comply with the requirements of this section with regard to any Claim, such Claim shall be deemed to be waived.

10.17 Apprenticeship. This project is estimated to cost one million dollars or more and so this Section 10.17 and RCW 39.04.320 shall apply.

10.17.1 Pursuant to RCW 39.04.320, no less than fifteen percent (15%) of the Labor Hours shall be performed by apprentices, unless a different amount is permitted or otherwise required by law. Apprenticeship hours shall be performed by participants in training programs approved by the Washington State Apprenticeship Council.

10.17.2 “Labor Hours” means the total hours of workers receiving an hourly wage who are directly employed on the site of the public works project. “Labor hours” includes hours performed by workers employed by the Contractor and all Subcontractors working on the Project. “Labor hours” does not include hours worked by foremen, superintendents, owners, and workers who are not subject to prevailing wage requirements of RCW 39.12.

10.17.3 During the term of this Contract, the School District may adjust the apprenticeship labor hour requirement upon its finding or determination that includes:

- .1 A demonstration of lack of availability of apprentices in the geographic area of the Project;
- .2 A disproportionately high ratio of material costs to labor hours that does not make feasible the required minimum levels of apprenticeship participation;
- .3 Demonstration by participating contractors of a good faith effort to comply with the requirements of RCW 39.04.300, 39.04.310 and 39.04.320;
- .4 Small contractors or subcontractors (e.g., small or emerging businesses) would be forced to displace regularly employed members of their workforce;

- .5 The reasonable and necessary requirements of the Contract render apprentice utilization infeasible at the required level (e.g., the number of skilled workers required and/or limitations on the time available to perform the Work preclude utilization of apprentices); or
- .6 Other criteria the School District deems appropriate, which are subject to review by the office of the Governor.

10.17.5 The Contractor shall report apprentice participation to the School District at least monthly, on forms provided or approved by the School District. In addition, copies of monthly certified payroll records may be requested to document the goal including copies with any birthdates and social security numbers (and any other sensitive personal information) redacted so as such copies may be used to respond to any public records requests. The reports will include:

- .1 The name of the Project;
- .2 The dollar value of the Project;
- .3 The date of the Contractor’s notice to proceed;
- .4 The name of each apprentice and apprentice registration number;
- .5 The number of apprentices and labor hours worked by them, categorized by trade or craft;
- .6 The number of journey level workers and labor hours worked by them, categorized by trade or craft; and
- .7 The number, type, and rationale for the exceptions granted.

10.17.6 To comply with the changes to RCW 39.04.320 that are effective as of January 1, 2020, the following provisions also apply:

- .1 This Section 3.4.10 specifies that the 39.04.320 apprenticeship goals should be met;
- .2 The School District shall provide a monetary incentive of One Thousand Dollars for meeting these goals;
- .3 The Contractor shall pay a monetary penalty of One Thousand Dollars for not meeting these goals;
- .4 The School District is not in a position within existing resources to identify an expected cost value to be included in the bid associated with meeting these goals; and
- .5 Contractor and its Subcontractors are not required to exceed these apprenticeship utilization requirements.

ARTICLE 11 SUBCONTRACTORS

11.1 A “Subcontractor” is a person or entity that has a direct contract with the Contractor to perform a portion of the Work at the site or to supply materials or equipment. A “Subcontractor of any tier” includes Subcontractors as well as all direct and lower level sub-subcontractors and suppliers.

11.2 As soon as practicable after award of the Agreement, the Contractor shall confirm in writing to the School District the names of the Subcontractors for each portion of the

Work. The Contractor shall not contract with any Subcontractor to whom the School District has made reasonable and timely objection or which is different from the one listed in conjunction with the bid. Contracts between the Contractor and Subcontractors shall (1) require each Subcontractor to be bound to the Contractor by the terms of the Contract Documents to the extent of the Work to be performed by the Subcontractor and to assume toward the Contractor all the obligations and responsibilities which the Contractor, by the Contract Documents, assumes toward the School District, and (2) allow to the Subcontractor the benefit of all rights, remedies and redress afforded to the Contractor by these Contract Documents.

11.3 The Contractor shall promptly pay (and secure the discharge of any liens asserted by) all persons properly furnishing labor, equipment, materials or other items in connection with the performance of the Work (including, but not limited to, any Subcontractors). The Contractor shall furnish to the School District such releases of liens and Claims and other documents as the School District may request from time to time to evidence such payment (and discharge). The School District may, at its option, withhold payment, in whole or in part, to the Contractor until such documents are so furnished. The Contractor shall defend, indemnify, and hold harmless the School District from any liens, including all expenses and attorneys' fees. Nothing in the Contract Documents shall create any obligation on the part of School District or A/E to pay or to see to the payment of any moneys due any Subcontractor of any tier or other person or entity, except as may otherwise be required by laws and regulations.

ARTICLE 12
CONSTRUCTION BY SCHOOL DISTRICT OR BY SEPARATE CONTRACTORS

12.1 The School District reserves the right to perform construction or operations related to the Project with the School District's own forces and to award separate contracts in connection with other portions of the Project or other construction or operations on the site under conditions of the contract identical or substantially similar to those of the Contract Documents. The Contractor has the responsibility to coordinate its Work with such separate contractors and the School District's own forces.

12.2 The Contractor shall afford the School District and separate contractors reasonable opportunity for the introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Contractor's construction and operations as required by the Contract Documents.

ARTICLE 13
CHANGES IN THE WORK

13.1 The School District, without invalidating the Agreement, may order changes in the Work consisting of additions, deletions or modifications ("Changes"), and the Contract Sum and Contract Time will be adjusted accordingly. Changes in the Work, the Contract Sum and/or the Contract Time

shall be authorized only by written Change Order signed by the School District, the A/E and the Contractor or by written Construction Change Directive signed by the School District and the A/E.

13.1.1 Change Orders. A Change Order is a written instrument signed by the School District and the Contractor stating their agreement upon a change in the Work; the amount of the adjustment in the Contract Sum, if any; and the extent of the adjustment in the Contract Time, if any.

13.1.2 Construction Change Directives. A Construction Change Directive is a written order prepared and signed by the School District and the A/E that directs a change in the Work and states a proposed basis for adjustment, if any, in the Contract Sum or Contract Time, or both. It shall be used in the absence of total agreement on the terms of a Change Order. The Contractor shall promptly proceed with the change in the Work described in the Construction Change Directive. As soon as possible, and within seven days of receipt, the Contractor shall advise the School District in writing of the Contractor's agreement or disagreement with the cost or the method, if any, provided in the Construction Change Directive for determining the proposed adjustment in the Contract Sum or Contract Time.

13.2 If the parties cannot agree on the cost or credit to the School District from a Change in the Work, the Contractor shall keep and present, in such form as the School District may prescribe, an itemized accounting together with supporting data. The total cost of any Change or Claim shall be limited to the reasonable value of the following:

13.2.1 Direct labor costs: The effective W.D.O.L. & I. prevailing hourly wage for the laborers, journeymen, and foremen performing and/or directly supervising the Changed Work on the site. The premium portion of overtime wages may not be included unless pre-approved in writing by the School District. The hourly cost shall be based upon basic wages and mandatory fringe benefits and workers' insurances.

13.2.2 Direct material costs: An itemization of the quantity of materials necessary to perform the Change in the Work and the net cost therefor.

13.2.3 Construction equipment usage costs: An itemization of the actual length of time construction equipment appropriate for the Work will be used solely on the Change in the Work at the Site times the lower of the actual rental receipt or applicable current state, NECA, EquipmentWatch, or MCA rental cost. Actual, reasonable mobilization costs are permitted if the equipment is brought to the Site solely for the Change in the Work. The rate for equipment necessarily standing by for future use on the Work shall be 50% of the rate established above.

13.2.4 Cost of any change in insurance or bond premium. Upon request, the Contractor shall provide the School District with supporting documentation.

13.2.5 Subcontractor costs: Payments the Contractor makes to Subcontractors for Changed Work performed by Subcontractors of any tier. The cost of Work for Subcontractors of any tier shall be determined in the same manner as prescribed in this Section 13.2.

13.2.6 Fee: The allowance for all combined overhead, profit, and other costs, including all office, home office, extended and site overhead (including project manager, project engineer, superintendent and general foreman time), and all delay and including impact costs of any kind, added to the total cost to the School District of any Change Order or any Claim for additional work or extra payment of any kind on this Project shall be strictly limited to the following schedule:

- .1 For the Contractor, for any materials or work performed by the Contractor's own forces, 15% of the cost.
- .2 For the Contractor, for materials or work performed by its Subcontractor, 8% of the amount due the Subcontractor.
- .3 For each Subcontractor (including lower tier subcontractor involved), for any materials or work performed by its own forces, 12% of the cost.
- .4 For each Subcontractor, for materials or work performed by its subcontractors of any lower tier, 5% of the amount due the sub-subcontractor.
- .5 The cost to which the Fee is to be applied shall be determined in accordance with Section 13.2.1-4.

13.3 Dispute Resolution. All claims, disputes and other matters in question of the Contractor, direct or indirect, arising out of, or relating to, the Contract Documents or the breach thereof ("Claims"), except Claims which have been waived under the terms of the Contract Documents, shall be decided exclusively by the following dispute resolution procedure. The Contractor shall diligently carry on the Work and maintain the progress schedule during the dispute resolution procedure, including any litigation proceedings, unless the parties mutually agree in writing otherwise.

13.3.1 Notice of Claim. The Contractor shall submit notice of all Claims to the School District in writing within seven days of the event giving rise to them and shall include a clear description of the event and its probable effect. Failure to comply with these requirements shall constitute waiver of the Claim.

13.3.2 Claim Submission. Within fifteen days of the Notice of Claim, the Contractor shall provide the School District in writing with a Claim, which shall include a clear description of the Claim, any and all changes in cost and in time to which the Contractor and its Subcontractors of any tier may be entitled under this Agreement for the Claim, and data supporting the Claim. The Claim of a Subcontractor may be brought only through the Contractor and only after the Contractor notifies the School District in writing that the Contractor has reviewed and agrees with the Claim. No act, omission, or knowledge, actual or constructive, of the School District shall in any way be deemed to be a waiver of the requirement for a timely written Claim unless

the School District provides the Contractor with an explicit, unequivocal written waiver.

13.3.3 Informal Resolution. The School District will make a determination of the Claim. If no determination is made within two weeks of submission of the Claim, the Claim shall be deemed rejected. If the Contractor disagrees with the School District's determination and wishes to pursue the Claim further, the Contractor must, within fourteen days of receipt of the determination, provide the School District with a written request that a representative of the Contractor and the School District meet, confer, and attempt to resolve the Claim. This meeting will then take place at a mutually convenient time within thirty days of the request, unless the School District elects to proceed directly to mediation.

13.3.4 Mediation. The Contractor may bring no litigation against the School District unless the Claim is first subject to non-binding mediation under the Construction Mediation Rules of the American Arbitration Association ("AAA"). The Contractor is responsible for initiating the mediation process. This requirement cannot be waived except by an explicit written waiver signed by the School District and the Contractor. To initiate the mediation process, the Contractor shall submit a written mediation request to the School District within thirty days of the meeting undertaken in Section 13.3.3. If the parties are unable to agree to a mediator within thirty days after the School District's receipt of the written request for mediation, either party may submit a request for mediation to the AAA. An officer of the Contractor and the Superintendent or designee of the School District, both having full authority to settle the Claim (subject only to ratification by the School District's Board of Directors), must attend the mediation session. To the extent there are other parties in interest, such as Subcontractors, their representatives, with full authority to settle the Claim, shall also attend the mediation session. Unless the School District and Contractor mutually agree in writing otherwise, all unresolved Claims in the Project shall be considered at a single mediation session which shall occur prior to Final Acceptance by the School District.

13.3.5 Litigation. The Contractor may bring no litigation on Claims unless such Claims have been properly raised and considered in the dispute resolution procedures of Sections 13.3.1 through 13.3.4 above. All unresolved Claims of the Contractor shall be waived and released unless the Contractor has strictly complied with the time limits of the Contract Documents, and litigation is served and filed within the earlier of (a) 120 days after the Date of Substantial Completion designated in writing by the School District or (b) 60 days after Final Acceptance. This requirement cannot be waived except by an explicit written waiver signed by the School District and the Contractor. The pendency of a mediation (calculated as the period from the written request for mediation through the day following the mediation proceeding) shall toll these filing requirements.

13.4 Notice and Claims. All notices and Claims shall be made in writing as required by the Agreement.

13.4.1 Any notice of a Claim of the Contractor against the School District and any Claim of the Contractor, whether under the Agreement or otherwise, must be made pursuant to and in strict accordance with the applicable provisions of the Contract Documents. Failure to comply with these requirements shall constitute waiver of the Claim. No act, omission, or knowledge, actual or constructive, of the School District or the A/E shall in any way be deemed to be a waiver of the requirement for timely written notice and a timely written Claim unless the School District and the Contractor sign an explicit, unequivocal written waiver approved by the School District's Board of Directors.

13.4.2 The fact that the School District and the Contractor may continue to discuss or negotiate a Claim that is or may have been defective or untimely under the Contract shall not constitute waiver of the provisions of the Contract Documents unless the School District and Contractor sign an explicit, unequivocal written waiver approved by the School District's board of directors.

13.4.3 The Contractor expressly acknowledges and agrees that the Contractor's failure to timely submit required notices or timely submit Claims has a substantial impact upon and prejudices the School District, including but not limited to the inability to fully investigate or verify the Claim, mitigate damages, choose alternative options, adjust the budget, delete or modify the impacted Work, and/or monitor time, cost and quantities. For these and other reasons, the parties stipulate that the School District is prejudiced by the Contractor's failure to timely submit notices or Claims as required by the Contract Documents.

13.5 Claims for Concealed or Unknown Conditions. If conditions unknown to the Contractor are encountered at the site which are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Contract Documents or (2) unknown physical conditions of an unusual nature, which differ materially from those ordinarily found and generally recognized as inherent in activities of the character provided for in the Contract Documents, then the Contractor shall give written notice to the School District promptly before conditions are disturbed and in no event later than seven days after the first observance on the conditions. The Contractor shall make any Claim arising from such condition in accordance with the dispute resolution procedure in Section 13.3. The Contractor has been informed that the entire site is contaminated, and so such contaminates shall not be the basis of a concealed or unknown condition. Only a type of contaminant that is not listed in the Contract Documents shall be considered a concealed or unknown condition. Similarly, hazardous and dangerous waste generated by Contractor's abatement and demolition of the known or potentially known types of hazardous materials is not a change in scope and shall not be used to justify a change in the Contract Sum.

13.6 Claims for Consequential Damages. The Contractor and School District waive Claims against each other for consequential damages arising out of or relating to this Agreement. This mutual waiver includes without limitation:

.1 damages incurred by the School District for rental expenses, for losses of use, income, profit, financing, business and reputation, and for loss of management or employee productivity or of the services of such persons; and

.2 damages incurred by the Contractor for principal and home office overhead and expenses including without limitation the compensation of personnel stationed there, for losses of financing, business and reputation, for losses on other projects, for loss of profit, and for interest or financing costs.

This mutual waiver is applicable to all consequential damages of any cause, including without limitation due to either party's termination in accordance with Article 20. Nothing contained in this Section 13.6 shall be deemed to preclude an award of liquidated damages, when applicable, in accordance with the requirements of the Contract Documents.

13.7 The Contractor (including Subcontractors of any tier) shall not in any event be entitled to damages arising out of actual or alleged loss of efficiency; morale, fatigue, attitude, or labor rhythm; constructive acceleration; home office overhead; expectant underrun; trade stacking; reassignment of workers; concurrent operations; dilution of supervision; learning curve; beneficial or joint occupancy; logistics; ripple; season change; extended overhead; profit upon damages for delay; impact damages; or similar damages.

ARTICLE 14 TIME

14.1 Within seven days of executing the Agreement, the Contractor shall deliver any required bond to the School District; no Progress Payments shall be due until the bond is delivered.

14.2 If, through no fault of the Contractor or a Subcontractor of any tier, the Work is delayed at any time in progress of the Work by changes ordered in the Work, by unanticipated general labor disputes, fire, unusual delay in deliveries, abnormal adverse weather conditions not reasonably anticipatable, unavoidable casualties, delays caused by the School District or its separate contractors, or any causes beyond the Contractor's control and for which it and its subcontractors of any tier are not responsible, or by other causes which may justify delay, then the Contract Time shall be extended by Change Order to the extent the critical path is affected. The Contractor (including Subcontractors) shall be entitled to damages for delay, the total limited to the liquidated rate of Subsection 2.3, only where the School District's own actions or inactions were the actual, substantial cause of the delay and where the Contractor could not have reasonably avoided the delay by the exercise of due diligence. If a delay was caused by the Contractor, a Subcontractor of any tier, or anyone acting on behalf of any of them, the Contractor is not entitled to an increase in the Contract Time or in the Contract Sum.

14.3 THE TIMELY COMPLETION OF THIS PROJECT IS ESSENTIAL TO THE SCHOOL DISTRICT. The School District will incur serious and substantial damages if Substantial Completion of the Work does not occur within the Contract Time; however, it would be difficult if not impossible to determine the amount of such damages. Consequently, the Agreement includes provisions for liquidated damages. The School District's right to liquidated damages is not affected by partial completion, occupancy, or beneficial occupancy. If this Agreement does not include liquidated damages, then the School District may pursue its actual damages resulting from delay.

ARTICLE 15
PAYMENTS AND COMPLETION

15.1 Progress Payments. Payments shall be made as provided in Articles 3 and 4 of this Agreement. If Progress payments are specified, they will be made monthly for Work duly approved and performed during the calendar month preceding the application according to the following procedure.

15.1.1 Draft Application. At the last scheduled weekly meeting of each month, the Contractor shall submit to the School District a report on the current status of the Work as compared to the Progress Schedule and a draft itemized application for payment for Work performed during the prior calendar month. This shall not constitute a payment request. The Contractor, the School District and the A/E shall meet prior to the last working day of the month regarding the current progress of the Work and the amount of payment to which the Contractor is entitled. The School District may request the Contractor to provide data substantiating the Contractor's right to payment, such as copies of requisitions or invoices from Subcontractors. The Contractor shall not be entitled to make a payment request, nor is any payment due the Contractor, until such data is furnished.

15.1.2 Payment Request. After the Contractor and the School District have met and conferred regarding the draft application, and the Contractor has furnished all data requested, the Contractor may submit a payment request in the agreed-upon amount by the last working day of the month following the meeting, in the form of a notarized, itemized Application for Payment for Work performed during that calendar month on a form supplied or approved by School District. Among other things, the Application shall state that prevailing wages have been paid in accordance with the prefiled statement(s) of intent to pay prevailing wages on file with the School District and that all payments due Subcontractors from the School District's prior payments have been made. The submission of this Application constitutes a certification that the Work is current on the Progress Schedule, unless otherwise noted on the Application. If the Contractor believes it is entitled to payment for Work performed during the prior calendar month in addition to the agreed-upon amount, the Contractor may simultaneously submit to the School District a separate written payment request specifying the exact additional amount due, the category in the Schedule of Values in which the payment is due, the specific Work for which the additional amount is due, and why the additional payment is due.

15.1.3 Payments to Subcontractors. No payment request shall include amounts the Contractor does not intend to pay to a Subcontractor. If, after making a request for payment but before paying a Subcontractor for its performance covered by the payment request, the Contractor discovers that part or all of the payment otherwise due to the Subcontractor is subject to withholding from the Subcontractor for unsatisfactory performance or other reasons, the Contractor may withhold the amount as allowed under the subcontract, but it shall give the Subcontractor and the School District written notice of the remedial actions that must be taken as soon as practicable after determining the cause for the withholding but before the due date for the Subcontractor payment, and pay the Subcontractor within eight working days after the Subcontractor satisfactorily completes the remedial action identified in the notice.

15.2 Prevailing Wages. Pursuant to RCW 39.12, the Contractor will not receive any payment until the Contractor and all Subcontractors have submitted a "Statement of Intent to Pay Prevailing Wage" to the School District. The statement must have the approval of the Industrial Statistician of the Department of Labor and Industries before it is submitted to the School District. The Contractor and the respective Subcontractors shall pay all fees required by the Department of Labor and Industries, including fees for the approval of the "Statement of Intent to Pay Prevailing Wages." Approved copies of the "Statement of Intent to Pay Prevailing Wages" must be posted where workers can easily read them.

15.3 Progress payments. The School District shall make progress payments within 30 days of its receipt of the approved payment request.

15.4 Withheld Payments. Payments may be withheld on account of (1) defective Work not remedied, (2) claims filed by third parties, (3) failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment, (4) reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum, (5) damage to the School District or another contractor, (6) reasonable evidence that the Work will not be completed within the Contract Time and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay, (7) failure to carry out the Work in accordance with the Contract Documents, or (8) liquidated damages. When the School District intends to withhold all or part of a payment for unsatisfactory performance, the School District will provide the Contractor, within eight working days after the School District's receipt of the Application for Payment, written notification of the reasons that all or part of the payment is being withheld and what remedial actions the Contractor must take to receive the withheld amount.

15.5 Substantial Completion.

15.5.1 When the Contractor believes that the entire Work is Substantially Complete, it shall notify the School District and A/E in writing. When the School District agrees, it will issue a Certificate of Substantial Completion. Substantial Completion is the stage in the progress of the Work when the construction is

sufficiently complete, in accordance with the Contract Documents, so the School District can fully utilize the Work (or the designated portion thereof) for the use for which it is intended. All Work other than incidental corrective or punchlist work and final cleaning shall have been completed. The Work is not Substantially Complete if all systems and parts affected by the Work are not usable, if an occupancy permit (temporary or final) has not been issued, or if utilities affected by the Work are not connected and operating normally. The fact that the School District may use or occupy the Work or designated portion thereof does not indicate that the Work is Substantially Complete, nor does such occupation toll or change any liquidated damages due the School District.

15.5.2 Immediately before partial or complete occupancy, the School District will schedule an inspection tour of the area to be occupied. A representative of the School District, A/E and Contractor will jointly tour the area and record items still remaining to be finished and/or corrected. The Contractor shall supply and install any items missed by the inspection but required or necessary for Final Completion as a part of the Contract Sum, notwithstanding their not being recorded during the inspection tour.

15.6 Final Payment. Pursuant to RCW 60.28, completion of the Contract Work shall occur after the Contractor has notified the School District and the A/E that the Work has been concluded and the Contractor submits the items listed below to the School District, any required final occupancy permit has been issued, and the School District Board formally accepts the Project (“Final Acceptance”). Final Payment shall not become due until after Final Acceptance. Before Final Acceptance, the Contractor must have submitted the following to the School District:

- .1 An affidavit that all payrolls, Subcontractors, bills for materials and equipment, and other indebtedness connected with the Work for which the School District or its property might in any way be responsible or encumbered, have been paid or otherwise satisfied,
- .2 consent of surety to final payment,
- .3 a certificate evidencing that insurance required by the Contract Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least 30 days’ prior written notice has been given to the School District,
- .4 a written statement that the Contractor knows of no substantial reason why the insurance will not be renewable to cover the period required by the Contract Documents,
- .5 other data establishing payment or satisfaction of or protection (satisfactory to the School District) against all obligations, such as receipts, releases and waivers of liens arising out of the Agreement, satisfactorily demonstrating to the School District that the claims of Subcontractors, material suppliers, and laborers who have filed claims have been paid,
- .6 pursuant to RCW 39.12.040, an “Affidavit of Wages Paid” from the Contractor and from each Subcontractor

certified by the Industrial Statistician of the Department of Labor and Industries, with fees paid by the Contractor or Subcontractor,

.7 a certified statement that the Contractor has closed all necessary permits or otherwise met the requirements of all governing jurisdictions related to this Project (including, without limitation, city/county building departments, health districts and utility districts; attach a copy of each of these closed or signed-off permits),

.8 all warranties, guarantees, certificates, spare parts, specified excess material, and other documents or items required by the Contract Documents, and

.9 a hard copy of as-built drawings and specifications, delivered in a clear, clean and legible condition.

If any Subcontractor of any tier refuses to furnish a release or waiver required by the School District, the School District may retain in the fund, account, or escrow funds such amount as to defray the cost of foreclosing the liens of such claims and to pay attorneys’ fees, the total of which shall be no less than 150% of the claimed amount. If any such lien remains unsatisfied after all payments are made, the Contractor shall refund to the School District all moneys that the latter may be compelled to pay in discharging such lien, including all costs and reasonable attorneys’ fees.

Retainage shall be paid pursuant to RCW 60.28 and after the Contractor has properly submitted certificates from the Department of Revenue, the Department of Labor and Industries and, pursuant to RCW 50.24, a certificate from the Department of Employment Security.

15.7 Waivers.

15.7.1 Final Payment by School District. The making of final payment shall constitute a waiver of claims by the School District except those arising from (1) liens, claims, security interests, or encumbrances arising out of the Agreement and unsettled; (2) failure of the Work to comply with the requirements of the Contract Documents; or (3) terms of warranties required by the Contract Documents or law.

15.7.2 Final Payment to Contractor. Acceptance of final payment by the Contractor shall constitute a waiver of Claims except those previously made in writing and identified in writing as unsettled on the final Application for Payment.

15.7.3 Change Orders. The execution of a Change Order shall constitute a waiver of Claims by the Contractor arising out of the Work to be performed or deleted pursuant to the Change Order, except as specifically described in the Change Order. If the Contractor adds to a Change Order or any other document a reservation of rights that has not been initialed by the School District, all the amounts previously agreed shall be considered disputed and not yet payable unless the costs are re-negotiated or the reservation is withdrawn or changed in a manner satisfactory to and initialed by the School District. If the School District makes payment for a Change Order or an Application for Payment that contains a reservation of rights not initialed by the School

District to indicate agreement with the reservation, and if the Contractor negotiates the check for such payment or otherwise accepts the payment, then the reservation of rights shall be deemed waived, withdrawn, and of no effect.

15.8 Retainage.

15.8.1 Progress Payments. If progress payments are to be made to the Contractor:

.1 Pursuant to RCW 60.28, the School District will reserve 5% retainage from the moneys the Contractor earns on estimates during the progress of the Work, to be retained as a trust fund for the protection and payment of the claims of any person arising under the Agreement and the state with respect to taxes imposed pursuant to Title 82 RCW which may be due from the Contractor.

.2 The moneys reserved may, at the option of the Contractor, be (1) retained in a fund by the School District until 45 days following Final Acceptance; or (2) deposited by the School District in an interest-bearing account in a bank, mutual savings bank, or savings and loan association, not subject to withdrawal until 45 days following Final Acceptance, with interest to the Contractor; or (3) placed in escrow with a bank or trust company until 45 days following the Final Acceptance, by the School District's joint check to the bank or trust company and the Contractor, to be converted into bonds and securities chosen by the Contractor, approved by the School District, and held in escrow, with interest on the bonds and securities paid to the Contractor as it accrues.

.3 Contractor may retain payment of not more than 5% from the moneys earned by any Subcontractor, provided that the Contractor pays interest to the Subcontractor at the same interest rate it receives from its reserved funds.

15.9 Warranty of Title. The Contractor warrants and guarantees that title to Work, materials and equipment covered by an Application for Payment, whether incorporated in the Project or not, will pass to the School District no later than the time of payment free and clear of liens; provided, however, that title to contaminated materials removed from the site as a part of the Contractor's Work shall not pass to the School District. The Contractor shall promptly pay (and secure the discharge of any liens asserted by) all persons properly furnishing labor, equipment, materials or other items in connection with the performance of the Work (including, but not limited to, any Subcontractors). The Contractor shall furnish to the School District such releases of claims and other documents as may be requested by the School District from time to time to evidence such payment (and discharge). The School District may, at its option, withhold payment, in whole or in part, to the Contractor until such documents are so furnished. The Contractor shall indemnify and hold harmless the School District from any liens, including all expenses and attorneys' fees.

ARTICLE 16 PROTECTION OF PERSONS AND PROPERTY

16.1 The Contractor shall have the right to control and shall be solely responsible for, and neither the School District nor the A/E shall have responsibility for, all aspects of safety, including initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Agreement. The Contractor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to (1) employees on the Work and other persons who may be affected thereby; (2) the Work and materials and equipment to be incorporated therein; and (3) other property at the site or adjacent thereto. The Contractor shall maintain the Work site and perform the Work in a manner that meets statutory and common-law requirements for the provision of a safe place to work. This requirement shall apply continuously and not be limited to working hours.

16.2 The Contractor shall give notices and comply with applicable laws, ordinances, rules, regulations and lawful orders of public authorities bearing on safety of persons and property and their protection from damage, injury, or loss. The Contractor shall promptly remedy damage and loss to property at the site caused in whole or in part by the Contractor, a Subcontractor of any tier, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Contractor is responsible, except for damage or loss attributable to acts or omissions of the School District or A/E or by anyone for whose acts either of them may be liable, and not attributable to the fault or negligence of the Contractor or a Subcontractor of any tier. The foregoing obligations of the Contractor are in addition to the Contractor's obligations under Section 10.12.

16.3 The Contractor shall bear the risk of any loss, damage or destruction of its own property, including without limitation its tools, trailers and equipment, whether rented or owned, to the extent that they will not be incorporated in the Work. Any insurance provided by the School District will not cover any such loss, damage or destruction.

16.4 The scope of the Work for this Project requires the Contractor to perform Work relating to hazardous and dangerous materials, and so the Contractor is responsible to take all reasonable precautions to prevent foreseeable bodily injury or death resulting from such materials or substances, and to dispose of such materials in strict accordance with both the requirements of the Contract Documents and with all applicable local, state and federal laws and regulations. The Contractor shall defend, indemnify, and hold harmless the School District, its consultants, the A/E, and their respective agents, employees, consultants, successors and assigns from and against any and all claims to the extent of the Contractor's failure to abide by such Contract Documents and all applicable state and federal laws and regulations. Contractor shall employ industry best practices and protective measures to ensure no additional or cross-contamination takes place during Contractor's Work. Failure to strictly comply with these requirements shall be a material breach

of this Agreement and shall be grounds for immediate termination of the Contractor by the School District for cause.

ARTICLE 17
INSURANCE AND BONDS

17.1 Contractor's Liability Insurance.

17.1.1 Coverage and Limits. Contractor shall, at its sole expense, purchase and maintain such insurance as will protect it from the claims set forth below which may arise out of or result from Contractor's operations under this Agreement whether such operations be by itself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- .1 Claims under worker's compensation, disability benefit, and other similar employee benefit acts which are applicable to the work to be performed.
- .2 Claims for damages because of bodily injury, occupational sickness or disease, or death of its employees under any applicable employer's liability law.
- .3 Claims for damages because of bodily injury or death of any person other than its employees.
- .4 Claims for damages because of usual personal injury liability coverage.
- .5 Claims for damages because of injury to or destruction of tangible property, including loss of use therefrom.
- .6 Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle.
- .7 Claims resulting from products or completed operations.

Minimum coverages and limits of liability for all insurance shall be as specified in this Article 17, or if greater, any coverages or limits of liability required by law. If Contractor's existing policy(s) provides higher limits than those specified herein, the higher limits shall be applicable and the certificates of insurance provided by Contractor shall reflect those higher limits. The coverages required herein shall extend one year after final acceptance of the Project by the School District, except for (1) completed operations coverage (primary and umbrella) which shall at least extend six years of the Statute of Repose whichever is greater after Substantial Completion of the Project; and (2) Professional Services Liability and Pollution Liability coverage shall extend for a minimum of six years of Statute of Repose whichever is greater after Substantial Completion of the Project.

17.1.2 All coverage shall be placed with an insurance company duly licensed in the State of Washington with an A.M. Best Rating of A- VII or better. Such insurance shall include, but not be limited to:

- .1 Workers' Compensation:
Statutory Bodily Injury by Accident or Disease
- .2 General Liability – Bodily Injury, Personal Injury, and Property Damage:
\$2,000,000 General Aggregate
\$2,000,000 Products and Completed Operations Aggregate
\$1,000,000 Personal Injury
\$1,000,000 Each Occurrence
- .3 Employers Liability / Stop Gap:
\$1,000,000 Bodily Injury by Accident – Each Accident
\$1,000,000 Bodily Injury by Disease – Policy Limit
\$1,000,000 Bodily Injury by Disease – Each Employee
- .4 Automobile Liability:
\$1,000,000 Bodily Injury and Property Damage per accident
- .5 Umbrella Liability (Excess policy must be following form):
\$5,000,000 Each Occurrence
\$5,000,000 Aggregate
- .6 Professional Liability (Errors and Omissions Insurance):
\$2,000,000 Per Claim
\$2,000,000 Aggregate
- .7 Pollution Liability Insurance:
\$5,000,000 Each Occurrence
\$5,000,000 Aggregate

17.1.3 Workers Compensation Insurance. Contractor and all lower-tier Contractors of every level shall procure, maintain and pay for Workers Compensation Insurance coverage under the laws of the State of Washington. Workers Compensation shall be provided in a statutory form on either a state or, where applicable federal (U.S. Longshoremen and Harbor Workers, Jones Act / Maritime, etc.) basis as required in the applicable jurisdiction. Contractor's Workers' Compensation insurance shall be written on an industry standard Workers' Compensation and Employer's Liability policy form (WC 00 00 00), where applicable. Contractor shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington. Any Contractor or subcontractor or employer qualified as a self-insurer in accordance with Chapter 51.14 of the Revised Code of Washington shall so certify by a letter signed by a corporate officer setting forth the limits of any policy of excess insurance covering their employees. Contractor shall be responsible for confirming compliance of all subcontractors with this provision.

17.1.4 Commercial General Liability Insurance. Commercial General Liability Insurance coverage shall be based on Insurance Services Office Form CG 00 01 10 01 or an approved equivalent. The policy shall contain an endorsement (Form CG 2503 or equivalent) providing that the general aggregate limit of liability shall apply to this Project. The coverage shall also be based on an occurrence form and shall include, but not be limited to, coverage for liability arising from premises, operations, independent contractors, products and completed operations, personal and advertising injury, broad form property damage, explosion, collapse, underground hazards, and liability assumed under an insured contract. Commercial General Liability Insurance shall not contain an endorsement or exclusion excluding injury or damage arising from a prior occurrence, causing continuous or progressively deteriorating injury or damage. Commercial General Liability Insurance shall not contain a deductible greater than \$25,000 without the prior written consent from the School District. Commercial General Liability Insurance shall include Employers Liability (Stop Gap).

17.1.5 Auto Liability Insurance. Contractor and any Subcontractor of any tier, owner/operator, or trucker working for or on behalf of or in support of Contractor shall maintain and pay for Commercial General Automobile Liability insurance as specified and with the limits outlined herein. Said Auto Liability insurance shall be on an industry standard CA 00 01 or an approved equivalent form. Coverage shall extend to include coverage for all owned, hired and non-owned automobiles. If Contractor's scope of work entails any transporting of hazardous waste or contaminated materials, Contractors shall be required to provide an MC-90 in accordance with the Motor Carrier Act of 1980.

17.1.6 Professional Liability Insurance. If and to the extent Contractor's services or scope of work call for or requires professional services, including but not limited to any design, engineering, surveying, consulting, inspecting, testing or any other professional service to be provided or performed by a qualified professional, including instances of Contractor self-performance, Contractor shall provide, and if applicable require its design professional to provide, professional liability (errors and omissions) insurance covering liability for claims that arise from the negligent errors, omissions, or acts of said professional. Contractor's Professional Liability Insurance shall be effective on or prior to any work being performed under this Agreement and run continuously throughout the applicable Statute of Repose applicable to the state in which the work is being performed. Limits of liability must be specific to this project and must not be incumbered or reduced in value during the duration of this Agreement, except by claims or insurable events that may take place on this project. There shall be a 45-day written notice to Contractor of any reduction in coverage limits of liability for this policy. This policy shall also have an automatic extended reporting period of 24-months from the Substantial Completion of the Project.

17.1.7 Riggers Liability Insurance. If and to the extent Contractor's services or scope of Work call for, require, or involve the lifting, picking, rigging and setting of others property,

materials or equipment, Contractor shall procure, maintain and pay for Riggers Liability Insurance to insure against physical loss of or damage in amounts sufficient to insure the full market value and / or replacement costs of the property, materials or equipment being lifted. In addition to replacing any property, materials or equipment damaged through Contractor's work involving the lifting, picking, rigging and or setting, Contractors shall also be responsible for all consequential loss of use, and delay damages involved in replacing and / or repairing the damaged property, materials or equipment. Failure to carry appropriate insurance and or failure to carry adequate limits shall not relieve Contractor from its indemnity and contractual obligations herein.

17.1.8 Contractor's Pollution Liability Insurance. Contractor shall carry Contractor's Pollution Liability Insurance. Contractor's Pollution Liability Insurance shall not be limited in any way to sudden and accidental occurrences. Said insurance shall cover bodily injury, property damage, including the loss of use of damaged property or of property that has not been physically insured or destroyed, cleanup costs and defense, including costs incurred in the investigation, defense or settlement of claims. Coverage shall apply to the environmental and pollution liability claims at the jobsite, in transit and any non-owned disposal facilities used by Contractor. Failure to carry appropriate insurance and or failure to carry adequate limits shall not relieve Contractor from its indemnity and contractual obligations herein.

17.1.9 Certificates of Insurance and Additional Insured Endorsements. Prior to the commencement of any Work under this contract, Contractor and its Subcontractors of any tier shall provide to the School District a Certificate of Insurance on Acord Form 25 outlining and showing that it is in compliance with all of the insurance provisions outlined in this section including both coverage and limits. The policy shall contain a provision that coverage afforded thereunder shall not be canceled or non-renewed or restrictive modifications added, without forty- five days prior written notice to the School District, except for any applicable state mandated provision for non-payment of premiums. Contractor and its Subcontractors of any tier working on Contractor's behalf or request, shall provide and name the School District and its Project Manager and A/E as additional insureds as per form CG 2010 1185, or both a CG 2010 1001 and CG 2037 1001 or equivalent. Additional insured coverage shall apply to: (i) Contractor's Commercial General Liability Insurance, (ii) its Commercial Auto Liability Insurance, (iii) any policy(s) providing Excess or Umbrella Liability coverage. The insurance afforded to the additional insureds shall be primary insurance and not excess over, or contributing with, any insurance purchased or maintained by additional insureds. Such additional insured coverage shall also confer status or contain a waiver of subrogation in favor of any and all additional insureds. All additional insured endorsements and coverage shall apply to both ongoing and completed operations. Contractor is required to continue naming the School District and its Project Manager and A/E as an additional insured with all the provisions outlined above, through the applicable Statute of Repose or Statute of Limitations; whichever is greater. The School District's

acceptance of any Certificate of Insurance shall not relieve, nor constitute a waiver of Contractor's obligations hereunder.

17.1.10 If the School District is damaged by the failure of the Contractor to maintain any of the above insurance or to so notify the School District, than the Contractor shall bear all costs properly attributable thereto. THE SCHOOL DISTRICT MAY WITHHOLD PAYMENT PENDING RECEIPT OF ALL CERTIFICATES OF INSURANCE. Failure to withhold payment shall not constitute a waiver.

17.1.11 The School District's specification or approval of the insurance in this Agreement or of its amount shall not relieve or decrease the liability of the Contractor under the Contract Documents or otherwise. Coverages are the minimum to be provided and are not limitations of liability under the Contract, indemnification, or applicable law provisions. The Contractor may, at its expense, purchase larger coverage amounts or additional insurance.

17.2 Property Insurance.

17.2.1 The requirements for property insurance are addressed in Article 6 above.

17.3 Waivers of Subrogation.

17.3.1 The School District and the Contractor waive all rights against each other and any of their subcontractors of any tier, the A/E, their consultants, separate contractors described in Article 12 (if any), and any of their respective agents and employees, for damages caused by fire or other causes of loss to the extent covered by the property insurance obtained pursuant to Articles 6 and 17.2, except such rights as they have to proceeds of such insurance held by the School District as fiduciary. The School District does not waive any subrogation rights to the extent of its property insurance on structures or portions of structures that do not comprise the Work. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.

17.4 Payment and Performance Bond.

17.4.1 Pursuant to RCW 39.08, the Contractor is required to submit payment and performance bonds secured from a surety company licensed to do business in the State of Washington. The Contractor shall pay for the bonds in the full amount of the Contract Sum plus sales tax. The Contractor shall deliver evidence of its bondability to the School District within five days of bid opening. Within seven days of entering into the Agreement, the Contractor shall deliver two copies of the bond (including the original bond) to the School District and one copy to the A/E. THE SCHOOL DISTRICT MAY DECLINE TO ENTER INTO THE CONTRACT IF EVIDENCE OF BONDABILITY IS NOT RECEIVED, AND THE SCHOOL DISTRICT MAY WITHHOLD ITS NOTICE TO PROCEED

AND/OR WITHHOLD PAYMENT TO THE CONTRACTOR UNTIL SUCH SURETY BOND IS RECEIVED.

ARTICLE 18 **CORRECTION OF WORK**

18.1 The Contractor shall promptly and within no more than fourteen days of notice from the School District or A/E correct Work rejected or failing to conform to the requirements of the Contract Documents at any time through a period of one year from the date of Substantial Completion of the Agreement or by terms of a longer manufacturer's warranty or an applicable special warranty required by the Contract Documents. The provisions of this Article apply to Work done by Subcontractors of any tier as well as to Work done by direct employees of the Contractor.

18.2 If the Contractor fails to correct Work that is not in accordance with the requirements of the Contract Documents or fails to carry out the Work in accordance with the Contract Documents, the School District, by a written order, may order the Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated.

18.3 Nothing contained in this Article shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Contract Documents. Establishment of the time period of one year as described above relates only to the specific obligation of the Contractor to correct the Work and has no relationship to the time within which the obligation to comply with the Contract Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor's liability with respect to the Contractor's obligations other than specifically to correct the Work.

ARTICLE 19 **MISCELLANEOUS PROVISIONS**

19.1 Applicable Law and Venue. The Agreement shall be governed by the laws of the State of Washington, without regard to its choice of law provisions. The exclusive venue for any litigation regarding this Agreement shall be in Superior Court in the county in which the Project is located.

19.2 Statutes. The Contractor shall abide by the provisions of all applicable Washington statutes. The statutes referenced in the Contract Documents are not meant to be a complete list and should not be relied upon as such.

19.3 Contractor Registration and Related Requirements. Pursuant to RCW 39.06, the Contractor shall be registered or licensed as required by the laws of the State of Washington, including but not limited to RCW 18.27. The Contractor shall: have a current state unified business identifier number; have industrial insurance coverage for the Contractor's employees working in Washington as required in Title 51 RCW; have an employment security department number as required in Title 50 RCW; have a state excise tax registration number as required in Title 82 RCW, and; not be disqualified from bidding

on any public works contract under RCW 39.06.010 (unregistered or unlicensed contractors) or RCW 39.12.065(3) (prevailing wage violations).

19.4 Law Against Discrimination. Contractor shall comply with pertinent statutory provisions relating to public works of RCW 49.60.

19.5 Provisions for Aged and Handicapped Persons. Contractor shall comply with pertinent statutory provisions relating to public works of RCW 70.92.

19.6 Safety Standards. Contractor shall comply with pertinent provisions of Chapter 296-155 WAC, "Safety Standards for Construction Work."

19.7 Unemployment Compensation. Pursuant to RCW 50.24 in general and RCW 50.24.130 in particular, the Contractor shall pay contributions for wages for personal services performed under this Agreement or arrange for a bond acceptable to the commissioner.

19.8 Drug-Free Workplace. The Contractor and all Subcontractors shall fully comply with all applicable federal, state, and local laws and regulations regarding drug-free workplace, including the Drug-Free Workplace Act of 1988. Any person not fit for duty for any reason, including the use of alcohol, controlled substances, or drugs, shall immediately be removed from the Work.

19.9 Tobacco-Free Environment. Smoking or use of any kind of lighted pipe, cigar, cigarette or any other lighted smoking equipment, material or smokeless tobacco products is prohibited on all School District property.

19.10 Asbestos Removal. To the extent this Project involves asbestos removal, the Contractor shall comply with RCW 49.26 and any provisions of the Washington Administrative Code promulgated thereunder.

19.11 Assignment. The Contractor shall not let, assign or transfer this Agreement, or any interest in it or part of it, without the written consent of the School District.

19.12 Weapons. The Contractor and its employees, agents, and Subcontractors of any tier shall not bring onto the Project site or onto any School District property any firearm or any other type of weapon described in either RCW 9.41.280(1) or RCW 9.41.250. Any person violating this Section shall immediately be removed from the Work, and such a violation shall be grounds for a termination of this Agreement for cause at the School District's discretion.

19.13 Contaminated Properties. Because this Project involves the remediation of contaminated property, the Contractor shall comply with RCW 64.44 and 70.105D and any provisions of the Washington Administrative Code promulgated thereunder, including the use of authorized contractors as provided in RCW 64.44.060.

19.14 Disposal of Materials. Because this Project involves the remediation of contaminated property, the Contractor shall comply with all applicable requirements of RCW 70.95 and any provisions of the Washington Administrative Code promulgated thereunder.

ARTICLE 20

TERMINATION OF THE CONTRACT

20.1 Termination for Cause by Contractor. If the School District fails to make payment for a period of 60 days through no fault of the Contractor, the Contractor may, upon seven additional days' written notice to the School District, terminate the Agreement and recover from the School District payment for all Work properly executed and for proven loss with respect to materials, equipment, tools, and construction equipment and machinery, including Fees applicable thereto.

20.2 Termination for Cause by School District. The School District may, upon seven days' written notice to the Contractor, terminate (without prejudice to any right or remedy of the School District) the whole or any portion of the Work for cause, including but not limited to the following circumstances:

- .1 the Contractor fails to prosecute the Work or any portion thereof with sufficient diligence to ensure the Completion of the Work within the Contract Time;
- .2 the Contractor is in material default of or materially breaches any provisions of this Agreement;
- .3 the Contractor is adjudged bankrupt, makes a general assignment for the benefit of its creditors, or if a receiver is appointed on account of its insolvency;
- .4 the Contractor fails to supply a sufficient number of properly skilled workers or proper materials;
- .5 the Contractor fails to make prompt payment to Subcontractors or for materials or labor;
- .6 the Contractor materially disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction; or
- .7 the Contractor fails to comply with the provisions of RCW 28A.400.330 by permitting a worker on the Project having contact with children who has been convicted of or pled guilty to a felony crime involving children as described in Section 10.3.

20.3 Termination for Convenience by School District. The School District may, at any time upon seven days' written notice to the Contractor, terminate (without prejudice to any right or remedy of the School District) the whole or any portion of the Work for the convenience of the School District. The School District shall be liable to Contractor only for those costs reimbursable to Contractor in accordance with the following.

- .1 The amount due under Articles 4 and 15 of this Agreement for the performance of the Work terminated;
- .2 Other pre-approved costs, consistent with Section 13.2, necessary and reasonably incurred in connection with the termination of Work.

The total sum to be paid to the Contractor under this Section 20.3 shall not exceed the Contract Sum as reduced by the amount of payments otherwise made.

20.4 Effects of Termination.

20.4.1 Unless the School District directs otherwise, after receipt of a Notice of Termination from the School District pursuant to Sections 20.2 or 20.3, the Contractor shall promptly:

- .1 stop Work under the Agreement on the date and as specified in the Notice of Termination;
- .2 place no further orders or subcontracts for materials, equipment, services or facilities, except as may be necessary for completion of any portion of the Work that is not terminated;
- .3 procure cancellation of all orders and subcontracts, upon terms acceptable to the School District, to the extent that they relate to the performance of Work terminated;
- .4 assign to the School District all of the right, title and interest of the Contractor under all orders and subcontracts, in which case the School District shall have the right, in its discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- .5 with the School District's approval, settle all outstanding liabilities and all claims arising out of such termination of orders and subcontracts not assigned to the School District;
- .6 transfer title and deliver to the entity or entities designated by the School District the fabricated or unfabricated parts, Work in process, partially completed supplies and equipment, materials, parts, tools, dies, jigs and other fixtures, completed Work, supplies and other material produced as part of, or acquired in connection with the performance of, the Work terminated, and the completed or partially completed plans, drawings, information and other property related to the Work;
- .7 use its best efforts to sell any property of the types referred to in Subsection 20.4.1.6. The Contractor may acquire any such property under the conditions prescribed by and at a price or prices approved by the School District, and the proceeds of any such transfer or disposition may be applied in reduction of any payments to be made by the School District to the Contractor;
- .8 take such action as may be necessary or as directed by the School District to preserve and protect the Work and property related to this Project in the possession of the Contractor in which the School District has an interest; and
- .9 continue performance only to the extent not terminated.

20.4.2 In arriving at any amount due the Contractor after termination, the following deductions shall be made:

- .1 all unliquidated advance or other prior payments on account made to the Contractor applicable to the terminated portion of the Agreement;
- .2 any claim which the School District may have against the Contractor;
- .3 an amount necessary to protect the School District against outstanding or potential liens or claims; and
- .4 the agreed price for or the proceeds of sale of any materials, supplies or other things acquired by the Contractor or sold, pursuant to the provisions of Subsection 20.4.1.7, and not otherwise recovered by or credited to the School District.

20.4.3 If (and only if) the termination pursuant to Section 20.3 is partial, the Contractor may file a Claim for an equitable adjustment of the price or prices specified in the Agreement relating to the continued portion of the Agreement. The Contractor must assert any Claim for an equitable adjustment under this subsection within twenty-one days from the effective date of the Termination.

20.4.4 The Contractor shall refund to the School District any amounts the School District paid to the Contractor in excess of costs reimbursable under Section 20.3.

20.4.5 The damages and relief from termination by the School District specifically provided in Article 20 shall be the Contractor's sole entitlement in the event of termination.

End of Section