



LAKE HAVASU CITY, ARIZONA

CONSTRUCTION MANAGER AT RISK
CONSTRUCTION SERVICES

PROJECT NAME: [NAME]

PROJECT NO: [NUMBER]

CONTRACT NO: [NUMBER]

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LAKE HAVASU CITY

**CONSTRUCTION MANAGER AT RISK
CONSTRUCTION SERVICES**

**PROJECT NO: [NUMBER]
CONTRACT NO: [NUMBER]**

THIS CONTRACT, entered into this [DATE] day of [MONTH], 20[YR], between Lake Havasu City, an Arizona municipal corporation (the "CITY") and [CMAR FIRM NAME], an [Arizona] corporation ("CONSTRUCTION MANAGER AT RISK" or "CMAR").

RECITALS

- A.** The City Manager for Lake Havasu City is authorized by provisions of the City Code to execute contracts for construction services.
- B.** The City intends to construct the [PROJECT TITLE] located at [ADDRESS, Lake Havasu City, Arizona, 86403] and referred to in this Contract as the "Project."
- C.** The CMAR has represented to the City the ability to provide construction management services and to construct the Project. Based on this representation the City desires to engage [CMAR FIRM NAME], to provide these services and construct the Project.
- D.** Contract No: [NUMBER] has been executed previously between the City and CMAR for Preconstruction Design services. Those services may continue during the duration of this Contract.

FOR AND IN CONSIDERATION of the parties' mutual covenants and conditions, the City and the CMAR agree as follows:

ARTICLE 1 – CMAR'S SERVICES AND RESPONSIBILITIES

- 1.0** The CMAR shall furnish any and all labor, materials, equipment, transportation, utilities, services and facilities required to perform all Work for the construction of the Project located [ADDRESS, LOCATION], and to completely construct the Project and install the material in the Project for the City. The Work must be to the satisfaction of the City and strictly in accordance with all legal requirements and Project Contract Documents as modified. The services may not be required to be performed in the sequence in which they are described. This Project is to be constructed in phases: the first phase is the purchase and storage of long lead equipment for the Project as described in Exhibit A attached and by reference made a part of this Contract, the second phase is construction of the Project.

1.1. GENERAL SERVICES

- 1.1.1.** The CMAR's Representative must be reasonably available to the City and have the necessary expertise and experience required to supervise the Work. CMAR's Representative must communicate regularly with the City but not less than once a week and must be vested with the authority to act on behalf of the CMAR. The CMAR's Representative may be replaced only with the written consent of the City.

1.2. GOVERNMENT APPROVALS AND PERMITS

- 1.2.1.** Unless otherwise provided, the CMAR shall apply for and obtain or assist the City and the Design Team in obtaining all necessary permits, approvals and licenses required for the prosecution of the Work from any government or quasi-government entity having jurisdiction over the Project. The CMAR is specifically required to obtain the necessary environmental permits or file the necessary environmental notices. Any environmental permits and licenses will be paid by the City in accordance with the provisions of Article 2.4.
- 1.2.2.** Copies of all necessary permits and notices must be provided to the City's Project Manager ("Project Manager") before starting the permitted activity. This provision is not an assumption by the City of an obligation of any kind for violation of the permit or notice requirements.
- 1.2.3.** The CMAR shall apply for and obtain permit(s) for building and demolition, but the fees will be paid by the City in accordance with Article 2.4. The CMAR will also obtain any necessary regulatory or permitting, reviews for grading and drainage, water, sewer and landscaping, but the fees for the permitting will be paid by the City in accordance with Article 2.4.
- 1.2.4.** The CMAR shall be responsible for all other review and permit fees not specifically listed in Article 2.4 below.
- 1.2.5.** The CMAR shall be responsible for the cost of construction-related water meter(s), water and sewer taps, fire lines and taps, and all water bills on the Project meters until Substantial Completion of the Project. Arrangement for construction water is the CMAR's responsibility. Construction water does not include "test water" required to complete new water line pressure tests.
- 1.2.6.** For purposes of this Contract, the Maricopa Association of Governments (M.A.G.) Standard Specification 107.12 is modified to read as follows: The CMAR, at its own expense, shall be responsible for the acquisition of any necessary temporary easements for construction purposes, storage, maintenance, and refuse haul-off as indicated upon the plans, which are required in addition to existing easements and right-of-way secured by the City.

1.3. PRECONSTRUCTION CONFERENCE

- 1.3.1.** Before beginning any Work, the Project Manager will schedule a Preconstruction Conference. The City and the CMAR have entered into a separate written contract for Design Phase services establishing the fee the City will pay the CMAR for all Preconstruction services.
- 1.3.2.** The purpose of this conference is to establish a working relationship between the CMAR, its subcontractors, utility firms, and various City agencies and staff. The agenda will include critical elements of the Work schedule, submittal schedule, cost breakdown of major lump sum items, CMAR Payment Requests and processing, coordination with the involved utility firms and/or utility companies and emergency telephone numbers for all representatives involved in the construction.

- 1.3.3. The construction Notice to Proceed (NTP) date will be established at the Preconstruction conference.
- 1.3.4. The CMAR will provide a Baseline Project Schedule indicating duration required to complete all major work activities. The City and Design Team will review and comment on the Baseline Project Schedule. The CMAR will revise the Baseline Project Schedule to the satisfaction of the Project Manager. No Work will begin until the City accepts the Baseline Project Schedule.
- 1.3.5. The CMAR will submit a Schedule of Values based on the work and bids accepted from selected Subcontractors and any self-perform work. These Values must reflect the actual labor, materials, profit and overhead for the Work.
- 1.3.6. CMAR attendees must include CMAR's Representative who is authorized to sign documents on behalf of the firm, the job superintendent, and the CMAR's safety officer.

1.4. CONTROL OF THE WORK

- 1.4.1. The CMAR must properly secure and protect all finished or partially finished Work and is responsible for the Work until the entire Project is completed and accepted by the City. Any payment for completed portions of the Work will not release the CMAR from this responsibility; however, it must turn over the entire Work in full accordance with these specifications before final settlement will be made. In case of suspension of the Work for any cause, not brought on by the CMAR, the CMAR shall take all precautions as necessary to prevent damage to the Project and shall erect any necessary temporary structures, signs, or other facilities.
- 1.4.2. After all Work under the Contract is completed, the CMAR shall remove all loose concrete, lumber, wire, reinforcing, debris and other materials not included in the final Work from the Project Site.
- 1.4.3. The CMAR must provide, through itself or subcontractors, the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit the CMAR to complete the Work consistent with the Contract Documents, unless otherwise provided in the Contract Documents to be the responsibility of the City or a separate contractor.
- 1.4.4. The CMAR must perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. The CMAR shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.
- 1.4.5. Survey stakes and marks required for the completion of the construction shown on the plans and as described in the specifications shall be furnished by the CMAR.
- 1.4.6. Where the Contract Documents require that a particular product be installed and applied by an applicator approved by the manufacturer, the

CMAR shall ensure that any subcontractor employed for this work is approved.

- 1.4.7.** The CMAR shall take field measurements and verify field conditions and shall carefully compare all field measurements and conditions and other information known to the CMAR with the Contract Documents before commencing activities. Errors, inconsistencies, or omissions discovered shall be immediately reported to the City.
- 1.4.8.** Before ordering materials or conducting Work, the CMAR and each subcontractor must verify measurements at the Site. No extra charge or compensation will be allowed because of differences between actual dimensions and the dimensions indicated on the drawings; differences, which may be found, shall be submitted to the City for resolution before proceeding with the Work.
- 1.4.9.** The CMAR shall accurately establish, maintain and protect all building and construction grades, lines, levels, and benchmarks. This work shall be performed or supervised by an Arizona licensed Surveyor.
- 1.4.10.** Any person employed by the CMAR or any subcontractor who, in the opinion of the City, does not perform the Work in a proper, skillful and safe manner or is intemperate or disorderly shall, at the written request of the City, be removed from the Work by the CMAR or the subcontractor employing the person, and shall not be employed again in any portion of Work without the written approval of the City. The CMAR or subcontractor shall hold the City harmless from damages or claims that may occur in the enforcement of this Article.
- 1.4.11.** The CMAR assumes responsibility for the proper performance of the Work of subcontractors and any acts and omissions in connection with this performance. Nothing in the Contract Documents creates any legal or contractual relationship between the City and any subcontractor or sub-Subcontractor, including but not limited to any third-party beneficiary rights.
- 1.4.12.** The CMAR must coordinate the activities of all subcontractors. If the City performs other work on the Project or at the Site with separate contractors under the City's control, the CMAR agrees to reasonably cooperate and coordinate its activities with those of the separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.
- 1.4.13.** On a daily basis, the CMAR shall prepare a Contractor's Daily Report ("Daily Report"). The City's Project Manager will provide a sample report format to the CMAR. The Daily Report must detail the activities that occurred during the course of the day, all equipment utilized and the number of hours operated, and all personnel on the Site inclusive of subcontractors. The Daily Reports shall be submitted to the Project Manager on a weekly basis, unless otherwise arranged. Failure to provide Daily Reports as arranged or requested above may result in the retention of monthly progress payments until the Daily Reports are brought up to date.

- 1.4.14.** In the event of noncompliance with this Article 1.4, the City may require the CMAR to stop or suspend the Work in whole or in part. Any suspension, due to the CMAR's noncompliance will not be considered a basis for an increase in the Contract Price or extension of the Contract Time.

1.5. CONTROL OF THE WORK SITE

- 1.5.1.** Throughout all phases of construction, including any suspension of the Work, the CMAR must keep the Site indoors and outdoors, reasonably free from debris, trash and construction waste to permit the performance of its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, the CMAR will remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work to permit the City to occupy the Project or a portion of the Project for its intended use.
- 1.5.2. Dust Control.** The CMAR will take appropriate steps, procedures or means required to prevent abnormal dust conditions due to its construction operations. The dust control measures shall be maintained at all times during construction of the Project to the satisfaction of the City.
- 1.5.3.** If applicable, the CMAR shall maintain ADA and ANSI accessibility requirements during construction activities in an occupied building or facility. ADA and ANSI accessibility requirements must include, but not be limited to, parking, building access, entrances, exits, restrooms, areas of refuge, and emergency exit paths of travel. The CMAR shall coordinate all Work to minimize disruption to building occupants and facilities.
- 1.5.4.** Only materials and equipment used directly in the Work may be brought to and stored on the Site by the CMAR. When equipment is no longer required for the Work, it shall be removed promptly from the Site. Protection of construction materials and equipment stored at the Site from weather, theft, damage and all other adversity is solely the responsibility of the CMAR.
- 1.5.5.** Waste products shall become the property of the CMAR. At its expense, the CMAR shall dispose of all waste products and debris including excess earth material that will not be incorporated into the Work under this Contract at an appropriate off-site location in conformance with applicable Federal, State and Local Regulations.
- 1.5.6.** The CMAR shall supervise and direct the Work. The CMAR is solely responsible for the means, methods, techniques, sequences and procedures of construction. The CMAR shall employ and maintain on the Work a qualified supervisor or superintendent who has been designated in writing by the CMAR as the CMAR's representative at the Site. The representative must have full authority to act on behalf of the CMAR and all communications given to the representative will be as binding as if given to the CMAR. The representative must be present on the Site at all times as required to perform adequate supervision and coordination of the Work. Where appropriate, all Provisions of M.A.G., Section 105.5, will be applicable.

- 1.5.7.** In the event of abnormal weather conditions, such as windstorms, rainstorms, etc., the CMAR shall immediately inspect the Work Site and take all necessary actions to ensure public access and safety are maintained.
- 1.5.8. Damage to Property at the Site.** The CMAR is responsible for any damage or loss to property at the Site, except to the extent caused by the acts or omissions of the City or its representatives, employees or agents and not covered by insurance. The costs and expenses incurred by the CMAR under this Article may be paid as a Cost of the Work to the extent that the costs and expenses are in excess of, or are not covered by required insurance, and to the extent of any deductibles, but shall not increase the GMP.
- 1.5.9. Damage to Property of Others.** The CMAR shall avoid damage, as a result of the CMAR's operations, to existing sidewalks, curbs, streets, alleys, pavements, utilities, adjacent property, the work of separate contractors and the property of the City. The CMAR shall repair any damage caused by the operations of the CMAR, which costs will be paid as a Cost of the Work to the extent that these costs and expenses are in excess of or are not covered by required insurance, and to the extent of any deductible, but shall not increase the GMP.
- 1.5.10. Failure of CMAR to Repair Damage.** If the CMAR fails to begin the repair of damage to property as required in Articles 1.5.8, and 1.5.9 and diligently pursue the repair, the City will give the CMAR 10-days written notice to begin repairs. If the CMAR fails to begin the repairs within the 10-day notice period, the City may elect to repair the damages with its own forces and to deduct from payments due or to become due to the CMAR amounts paid or incurred by the City in correcting the damage.

1.6. SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

- 1.6.1.** When required, Shop Drawings, Product Data, Samples and similar submittals are to be forwarded to the Project Manager for review in order to demonstrate the way in which the CMAR proposes to conform to the information given and the design concept expressed in the Contract Documents.
- 1.6.2.** The CMAR shall review, approve, and verify that all submittals meet the intent of the Contract Documents. Six (6) hard copies of each Shop Drawing, Product Data, Sample, and similar submittal required by the Contract Documents will be delivered to the Project Manager for review. Electronic submittals may be acceptable if approved by the Project Manager. Submittals made by the CMAR, which are not required by the Contract Documents, may be returned without action.
- 1.6.3.** The CMAR shall perform no portion of the Work requiring submittal and review of Shop Drawings, Product Data, Samples, or similar submittals until the necessary submittal has been approved by the City. All Work shall be in accordance with approved submittals. The CMAR shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples, or similar submittals by the City's approval.

- 1.6.4. By approving, verifying, and submitting Shop Drawings, Product Data, Samples and similar submittals, the CMAR represents that the CMAR has determined and verified materials, field measurements and related field construction criteria, or will do so, and has checked and coordinated the information contained within the submittals with the requirements of the Work and of the Contract Documents.
- 1.6.5. The CMAR shall not be relieved of responsibility for deviations from requirements of the Contract Documents by City approval of Shop Drawings, Product Data, Samples or similar submittals unless the CMAR has specifically informed the City in writing of the deviation at the time of submittal and the City has given written approval to the specific deviation.
- 1.6.6. Informational submittals upon which the City is not expected to take responsive action may be identified as informational submittals in the Contract Documents.
- 1.6.7. When professional certification of performance criteria of materials, systems or equipment is required by the Contract Documents, the City shall be entitled to rely upon the accuracy and completeness of the calculations and certifications.

1.7. QUALITY CONTROL, TESTING, AND INSPECTION

- 1.7.1. **Inspection.** The City's Construction Inspectors, whether employed by the City or contracted through other companies, may be stationed on the Work Site. The Construction Inspector(s) may direct the attention of the CMAR and report to the Project Manager the progress of the Work, the manner in which Work is being performed, and whether it appears that material furnished or Work performed by the CMAR fails to fulfill the requirements of the specifications and this Contract, but the inspection will not relieve the CMAR from any obligation to furnish acceptable materials or to provide completed construction that is in compliance with the Contract Documents. The Construction Inspector's purpose is to assist the City's Project Manager and should not be confused with an inspector associated with a City regulatory agency or with an inspector from a City Laboratory under Article 1.8.
- 1.7.2. In case of any dispute arising between the Project Manager or Construction Inspector and the CMAR as to material furnished or the manner of performing the Work, the Construction Inspector will have the authority to reject materials or suspend the Work until the question and issue can be referred to and decided by the City. Construction Inspectors are not authorized to revoke, alter, enlarge, relax, or release any requirements of the specifications. Construction Inspectors will in no case act as or be considered as foremen or supervisors or perform other duties for the CMAR.
- 1.7.3. The furnishing of any services for the City shall not make the City responsible for or give the City control over construction means, methods, techniques, sequenced procedures or for safety precautions or programs or responsibility for the CMAR's failure to perform the Work in accordance with Contract Documents.

1.8. MATERIALS TESTING

- 1.8.1.** All materials used in the Work must be new and unused, unless otherwise noted, and must meet all quality requirements of the Contract Documents.
- 1.8.2.** All construction materials to be used on the Work or incorporated into the Work, equipment, tools, appliances or methods to be used in the Work may be subject to the inspection and approval or rejection of the City. Any material rejected by the City will be removed immediately and replaced in a manner acceptable to the City.
- 1.8.3.** The procedures and methods used to sample and test material will be determined by the City. Unless otherwise specified, samples and tests will be made in accordance with the following: The standard methods of American Association of State and Highway Transportation Off Roads (AASHTO) or American Society for Testing and Materials (ASTM), and Maricopa Association of Governments (MAG) supplements.
- 1.8.4.** The City may select a pre-qualified Independent Testing Laboratory and will pay for initial City Acceptance Testing.
 1. When the first and subsequent tests indicate noncompliance with the Contract Documents, the cost associated with that noncompliance will be paid for by the CMAR. Construction contingency cannot be utilized for the cost of re-testing.
 2. When the first and subsequent tests indicate noncompliance with the Contract Documents, all retesting will be performed by the same testing agency.
- 1.8.5.** The CMAR shall cooperate with the selected testing laboratory and all others responsible for testing and inspecting the Work and will provide them with access to the Work at all times upon reasonable notice.
- 1.8.6.** All soils and materials testing will be performed by the City's designated agent and payment for testing shall be paid for as outlined below. In coordination with the CMAR, the City will order tests and distribute test results for all construction areas. The City will distribute test results within 24 hours of receipt.
 1. The City will pay for soils or materials testing through a separate contract.
 2. Other material testing: When the first or subsequent tests indicate noncompliance with the Contract Documents, the cost associated with that noncompliance will be paid by the CMAR. The City's Project Contingency cannot be utilized for the cost of re-testing.
- 1.8.7.** At the option of the City, materials may be approved at the source of supply before delivery is started.
- 1.8.8.** Code compliance testing and inspections required by codes or ordinances or by a plan approval authority, and which are made by a legally constituted

authority are the responsibility of and will be paid by the CMAR, unless otherwise provided.

- 1.8.9.** The CMAR's own quality control testing and inspections are the sole responsibility of the CMAR and paid by the CMAR.

1.9 PROJECT RECORD DOCUMENTS/AS-BUILTS

- 1.9.1** During the construction period, the CMAR shall maintain at the Site a set of blue-line or blackline prints of the Construction Document drawings and Shop Drawings for Project Record Document purposes.

1. The CMAR shall mark these drawings to indicate the actual installation where the installation varies appreciably from the original Construction Documents. The CMAR shall give particular attention to information on concealed elements which are difficult to identify or measure and record later. Items required to be marked include but are not limited to:

Dimensional changes to the drawings
Revisions to details shown on drawings
Depths of foundations below first floor
Locations and depths of underground utilities
Revisions to routing of piping and conduits
Revisions to electrical circuitry
Actual equipment locations
Duct size and routing
Locations of concealed internal utilities
Changes made by Contract Amendments
Details not on original Contract Drawings

2. The CMAR shall mark completely and accurately Project Record Drawing prints of Construction Documents or Shop Drawings, whichever is the most capable of indicating the actual physical condition. Where Shop Drawings are marked they shall include cross-reference locations on the Construction Documents.
3. The CMAR will mark Project Record Drawing sets utilizing electronic PDF markups
4. The CMAR will note Requests for Information (RFI) Numbers, Architects' Supplemental Information (ASI) Numbers and Contract Amendment Proposal Numbers, etc., as required to identify the source of the change to the Construction Documents.
5. The CMAR will at the time of Substantial Completion, submit Project Record Drawing prints and Shop Drawings to the City or its representative for review and comment.

- 1.9.2** Immediately upon receipt of the reviewed Project Record Drawings from the City, the CMAR shall correct any deficiencies or omissions to the drawings and prepare the following for resubmission to the City:

1. A complete set of PDF electronic files of all Project Record Drawings clearly marked with "As-Built Document." Files shall be named consistent with the Plan Set Index.
2. The PDF files will be converted from the CADD files of the Construction Documents provided by the City under Article 2.0 accurately bearing the CMAR's As-Built information from the Project Record Drawings in red and delivered to the City as part of the Project closeout.
3. The CMAR's original redlined mark-up prints of the Project Record Drawings.

1.10 PROJECT SAFETY

1.10.1 CMAR Safety Program. All Work will be performed in compliance with all applicable federal, state and local laws, ordinances, statutes, rules and regulations including Arizona Division of Occupational Safety and Health (ADOSH) policies and procedures. The CMAR is required to attend a City safety briefing session at the Preconstruction meeting.

The CMAR will provide a safe jobsite and work environment for the safety and health of employees and members of the general public and will comply with all legal requirements including but not limited to the following:

Occupational Safety and Health Act (OSHA)
Electrical Safe Work Practices Standards
OSHA Personal Protective Equipment Standards
National Fire Protection Association (NFPA) 70E Standard for Electrical Safety in the Workplace
OSHA Fall Protection Standards
OSHA Confined Space Entry

All other applicable requirements of OSHA and local codes and agencies having jurisdiction.

Contractors that violate these rules and regulations may be subject to job shutdown or removal from City facilities.

1.10.2 Contractor Safety Tailgate Meetings. The CMAR shall conduct tailgate safety meetings regularly to ensure that safety on the job is given priority. The sign-in sheet of the tailgate meeting must be given to the City Construction Inspector within 48 hours after the meeting, unless otherwise agreed upon in writing by both parties

1.10.3 Accident/Injury Procedure. The CMAR shall contact the Project Manager and Human Capital Management Department within 24 hours of the occurrence of an accident or injury arising out of the CMAR's Work under this Contract.

- 1.10.4 Unsafe Acts.** The CMAR employees shall abate or remedy any unsafe act or condition which may arise in the course of CMAR's Work under this Contract. The City reserves the right to discuss unsafe acts observed with the CMAR to ensure they are remedied.
- 1.10.5 Safety Audits.** The City reserves the right to conduct safety audits at the Site and stop unsafe acts at any time. In addition, the Project Manager or CPM Inspector must be notified should any OSHA inspections occur at a City job site.
- 1.10.6** The CMAR recognizes the importance of performing the Work in a safe manner to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-site or off-site, and (iii) all other property at the Site or adjacent to the Site.
- 1.10.7** The CMAR assumes responsibility for implementing, monitoring, and documenting all safety precautions and programs related to the performance of the Work.
- 1.10.8** The CMAR will, before beginning construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, the CMAR's Safety Representative will be an individual stationed at the Site who may have responsibilities on the Project in addition to safety.
- 1.10.9** The CMAR must provide OSHA 300A Summary log information including total recordable cases, total case rates, and lost workday incident rates for the past 2 calendar years. This information can be compared to Bureau of Labor Statistics (BLS) rates to determine whether a contractor has below average or above average accident/injury rates. Bureau of Labor Statistics information can be obtained through City's Human Capital Management Department. The Safety Representative will make routine daily inspections of the Site and will hold weekly safety meetings with CMAR's personnel, subcontractors and others as applicable.
- 1.10.10** The CMAR will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to the Project Manager and, to the extent mandated by Legal Requirements, to all government or quasi-governmental authorities having jurisdiction over safety-related matters involving the Project or the Work.
- 1.10.11** The CMAR's responsibility for safety under this Article 1.10 is not intended in any way to relieve subcontractors and sub-subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injury, losses, damages or accidents resulting from their performance of the Work.

1.10.12 The CMAR and subcontractors shall submit a copy of its hazard communication plan to the City's Project Manager and Fire Prevention Office prior to commencement of the Work, attached as Exhibit D, and by reference made a part of this Contract. This will ensure that other individuals on the Site are not unknowingly exposed to a hazardous substance or chemical.

The CMAR and all subcontractors using chemicals on City property must use only the safest chemicals, with the least harmful ingredients. These chemicals must be approved for use by a City representative before bringing them to the Project Site.

The CMAR and all subcontractors will make every attempt to apply approved chemicals with highly volatile organic compounds, outside of normal working hours. Adequate ventilation must be used at all times during the application of these approved chemicals.

In conjunction with the Occupational Safety and Health Standards, Subpart Z Toxic and Hazardous Substances – Hazard Communication Standard, 29 CFR 1910.1200 Hazard Communication, the CMAR and Subcontractors are informed of the presence of (or possible presence of) chemicals in the area where the work requested will be performed. All selected contractors shall contact the City for specific information relative to the type of chemicals present and location of appropriate Safety Data Sheets.

Unless included in the Work, if the CMAR encounters on-site material which it reasonably believes to contain asbestos, polychlorinated biphenyl (PCB), or other hazardous substances or materials regulated by Public Health Laws, it will immediately stop work and report the condition to the City.

If the material is found to contain asbestos, PCB or other hazardous substances or materials regulated by Public Health Laws, the CMAR will not resume work in the affected area until the material has been abated or rendered harmless. The CMAR and the City may agree, in writing, to continue work in non-affected areas on-site. An extension of Contract Time may be granted in accordance with Article 5.

1.11 WARRANTY

1.11.1 The provisions of M.A.G. Section 108.8 shall apply with the following additional requirements:

1. Should the CMAR fail to begin, or schedule repairs or corrective work within **14 calendar days** after receipt of written notice from the City, the City may perform the necessary work and the CMAR shall reimburse the City for the actual cost.
2. Warranty period is for 1 year from the Date of Substantial Completion.
3. This warranty does not apply to damage caused by normal wear and tear or by acts beyond the CMAR's control.

1.11.2 Nothing in this warranty is intended to limit any manufacturer's warranty which provides the City with greater warranty rights than provided in this Article 1.11 or the Contract Documents. The CMAR will provide the City with all manufacturers' warranties upon Substantial Completion.

1.11.3 The CMAR's warranty obligation will be the maximum allowed by the Arizona Registrar of Contractors.

1.12 GUARANTEE

1.12.1 Except as otherwise specified, all Work shall be guaranteed by the CMAR against defects resulting from the use of interior materials, equipment or workmanship for a period of one (1) year from the date the Certificate of Substantial Completion is issued by the City, or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee required by the Contract Documents.

1.12.2 If, within any guarantee period, repairs or changes are required in connection with guaranteed Work, which in the opinion of the City, is rendered necessary as the result of the use of materials, equipment, or workmanship which are inferior, defective, or not in accordance with the terms of the Contract, the CMAR shall, promptly upon receipt of notice from the City, and without expense, (1) place in satisfactory condition in every particular all of such guaranteed Work, correcting all defects therein; (2) make good all damage to the building, Site or Work, or equipment or contents thereof, which in the opinion of the City, is the result of the use of materials, equipment, or workmanship which are inferior, defective, or not in accordance with the terms of the Contract; and (3) make good any Work or material, or equipment and contents of said building, Site or Work disturbed in fulfilling any such guarantee. If the City may have the defects corrected and the CMAR and his surety shall be liable for all expense incurred. The Performance Bond shall remain in full force and effect through the guarantee period.

1.13 CORRECTION OF DEFECTIVE WORK

1.13.1 The CMAR agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Article 1.11 above within a period of 1 year from the date of Substantial Completion of the Work or any portion of the Work, or within any longer period, to the extent required by the Contract Documents. A Progress Payment, or partial or entire use or occupancy of the Project by the City will not constitute acceptance of the Work if not in accordance with the Contract Documents.

1.13.2 The CMAR will take meaningful steps to begin correction of nonconforming Work subject to this Article 1.13. These measures include but are not limited to timely correction of the Work. If the CMAR fails to initiate necessary measures for this Work within 7 days of receipt of written notice from the City, the City, in addition to any other remedies provided under the Contract Documents, may provide CMAR with written notice that the City will commence correction of the nonconforming work with its own forces.

1.13.3 If the City does perform this corrective work, the CMAR will be responsible for all reasonable costs incurred by the City in performing this correction.

1.13.4 The CMAR will immediately respond to any nonconforming work that creates an emergency.

1.13.5 The 1-year period referenced in this Article 1.13 applies only to the CMAR's obligation to correct nonconforming work and is not intended to be a period of limitations for any other rights or remedies the City may have regarding the CMAR's other obligations under the Contract Documents.

1.14 SUBCONTRACTOR AND MAJOR SUPPLIER SELECTION

The Parties have entered into a Preconstruction Contract that contains Subcontractor and Major Supplier provisions. In selecting Subcontractors and Major Suppliers, the CMAR will comply with the provisions in the Preconstruction Contract. [For horizontal construction, as defined in A.R.S. §34-101(15), the CMAR must self perform not less than 45% of the Work as required by A.R.S. §34-605(G).]

ARTICLE 2 – CITY'S SERVICES AND RESPONSIBILITIES

2.0 DUTY TO COOPERATE. The City will, throughout the performance of the Work, cooperate with the CMAR and perform its responsibilities, obligations and services in a timely manner to facilitate the CMAR's timely and efficient performance of the Work and so as not to delay or interfere with the CMAR's performance of its obligations under the Contract Documents. The City will furnish the CMAR a CADD file of the Construction Documents acceptable to the City, at no cost to the CMAR.

2.1 PROJECT MANAGER

2.1.1 The Project Manager will provide City-supplied information and approvals in a timely manner to permit the CMAR to fulfill its obligations under the Contract Documents.

2.1.2 The Project Manager will promptly notify the CMAR if the Project Manager observes any failure on the part of the CMAR to fulfill its contractual obligations, including any default or defect in the Project or non-conformance with the drawings and specifications.

2.1.3 The City may contract separately with a Design Team and may include partial construction administration services for the Project. A copy of the Design Team's contract will be furnished to the CMAR.

2.1.4 The Project Manager is responsible for construction administration of the Work. The Design Team, if authorized by the City, will review, approve or take other appropriate action upon the CMAR's submittals such as Shop Drawings, Product Data and Samples in accordance with Article 1.6. Communications by and with the Design Team will be through the Project Manager.

2.1.5 The Project Manager and the Design Professional will interpret and decide matters concerning performance under the requirements of the Contract

Documents. The Design Professional's response to these requests will be made to the City. The City will timely forward the response to the CMAR.

2.1.6 The City Manager has the authority to authorize Change Orders up to the limits permitted by the Procurement Code.

2.2 CITY'S SEPARATE CONTRACTORS. The City is responsible for all Work performed on the Project or at the Site by separate contractors under the City's control. The City will contractually require its separate contractors to cooperate with, and coordinate their activities, so as not to interfere with the CMAR, in order to enable timely completion of Work consistent with the Contract Documents. The CMAR agrees to reasonably cooperate and coordinate its activities with those of the separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

2.3 PERMIT REVIEW AND INSPECTIONS. Approving specific parts of the Building Permit is the responsibility of the City. Lake Havasu City Building Division issues Certificates of Occupancy.

2.4 FURNISHING OF SERVICES AND INFORMATION

2.4.1 The City will be responsible for the following:

1. City review and permit(s) fees for building, encroachment, and demolition permits.
2. City review fees for grading and drainage, water, sewer and landscaping.
3. Utility design fees for permanent services.
4. Obtaining Clean Water Act Nationwide 404 Permits.
5. City Development Fees.
6. Environmental Permits and Licenses.
7. Utility design fees for permanent services.
8. Special Inspections (Furnish & Payment)

2.4.2 Unless expressly stated to the contrary in the Contract Documents, the City will provide (at its own cost and expense) to the CMAR, the following information:

1. To the extent available, surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;
2. Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable the CMAR to perform the Work;

3. A legal description and street or physical address of the Site;
4. To the extent available, as-built record and historical drawings of any existing structures at the Site;
5. To the extent available, environmental studies, environmental impact statements, reports and impact statements describing the environmental conditions (including hazardous materials) known to exist at the Site;
6. Upon request, the City will provide all City standards and guidelines, supplementary conditions and special provisions that will be included in the plans and specifications for the Project. These may include but are not limited to: disposal of surplus material, special security provisions, investigation of underground facilities, traffic controls and regulations, special quality control testing and termite treatment requirements.

The City will secure and execute all necessary contracts with adjacent land or property owners that are reasonably necessary to enable the CMAR to perform the Work.

2.5 PROJECT MANAGEMENT SERVICES

- 2.5.1** The City may contract separately with one or more Technical Consultants to provide project management assistance to the Project. The Technical Consultant's contract as well as the contracts of other firms hired by the City will be furnished to the CMAR upon request. The CMAR will not have any right however, to limit or restrict any contract modifications that are mutually acceptable to the City and Technical Consultant.
- 2.5.2** The Technical Consultant services will augment the City staffing resources to effectively manage the objectives of the City and this Project with the goal of managing the key project communication, cost and time parameters.
- 2.5.3** The Technical Consultant may provide preprogramming and design standards.
- 2.5.4** The City may contract with the Technical Consultant to provide some or all of the following services during the performance of the construction:
 1. Conduct Site visits at intervals appropriate to the stage of construction to become generally familiar with the progress and quality of the completed construction and to determine in general if the construction is being performed in accordance with the Construction Documents. The Technical Consultant will keep the City informed of progress of the construction and will endeavor to guard the City against defects and deficiencies in the construction. The Technical Consultant may have authority to reject construction which does not conform to the Construction Documents and to require additional inspection or testing of the construction in accordance with Articles 1.7 and 1.8;

2. Review and recommend approval of the CMAR's Payment Requests;
3. Interpret matters concerning performance under and requirements of the Contract Documents on written request of the City. The Technical Consultant's response to these requests will be made with reasonable promptness and within any time limits agreed upon;
4. Analyze, recommend and assist in negotiations of Change Orders;
5. Conduct inspections to determine Substantial Completion and Final Acceptance;
6. Receive and forward to the City for the City's review and records, written warranties and related documents required by the Contract Documents and assembled by the CMAR.

ARTICLE 3 – CONTRACT TIME

3.0 CONTRACT TIME

3.1 Contract Time will be [NUMBER] days as indicated in the Notice to Proceed (NTP).

3.1.1 Contract Completion Time will start with the Notice to Proceed (NTP) and end with Substantial Completion. The City will issue a NTP letter establishing the mutually agreed upon NTP date for this Contract.

3.1.2 Failure on the part of the CMAR to adhere to the Project Schedule may be the basis for termination of this Contract by the City.

3.1.3 Each GMP amendment to this Contract will establish a separate construction NTP date, Performance Period and Substantial Completion date for the entire Project. The Performance Period(s) may be sequential or may run concurrently.

3.1.4 The CMAR agrees to commence performance of the Work and achieve Performance Periods and the Contract Time.

3.1.5 All of the times stated in this Article 3 are subject to adjustment in accordance with Article 5.

3.2 PUNCH LIST PREPARATION

A minimum of 10 days before Substantial Completion the CMAR, in conjunction with the City, will prepare a comprehensive list of Punch List items, which the City may edit and supplement. The CMAR will proceed promptly to complete and correct the Punch List items. Failure to include an item on the Punch List does not alter the responsibility of the CMAR to complete all Work in accordance with the Contract Documents. Warranties required by the Contract Documents will not commence until the date of Final Acceptance unless otherwise provided in the Contract Documents. Seven (7) days before the City issues its Final Acceptance Letter, the CMAR will deliver to the City all Operation and Maintenance Manuals necessary for the City to assume responsibility for the operation and maintenance of that portion of the Work.

3.3 LIQUIDATED DAMAGES

If Substantial Completion is not attained within the Contract Time as adjusted, the City will suffer damages which are difficult to determine and accurately specify. The CMAR agrees that if Substantial Completion is not attained within the Contract Time as adjusted, the CMAR will pay as liquidated damages the amounts specified in the M.A.G. Standard Specifications, incorporated in this Contract by reference. These amounts may be adjusted depending on the anticipated or actual loss caused by the delay and the difficulty of proof of loss.

3.4 PROJECT SCHEDULE CONSTRUCTION SCHEDULE. Each approved GMP Proposal shall include a Project Schedule as prescribed in Article 3.5 with a Critical Path Method diagram construction schedule that will indicate the path of critical activities and establish the Performance Period encompassed by the GMP. The CMAR will maintain the construction schedule throughout the construction.

3.4.1 The Project Schedule will be initially submitted at the start of this Contract as required by Article 1 and updated and maintained throughout the Contract.

3.4.2 The Project Schedule will be revised as required by conditions and progress of the Contract Services, but any revisions will not relieve the CMAR of its obligations to complete the Contract Services within the Contract Time(s), as these dates may be adjusted in accordance with the Contract Documents.

3.4.3 An Updated Project Schedule will be submitted monthly to the City at least **5 days** before the CMAR's monthly Payment Request.

1. The CMAR will provide the City with a monthly status report with each Project Schedule detailing the progress of construction of the Project, including whether (i) the construction is proceeding according to schedule, (ii) discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, and (iii) other items that require resolution so as not to jeopardize the ability to complete the construction as presented in the GMP and within the Contract Time(s). The monthly status report and Project schedule shall be provided electronically to the Project Manager not more than once a month unless otherwise mutually agreed.

2. With each Project Schedule submitted, the CMAR will include a transmittal letter including the following:

- Description of problem tasks (referenced to field instructions, Requests for Information (RFIs), Change Order or claim numbers) as appropriate.
- Current and anticipated delays not resolved by approved change orders, including:
 - Cause of the delay.
 - Corrective action and schedule adjustments to correct the delay.

- Known or potential impact of the delay on other activities, milestones, and the date of Substantial Completion.
- Changes in construction sequence.
- Pending items and status including but not limited to:
 - Pending Change Orders.
 - Time extension requests.
 - Other items.
- Substantial Completion date status:
 - If ahead of schedule, the number of days ahead.
 - If behind schedule, the number of days behind.
- Other Project or scheduling concerns.

3.4.4 The City's review of and response to the Project Schedule is only for general conformance with the scheduling requirements of the Contract Documents. The review will not relieve the CMAR from compliance with the requirements of the Contract Documents or be construed as relieving the CMAR of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

3.4.5 The Project Schedule will include a Critical Path Method diagram schedule that will show the sequence of activities, the interdependence of each activity and indicate the path of critical activities.

The Critical Path Method diagram schedule will be in days and indicate duration, earliest and latest start and finish dates, and will be presented in a time scaled graphical format for the Project as a whole.

1. The activities making up the schedule will be of sufficient detail to assure that adequate planning has been done for proper execution of the Work and provide an appropriate basis for monitoring and evaluating the progress of the Work.
2. The Critical Path Method diagram construction schedule will be based upon activities which would coincide with the Schedule of Values.
3. The Critical Path Method diagram schedule will show all submittals associated with each Work activity and the review time for each submittal.
4. The schedule will show milestones, including milestones for City-furnished information, and will include activities for City-furnished equipment and furniture, if any, when those activities are interrelated with the CMAR's activities.
5. The schedule will include a critical path activity that reflects anticipated rain delay during the performance of the Contract. The duration will reflect the average climatic range and usual industrial conditions prevailing in the locality of the Site. Weather data will be based on information provided by the National Weather Service or other approved source.

3.5 COST ESTIMATES

Provisions pertaining to cost estimates may be found in the GMP Proposal, attached as Exhibit C.

3.6 CONSTRUCTION MANAGEMENT PLAN

As a part of the Preconstruction Contract, the City has required the CMAR to prepare a Construction Management Plan.

ARTICLE 4 – CONTRACT PRICE

- 4.0** The CMAR agrees to do all Work for the construction of the improvements and to completely construct the improvements and install the material, as called for by this Contract, free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified within the time, or times, stated in the GMP, as may be amended from time to time, as set forth in the GMP Proposal, attached as Exhibit C, and by reference made a part of this Contract.

4.1 CONTRACT PRICE

- 4.1.1** The Contract Price is a not to exceed price of **\$[XXXXXXXXX]**.
- 4.1.2** The Contract Price is the sum of the GMP, as outlined in Exhibit C, plus the City's Project Contingency defined in Article 12, plus the additive alternates outlined in Exhibit A, and is subject to adjustments made in accordance with Article 5.
- 4.1.3** The CMAR is responsible for payment of all State of Arizona and Lake Havasu City transaction privilege (sales) taxes due on construction income, whether or not these taxes are specifically separated in the bid amount.
- 4.1.4** Unless otherwise provided in the Contract Documents, the Contract Price is to include all sales, use, consumer and other taxes throughout the term of this Contract, whether or not yet effective or merely scheduled to go into effect.
- 4.1.5** Any Contingencies and Allowances as agreed upon between the City and the CMAR will be in the GMP.

- 4.2 CMAR CONSTRUCTION FEE FOR CHANGES.** If the GMP requires an adjustment due to changes in the Work, the cost of any changes will be determined under Article 5.

4.3 GUARANTEED MAXIMUM PRICE (GMP)

- 4.3.1** At the end of the design phase or at a time determined by the City, and as a part of the work done under the Preconstruction Contract, the City will request the CMAR to provide a GMP, or series of GMPs if the CMAR determines phased construction would be in the City's best interest. The approved GMP(s) is set forth in Exhibit C, attached to this Contract.

4.3.2 The CMAR guarantees to bring the completion of the construction of the Project within the GMP or the CMAR alone will be required to pay the difference between the actual cost and the GMP.

1. Buy out savings are any savings of the CMAR's GMP at the conclusion of the selection of subcontractors. Buy out savings may be used during construction by the City as a City Project contingency. Unused savings will be returned to the City.
2. Any savings realized during construction may be incorporated into the construction of the Project to fund additional scope items. Unused savings will be returned to the City.

4.3.3 The GMP is composed of the Total Cost of the Work (Direct Costs) plus the CMAR's Indirect Costs which are not-to-exceed cost reimbursable, actual costs or fixed fee amounts defined as:

1. The Total Cost of the Work (Direct Costs) is a negotiated and not-to-exceed amount defined by the individual work items and their associated negotiated unit prices as part of the hard construction work as defined in Article I as performed by the CMAR through self-performed work, sub-contractors' work and any other third party as set forth in Article 1.13 requirements for selection of subcontractors and major suppliers. It includes the costs for all direct labor, materials and equipment incorporated in the completed construction, materials testing prescribed in Article 1.8 and warranty of the work.
2. The CMAR's Indirect Costs include the costs for General Conditions, Payment and Performance Bonds, Insurance, the CMAR Construction Fee and Taxes.
 - a. The General Conditions are costs for the negotiated amount of Project supervision and other indirect costs according to construction terms as defined in Article 12. These costs are not reflected in other GMP items. Costs may include, but are not limited to, the following: Project Manager, Superintendent, Full-time General Foremen, workers not included as direct labor costs engaged in Project support (e.g. loading/unloading, clean-up, etc.) and administrative office personnel. Other costs may include: temporary office, fees not specifically listed in Articles 1.2, fencing and other facilities, office supplies, office equipment, minor expenses, utilities, vehicles, fuel, sanitary facilities, and telephone services at the site.
 - b. Payment Bonds, Performance Bonds and Insurance are actual costs applied to Cost of Work and General Conditions Costs as detailed in the GMP Proposal.
 - c. The CMAR Construction Fee is a negotiated fixed fee that is proposed by the CMAR for management and related services of the CMAR Project. The fee includes the CMAR's profit and home office overhead, whether at the CMAR's principal or branch offices, including the administrative costs, home office costs and any

limitations or exclusions that may be included in the General Conditions.

- d. Taxes include all sales, use, consumer and other taxes which are legally enacted when negotiations of the GMP were concluded, whether or not yet effective or merely scheduled to go into effect. Taxes are actual costs and are a not-to-exceed reimbursable amount.

4.3.4 The GMP is cumulative. The amount of any GMP amendment will be negotiated separately and will reflect the CMAR's risk from that point forward in the Project.

4.4 GMP PROPOSAL. The GMP Proposal will be that as provided in the Preconstruction Agreement, and the GMP Proposal is attached as Exhibit C.

4.5 GMP APPROVAL. The approval of the GMP will be in accordance with the provisions of the Preconstruction Agreement, attached to this Contract as Exhibit B.

4.6 TAX/LICENSE

The CMAR must secure and maintain, during the life of the Contract, State of Arizona Transaction Privilege (sales) Tax Licenses.

To obtain a State of Arizona Privilege (Sales) Tax License Application, please go to the following website: <https://azdor.gov/transaction-privilege-tax-tpt>

4.7 RESPONSIBILITY FOR PRIVILEGE (SALES) TAXES

The CMAR is responsible for payment of all applicable State of Arizona and Lake Havasu City transaction privilege (sales) taxes due on construction income whether or not these taxes are specifically separated in the bid amount. The taxes are to be reported on either a progressive billing (accrual) basis or cash receipts basis, depending on the method chosen at the time application was made for the Privilege (sales) Tax License.

City Privilege (sales) tax exemptions/deductions may be applicable to certain projects. The CMAR is advised to consider this as it prepares its bid. Please review, in detail, City Tax Code Sections 3.04-415, 3.04-465, and 3.04-110 to determine if exemptions/ deductions are applicable. For tax guidance, please reference the City Code and other tax resources at the following website: <https://codelibrary.amlegal.com/codes/lakehavasucity/latest/overview>

The State of Arizona has similar exemptions, please reference A.R.S. Title 42 at the following website: <http://www.azleg.state.az.us/ArizonaRevisedStatutes.asp?Title=42>

For further questions regarding tax treatment, please contact the Arizona Department of Revenue at (602) 255-2060 and Lake Havasu City Tax & TPT License at (928) 854-0742, or taxinfo@lhcaz.gov.

ARTICLE 5 – CHANGES TO THE CONTRACT PRICE AND TIME

5.0 DELAYS TO THE WORK

5.1 DELAYS TO THE WORK

- 5.1.1** Delays may be compensable, concurrent, excusable or non-excusable as defined in Article 12.
- 5.1.2** If the CMAR is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom CMAR is responsible, the Contract Times for performance may be reasonably extended by Change Order.
- 5.1.3** The CMAR must request an increase in the Contract Time by written notice including an estimate of the probable effect of delay on progress of the Work. In the case of a continuing delay only one request is necessary.
1. Written notice shall be submitted within **14 days** of the commencement of the cause of the delay.
 2. If written notice is submitted more than **14 days** after commencement of the cause of the delay, the period of delay will be considered to commence **14 days** before the giving of the notice.
- 5.1.4** By way of example and subject to Article 11.7, events that may entitle the CMAR to an extension of the Contract Time include acts or omissions of the City or anyone under the City's control (including separate contractors), Acts of God or public enemy, changes in the Work, Differing Site Conditions, Hazardous Conditions, unusual delay in transportation, and excessive inclement weather conditions not reasonably anticipated, war or other national emergency making performance temporarily impossible or illegal, or strikes or labor disputes not brought about by any act or omission of the CMAR.
- 5.1.5** If excessive inclement weather conditions are the basis for a request for additional Contract Time, these requests will be documented by data substantiating that weather conditions were abnormal for the period of time and could not have been reasonably anticipated, and that weather conditions had an adverse effect on the scheduled construction.
- 5.1.6** Permitting the CMAR to proceed to complete any Work, or any part of the Work, after the date to which the time of completion may have been extended, will in no way act as a waiver on the part of the City of any of its legal rights under this Contract.
- 5.1.7** In the event that the CMAR claims damages as a result of expenses incurred by a delay for which the City is responsible, the CMAR and the City will negotiate to determine the amount of these damages as set forth in Arizona Revised Statutes Section 34-609 (E).
1. In addition to the CMAR's right to a time extension for those events stated in this Article 5.0, the CMAR may also be entitled to an

appropriate adjustment of the Contract Price provided, however, that the Contract Price will not be adjusted for those events described in this Article that are beyond the control of both the CMAR and the City, including the events of war, acts of terrorism, floods, labor disputes (but not including CMAR's own work force and those of its subcontractors), earthquakes, epidemics, excessive inclement weather conditions not reasonably anticipated, and other acts of God.

5.2 DIFFERING SITE CONDITIONS

- 5.2.1** If the CMAR encounters a Differing Site Condition(s), the CMAR may be entitled to an adjustment in the Contract Price or Contract Time(s) to the extent the CMAR's cost or time of performance are the direct result of a Differing Site Condition(s).
- 5.2.2** Upon encountering a Differing Site Condition, the CMAR shall notify the Project Manager of the condition within **7 days** or sooner after the condition has been encountered. The CMAR must also give the City an opportunity to observe such condition before disturbing or altering the Differing Site conditions. The failure of the CMAR to give written notice and make the Claim as required by this Article and Article 7.1.5 shall constitute a waiver by the CMAR of any rights arising out of or relating to such Differing Site Conditions. (Final costs must be submitted within **thirty (30) days** after notice is received by the City, unless extended by written agreement of the parties.)
- 5.2.3** In order for the CMAR to obtain any additional compensation or time extensions for Differing Site Conditions, the CMAR must demonstrate that it encountered a material difference at the Site, as defined in Article 12 that required it to expend additional cost or time. The CMAR must also establish that it actually and reasonably relied upon the representations found in the Contract Documents concerning the Site conditions.

5.3 APPLICATION FOR EXTENSION OF TIME

- 5.3.1** If performance by the CMAR is delayed for a reason set forth in Article 5, the CMAR may be allowed a reasonable extension of time in conformance with this Article. Before the CMAR's time extension request may be considered, the CMAR shall notify the City of the condition which allegedly has caused or is causing the delay, and shall submit a written application to the City identifying:

1. Liquidated damage assessment rate, as specified in the Contract;
2. Original total GMP;
3. The original Contract start date and completion date;
4. Any previous time extensions granted (number and duration);
5. The extension of time requested.

5.3.2 In addition, the application for extension of time shall set forth in detail;

1. The nature of each alleged cause of delay in completing the Work; and
2. The date upon which each such cause of delay began and ended and the number of dates attributable to each such cause; and
3. A statement that the CMAR waives all claims except for those delineated in the application, and the particulars of any claims which the CMAR does not agree to waive. For time extensions for Substantial Completion and final completion payments, the application shall include a detailed statement of the dollar amounts of each claim item reserved; and
4. A statement indicating the CMAR's understanding that the time extension is granted only for purposes of permitting continuation of Contract performance and payment for Work performed and that the City retains its right to conduct an investigation and assess liquidated damages as appropriate in the future.

5.4 ERRORS, DISCREPANCIES AND OMISSIONS

5.4.1 If the CMAR observes errors, discrepancies or omissions in the Contract Documents, it shall promptly notify the Project Manager and request clarification. The CMAR shall also provide a copy of any notice to the City Procurement Official.

5.4.2 If the CMAR proceeds with the Work affected by any errors, discrepancies or omissions, without receiving clarifications, it does so at its own risk. Adjustments involving these circumstances made by the CMAR before clarification by the Design Professional are at the CMAR's risk.

5.5 CITY REQUESTED CHANGE IN WORK. The City reserves the right to make, at any time during the progress of the Work, any alterations as may be found necessary or desirable.

5.5.1 Any alterations and changes shall not invalidate this Contract nor release the surety, and the CMAR agrees to perform the Work as altered, the same as if it had been a part of the original Contract Documents. The CMAR shall notify the surety of the changes and will assure that the alterations and changes are adequately covered by the surety bond.

5.5.2 Upon receipt of a request for Change in Work, the CMAR will prepare a proposal in significant detail according to Article 5.11. The CMAR's proposal will include a detailed description of any schedule impact.

5.5.3 Legal Requirements. The Contract Price or Contract Times will be adjusted to compensate the CMAR for the effects of any changes in the Legal Requirements enacted after the date of the Contract or the date of the GMP, affecting the performance of the Work.

5.6 CHANGE ORDERS

- 5.6.1** In accordance with the City's Procurement Code Chapter 3.10, A.R.S. Title 34 and any related Rules and Procedures, the City and the CMAR will negotiate in good faith and as expeditiously as possible the appropriate adjustments for a Change Order. Upon reaching an agreement, the parties will prepare and execute an appropriate Change Order reflecting the terms of the adjustment. The change in the Work may or may not include an adjustment in the Contract Price or Contract Time.
- 5.6.2** All changes in the Work authorized by Change Orders will be performed under the conditions of the Contract Documents. The decision to issue Change Orders rests solely with the City and any decision to issue a Change Order must be promptly complied with by the CMAR, subject to the provisions of Article 5.4.
- 5.6.3** The execution of a Change Order by the CMAR shall constitute conclusive evidence of the CMAR's agreement to the ordered changes in work, this Contract as thus amended, the Contract Price, and the time for performance by the CMAR. The CMAR, by executing the Change Order, waives and forever releases any claim against the City for any additional time or compensation for matters relating to, arising out of, or resulting from the work included within or affected by the executed Change Order of which the CMAR knew or should have known.
- 5.6.4** The City may direct the CMAR to perform additional work under the Contract by issuing a Construction Change Directive when time and/or cost of the work is not in agreement between the City and the CMAR. During the pendency of a resolution of the price and/or time adjustments between the City and the CMAR, the CMAR may not suspend Work and will comply with the Construction Change Directive.

5.7 UNILATERAL DETERMINATION OF CHANGE ORDER VALUE

If no mutual agreement occurs between the City and the CMAR, the change in Contract Price, if any, shall be derived by determining the reasonable actual costs incurred or savings achieved, resulting from revisions to the Work. Such reasonable actual costs or savings shall include a component for direct job site overhead and profit, but shall not include home-office overhead or other indirect costs and components. The calculation of actual costs shall conform to Article 5.11.2. Any such costs or savings shall be documented in the format and with such content and detail as the City requires. The CMAR shall promptly submit such documentation and other backup as the City may require in evaluating the actual costs incurred.

5.8 ADDITIONAL CHANGE ORDER COST REQUIREMENTS

The cost of all items listed in the CMAR's proposal shall be directly related to the Change Order. Indirect costs not specifically related to the Change Order shall not be considered. The CMAR's or Subcontractor's submittals shall include the cost of materials, sales tax, cost of all transport, equipment costs and any direct Project expenses. CMAR's or subcontractor's Direct Labor Costs shall be limited to the hourly rate of directly involved workmen, employer contributions toward CMAR standard benefits, pensions, unemployment or social security (if any), and

employer costs for paid sick and annual leave. CMAR's or subcontractor's Indirect Costs may include license fees, bond premiums, supervision, and vehicle expense directly related to the Change order.

5.9 LIMITATION OF COMPENSABLE ITEMS

5.9.1 For Change Orders, the total cost or credit to the City shall be based on the following schedule:

1. CMAR's Materials Costs.
2. CMAR's Direct Labor Costs.
3. CMAR's Equipment Costs (includes owned/rented equipment).
4. Applicable Subcontractor Costs.
5. Subtotal of Costs to the CMAR.
6. CMAR's Overhead and Profit.
7. Total Cost or Credit to the City.

5.10 FIELD ORDERS

5.10.1 The City has authority to initiate Field Orders that do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Field Orders will be imposed by written order and will be binding on the City and the CMAR. The CMAR will carry out any written orders promptly upon approval of Change Order, if required.

5.10.2 Field Orders will not involve an adjustment in the Contract Price or Contract Times unless or until an adjustment becomes a Change Order.

5.10.3 The CMAR may make minor changes in the Work, but the CMAR will promptly inform the City, in writing, of any changes and record the changes, if appropriate, on the Project Record Documents maintained by the CMAR.

5.11 CONTRACT PRICE ADJUSTMENTS

5.11.1 The increase or decrease in Contract Price resulting from a Change in the Work will be determined by one of the following methods stated in order of preference:

1. Using direct cost labor and material rates established in the Contract Documents as a basis of the Contract Price adjustment;
2. Using unit prices found in the Contract or as subsequently agreed between the parties;

3. A mutually agreed upon accepted, allowance, properly itemized and supported by sufficient substantiating data to permit evaluation by the City; and
4. A negotiated CMAR Construction Fee for the Change in Work equal to additional Indirect Costs resulting from the Change in the Work plus any negotiated profit.

5.11.2 If an increase or decrease cannot be agreed to as provided in Articles 5.7 and 5.8, the cost of the Change of the Work will be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable CMAR Construction Fee, according to the methodology used to establish the contract GMP. The CMAR will maintain a documented, itemized accounting evidencing the expenses and savings associated with the changes.

5.11.3 If unit prices are included in the Contract Documents or are subsequently agreed to by the parties, but application of the unit prices will cause substantial inequity to the City or the CMAR because of differences in the character or quantity of the unit items as originally contemplated, the unit prices will be equitably adjusted.

5.11.4 If the City and the CMAR disagree upon the amount to be paid, whether the CMAR is entitled to be paid for any services required by the City or if there other disagreements over the Scope of Work, proposed changes to the Work, or the time required to complete the Work, the City and the CMAR will resolve the dispute in accordance with Article 7.

1. As part of the negotiation process, the CMAR will furnish the City with a good faith estimate of the costs to perform the disputed services or the additional time required in accordance with the City's interpretations.
2. If the parties are unable to agree and the City expects the CMAR to perform the services in accordance with the City's interpretations, the CMAR will proceed to perform the disputed services, conditioned upon the City issuing a written order to the CMAR (i) directing the CMAR to proceed and (ii) specifying the City's interpretation of the services that are to be performed, all the while continuing to negotiate the dispute.

5.11.5 Emergencies. In any emergency affecting the safety of persons or property, or both, the CMAR will act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price or Contract Time(s), or both, resulting from emergency work will be determined as provided in this Article 5.

ARTICLE 6 – PROCEDURE FOR PAYMENT

6.0 For and in consideration of the faithful performance of the Work required to be done by the Contract Documents, and in accordance with the directions of the City and to its satisfaction, the City agrees to pay the CMAR the Cost of the Work performed and any applicable costs for general conditions, insurance, bonding, and taxes, but no more than the GMP as adjusted

by any Change Orders and provisions of Article 5. Payment for the specific Work under this Contract will be made in accordance with payment provisions of this Article 6.

6.1 GMP PAYMENT REQUEST

6.1.1 At the Preconstruction conference described in Article 1.3, the CMAR will submit for the City's review and approval a Schedule of Values. The Schedule of Values will (i) be based on the bids accepted from the successful subcontractors (ii) include values for all items comprising the GMP including any City allowances, and (iii) serve as the basis for monthly progress payments made to the CMAR throughout the Work.

6.1.2 At least **10 working days** before the date established for a Payment Request, the CMAR will meet with the Project Manager to review the progress of the Work, as it will be reflected on the CMAR Payment Request. The CMAR Payment Request will constitute the CMAR's representation that the Work has been performed consistent with the Contract Documents, has progressed to the point indicated in the CMAR Payment Request, and that title to all the Work will pass to the City free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project.

6.1.3 The CMAR's Payment Request may request payment for equipment and materials not yet incorporated into the Project if construction progress is in reasonable conformance with the approved schedule.

1. For equipment and materials properly stored at the Site, the equipment and materials will be protected by suitable insurance and the City will receive the equipment and materials free and clear of all liens and encumbrances.
2. For materials and equipment stored off the Site, the City must approve the storage. The material and equipment must be stored within Mohave County and be accessible for the City's inspection. Title to the materials and equipment will protect the City's interest and will include applicable insurance, bonding, storage and transportation to the Site.
3. The City will be named as an Additional Insured on all insurance required for all stored materials or equipment.

6.1.4 The CMAR will submit a Payment Request in a format acceptable to the City on a date established by the City and the CMAR but not more often than once a month. The Payment Request will be submitted to the Project Manager as identified in Article 7.3. This submittal will include, at a minimum, a narrative description of the tasks accomplished during the billing period, a listing of any Deliverables submitted, and the Subcontractors' actual request for payment plus similar narrative and listing of their work.

6.1.5 Payments for these services negotiated as a fixed unit price will be made in accordance with actual measured quantities completed during the preceding month as itemized on the Schedule of Values and stated in Exhibit C. Payment for services negotiated as a lump sum will be made in accordance with the percentage of the services completed during the

preceding month as itemized on the Schedule of Values in Exhibit C. Those services negotiated, as a not-to-exceed reimbursable sum will be paid in accordance with the actual costs of the service expended during the preceding month. The City will review Payment Requests and make recommendations for approval or denial within 7 days after the City's receipt of each properly submitted and accurate Construction Payment Request, but in each case less the total of payments previously made, and less amounts properly withheld as retention under Article 6.3. Payment Requests will be considered approved and certified for payment after 7 days unless before that time, the Project Manager issues a specific finding setting forth in detail those items in the Request for Payment that are not approved for payment.

6.1.6 The CMAR agrees at its own cost and expense, to perform all construction, as called for by this Contract free and clear of all claims, liens, and charges whatsoever, in the manner and under the conditions specified within the time, or times, stated in this Contract.

6.1.7 The Schedule of Values will be submitted as prescribed in this Contract, and subject to adjustment in accordance to this Contract and will serve as the basis for monthly progress payments made to the CMAR throughout the construction.

6.1.8 The CMAR will submit to the City on the monthly anniversary of the construction NTP date beginning with the first month after the construction NTP date the "Construction Payment Request".

6.2 PAYMENT OF GMP

6.2.1 The City will make payment in accordance with A.R.S. § 34-609. Payment will be made no later than 14 days after the CMAR Payment Request is certified and approved by the City's Project Manager, less amounts properly retained under Article 6.3. The CMAR will pay all sums due to the subcontractors and suppliers for services and materials within 7 days after the CMAR has received payment from the City.

6.2.2 The City will pay the CMAR all amounts properly due. If the City determines that the CMAR is not entitled to all or part of a CMAR Payment Request, it will notify the CMAR in writing within 7 days after the date the CMAR Payment Request is received by the City. The notice will indicate the specific amounts the City intends to withhold, the reasons and contractual basis for the withholding, and the specific measures the CMAR must take to rectify the City's concerns. The CMAR and the City will attempt to resolve the City's concerns. If the parties cannot resolve these concerns, the CMAR may pursue its rights under the Contract Documents, including those under Article 7.

6.3 RETENTION OF GMP

6.3.1 The City will retain 10% of each CMAR Payment Request amount, provided, however, that when 50% of the Work has been completed by the CMAR, on CMAR's request one-half of the amount retained, including any substituted securities, will be paid to the CMAR if the CMAR is making

satisfactory progress on the Contract, and there is no specific cause or claim requiring a greater amount to be retained. After the Contract is 50% completed, no more than 5% of the amount of any subsequent progress payments may be retained if the CMAR is making satisfactory progress on the Contract. If, however, the City determines that satisfactory progress is not being made on the Contract, the City may reinstate the 10% retention for all remaining progress payments.

6.4 SUBSTANTIAL COMPLETION

- 6.4.1** Substantial Completion will be for the entire Project unless a partial Substantial Completion is identified in the approved GMP schedule and stated in the Notice to Proceed letter. Substantial Completion will be in accordance with its definition in Article 12, and with the criteria in the Notice to Proceed.
- 6.4.2** Before notifying the City as required in Article 6.4.3 below, the CMAR must inspect the Work and prepare and submit to the City a comprehensive list of items to be completed or corrected. The CMAR will proceed promptly to complete and correct items on the list. Failure to include an item on the list does not alter the responsibility of the CMAR to complete all Work in accordance with the Contract Documents.
- 6.4.3** The CMAR will notify the City when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is substantially complete.
- 6.4.4** Within **5 days** of the City's receipt of the CMAR's notice, the City and the CMAR will jointly inspect the Work to verify that it is substantially complete in accordance with the requirements of the Contract Documents.
- 6.4.5** If the Work is substantially complete, the City will prepare and issue a Certificate of Substantial Completion that will establish (i) the date of Substantial Completion of the Work or portion of the Work, (ii) the remaining items of Work that have to be completed within **30 calendar days** before Final Acceptance, (iii) provisions (to the extent not already provided in the Contract Documents) establishing the City's and the CMAR's responsibility for the Project's security, maintenance, utilities and insurance pending Final Acceptance and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.
- 6.4.6** The City, at its option, may use a portion of the Work which has been determined to be substantially complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items in Article 6.4.5 above, (ii) the CMAR and the City have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) the City and the CMAR agree that the City's use or occupancy will not interfere with the CMAR's completion of the remaining Work.

6.5 FINAL ACCEPTANCE

Upon receipt of written notice that the Work or identified portions of the Work are ready for final inspection and acceptance, the City and the CMAR will jointly inspect to verify that the remaining items of Work have been completed as described in Article 6.4. Upon verification that the items have been satisfactorily completed, the City will issue a Final Acceptance Letter.

6.6 FINAL PAYMENT

6.6.1 After receipt of a final CMAR Payment Request, and provided that the CMAR has completed all of the Work in conformance with the Contract Documents, the City will make final payment **14 days** after the City has issued its Final Acceptance Letter.

6.6.2 At the time of submission of its final CMAR Payment Request, the CMAR will provide the following information:

1. An affidavit that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect the City's interests;
2. An affidavit regarding settlement of claims executed by the CMAR waiving, upon receipt of final payment by the CMAR, all claims, except those claims previously made in writing to the City and remaining unsettled at the time of final payment; and
3. Consent of the CMAR's surety, if any, to final payment.

6.7 EXTENSION OF TIME FOR FINAL PERFORMANCE

In the event the CMAR is delayed in performing any task, which at the time of the delay is then critical, or which during the delay becomes critical, as the sole and exclusive result of any act or omission by the City, or someone acting on the City's behalf, or by City authorized Change Orders, unusually severe weather not reasonably anticipatable, fire, or other Acts of God, occurring without the fault or negligence of the CMAR, the date for achieving Substantial Completion, or, as applicable, final completion, will be appropriately adjusted by the City upon the written claim of the CMAR to the City filed in full compliance with the Contract Documents. A task is critical within the meaning of this Article if the task is on the critical path of the most recently approved Progress Schedule so that a Delay in performing the task will Delay the ultimate completion of the Project. ANY CLAIM FOR AN EXTENSION OF TIME BY THE CMAR MUST STRICTLY COMPLY WITH THE REQUIREMENTS OF ARTICLE 7 BELOW. IF THE CMAR FAILS TO MAKE SUCH CLAIM AS REQUIRED IN THIS ARTICLE, ANY CLAIM FOR AN EXTENSION WILL BE WAIVED AND SHALL BE DISMISSED.

6.8 RECORD KEEPING AND FINANCE CONTROLS

6.8.1 Records of the CMAR's direct personnel payroll, reimbursable expenses pertaining to this Project and records of accounts between the City and the CMAR will be kept on a generally recognized accounting basis.

From the effective date of this Contract and until 3 years after the date of final payment by City to the CMAR, the City, its authorized representative, and the appropriate federal or state agencies, reserve the right to audit the CMAR's records to verify the accuracy and appropriateness of all pricing data, including data used to negotiate Contract Documents and any Change Orders or Contract Modifications. The City or its authorized representative will have access, during normal working hours, to all necessary Contractor and subcontractor facilities, and will be provided adequate and appropriate workspace, in order to conduct audits in compliance with the provisions of this Article. The City will give the Contractor or subcontractor reasonable advance notice of intended audits.

The City reserves the right to decrease the Contract Price or payments made on this Contract if, upon audit of the CMAR's records, the audit discloses the CMAR has provided false, misleading, or inaccurate cost and pricing data.

6.8.2 The CMAR will include similar provisions in all of its contracts with subconsultants and subcontractors providing services under the Contract Documents to ensure the City, its authorized representative, and the appropriate Federal and State agencies, have access to the Subconsultants' and Subcontractors' records to verify the accuracy of cost and pricing data.

6.8.3 The City reserves the right to decrease Contract Price or payments, or both, made on this Contract if the above provision is not included in Subconsultant's and Subcontractor's contracts, and one or more Subconsultants or Subcontractors, or both, do not allow the City to audit their records to verify the accuracy and appropriateness of pricing data.

6.8.4 If an audit discloses overcharges, of any nature, by the CMAR to the City in excess of 1% of the total contract billings, the actual cost of the City's audit will be reimbursed to the City by the CMAR. Any adjustments or payments, or both, which must be made as a result of any audit or inspection of the CMAR's invoices and records will be made within a reasonable amount of time (not to exceed **90 days**) after presentation of the City's findings to the CMAR.

6.8.5 This audit provision includes the right to inspect personnel records as required by Section 11.35.

ARTICLE 7 – CLAIMS AND DISPUTES

7.0 REQUESTS FOR CONTRACT ADJUSTMENTS AND RELIEF

7.1 REQUESTS FOR CONTRACT ADJUSTMENTS AND RELIEF

7.1.1 If either the CMAR or the City believes that it is entitled to relief against the other for any event arising out of or related to the Work, that party will provide written notice to the other party of the basis for its claim for relief. The claims shall set forth in detail all known facts and circumstances supporting the claim; final costs associated with any claim upon which

notice has been given must be submitted in writing to the City within thirty (30) days after notice has been received.

- 7.1.2 That notice will, if possible, be made before incurring any cost or expense and in accordance with any specific notice requirements contained in applicable Articles of the Contract.
- 7.1.3 Written notice will be given within a reasonable time, not to exceed ten (10) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later.
- 7.1.4 Notice must include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of the request. ANY NOTICE OF CLAIM NOT FILED WITH THE CITY WITHIN SUCH TIME AND IN COMPLIANCE WITH THE PRECEEDING PROVISIONS SHALL BE CONSIDERED TO HAVE BEEN WAIVED AND SHALL BE DISMISSED.
- 7.1.5 In the event the contractor seeks to make a claim for an increase in the Contract Price, as a condition precedent to any liability of the City therefore, unless emergency conditions exist, the CMAR shall strictly comply with the requirements of this section and such claim shall be made by the CMAR before proceeding to execute any work for which a claim is made. Failure to comply with this condition precedent shall constitute a waiver by the CMAR of any claims for compensation.
- 7.1.6 The CMAR must continue its performance under this Contract regardless of the existence of any claims by the CMAR.
- 7.1.7 In a claim by the CMAR against the City for compensation in excess of the Contract Price, any liability of the City to the CMAR shall be strictly limited and computed in accordance with the Contract documents and shall in no event include indirect costs (such as home office overheads or consequential damages of the CMAR) or any estimated costs or damages.

7.2 DISPUTE AVOIDANCE AND RESOLUTION

- 7.2.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, the CMAR and the City each commit to resolving any disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.
- 7.2.2 The CMAR and the City will first attempt to resolve disputes or disagreements at the field level through discussions between the CMAR's Representative and the Project Manager.
- 7.2.3 If a dispute or disagreement cannot be resolved through the CMAR's Representative and the City's Project Manager, the CMAR's Senior Representative and the City's Senior Representative, upon the request of

either party, will meet as soon as conveniently possible, but in no case later than 30 days after the request is made, to attempt to resolve the dispute or disagreements.

7.2.4 Before any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreements. Should the Parties' Senior Representatives be unable to resolve the dispute or disagreement, either party may proceed with any legal action authorized by law.

7.2.5 Duty to Continue Performance. Unless provided to the contrary in the Contract Documents, the CMAR will continue to perform the Work and the City will continue to satisfy its payment obligations to the CMAR pending the final resolution of any dispute or disagreement between the CMAR and the City.

7.3 REPRESENTATIVES OF THE PARTIES

7.3.1 The City designates the individual listed below as its Senior Representative ("City's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Article 7.2:

Lake Havasu City
Greg Froslic, PE
City Engineer
Public Works Department
900 London Bridge Road
Lake Havasu City, AZ 86406
froslic@lhcaz.gov
(928) 854-0776

7.3.2 CMAR's Representatives

The CMAR designates the individual listed below as its Senior Representative ("CMAR's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Article 7.2:

[NAME], CMAR Representative
[CMAR FIRM NAME]
[MAILING ADDRESS]
[CITY, STATE ZIP CODE]
[E-MAIL ADDRESS]
[1-AREA CODE-PHONE NUMBER]

ARTICLE 8 – SUSPENSION AND TERMINATION

8.0 CITY'S RIGHT TO STOP WORK

The City may, at its discretion and without cause, order the CMAR in writing to stop and suspend the Work. Immediately after receiving this notice, the CMAR must discontinue advancing the Work specified in this Contract. The suspension may not exceed 180

consecutive days. If the City suspends the Work for **181 consecutive Days** or more, the suspension will be a Contract termination for convenience.

The CMAR may seek an adjustment of the Contract Price or Contract Time, or both, if its cost or time to perform the Work has been adversely impacted by any suspension or stoppage of the Work by the City.

8.1 TERMINATION FOR CONVENIENCE

8.1.1 Upon receipt of written notice to the CMAR, the City has the right to terminate this Contract or abandon any portion of the Project for which services have not been performed by the CMAR.

1. The CMAR will estimate the value of the Work it has completed and submit its appraisal to the City for evaluation. The City will have the right to inspect the Work to appraise the Work completed.
2. The CMAR will receive compensation for services performed to the date of termination as provided in Article 6.5 of this Contract and the fee will be paid in accordance with Article 6.5.2, and will be an amount mutually agreed upon by the CMAR and the City. If there is no mutual agreement, the final determination will be made in accordance with Article 7.
3. The CMAR will not be entitled to anticipated profit or anticipated overhead, but is entitled to recover apportioned profit and overhead proportional to the amount of the Work completed. In no event will the fee exceed that stated in Article 8.1.4 of this Contract or as may be subsequently amended.
4. The City will make the final payment within **60 days** after the CMAR has delivered the last of the partially completed items and the final fee has been agreed upon.
5. If the City terminates this Contract in accordance with the provisions of this Article and proceeds to construct the Project through its employees, agents or third parties, the City's rights to use the work product will be as provided in Article 8.3.

8.1.2 Upon any termination during construction services, the CMAR will proceed with the following obligations:

1. Stop Work as specified in the notice.
2. Place no further subcontracts or orders.
3. Terminate all subcontracts to the extent they relate to the Work terminated.
4. Assign to the City all right, title and interest of the CMAR under the subcontracts terminated, in which case the City will have the right to settle or to pay any termination settlement proposal arising out of those terminations.

5. Take any action that may be necessary for the protection and preservation of the property related to the Contract that is in the possession of the CMAR and to which the City has or may acquire an interest.

6. Comply with the requirements of Article 6.6.2 (1), (2) and (3).

8.1.3 The CMAR will submit complete termination inventory schedules no later than **60 days** from the date of the notice of termination.

8.1.4 The City will pay CMAR the following:

1. The direct value of its completed Work and materials supplied as of the date of termination;
2. The reasonable costs and expenses attributable to any termination; and
3. The CMAR will be entitled to profit and overhead on completed Work only, but will not be entitled to anticipated profit or anticipated overhead. If it appears the CMAR would have sustained a loss on the entire Work had the Project been completed, the CMAR will not be allowed profit and the City will reduce the settlement to reflect the indicated rate of loss.

8.1.5 The CMAR will maintain all records and documents for 3 years after final settlement. These records will be maintained and subject to auditing as prescribed in Article 6.8.

8.2 CANCELLATION FOR CAUSE

The City may also cancel this Contract or any part of this Contract with **10 days notice** for cause in the event of any default by the CMAR, or if the CMAR fails to comply with any of the terms and conditions of this Contract. Unsatisfactory performance despite a reasonable opportunity to cure as judged by the Project Manager, and failure to provide the City, upon request, with adequate assurances of future performance will all be causes allowing the City to cancel this Contract for cause. In the event of cancellation for cause, the CMAR will be entitled to amounts due and owing to the CMAR under this Contract for work performed, but will also be liable to the City for any and all damages available under the Contract sustained by reason of the default that gave rise to the cancellation.

8.3 CITY'S RIGHT TO PERFORM AND CANCEL FOR CAUSE

8.3.1 If the CMAR persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Subconsultants or Subcontractors, or both, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time, as these times may be adjusted, or (vi) perform material obligations under the Contract Documents, then the City, in addition to any other rights and remedies provided in the Contract Documents or by law, has the rights stated in Articles 8.3.3, 8.3.4 and 8.3.5.

8.3.2 In the event the CMAR is in violation of any applicable Federal, State, County or City law, regulation or ordinance, the City may cancel this

Contract immediately upon giving notice and a reasonable opportunity to cure to the CMAR. In the event the City cancels this Contract or any part of the services, the City will notify the CMAR in writing, and immediately upon receiving notice, the CMAR will discontinue advancing the Work under this Contract and proceed to close all operations.

- 8.3.3** If the City provides the CMAR with a written order to correct deficiencies, to provide adequate maintenance of traffic, adequate cleanup, adequate dust control, or to repair damage resulting from abnormal weather conditions, and the CMAR fails to comply within the time frame specified, the City may have work accomplished by other sources at the CMAR's expense.
- 8.3.4** Upon the occurrence of an event as stated in Article 8.3, the City may provide written notice to the CMAR that it intends to cancel the Contract unless the problem cited is cured, or commenced to be cured, within **10 days** of the CMAR's receipt of notice.
- 8.3.5** If the CMAR fails to cure, or undertake reasonable efforts to cure the problem, then the City may give a second written notice to the CMAR of its intent to cancel within an additional **10-day period**.
- 8.3.6** If the CMAR, within this second **10-day period**, fails to cure, or undertake reasonable efforts to cure the problem, then the City may declare the Contract canceled for cause by providing written notice to the CMAR of this declaration.
- 8.3.7** Upon declaring the Contract canceled in accordance with Article 8.3.6, the City may enter upon the premises and take possession of all materials and equipment, for the purposes of completing the Work.
- 8.3.8** Upon cancellation or abandonment, the CMAR will deliver to the City all drawings, special provisions, field survey notes, reports, and estimates, entirely or partially completed, in any format, including but not limited to written or electronic media, together with all unused materials supplied by the City. Use of incomplete data will be the City's sole responsibility.
- 8.3.9** The CMAR will appraise the Work it has completed and submit its appraisal to the City for evaluation.
- 8.3.10** If through any cause, the CMAR fails to fulfill in a timely and proper manner its obligations under this Contract, or if the CMAR violates any of the covenants, agreements, or stipulations of this Contract, the City may withhold any payments to the CMAR for the purpose of setoff until such time as the exact amount of damages due the City from the CMAR is determined by a court of competent jurisdiction.
- 8.3.11** In the event of cancellation for cause, the CMAR will not be entitled to receive any further payments under the Contract Documents until the Work is finally completed in accordance with the Contract Documents. At that time, the CMAR will only be entitled to be paid for Work performed and accepted by the City before its default.

8.3.12 If the City's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then the CMAR will be obligated to pay the difference to the City. These costs and expense will include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by the City in connection with the procurement and defense of claims arising from the CMAR's default.

8.3.13 If the City improperly cancels the Contract for cause; the cancellation for cause will be converted to a termination for convenience in accordance with the provisions of Article 8.1.

ARTICLE 9 – INSURANCE AND BONDS

9.0 INSURANCE REQUIREMENTS

9.1 INSURANCE REQUIREMENTS

Insurance must name Lake Havasu City, the CMAR and all tiers of Subcontractors as Insureds as respects their insurable interest at the time of loss. It must contain a provision that this insurance will not be canceled or materially altered without at least 30 days advance notice to the City. The CMAR is also required to give the City 30 days advance written notice of the coverage termination for this project. The City must also be named as a Loss Payee under Builders' Risk-Installation coverage.

9.1.1 At the same time as execution of this Contract, the CMAR will furnish Lake Havasu City a certificate of insurance on a standard insurance industry ACORD form. The ACORD form must be issued by an insurance company authorized to transact business in the State of Arizona.

9.1.2 The CMAR, Subcontractors and Subconsultants must procure and maintain, until all of their obligations have been discharged, including any warranty periods under this Contract are satisfied, insurance against claims for injury to persons or damage to property, which may arise from or in connection with the performance of the Work by the CMAR, his agents, representatives, employees, or Subcontractors.

9.1.3 The insurance requirements are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract.

9.1.4 The City in no way warrants that the minimum limits contained in this Contract are sufficient to protect the CMAR from liabilities that might arise out of the performance of the Contract services under this Contract by the CMAR, his agents, representatives, employees, Subcontractors or Subconsultants and the CMAR is free to purchase any additional insurance as may be determined necessary.

9.1.5 Claims Made. In the event any insurance policies required by this Contract are written on a "claims made" basis, coverage shall continue uninterrupted throughout the term of this Contract by keeping coverage in force using the effective date of this Contract as the retroactive date on all "claims made" policies. The retroactive date for exclusion of claims must be on or before

the effective date of this Contract, and can never be after the effective date of this Contract. Upon completion or termination of this Contract, the "claims made" coverage shall be extended for an additional three (3) years using the original retroactive date, either through purchasing an extended reporting option; or by continued renewal of the original insurance policies. Submission of annual Certificates of Insurance, citing the applicable coverages and provisions specified herein, shall continue for three (3) years past the completion or termination of this Contract.

9.2 MINIMUM SCOPE AND LIMITS OF INSURANCE. The CMAR will provide coverage and with limits of liability not less than those stated below.

9.2.1 Commercial General Liability - Occurrence Form

Commercial General Liability: CMAR must maintain "occurrence" form Commercial General Liability insurance with a limit of not less than \$2,000,000 for each occurrence, \$2,000,000 Products and Completed Operations Annual Aggregate, and a \$2,000,000 operations, independent contractors, products completed operations, personal injury and advertising injury. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

9.2.2 Automobile Liability - Any Auto or Owned, Hired and Non-Owned Vehicles

Vehicle Liability: CMAR must maintain Business/Automobile Liability insurance with a limit of \$1,000,000 each accident on CMAR owned, hired, and non-owned vehicles assigned to or used in the performance of the CMAR's work or services under this Contract. If any Excess insurance is utilized to fulfill the requirements of this paragraph, the Excess insurance must be "follow form" equal or broader in coverage scope than underlying insurance.

9.2.3 Workers Compensation and Employers Liability

Insurance: CMAR must maintain Workers Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of CMAR employees engaged in the performance of work or services under this Contract and must also maintain Employers' Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee and \$1,000,000 disease policy limit.

9.2.4 Professional Liability

Professional Liability: If the Contract is the subject of any professional services or work performed by the CMAR, or if the CMAR engages in any professional services or work adjunct or residual to performing the work under this Contract, the CMAR must maintain Professional Liability insurance covering errors and omissions arising out of the work or services performed by the CMAR, or anyone employed by the CMAR, or anyone whose acts, mistakes, errors and omissions the CMAR is legally liable, with a liability limit of \$1,000,000 each claim and \$2,000,000 all claims. In the

event the Professional Liability insurance policy is written on a “claims made” basis, coverage will extend for 3 years past completion and acceptance of the work or services, and the CMAR, or its selected Design Professional will submit Certificates of Insurance as evidence the required coverage is in effect. The Design Professional must annually submit Certificates of Insurance citing that the applicable coverage is in force and contains the required provisions for a 3-year period.

9.2.5 Builders’ Risk Insurance (Course of Construction). The CMAR bears all responsibility for loss to all Work being performed and to buildings under construction. Unless waived in writing by the City, the CMAR will purchase and maintain in force Builders’ Risk-Installation insurance on the entire Work until completed and accepted by the City. This insurance will be Special Causes of Loss or Open Perils policy form, for the completed value at replacement cost equal to 100% of the GMP and all subsequent modifications. The CMAR’s Builders’ Risk-Installation insurance must be primary and not contributory; and waive all rights of subrogation against the City, its officer, officials and employees.

1. Builders’ Risk-Installation insurance must name Lake Havasu City, the CMAR and all tiers of Subcontractors as Insureds as respects their insurable interest at the time of loss. It must contain a provision that this insurance will not be canceled or materially altered without at least 30 days advance notice to the City. The CMAR is also required to give the City 30 days advance written notice of the coverage termination for this project. The City must also be named as a Loss Payee under Builders’ Risk-Installation coverage.
2. Builders’ Risk-Installation insurance must cover the entire Work including reasonable compensation for architects and engineers’ services and expenses and other “soft costs” made necessary by an insured loss. Builders’ Risk-Installation insurance must provide coverage from the time any covered property comes under the CMAR’s control and or responsibility, and continue without interruption during course of construction, renovation and or installation, including any time during which any project property or equipment is in transit, off site, or while on site for future use or installation. Insured property must include, but not be limited to, scaffolding, false work, and temporary buildings at the site. This insurance must also cover the cost of removing debris, including demolition as may be legally required by operation of any law, ordinance, regulation or code.
3. The CMAR must also purchase and maintain Boiler and Machinery insurance with the same requirements as Builders’ Risk-Installation insurance cited above if the Work to be performed involves any exposures or insurable property normally covered under a Boiler and Machinery insurance policy or made necessary as required by law or testing requirements in the performance of this Contract.

The CMAR will be responsible for any and all deductibles under these policies and the CMAR waives all rights of recovery and subrogation against the City under the CMAR-provided Builders’ Risk-Installation insurance described above.

4. The Builders' Risk insurance must be endorsed so that the insurance will not be canceled or lapse because of any partial use or occupancy by the City. Builders' Risk Insurance must be maintained until whichever of the following first occurs: (i) final payment has been made; or, (ii) until no person or entity, other than the City, has an insurable interest in the property requires to be covered.

9.2.6 All rights of subrogation are, by this Contract, waived against the City, its officers, officials, agents and employees.

9.2.7 Umbrella or Excess Coverage. CMAR shall maintain umbrella or excess liability insurance with a minimum limit of \$10,000,000 each occurrence/aggregate where applicable on a following form basis to be excess of the insurance coverage and limits required in employers' liability insurance, commercial general liability insurance, professional liability, builder's risk, and business automobile liability insurance above. Contractor shall provide notice to City, if at any time the full umbrella limit required under this Contract is not available, and will purchase additional limits, if requested by City.

9.3 SELF-INSURED RETENTIONS. Any self-insured retentions and deductibles must be declared and approved by the City. If not approved, the City may require that the insurer reduce or eliminate any self-insured retentions with respect to the City, its officers, officials, agents, employees, and volunteers.

9.4 OTHER INSURANCE REQUIREMENTS. The policies are to contain, or be endorsed to contain, the following provisions:

9.4.1 Coverage Terms and Required Endorsements.

1. The Commercial General Liability and Automobile Liability policies are to contain, or be endorsed to contain, the following provisions: The City, its officers, officials, agents, and employees are additional insureds with respect to liability arising out of activities performed by, or on behalf of, the CMAR including the City's general supervision of the CMAR; Products and Completed operations of the CMAR; and automobiles owned, leased, hired, or borrowed by the CMAR.
2. The City, its officers, officials, agents, and employees must be additional insureds to the full limits of liability purchased by the CMAR even if those limits of liability are in excess of those required by this Contract.
3. The CMAR's insurance coverage must be primary insurance with respect to the City, its officers, officials, agents, and employees. Any insurance or self-insurance maintained by the City, its officers, officials, agents, and employees must be in excess of the coverage provided by the CMAR and must not contribute to it.
4. The CMAR's insurance must apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Coverage provided by the CMAR must not be limited to the liability assumed under the indemnification provisions of this Contract.
6. The policies must contain a waiver of subrogation against the City, its officers, officials, agents, and employees, for losses arising from Work performed by the CMAR for the City.
7. The CMAR, its successors and or assigns, are required to maintain Commercial General Liability insurance as specified in this Contract for a minimum period of 3 years following completion and acceptance of the Work. The CMAR must submit a Certificate of Insurance evidencing Commercial General Liability insurance during this 3 year period containing all the Contract insurance requirements, including naming Lake Havasu City, its agents, representatives, officers, directors, officials and employees as Additional Insured as required.

9.4.2 Workers' Compensation and Employers Liability Coverage: The insurer must agree to waive all rights of subrogation against the City, its officers, officials, agents, employees, and volunteers for losses arising from Work performed by the CMAR for the City.

9.5 SUBCONSULTANT'S AND SUBCONTRACTOR'S INSURANCE. Unless the CMAR's Subconsultants and Subcontractors can provide the same level of coverage as detailed in Article 9.2 and name the City and the CMAR as Additional Insureds, the CMAR's certificates must include all Subcontractors and Subconsultants as insureds under its policies or the CMAR must maintain separate certificates and endorsements for each Subcontractor and Subconsultant. All coverages for Subcontractors and Subconsultants must be in the amounts shown in Article 9.2. Certificates must contain a provision that the insurance will not be canceled or materially altered without at least 30 days advance notice to the City. The City must also be named as a Loss Payee under the Builders' Risk-Installation coverage.

9.6 NOTICE OF CANCELLATION. If the CMAR receives notice that any of the required policies of insurance are materially reduced or cancelled, it will be the CMAR's responsibility to provide prompt notice to the Contracts Specialist of same to the City, unless such coverage is immediately replaced with similar policies. Each insurance policy required by the insurance provisions of this Contract must provide the required coverage and must not be suspended, voided, canceled by either party, reduced in coverage or in limits except until after 30 days written notice has first been given, by certified mail, return receipt requested to:

Lake Havasu City
Contracts Specialist, City Attorney's Office
2330 McCulloch Blvd., N
Lake Havasu City, Arizona 86403

9.7 ACCEPTABILITY OF INSURERS. Without limiting any obligations or liabilities of the CMAR, the CMAR must purchase and maintain, at its own expense, the required minimum insurance with duly licensed or approved non-admitted insurers in the State of Arizona with an A.M. Best rating of not less than A-VII with policies and forms satisfactory to City. Failure to maintain insurance as required may result in termination of this Contract at the City's option.

9.8 VERIFICATION OF COVERAGE

9.8.1 The CMAR must furnish the City Certificates of Insurance (ACORD form or equivalent approved by the City) and with original endorsements effecting coverage as required by this Contract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

9.8.2 All certificates and endorsements are to be received and approved by the City before Work commences except for Builders' Risk Insurance, which must be received and approved as provided in Article 9.2.5. Each insurance policy required by this Contract must be in effect at or before the earlier of commencement of Work under the Contract Documents or the signing of this Contract except for Builders' Risk Insurance which must be in effect before commencement of Work and remain in effect for the duration of the Project. Failure to maintain the insurance policies as required by this Contract or to provide evidence of renewal is a material breach of contract.

9.8.3 All certificates of insurance required by this Contract must be sent directly to Lake Havasu City, **Contract Specialist, City Attorney's Office**. **The project number and project description must be included on the Certificates of Insurance.** The City reserves the right to require complete certified copies of all insurance policies required by this Contract, at any time.

9.9 APPROVAL. Any modification or variation from the insurance requirements in this Contract must be approved by the City's Human Resources, Risk Management Division, whose decision is final. This action will not require a formal contract amendment, but may be made by administrative action.

9.10 BONDS AND OTHER PERFORMANCE SECURITY

9.10.1 Before execution of this Contract, the CMAR must provide a performance bond and a labor and materials bond, each in an amount equal to the full amount of the GMP. Bonds must be submitted in accordance with Title 34, Chapter 6 of the Arizona Revised Statutes and will be in substantially the same form as Exhibits E and F attached to this Contract.

9.10.2 Each bond must be executed by a surety company or companies holding a Certificate of Authority to transact surety business in the State of Arizona, issued by the Director of the Arizona Department of Insurance. A copy of the Certificate of Authority must accompany the bonds. The Certificate must have been issued or updated within 2 years before the execution of this Contract.

9.10.3 The bonds must be made payable and acceptable to Lake Havasu City.

9.10.4 The bonds must be written or countersigned by an authorized representative of the surety and the bonds must have attached a certified copy of the Power of Attorney of the signing official.

1. If one Power of Attorney is submitted, it must be for twice the total GMP amount.

2- If two Powers of Attorney are submitted; each must be for the total GMP amount. Personal or individual bonds are not acceptable.

9.10.5 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Contract Documents, the CMAR must promptly furnish a copy of the bonds or permit a copy to be made.

9.10.6 All bonds submitted for this Project must be provided by a company which has been rated "A- or better" by the A.M. Best Company.

ARTICLE 10 – INDEMNIFICATION

10.0 CMAR'S GENERAL INDEMNIFICATION. To the fullest extent permitted by law, upon the assertion of a claim, the CMAR, its successors, assigns and guarantors, must defend, indemnify and hold harmless Lake Havasu City, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, investigation and litigation, for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, related to, arising from or out of, or resulting from any act, omission, negligence, recklessness, or intentional wrongful conduct by the CMAR or any of its owners, officers, directors, agents, or employees performing work or services under this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages by any of the CMAR employees. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of the CMAR to conform to any federal, state, or local law, statute, ordinance, rule, regulation, or court decree. The CMAR will be responsible for primary investigation, defense, and judgment costs where this indemnification is applicable. In consideration of the award of this Contract, the CMAR agrees to waive all rights of subrogation against the City, its officers, agents, representatives, directors, officials, and employees for losses arising from the work performed by the CMAR for the City.

Insurance provisions in this Contract are separate and independent from the indemnity provisions of this Article and will not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph will not be construed in any way to limit the scope and magnitude and applicability of the insurance provisions.

10.1 INTELLECTUAL PROPERTY

10.1.1 The CMAR must pay all royalties and license fees associated with its performance of services.

10.1.2 The CMAR must defend any action or proceeding brought against the City based on any claim that the Work, or any part of it, or the operation or use of the Work or any part of it, constitutes infringement of any United States patent or copyright, now or subsequently issued. The City will give prompt written notice to the CMAR of any action or proceeding and will reasonably provide authority, information and assistance in the defense of the action. The CMAR will indemnify and hold harmless the City from and against all

damages, expenses, losses, royalties, profits and costs, including but not limited to attorneys' fees and expenses awarded against the City or the CMAR in any action or proceeding. The CMAR agrees to keep the City informed of all developments in the defense of these actions. The City may be represented by and actively participate through its own counsel in any suit or proceedings if it so desires.

10.1.3 If the City is enjoined from the operation or use of the Work, or any part of the Work, as the result of any patent or copyright suit, claim, or proceeding, the CMAR must at its sole expense take reasonable steps to procure the right to operate or use the Work. If the CMAR cannot procure the right within a reasonable time, the CMAR must promptly, at the CMAR's option and at the CMAR's expense, (i) modify the Work so as to avoid infringement of any patent or copyright or (ii) replace the Work with Work that does not infringe or violate any patent or copyright.

10.1.4 Articles 10.1.2 and 10.1.3 above will not be applicable to the extent any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by the City and not offered or recommended by the CMAR to the City or (ii) arising from modifications to the Work by the City or its agents after acceptance of the Work, or (iii) relating to the copyrights of any specification, drawings, or any Design Documents provided by the City, the Design Professional, any consultant retained by the City, or by a subcontractor or supplier.

10.1.5 The obligations contained in this Article 10.1 will constitute the sole Contract between the parties relating to liability for infringement or violation of any patent or copyright.

ARTICLE 11 – GENERAL PROVISIONS

11.0 CONTRACT DOCUMENTS

11.1 Contract Documents are as defined in Article 12.

11.2 The Contract Documents form the entire Contract between the City and the CMAR. No oral representations or other Contracts have been made by the parties except as specifically stated in the Contract Documents.

11.3 In the event of any inconsistency, conflict, or ambiguity between or among the Contract Documents, the Contract Documents will take precedence in the order in which they are listed in the definition of Contract Documents in Article 12. As to drawings and plans, given dimensions will take precedence over scaled measurements, and large scale plans over small-scale plans.

11.4 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards.

11.5 This Contract, the Plans, Standard Specifications and Details, Special Provisions, Performance Bond, Payment Bond, Certificates of Insurance, and Change Orders (if any) are by reference made a part of this Contract.

11.6 Work Product

11.6.1 All work products (electronically or manually generated) including but not limited to: cost estimates, studies, design analyses, original mylar drawings, Computer Aided Drafting and Design (CADD) file diskettes, and other related documents which are prepared or procured in the performance of this Contract (collectively referred to as documents) are to be and remain the property of the City and are to be delivered to the City before the final payment is made to the CMAR. In the event these documents are altered, modified or adapted without the written consent of the CMAR or the subconsultants, which consent the CMAR or the Subconsultants will not unreasonably withhold, the City agrees to hold the CMAR and the Subconsultants harmless to the extent permitted by law from the legal liability arising out of the City's alteration, modification or adoption of the documents.

11.6.2 The copyrights, patents, trade secrets or other intellectual property rights associated with the ideas, concepts, techniques, inventions, processes or works of authorship developed, created by the CMAR, its Subconsultants or personnel, during the course of performing this Contract or arising out of the Project will belong to the CMAR.

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

11.8 TIME IS OF THE ESSENCE. The City and the CMAR mutually agree that time is of the essence with respect to the dates and times contained in the Contract Documents.

11.9 MUTUAL OBLIGATIONS. The City and the CMAR commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

11.10 COOPERATION AND FURTHER DOCUMENTATION. The CMAR agrees to provide the documents, as the City will reasonably request to implement the intent of the Contract Documents.

11.11 ASSIGNMENT. Neither the CMAR nor the City will, without the written consent of the other assign, transfer or sublet any portion of this Contract or part of the Work or the obligations required by the Contract Documents.

11.12 FORCE MAJEURE. Neither party will be responsible for delays or failures in performance resulting from acts beyond their control. These acts will include, but not be limited to, riots, acts of war, acts of terrorism, epidemics, labor disputes not arising out of the actions of the CMAR, governmental regulations imposed after the fact, fire, communication line failures, or power failures.

11.13 FUNDS APPROPRIATION. If the City Council does not appropriate funds to continue this Contract and pay for required charges, the City may terminate this

Contract at the end of the current fiscal period. The City agrees to give written notice to the CMAR at least 30 days before the end of its current fiscal period and will pay the CMAR for all approved charges incurred through the end of this period.

- 11.14 CONSTRUCTION METHODS.** If the City provides the CMAR with a written order to provide adequate maintenance of traffic, clean-up, dust control or to correct deficiencies or damage resulting from abnormal weather conditions, and the CMAR fails to comply in the time frame specified, the City may have work accomplished by other sources at the CMAR's expense.
- 11.15 UTILITY RELOCATIONS FOR CONSTRUCTION METHODS.** If any utility is relocated or rebuilt to accommodate the CMAR's construction methods and available equipment, the expense will be borne by the CMAR.
- 11.16 DAMAGED UTILITIES DURING CONSTRUCTION.** Any utilities damaged during construction will be replaced at the CMAR's expense as required by the M.A.G. Standard Specifications.
- 11.17 THIRD PARTY BENEFICIARY.** The Contract Documents shall not be construed to give any rights or benefits to anyone other than the City and the CMAR, and all duties and responsibilities undertaken in accordance with the Contract Documents shall be for the sole and exclusive benefit of the City and the CMAR and not for the benefit of any other party.
- 11.18 GOVERNING LAW.** The Contract and all Contract Documents are considered to be made under and will be construed in accordance with and governed by the laws of the State of Arizona without regard to the conflicts or choice of law provisions. Any action to enforce any provision of this Contract or to obtain any remedy under this Contract will be brought in the Superior Court, Mohave County, Arizona.
- 11.19 SEVERABILITY.** If any provision of the Contract Documents or the application of them to any person or circumstance is invalid, illegal or unenforceable to any extent, the remainder of the Contract Documents and their application will not be affected and are enforceable to the fullest extent permitted by law. In accordance with the provisions of ARS § 41-194.01, should the Attorney General give notice to the City that any provisions of the Contract violates state law or the Arizona Constitution, or that it may violate a state statute or the Arizona Constitution, and the Attorney General submits the offending provision to the Arizona Supreme Court, the offending provision(s) shall be immediately severed and struck from the Contract and the City and the CMAR shall, within 10 days after such notice, negotiate in good faith to resolve any issues related to the severed provision(s). If the parties are unable to negotiate a resolution to any issues related to the severed provision(s), the City may terminate this Contract in accordance with the provisions of Article 8 hereof.
- 11.20 LEGAL REQUIREMENTS.** The CMAR will perform all Work in accordance with all Legal Requirements and will provide all notices applicable to the Work as required by the Legal Requirements.
- 11.21 INDEPENDENT CONTRACTOR.** The CMAR is and will be an independent contractor and not an employee or agent of the City.

11.22 CITY'S RIGHT OF CANCELLATION. All parties to this Contract acknowledge that it is subject to cancellation by Lake Havasu City as provided by Section 38-511, Arizona Revised Statutes.

11.23 SURVIVAL. All warranties, representations and indemnifications by the CMAR will survive the completion or termination of this Contract.

11.24 COVENANTS AGAINST CONTINGENT FEES. The CMAR warrants that no person other than a bona fide employee working solely for the CMAR has been employed or retained to solicit or secure this Contract or any Contract or understanding for a commission, percentage, brokerage, or contingent fee. For breach or violation of this covenant, the City will have the right to annul this Contract without liability or at its discretion to deduct from the Contract Price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee, together with costs and attorney's fees.

11.25 SUCCESSORSHIP. The CMAR and the City agree that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs and assigns. This Contract extends to and is binding upon the CMAR, its successors and assigns, including any individual, company, partnership or other entity with or into which the CMAR merges, consolidates or is liquidated, or any person, corporation, partnership or other entity to which the CMAR sells its assets.

11.26 ATTORNEY'S FEES. In the event either party brings any action for any relief, declaratory or otherwise, arising out of this Contract, or on account of any breach or default, the prevailing party will be entitled to receive from the other party an award of reasonable attorneys' fees and reasonable costs and expenses.

11.27 HEADINGS. The headings used in this Contract, or any other Contract Documents, are for ease of reference only and will not in any way be construed to limit or alter the meaning of any provision.

11.28 NO WAIVER. The failure of either party to enforce any of the provisions of the Contract Documents or to require performance of the other party of any of the provisions of this Contract will not be construed to be a waiver of those provisions, nor will it affect the validity of the Contract Documents, or the right of either party to enforce each and every provision.

11.29 NOTICE. All notices or demands required to be given, in accordance with the terms of this Contract, will be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses stated below, or to any other address the parties may substitute by written notice given in the manner prescribed in this paragraph. Notice given by facsimile or electronic mail (email) will not be considered adequate notice.

To City:	Lake Havasu City City Attorney 2330 McCulloch Blvd., N. Lake Havasu City, Arizona 86403
To CMAR:	[NAME], [TITLE of Project Executive] [CMAR FIRM NAME] [MAILING ADDRESS] [CITY, STATE ZIP CODE]

11.30 EQUAL EMPLOYMENT OPPORTUNITY. During the performance of this Contract the CMAR will comply with all provisions of Executive Order 11246 of September 24, 1965, and the rules, regulations and relevant orders of the Federal government's Affirmative Action guidelines to ensure that employees or applicants applying for employment will not be discriminated against because of race, color, religion, sexual orientation, gender identity, or national origin. The CMAR must include the terms of this provision in all contracts and subcontracts for Work performed under this Contract, including supervision and oversight. The CMAR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CMAR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.

11.31 NO PREFERENTIAL TREATMENT OR DISCRIMINATION: In accordance with the provisions of Article II, Section 36 of the Arizona Constitution, the City will not grant preferential treatment to or discriminate against any individual or group on the basis of race, sex, color, ethnicity or national origin. **Additional City Rights Regarding Security Inquiries.** In addition to the foregoing, the City reserves the right to: (1) have an employee/prospective employee of the CMAR be required to provide fingerprints and execute other documentation as may be necessary to obtain criminal justice information pursuant to A.R.S. § 41-1750(G)(4); (2) act on newly acquired information whether or not the information should have been previously discovered; (3) unilaterally change its standards and criteria relative to the acceptability of the CMAR's employees or prospective employees, or both; and, (4) object, at any time and for any reason, to an employee of the CMAR performing Work (including supervision and oversight) under this Contract.

11.31.1 Terms of this Provision Applicable to all of CMAR's contracts and subcontracts. The CMAR will include the terms of this provision for employee background and security checks and screening in all contracts and subcontracts for work performed under this Contract, including supervision and oversight.

11.31.2 Materiality of Security Inquiry Provisions. The Security Inquiry provisions of this Contract are material to the City's entry into this Contract and any breach by the CMAR may, at the City's sole option and unfettered discretion, be considered to be a breach of contract of sufficient magnitude to terminate this Contract. Termination will subject the CMAR to liability for its breach of contract.

11.32 HAZARDOUS MATERIALS. Upon discovery of hazardous materials the CMAR will comply with all applicable laws/ordinances and regulations and take all appropriate health and safety precautions.

11.32.1 Unless included in the Work, if the CMAR encounters onsite or as material to be incorporated in the Work, any material which he reasonably believes to contain asbestos, polychlorinated biphenyl (PCB), or other hazardous substances or materials regulated by public health laws, he will immediately stop work and report the condition to the City.

- 11.32.2** If the material is found to contain asbestos, PCB or other hazardous substances or materials regulated by public health laws, the CMAR will not resume work in the affected area until the material has been abated or rendered harmless. The CMAR and the City may agree, in writing, to continue Work in non-affected areas onsite.
- 11.32.3** An extension of Contract Time may be granted in accordance with Article 6.
- 11.32.4** The CMAR will comply with all applicable laws/ordinances and regulations and take all appropriate health and safety precautions upon discovery.
- 11.32.5** Despite the provisions of this Article 11.32, the City is not responsible for Hazardous Conditions introduced to the Site by the CMAR, Subcontractors or anyone for whose acts they may be liable. The CMAR will indemnify, defend and hold harmless the City and the City's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by the CMAR, Subcontractors or anyone for whose acts they may be liable.

11.33 TRAFFIC CONTROL

- 11.33.1** Complete street closures will not be permitted unless specified in the Special Provisions. The Traffic Engineering Director or designee must approve the timing and sequence of street closures at least **2 weeks** before the closure. This approval is necessary to provide coordination with other roadway projects and special events.
- 11.33.2** Adequate barricades and lighted warning signs must be installed and maintained by the CMAR throughout the duration of the Project. All traffic control must be in accordance with the Manual on Uniform Traffic Control Devices issued by the Federal Highway Administration of the United States Department of Transportation (MUTCD) or the approved barricade plan unless otherwise specified in the Special Provisions.
- 11.33.3** The CMAR must submit a construction schedule and a barricade plan to the Project Manager for approval or modification at least 72 hours before construction is initiated. The Project Manager will return the approved barricade plan to the Contractor or ask for additional information.
- 11.33.4** The CMAR will comply with all provisions of the MUTCD and any other traffic control provisions as may be provided in the technical specifications or in the approved barricade plan.

11.34 HOURS OF WORK

- 11.34.1** The CMAR shall only work an eight (8) hour day consisting of Monday through Friday, between 6:00 a.m. to 6:00 p.m., four (4), ten (10) hour days, or as mutually agreed upon by the Parties in advance of scheduling, and do not include local municipal holidays. If the CMAR desires to carry on Work more than eight (8) or ten (10) hours each day, or work at night or outside the regular hours, it shall give timely notice (48

hours) to the Engineer and receive the City's written approval to allow satisfactory arrangements to be made for inspecting the Work in progress. Should the prosecution of the Work be discontinued for any reason, the CMAR shall notify the Engineer at least 24 hours in advance of resuming operations. The CMAR shall be responsible for any extra compensation due, or costs incurred as a result of CMAR's desire to carry out Work beyond the mutually agreed upon and scheduled days and hours per day, or at night or outside regular hours, including but not limited to, any additional costs or compensation due the Engineer and City or its employees or agents as a result of having to be present at the site. The costs or extra compensation necessitated by the CMAR's Work beyond the mutually agreed upon and scheduled days and hours per day, or at night or outside regular business hours may be deducted or withheld from progress payment or any other payments due to CMAR.

11.35 COMPLIANCE WITH FEDERAL AND STATE LAWS. The CMAR understands and acknowledges the applicability to it of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. The CMAR agrees that the performance of this Work will be in accordance with these laws and to permit the City to verify compliance. The CMAR will also comply with A.R.S. § 34-301, "Employment of Aliens on Public Works Prohibited", and A.R.S. § 34-302, as amended, "Residence Requirements for Employees." The CMAR will include the terms of this provision in all contracts and subcontracts for Work performed under this Contract, including supervision and oversight.

Under the provisions of A.R.S. § 41-4401, the CMAR warrants to the City that the CMAR and all its subcontractors will comply with all Federal Immigration laws and regulations that relate to their employees and that the CMAR and all its subcontractors now comply with the E-Verify Program under A.R.S. § 23-214(A).

A breach of this warranty by the CMAR or any of its subcontractors will be considered a material breach of this Contract and may subject the CMAR or Subcontractor to penalties up to and including termination of this Contract or any subcontract.

The City retains the legal right to inspect the papers of any employee of the CMAR or any subcontractor who works on this Contract to ensure that the CMAR or any subcontractor is complying with the warranty given above.

The City may conduct random verification of the employment records of the CMAR and any of its subcontractors to ensure compliance with this warranty. The CMAR agrees to indemnify, defend and hold the City harmless for, from and against all losses and liabilities arising from any and all violations of these statutes related to the performance of this Work.

The City will not consider the CMAR or any of its subcontractors in material breach of this Contract if the CMAR and its subcontractors establish that they have complied with the employment verification provisions prescribed by 8 USCA § 1324(a) and (b) of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A). The "E-Verify Program" means the employment verification pilot program as jointly administered by the United States Department of Homeland Security and the Social Security Administration or any of its successor programs.

The provisions of this Article must be included in any contract the CMAR enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property. The CMAR will take appropriate steps to assure that all subcontractors comply with the requirements of the E-Verify Program. The CMAR's failure to assure compliance by all its' subcontractors with the E-Verify Program may be considered a material breach of this Contract by the City.

11.35.1 Compliance with Americans with Disabilities Act

The CMAR acknowledges that, pursuant to the Americans with Disabilities Act (ADA), programs, services and other activities provided by a public entity to the public, whether directly or through a contractor, must be accessible to the disabled public. The CMAR will provide the services specified in this Contract in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation; provided, however, that the CMAR shall not be responsible for violations that occur based on compliance with the drawings, specifications, or other Design Documents provided by City, the City's consultants, or the Design Professional. The CMAR agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Contract and further agrees that any violation of this prohibition on the part of the CMAR, its employees, agents or assigns will constitute a material breach of this Contract.

11.36 DATA CONFIDENTIALITY

11.36.1 As used in this Contract, data means all information, whether written or verbal, including plans, photographs, studies, investigations, audits, analyses, samples, reports, calculations, internal memos, meeting minutes, data field notes, work product, proposals, correspondence and any other similar documents or information prepared by or obtained by the CMAR in the performance of this Contract.

11.36.2 The parties agree that all data, including originals, images, and reproductions, prepared by, obtained by, or transmitted to the CMAR in connection with the CMAR's performance of this Contract is confidential and proprietary information belonging to the City.

11.36.3 Except for Subcontractors, Material and Equipment Suppliers, Consultants or other like parties necessary to complete the Work or as required by the City, the CMAR will not divulge data to any third party without first obtaining the written consent of the City. The CMAR will not use the data for any purposes except to perform the services required under this Contract. These prohibitions will not apply to the following data provided the CMAR has first given the required notice to the City:

1. Data, which is or becomes publicly available other than as a result of a violation of this Contract;

2. Data, which was in the CMAR's possession legally and without restrictions before its performance under this Contract. unless the data was acquired in connection with the Work performed for the City;
3. Data, which was acquired by the CMAR in its performance under this Contract and which was disclosed to the CMAR by a third party, who to the best of the CMAR's knowledge and belief, had the legal right to make any disclosure and the CMAR is not otherwise required to hold the data in confidence; or
4. Data, which is required to be disclosed by virtue of law, regulation, or court order to which the CMAR is subject.

11.36.4 In the event the CMAR is required or requested to disclose data to a third party, or any other information to which the CMAR became privy as a result of any other contract with the City, the CMAR will first notify the City as required in this Article of the request or demand for the data. The CMAR will give the City sufficient facts so that the City can be given an opportunity to first give its consent or take the action that the City may consider appropriate to protect the data or other information from disclosure.

11.36.5 The CMAR, unless prohibited by law, shall promptly deliver, as stated in this Article a copy of all data in its possession and control to the City. All data will continue to be subject to the confidentiality requirements of this Contract.

11.36.6 The CMAR assumes all liability for maintaining the confidentiality of the data in its possession and agrees to compensate the City if any of the provisions of this Article are violated by the CMAR, its employees, agents or subconsultants. Solely for the purposes of seeking injunctive relief, it is agreed that a breach of this Article will cause irreparable harm that justifies injunctive relief in court.

11.37 TAXES AND INDEMNIFICATION

The fee listed in this Contract includes any and all taxes applicable to the activities authorized by this Contract. The City will have no obligation to pay additional amounts for taxes of any type. CMAR and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the CMAR. CMAR shall, and require all subcontractors to hold the City harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Workers' Compensation.

11.38 CONFLICT OF INTEREST

11.38.1 To evaluate and avoid potential conflicts of interest, the CMAR will provide written notice to the City, as stated in this Article, of any work or services performed by the CMAR for third parties that may involve or be associated with any real property or personal property owned or leased by the City. The notice will be given **7 business days** before

commencement of the Project by the CMAR for a third party, or **7 business days** before an adverse action as defined below. Written notice and disclosure will be sent to the City's Senior Representative identified in Article 7.3.

11.38.2 Actions that are considered to be adverse to the City under this Contract include but are not limited to:

1. Using data as defined in this Contract acquired in connection with this Contract to assist a third party in pursuing administrative or judicial action against the City;
2. Testifying or providing evidence on behalf of any person in connection with an administrative or judicial action against the City; and
3. Using data to produce income for the CMAR or its employees independently of performing the services under this Contract, without first obtaining the written consent of the City.

11.38.3 The CMAR represents that except for those persons, entities and projects identified to the City, the services to be performed by the CMAR under this Contract are not expected to create an interest with any person, entity, or third party project that is or may be adverse to the interests of the City.

11.38.4 The CMAR's failure to provide a written notice and disclosure of the information as required in this Article on Conflicts of Interest will constitute a material breach of this Contract.

11.39 COMMENCEMENT OF STATUTORY LIMITATION PERIOD AND STATUTE OF REPOSE

11.39.1 Before Final Completion. As to acts or failures to act occurring before the relevant date of Final Completion, any applicable statute of limitations will commence to run and any alleged cause of action will have accrued in any and all events not later than the date of Final Completion.

11.39.2 Between Punch List Preparation and Final Completion. As to acts or failures to act occurring between the relevant date of Punch List Preparation and before Final Completion, any applicable statute of limitation will begin to run and any alleged cause of action will have accrued in any events not later than the date of Final Completion.

11.39.3 After Completion. As to acts or failures to act occurring after the date of Final Completion, any applicable statute of limitations will commence to run and any alleged cause of action will have accrued in any and all events not later than the date of any correction of the Work or failure to correct the Work by the CMAR, or the date of actual commission of any other act or failure to perform any duty or obligation by the CMAR or the City, whichever occurs last.

11.39.4 Statute of Repose. The time period for the applicable Statute of Repose will begin to run at the time specified in A.R.S § 12-552 as it is amended or renumbered from time to time.

11.40 NO BOYCOTT OF ISRAEL

If applicable, CMAR certifies that it is not currently engaged in, and agrees for the duration of this Contract that it will not engage in, a boycott of goods and services from Israel, as defined in A.R.S. § 35-393.

11.40 FORCED LABOR OF ETHNIC UYGHURS CERTIFICATION

CMAR certifies that it does not currently, and agrees for the duration of the Contract that it will not, use: (1) the forced labor of ethnic Uyghurs in the People's Republic of China; (2) any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China; or (3) any contractors, subcontractors, or suppliers that use the forced labor or any goods or services produced by the forced labor of ethnic Uyghurs in the People's Republic of China. If CMAR becomes aware it is not in compliance with this certification, it shall notify the City within **five business days** after becoming aware. This Contract will terminate upon failure to remedy the noncompliance within **180 days** of the notification. (A.R.S. § 35-394)

ARTICLE 12 – DEFINITIONS

“Addenda” – Written or graphic instruments issued before the submittal of the GMP Proposal(s), which clarify, correct, or change the GMP Proposal(s) requirements.

“Allowance” means an agreed amount by the City and the CMAR for items which may be required to complete the scope of work.

“Alternate Systems Evaluations” - Alternatives for design, means, and methods or other scope of work considerations that are evaluated using value engineering principles and have the potential to reduce construction costs while still delivering a quality and functional Project that meets City requirements.

“As-built Document” – “As-built in construction is equivalent to “as-is.” Drawings deemed “as-built” are final drawings that include all changes made during the actual construction process. These drawings represent the actual existing constructed conditions as opposed to designs or a proposed condition. The As-built Documents should be per Arizona Revised Statutes § 32-152.

“Blueline or Blackline Prints” – Prints that allows comparison of document versions to show what has been revised.

“Change Order” – means a written order to the CMAR executed by the City after execution of this Contract, directing a change in the Work. A Change Order may include a change in the Contract Price (other than a change attributable to damages to the CMAR for delay as provided in Article 5 hereof) or the time for the CMAR's performance, or any combination thereof. .

"City" ("Owner") means Lake Havasu City, Arizona, an Arizona municipal corporation. Regulatory activities handled by Lake Havasu City Development Services and Fire Departments or any other City department are not subject to the responsibilities of the City under this Contract.

"City's Project Contingency" is an allowance established solely by the City to be used at the sole discretion of the City to cover any increases in Project costs that result from City directed changes or unforeseen site conditions. The City's Project Contingency will be added to the GMP amount provided by the CMAR, the sum of which will be the full contract price for construction. Taxes will be applied by the CMAR at the time that the City's Project Contingency is used. Any CMAR Construction Fee on changes using the City's Project Contingency will be determined under Article 5.

"City's Senior Representative" means the person designated in Article 7.3.

"CMAR Construction Fee" is a negotiated fixed fee that is proposed by the CMAR for the project as defined in Article 4.3.

"Claim" means a written request for either payment of additional monies or extension of contract time, submitted in accordance with the terms of this Contract or applicable law.

"Clarifications and Assumptions List" means a list prepared by the CMAR and accepted by the Project Manager. Generally the List identifies the CMAR's means and methods used in developing the GMP and identifies unresolved construction or site issues that may impact construction progress. The List of Clarifications and Assumptions may need additional confirmation or study by the project design team to avoid cost impact to the GMP.

"Construction Change Directive" means an alternate mechanism for directing the CMAR to perform additional work under the Contract when time and/or cost of the work is not in agreement between the City and the CMAR. Construction Change Directives must comply with the provisions of Section 3.10.020.6 of the City's Procurement Code.

"Construction Documents" means the plans; specifications and drawings prepared by the Design Professional after correcting for permit review requirements and incorporating addenda and approved change orders.

"CMAR's Representative" means the person designated in Article 7.3.2.

"CMAR's Senior Representative" means the person designated in Article 7.3.2.

"Contract Documents" means the following items and documents in descending order of precedence executed by the City and the CMAR: (i) all written modifications, addenda and Change Orders; (ii) this Contract, including all exhibits and attachments; (iii) written Supplementary Conditions; (iv) Construction Documents; (v) GMP Plans and Specifications; and (vi) the Preconstruction Contract.

"Contract Time(s)" means the Day(s) set forth in Article 3 subject to adjustment in accordance with this Contract.

"Cost of the Work" means the direct costs necessarily incurred by the CMAR in the proper performance of the Work as defined in Article 4.3.

"Day(s)" mean calendar days unless otherwise specifically noted in the Contract Documents.

“Delay” means an unanticipated event or interference with the progress of a critical path work activity being performed at the time that causes the completion date of the Project to be extended. Delays may be caused by the City, the CMAR, third parties or Force Majeure events. Delays may be excusable, compensable, non-compensable or concurrent.

“Delay, Compensable” means delay that results from the City’s actions or inactions that entitle the CMAR to both a time extension and delay damages.

“Delay, Concurrent” means two or more delays, within the same timeframe, both of which would independently impact the Project’s critical path. If one delay is caused by the City and the other by the CMAR, the CMAR will generally be entitled to an excusable, non-compensable time extension, to the degree the delays may “overlap.”

“Delay, Excusable” means an unforeseeable delay caused by an event beyond the control and without the fault or negligence of the CMAR (including its suppliers and subcontractors). Excusable delays may be compensable or non-compensable, depending upon whether the terms of the Contract or the law allows recovery of delay costs. Unless otherwise shown, it will generally be presumed that these delays are non-compensable.

“Delay, Non-Excusable” means a delay within the control of the CMAR, its suppliers and subcontractors, or a delay resulting from a risk taken by the CMAR under the terms of the Contract. The CMAR will not be due any time extension or delay damages, and may be responsible for paying to the City, actual or liquidated damages for the delay.

“Deliverables” means the work products prepared by the CMAR in performing the scope of work described in this Contract or required by the Project Team.

“Design Team” refers to licensed design professionals that have been selected to work on the Project by the City.

“Design Phase Services Agreement” means the Preconstruction Agreement entered into between the CMAR and the City as referenced in this Contract. This Agreement will contain the provisions associated with the development of the GMP Proposal by the CMAR. Wherever a conflict exists between this Contract and the Preconstruction Agreement, the terms of this Contract will control.

“Drawings” (“Plans”) - Documents which visually represent the scope, extent, and character of the Work to be furnished and performed by the CMAR during the construction phase and which have been prepared or approved by the Design Professional and the City. Drawings include documents that have reached a sufficient stage of completion and released by the Design Professional solely for the purposes of review or use in performing constructability or biddability reviews and in preparing cost estimates (e.g. conceptual design Drawings, preliminary design Drawings, detailed design Drawings at 30%, 60%, 90% or 100%), but *“not for construction”*. Drawings do not include shop drawings.

“Effective Date of this Contract” - The date specified in this Contract on which the Contract becomes effective, but if no date is specified, the date on which the City executes this Contract.

“Field Order” means a written field directive prepared and signed by the City, directing a change in work that may or may not include an adjustment in contract price or contract time.

“Final Acceptance” means the completion of all the Work as prescribed in Article 6.5. Reference Exhibit J, form attached and by reference made a part of this Contract.

“General Conditions” are negotiated indirect costs of the Work necessarily incurred by the CMAR as defined in Article 4.3.

“Guaranteed Maximum Price (GMP) Plans and Specifications” means the documents used to establish the GMP and made part of this Contract by reference.

“Guaranteed Maximum Price” or “GMP” means the sum of the maximum cost of the Work as given in the GMP proposal including the CMAR’s direct costs, indirect costs as defined in Article 4.3.

“Guaranteed Maximum Price (GMP) Proposal” - The offer or proposal of the CMAR submitted on the prescribed form stating the GMP prices for the entire Work or portions of the Work to be performed during the construction phase.

“Hazardous Substance” - means:

- (a) Any substance designated pursuant to sections 311(b) (2) (A) and 307(a) of the clean water act.
- (b) Any element, compound, mixture, solution or substance designated pursuant to section 102 of CERCLA.
- (c) Any hazardous waste having the characteristics identified under or listed pursuant to section 49-922.
- (d) Any hazardous air pollutant listed under section 112 of the federal clean air act (42 United States Code section 7412).
- (e) Any imminently hazardous chemical substance or mixture with respect to which the administrator has taken action pursuant to section 7 of the federal toxic substances control act (15 United States Code section 2606).
- (f) Any substance which the director, by rule, either designates as a hazardous substance following the designation of the substance by the administrator under the authority described in subdivisions (a) through (e) of this paragraph or designates as a hazardous substance on the basis of a determination that such substance represents an imminent and substantial endangerment to public health.

“Indirect Costs” are the General Conditions, Payment and Performance Bonds, Insurance, Taxes, and Permitting and Licensing Fees as defined in Article 4.3.

“Informational Submittals” – Submittals are required (common with construction projects) for the architect and engineer to verify that the correct products and quantities will be installed on a project.

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

“Liquidated Damages” means an amount the CMAR will pay as required in Article 3.3.

“Must” as used in this Contract is mandatory.

“Notice to Proceed” means a written notice given by the City to the CMAR fixing the date on which the CMAR will commence performance of the CMAR’s obligations under this Contract.

“Owner Agent,” “City’s Agent” or “Owner Representative” see “City’s Senior Representative.”

“Payment Request” means a monthly progress payment request that is based on a monthly estimate of the dollar value of the Work completed.

“Preconstruction Contract” means the Contract between the City and the CMAR for the services provided by the CMAR during the design phase which may include the following: design recommendations, project scheduling, constructability reviews, alternate systems evaluation, cost estimate, GMP preparation, and subcontractor bid phase services.

“Product Data” means illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the CMAR to illustrate materials or equipment for some portion of the Work.

“Professional Certification” – Professional certification is a designation which indicates that a person is qualified to perform a job or task. Professional certification can be trade certification or professional designation.

“Project” means the Work to be completed in the execution of this Contract as described in the Recitals and in Exhibit A attached.

“Project Manager” means a City employee who coordinates the daily construction activities with the contractor, and with their inspection staff that performs quality control inspections, enforces project plans and specifications and adopted City codes and ordinances.

“Project Record Documents” means the documents created pursuant to Article 1.6.

“Project Record Drawing Prints” – Set of current design drawings used by construction contractor for reference during construction. These drawings are typically marked up during the construction process, and are used to develop the subsequent “as-built” drawings.

“Project Team” – Consists of the Design Professional, the CMAR, the Project Manager, the City’s representatives and other stakeholders who are responsible for making decisions regarding the Project.

“Punch List” means those minor items of Work to be completed before Final Acceptance which do not prevent the Project from being used for the purpose for which it is intended and which will not prevent the issuance of a Certificate of Occupancy.

“Samples” means physical examples that illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

“Savings” means the difference between the Guaranteed Maximum Price and the Final Cost of the Work (including CMAR’s Fee). One Hundred Percent (100%) of Savings will accrue to the City, unless otherwise agreed in the itemization of the Guaranteed Maximum Price.

“Schedule of Values (SOV)” means the Document specified in the construction phase, which divides the Contract Price into pay items so that the sum of all pay items equals the Contract Price for the construction phase Work, or for any portion of the Work having a separate specified Contract Price. The SOV may or may not be output from the Progress Schedule depending on whether the Progress Schedule is cost-loaded or not.

“Shop Drawings” mean drawings, diagrams, schedules and other data specially prepared for the Work by the CMAR or a subcontractor, sub-subcontractor, manufacturer, supplier or distributor to illustrate some portion of the Work.

“Site” means the land or premises on which the Project is located generally described as the following location: [PROJECT ADDRESS-LOCATION, CITY STATE ZIP CODE]. The CMAR will require all subcontractors to include the street address of the Project Site in their contracts.

“Specifications” means those sections of the Contract Documents for the construction phase consisting of written technical descriptions of materials, equipment, construction systems, standards and workmanship as applied to the Work and certain applicable administrative details.

“Subcontractor” means any person or entity retained by the CMAR as an independent contractor to perform a portion of the Work and must include material men and suppliers. All subcontractors must be selected in accordance with the selection plan stated in Article 1.13.

“Substantial Completion” means when the Work, or when an agreed upon portion of the Work is sufficiently complete so that the City can occupy and use the Project or a portion of it for its intended purposes. This may include, but is not limited to: (a) approval by the City Fire Marshall and local authorities (Certificate of Occupancy); (b) issuance of elevator permit; (c) demonstration to the City that all systems are in place, functional, and displayed to the City or its representative; (d) installation of all materials and equipment; (e) City review and acceptance of all systems; (f) City review and acceptance of draft O&M manuals and record documents; (g) City operation and maintenance training completed; (h) HVAC test and balance completed (provide minimum 30 days before projected substantial completion); (i) completed landscaping and site work; and (j) final cleaning. Reference Exhibit I, form attached and by reference made a part of this Contract.

“Supplier” means a manufacturer, fabricator, supplier, distributor, material man or vendor having a direct contract with the CMAR or any Subcontractor to furnish materials or equipment to be incorporated in the construction phase work by the CMAR or any Subcontractor.

“Work” means the entire completed construction or the various separately identifiable parts of the construction, required to be furnished during the construction phase. Work includes and is the result of performing or furnishing labor and furnishing and incorporating materials, resources and equipment into the construction, and performing or furnishing services and documents as required by the Contract Documents for the construction phase.

END OF CONTRACT - SIGNATURES ON NEXT PAGE.

LAKE HAVASU CITY, ARIZONA

PROJECT NO. [NUMBER], CONTRACT NO. [NUMBER]

This Contract has been executed by the parties above named on the date and year written above, to be retained by the City Clerk.

The CMAR agrees that this Contract, as awarded, is for the stated work and understands that payment for the total work will be made on the basis of the indicated amount(s), under the terms and conditions of the Contract.

CONSTRUCTION MANAGER AT RISK:

[CMAR FIRM NAME], an Arizona corporation

[NAME], [TITLE]

LAKE HAVASU CITY, ARIZONA,
an Arizona municipal corporation

Jess Knudson, City Manager

APPROVED AS TO FORM:

Kelly Garry, City Attorney

**EXHIBIT A
PROJECT DESCRIPTION
SCOPE OF WORK**

The following is a brief description scope of work to be performed by the CMAR and the major points that the CMAR and the City must be aware of pertaining to the scope. CMAR agrees to provide a GMP complying to Exhibit C (Submittal Requirements for the GMP) per Contract No. [NUMBER] executed on [DATE].

Contract documents consist of furnishing all labor, materials, and equipment for the [PROJECT SUMMARY] located at the address listed in Section B of the Recitals. Pricing for the project is based on the submittal of the GMP included as Exhibit C in the amount of [AMOUNT].

**EXHIBIT B
PRECONSTRUCTION CONTRACT**

PRECONSTRUCTION CONTRACT

[NUMBER]

IS ON FILE AT LAKE HAVASU CITY, ARIZONA'S CITY CLERK'S OFFICE

IF NOT APPLICABLE

**THIS PAGE TO BE INTENTIONALLY LEFT BLANK
AND NOTED ACCORDINGLY.**

IF APPLICABLE

SHALL BE EMBEDDED HEREIN AS EXHIBIT B

AND

THE ABOVE IS TO BE STATED

EXHIBIT C
SUBMITTAL REQUIREMENTS FOR THE GMP

GMP submittal, one copy for review.

Two (2) copies will be requested by the Capital Project Management prior to contract execution.

GMP Cost Model Exhibit Contents:

1. Scope of Work
 2. Summary of the GMP
 3. Schedule of Values – Direct and Indirect cost summary: Unit prices and quantity take-offs using the City's standard pay items; Details of all allowances and unit price work shown and specified in the detailed design documents; All fixed equipment, site improvements, and utility and equipment installations; Field Office overhead; Home Officer overhead; Bonds, taxes, insurance; The CMAR Contractor's fee (percentages for self-performed work and subcontractor work when different).
 4. List of Plans and Specifications used for GMP Proposal
 5. List of clarification and assumptions
 6. Subcontractor Bids on Subcontractor Letterhead
 7. Project Schedule showing critical path construction items
- A. Scope of Work will consist of a brief description of the work to be performed by CMAR and major points that the CMAR and the City must be aware of pertaining to the scope. (normally one paragraph is sufficient.)
- B. A summary of the GMP with a total for each of the components of the GMP as listed in its definition in Article 1 as shown in the table below:
- C. Schedule of Values - spread sheet with the estimated bid or cost organized by subcontract categories, allowances, bid contingency, general conditions costs, taxes, bonds, insurances, and the CMAR's construction phase fee. The supporting document for the spreadsheet must be provided in an organized manner that correlates with the schedule of values. The backup information shall consist of the request for bids, bids received, and clarification assumptions used for the particular bid item listed on the schedule of values, if applicable: material costs, equipment costs, labor costs, hourly labor rates, and total cost. Labor costs shall include the employee classification, benefits, payroll taxes and other payroll burdens. The total cost for any portion of the work to be performed by subcontractors shall include subcontractor overhead and profit. Production rates, transportation and other facilities and services necessary for the proper execution of the work, whether temporary or permanent, and whether or not incorporated or to be incorporated into the work. Copies of quotations from subcontractors and suppliers. Memoranda, narratives, consultant's reports and all other information used by the CMAR Contractor to arrive at the GMP. The GMP must include all assumptions, descriptions and a breakdown of all allowances.

EXHIBIT C

GMP SUMMARY			AMOUNT
	COST OF THE WORK - DIRECT COSTS	AMOUNT	
A	Sub-Contractors' Cost of the Work (Labor, Materials, Equipment, Warranty, Insurance, Profit)	\$	
B	CMAR Self-Performed Cost of the Work (Labor, Materials, Equipment, Warranty)	\$	
C	Total Cost of the Work (A+B)		\$
	INDIRECT COSTS	AMOUNT	
D	General Conditions (Negotiated Amount)	\$	
E	Total Cost of the Work + General Conditions (C+D)		\$
F	Payment and Performance Bonds (On Cost of the Work + General Conditions Fee)	\$	
G	Insurance (Additional CMAR's Insurance not provided in the Total Cost of the Work)	\$	
H	Subtotal Direct + Indirect Costs (E+F+G)		\$
I	CMAR Construction Fee (Negotiated Fixed Fee or % of Total Cost of Work C)	\$	
J	Taxable Project Subtotal (H+I)		\$
K	Taxes (Actual Reimbursable limited by Not to Exceed)	\$	
L	Project Subtotal (J+K)		\$
M	CITY'S PROJECT CONTINGENCY (As determined by the City)		\$
N	TOTAL GMP (Not to Exceed) (L+M)		\$

- D. A list of the Plans and Specifications with latest issuance date including all addenda used in preparation of the GMP proposal. The plans used for the GMP must be date stamped and signed by CMAR, Design Consultant, and Project Manager using the format below.

Plans Used for Preparation of GMP No.	
CMAR	Date
Design Consultant	Date
Project Manager	Date

EXHIBIT C

- E. A list of the clarifications and assumptions made by the CMAR in the preparation of the GMP proposal, to supplement the information contained in the documents.
- F. All Subcontractor Bids for the Project on the Subcontractor's Letterhead.
- G. A Critical Path Method diagram construction schedule.

NOTE: The submittal package must be kept as simple as possible all on 8½ x 11 sheets. Color or shading must be kept to a minimum. If used, make sure the color or shading will not affect the reproduction of the submittal in black and white.

Final GMP submittal will consist of the following:

1. Two (2) Copies of the GMP (perforated as requested by Bids & Specifications) Velo or 3-hole punched.
2. One copy of the plans and technical specifications used to arrive at the GMP (signed by Design Consultant, CMAR and Project Manager).

EXHIBIT D
HAZARD COMMUNICATION PROGRAM
Lake Havasu City

HAZARD COMMUNICATION PROGRAM FOR _____
(Name of Company)

The purpose of this program is to ensure that potential hazards and hazard control measures for chemicals used by this company are understood by company employees.

The written program is available for employee review at any time. It is located _____. A copy of the program will be provided to any employee or employee representative, upon request.

CONTAINER LABELING:

_____ will verify that all containers received for use by this company will:
(name/title of individual)

- * be clearly labeled as to the contents, matching identification on MSDS;
- * note the appropriate hazard warnings;
- * List the name and address of the manufacturer.

No containers will be released for use until the above data is verified.

MATERIAL SAFETY DATA SHEETS:

Copies of MSDS's for all hazardous chemicals to which employees may be exposed will be kept

_____.
(name/title of individual) will be responsible for ensuring that:

- * MSDS's for the new chemicals are available;
- * MSDS's will be available for review to all employees during each work shift;
- * Copies will be available on request.

EMPLOYEE TRAINING AND INFORMATION:

Each employee will be provided the following information and training before working in areas where hazardous chemicals exist. In addition, if a new hazardous material is introduced into the workplace, affected employees will be given new information and training concerning that material.

**EXHIBIT D
HAZARD COMMUNICATION PROGRAM
Lake Havasu City**

A. Minimum Information Provided:

- (1) All operations and locations in the work area where hazardous chemicals are present.

GENERAL INDUSTRY

A. Minimum Information Provided:

- (1) The location and availability of the written hazard communication program, including list(s) of hazardous chemicals used and related material safety data sheets;
- (2) The method the company will use to inform employees of potential hazards of non-routine tasks (jobs that are not routine for an individual because of infrequency, location or type.)

B. Minimum Training Provided:

- (1) Methods and observations used to detect the presence or release of a hazardous chemical in the work area (such as company monitoring programs, continuous monitoring device, visual appearance, odor or to other characteristics of hazardous chemicals;
- (2) The physical and health hazards of chemicals in the assigned work area;
- (3) The measures to take to protect against such hazards, including specific company procedures concerning work practices, emergencies and care and use of protective equipment.
- (4) Details of the company hazard communication program, including explanation of the labeling system, the material safety data sheets, and how to obtain and use the appropriate hazard information.

(OPTIONAL) Upon completion of the training, each employee will sign a form acknowledging receipt of the written hazard communication program and related training.

HAZARDOUS NON-ROUTINE TASKS: (If applicable.)

If company employees are required to do hazardous non-routine tasks, such as welding in confined spaces, or cleaning of tanks, the employer must address how the employees doing the work will be informed about the specific hazards to which they will be exposed, what personal protective equipment will be provided and who will be responsible to oversee the operation or operations. If the company does not have any hazardous non-routine tasks, line through this section and state "NO HAZARDOUS NON-ROUTINE TASKS".

CHEMICALS IN UNLABELED PIPES: (If applicable.)

If the company has chemicals in unlabeled pipes, the company must inform the employees of the hazards associated with those chemicals. If the company does not have any chemicals in unlabeled pipes, line through this section and state "NO CHEMICALS IN UNLABELED PIPES".

**EXHIBIT D
HAZARD COMMUNICATION PROGRAM
Lake Havasu City**

INFORMING CONTRACTORS:

Providing contractors and their employees with the following information is the responsibility of

(Name/title of individual)

- (1) Hazardous chemicals to which they may be exposed while on the job site;
- (2) Measures the employees may take to lessen the possibility of exposure;
- (3) Steps the company has taken to lessen the risks;
- (4) Where the MSDS's are for chemicals to which they may be exposed;
- (5) Procedures to follow if they are exposed.

CONTRACTORS INFORMING EMPLOYERS:

Contractors entering this workplace with hazardous materials will supply this employer with MSDS's covering those particular products the contractor may expose this company's employees to while working at this site.

LIST OF HAZARDOUS CHEMICALS IN THIS WORKPLACE

CONTRACTOR:

By: _____

Name: _____

Title: _____

Address: _____

END OF SECTION

EXHIBIT E
STATUTORY PERFORMANCE BOND

PURSUANT TO TITLES 28, 34, AND 41, ARIZONA REVISED STATUTES
(Penalty of this bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS THAT: _____
(hereinafter "Principal"), as Principal, and _____
(hereinafter "Surety"), a corporation organized and existing under the laws of the State of _____
with its principal office in the City of _____, holding a certificate of authority to
transact surety business in Arizona issued by the Director of Insurance pursuant to Title 20, Chapter 2,
Article 1, as Surety, are held and firmly bound unto Lake Havasu City, Arizona (hereinafter "Obligee") in
the amount of **[PROJECT DOLLARS IN WORDS]** (Dollars) (**\$[NUMERICAL.00]**), for the payment
whereof, Principal and Surety bind themselves, and their heirs, administrators, executors, successors and
assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the
day of _____, _____, to furnish all of the material, supplies, tools, equipment, labor and other
services necessary for the construction and completion of

[PROJECT NAME], [PROJECT NUMBER]

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at
length herein.

NOW, THEREFORE, THE CONDITION OF THE OBLIGATION IS SUCH, that if the Principal
faithfully performs and fulfills all of the undertakings, covenants, terms, conditions and agreements of the
contract during the original term of the contract and any extension of the contract, with or without notice of
the Surety, and during the life of any guarantee required under the contract, and also performs and fulfills
all of the undertakings, covenants, terms, conditions and agreements of all duly authorized modifications
of the contract that may hereafter be made, notice of which modifications to the Surety being hereby waived,
the above obligation is void. Otherwise it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter
2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with
the provisions of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the same extent as if it were
copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney
fees that may be fixed by a judge of the court.

Witness our hands this ____ day of _____, _____.

PRINCIPAL

SEAL

BY: _____
AGENCY OF RECORD

AGENCY ADDRESS

SURETY

SEAL

BY: _____

PROJECT NAME: **[NAME]**

LHC CMAR Const Svcs DRAFT V12-6-21

PROJECT NO: **[NUMBER]**

**EXHIBIT E
STATUTORY PAYMENT BOND**

ARIZONA STATUTORY PAYMENT BOND
PURSUANT TO TITLES 28, 34, AND 41, ARIZONA REVISED STATUTES
(Penalty of this bond must be 100% of the Contract amount)

KNOW ALL MEN BY THESE PRESENTS THAT:

(hereinafter "Principal"), as Principal, and _____
(hereinafter Surety), a corporation organized and existing under the laws of the State of _____ with its
principal office in the City of _____,
holding a certificate of authority to transact surety business in Arizona issued by the Director of the
Department of Insurance pursuant to Title 20, Chapter 2, Article 1, as Surety, are held and firmly bound
unto Lake Havasu City, Arizona (hereinafter "Obligee") in the amount of **[PROJECT DOLLARS IN
WORDS]** (Dollars) (**\$[NUMBERICAL].00**), for the payment whereof, Principal and Surety bind themselves,
and their heirs, administrators, executors, successors and assigns, jointly and severally, firmly by these
presents.

WHEREAS, the Principal has entered into a certain written contract with the Obligee, dated the
of _____, _____, to furnish all of the material, supplies, tools, equipment, labor and other
services necessary for the construction and completion of
[PROJECT NAME], [PROJECT NUMBER]

which contract is hereby referred to and made a part hereof as fully and to the same extent as if copied at
length herein.

NOW, THEREFOR, THE CONDITION OF THE OBLIGATION IS SUCH, that if the Principal
promptly pays all monies due to all persons supplying labor or materials to the Principal or the Principal's
subcontractors in the prosecution of the work provided for in the contract, this obligation is void. Otherwise
it remains in full force and effect.

PROVIDED, HOWEVER, that this bond is executed pursuant to the provisions of Title 34, Chapter
2, Article 2, Arizona Revised Statutes, and all liabilities on this bond shall be determined in accordance with
the provisions, conditions and limitations of Title 34, Chapter 2, Article 2, Arizona Revised Statutes, to the
same extent as if it were copied at length in this agreement.

The prevailing party in a suit on this bond shall recover as part of the judgment reasonable attorney
fees that may be fixed by a judge of the court.

Witness our hands this ____ day of _____, ____.

PRINCIPAL SEAL

BY: _____
AGENCY OF RECORD

AGENCY ADDRESS

SURETY SEAL

BY: _____

** END OF SECTION **