

Willamette Water Supply System Commission

Board Meeting
Thursday, March 3, 2022
12:00 PM

Microsoft Teams Meeting

Willamette Water Supply System Commission

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Willamette Water Supply System Commission
Board Meeting Agenda
Thursday, March 3, 2022 | 12:00 – 1:30 PM
Microsoft Teams Meeting

If you wish to attend via conference call and need dial-in information, please contact annette.rehms@tvwd.org or call 971-222-5957 by 10:00 a.m. on March 3, 2022. If you wish to address the WWSS Board, please request the Public Comment Form and return it 48 hours prior to the day of the meeting. **All testimony is electronically recorded.**

REGULAR SESSION – 12:00 PM

CALL TO ORDER

1. GENERAL MANAGER'S REPORT – Dave Kraska

Brief presentation on current activities relative to the WWSS Commission

2. PUBLIC COMMENT

This time is set aside for persons wishing to address the Board on items on the Consent Agenda, as well as matters not on the agenda. Additional public comment will be invited on agenda items as they are presented. Each person is limited to five minutes unless an extension is granted by the Board. Should three or more people testify on the same topic, each person will be limited to three minutes.

3. CONSENT AGENDA

These items are considered to be routine and may be approved in one motion without separate discussion. Any Board member may request that an item be removed by motion for discussion and separate action. Any items requested to be removed from the Consent Agenda for separate discussion will be considered immediately after the Board has approved those items which do not require discussion.

- A. Approve the February 3, 2022 meeting minutes
- B. Approve the February 17, 2022 meeting minutes

4. BUSINESS AGENDA

- A. Adopt Fiscal Year 2022-2023 Annual Work Plan and Budget and WWSP Capital Improvement Plan (Baseline 7.0) – *Toby LaFrance*
- B. Approve PLM_4.3 Contract for Construction – *Mike Britch*
- C. Approve Delegation of Authority for a Safe Drinking Water Revolving Loan Fund (SDWRLF) Grant Funding Letter of Interest (LOI) – *Dave Kraska*

5. INFORMATION ITEMS

- A. Planned April Business Agenda items – *Joelle Bennett*
- B. The next Board Meeting is scheduled on April 7, 2022, via Microsoft Teams

6. COMMUNICATIONS AND NON-AGENDA ITEMS

- A. None scheduled

ADJOURNMENT

Willamette Water Supply System Commission

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GENERAL MANAGER'S REPORT

To: WWSS Board of Commissioners
From: David Kraska, P.E., WWSS General Manager
Date: March 3, 2022
Subject: Willamette Water Supply System General Manager's Report

This report provides an overview of some of the current Willamette Water Supply System (WWSS) work efforts under the direction of this Commission, beginning with a Safety Minute presentation.

1. Permitting and Communications Updates – The Willamette Water Supply Program (WWSP) permitting efforts remain very active. Attached to this General Manager's Report is a tabulation of the permits and approvals recently granted, and the status of those currently in process.

A few Permitting Team highlights include:

- A number of permits have been secured for the Water Treatment Plant (WTP_1.0) project including the Grading and Erosion Control Permit from City of Sherwood; the 1200-C Permit from the Department of Environmental Quality (DEQ); and the Electrical Permit needed from Washington County.
- A permit modification bundle was submitted to the US Army Corp of Engineers (USACE) and Department of State Lands (DSL) for the Metzger Pipeline East (MPE)_1.3, Pipeline Main (PLM)_1.3, and PLM_5.3 projects. This bundle focused on notifying the agencies of the staging areas for MPE_1.3 and PLM_1.3 as well as the bypass road realignment within the PLM_5.3 project. No wetlands or cultural resources have been identified on these sites so this permit modification is considered minor in nature. Given that determination, no public noticing will be required in the review and approval process of this permit modification by the regulatory agencies.

The Communications Team focused efforts this month on the production of the annual program update video. The video showcases the construction progress made to date and what new activities will occur in 2022. It highlights the fact that six projects have been completed so far and that in 2022 a total of fifteen will be under construction. It also draws attention to the fact that the program is helping to stimulate the economy with the creation of approximately 4,000 local jobs and that 92% of the funds spent to date have gone to local businesses for the goods and services needed to build the system. The video can be viewed with this link:

<https://spaces.hightail.com/receive/gnC5UNR6co/fi-c5be2f7a-802d-49fa-8e23-affeb8685398/fv-2287fb34-c1a7-4ecf-b922-7ed1b1326e6d/2022%20WWSP%20Accomplishments%20Draft4%20ENG.mp4>

The video has been translated into Spanish and both versions of it will be posted for public viewing on the WWSP's website.

2. Design Status Updates – Two pipeline projects remain in the final stages of design and are proceeding according to plan. All above-ground facilities design work is complete.

3. Construction Status Updates – Attached to this General Manager's Report is a tabulation of the projects in construction and their status. A few highlights include:

- Open cut trenching and construction of the 48" WWSP waterline began on MPE_1.2 near the intersection of Highway 217 and Scholls Ferry Rd
- Open cut trenching and construction of the 48" WWSP waterline began on MPE_1.1 on Western Ave. near the intersection with Arctic Dr
- Tree clearing for the WTP_1.0 project was initiated
- Tree clearing for the RES_1.0 project and adjacent staging area site was completed

4. Steel Market Exposure Update – The market price of hot rolled band, the material used to fabricate WWSS transmission pipe, started 2022 off with a decrease of approximately 15 percent since the end of 2021. Some market data indicates that current values are trending below February 2021 pricing. Market forecasters project steel prices to continue their downward trend in 2022 as production numbers continue to rise. Current production rates are up 3.5 percent compared to the same period last year. Recently awarded WWSS contracts will recognize a Steel De-Escalation contract change from the time of bid to the time of contract execution. Staff are continuing to monitor the steel market and are not recommending a change in construction procurement plans and strategies at this time.

Willamette Water Supply Program Permits and Approvals – Recent Actions and Status

Date of Report: February 17, 2022

Permits and Approvals Recently Granted

Agency	Projects Involved	Permit or Approval Granted
City of Sherwood	WTP_1.0	Grading and Erosion Control
DEQ	WTP_1.0	1200-C
Washington County	WTP_1.0	Electrical Permit
BPA	MPE_1.3	Land Use Agreement
Washington County	RES_1.0 and PLM_5.3	Permanent Access ROW permits (5 of 9)

Permits and Approvals Submitted

Agency	Projects Involved	Permit or Approval Submitted
TVF&R	WTP_1.0	Service Provider Permit
DEQ	PLM_4.3	1200-C
Washington County	PLM_4.3	Grading Permit
City of Sherwood	PLM_4.3	Grading and Erosion Control Permit
ODFW	System-Wide	Annual Report
USACE and DSL	PLM_1.3, PLM_5.3, & MPE_1.3	Permit Modification 7 (staging areas (notification only), PLM_5.3 bypass road alignment)

Permits and Approvals in Progress

Agency	Projects Involved	Permit or Approval in Progress
City of Wilsonville	PLM_1.3	Landscape Plan Modifications
City of Wilsonville	PLM_1.3	Erosion and Sediment Control and Public Works Permits
Washington County	PLM_1.3	Grading Permit
DEQ	PLM_1.3	1200-C
City of Sherwood	PLM_4.1	Type I land use (staging area)
City of Sherwood	PLM_4.3	Engineering Permit
Washington County	System-wide	Grading Permit for Retaining Wall

Anticipated Approvals

Agency	Projects Involved	Permit or Approval Anticipated
Washington County	MPE_1.2	Utility ROW amendment (Oleson Road work)
Washington County	MPE_1.2	Grading Permit
Pacific NW Railroad	MPE_1.2	Right of Entry/Crossing permits
City of Sherwood	WTP_1.0	Building, Engineering, Plumbing, and Mechanical Permits
Washington County	PLM_5.3	Permanent Access ROW permits (4 of 9)
Washington County	RES_1.0 and PLM_5.3	Utility ROW Permits

Willamette Water Supply Program Projects Construction – Recent Status Update

Date of Report: February 17, 2022

Project	Description	Progress Since Last Month
1. RWF_1.0	Raw Water Facilities project located at the Willamette River Water Treatment Plant	<ul style="list-style-type: none"> - Installed and commissioned new air compressors - Completed final painting of relocated City pumps - Completed final cleanup and all punch list work inside the RWPS - Completed flashing, gutters, downspouts at RWPS - Continuing landscape work at lower site - Completed punch list work at the flow meter vault - Completed work and demobilized from upper site - Completed punch list items and received sign-off on CoW utilities - Completed restoration of receiving shaft and PLM_1.1 connection area - Administrative close-out work in progress
2. PLM_4.1	Finished water pipeline project being completed in partnership with Washington County's Highway 99 Crossing Pipeline and Tualatin Sherwood Road – Langer Farms Parkway to Borchers Drive	<ul style="list-style-type: none"> - Utility relocations - Storm drain installation - Road widening on Roy Rogers Rd. west of Hwy 99 - Road widening on Tualatin-Sherwood Rd. - WWSP submittals and RFIs
3. PLM_5.1	Finished water pipeline project being completed in partnership with Washington County's Roy Rogers Road project	<ul style="list-style-type: none"> - Administrative closeout
4. PLW_1.3	Finished water pipeline project in South Hillsboro from SW Farmington Road to SE Blanton Street	<ul style="list-style-type: none"> - Continue 66" open cut pipe installation (approx. 5800 LF, 85% installed) - Butternut Creek turnout vaults and piping - Farmington turnout vaults and piping
5. MPE_1.1/ COB_1.1	Finished water pipeline project being completed in partnership with the City of Beaverton's SW Western Avenue project	<ul style="list-style-type: none"> - Railroad open cut casings completed - 48" WWSP waterline installation - Road and utility work for COB
6. MPE_1.2/ COB_1.2	Finished water pipeline project in Beaverton from SW Scholls Ferry Road at Greenway to SW Allen Boulevard at Western Avenue	<ul style="list-style-type: none"> - Completed tunnel across Hwy 217 with 60" casing for 48" WWSP waterline (Tunnel #4) - Carrier pipe and annular space grouting in Tunnel #4 - Prepare receiving shaft for Tunnel #3 - Began 16" COB waterline on Scholls Ferry Rd. between SW Nimbus Ave. and RR Tracks (night work) - Began 48" open cut waterline on east side of Hwy 217 - Cross Hwy 217 northbound offramp (weekend closure)
7. RES_1.0/ PLM_5.3	15-million-gallon finished water storage tank on Cooper Mountain and finished water pipeline project from SW Grabhorn Road at Tile Flat Road to SW Rosedale Road at future Cornelius Pass Road	<ul style="list-style-type: none"> - Tree and brush clearing at reservoir site and staging areas. - Tree and brush clearing on pipeline alignment where easements are secured - Surveying - Erosion and sediment control - Submittals

Willamette Water Supply

Our Reliable Water

Safety Minute: ScamSpotters

WWSS Commission Board Meeting
March 3, 2022

1

ScamSpotter

Scammers are expected to steal over \$3 billion in 2022. We can stop their efforts with the **three golden rules.**

Source: <https://scamspotter.org/>



Willamette Water Supply
Our Reliable Water

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Golden Rule #1

Slow down!

- Scammers will create a sense of urgency in order to bypass your better instincts.
- Take your time and ask questions to avoid being rushed into a bad situation.



What a scammer might say:

You need to act (fast) If you don't make a payment now, we'll be forced to take legal action against you.

Golden Rule #2

Spot check!

- Do your research to double check the details.
- If you get an unexpected phone call, hang up.
- Then look up the bank, agency or organization that's supposedly calling and get in touch directly.



What a scammer might say:

This is the (IRS) calling. We haven't received your tax payments for four years. That's a federal crime.

Golden Rule #3

Stop! Don't send.

- No reputable person or agency will ever demand payment on the spot.
- Often, scammers tell you to go buy gift cards—which are meant only to be given as a gift, not as payment under threat.



What a scammer might say:

Please send us EnormoMart GIFT CARDS of \$100 or \$200 face value. I need 20 of each card.

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Remember, if it sounds unbelievable, it probably is.

Join the fight against fraud. If a scammer contacts you, report it to the Federal Trade Commission.

Federal
Trade
Commission
Government agency



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Willamette Water Supply System Commission

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DRAFT

**Willamette Water Supply System Commission
Board Meeting Minutes
Thursday, February 3, 2022**

Attendance:

Commissioners present:

City of Beaverton	Marc San Soucie
City of Hillsboro	David Judah
Tualatin Valley Water District (TVWD)	Jim Duggan

Committee Members present:

City of Beaverton	Chad Lynn, David Winship
City of Hillsboro	Niki Iverson, Eric Hielema, Lee Lindsey
	Jessica Dorsey
TVWD	Tom Hickmann, Carrie Pak

Managing Agency Staff present:

WWSS Commission General Manager / Willamette Water Supply Program (WWSP) Director	Dave Kraska
TVWD General Counsel	Clark Balfour
WWSP Assistant Director	Joelle Bennett
WWSP Program Manager	Jeremy Taylor
WWSP Engineering and Construction Manager	Mike Britch
WWSP Permitting and Outreach Manager	Christina Walter
WWSP Finance Manager	Toby LaFrance
WWSS Commission Recorder / WWSP Executive Assistant	Annette Rehms

Other Attendees present:

City of Beaverton Assistant Finance Director	Susan Cole
Joint Water Commission Water Treatment Plant Manager	Chris Wilson
TVWD Asset Management Division Manager	Matt Oglesby
TVWD Water Resources Division Manager	Joel Cary
TVWD Engineering Division Manager	Nick Augustus
TVWD Controller	David Shick
TVWD Technical Services Accountant	Shital Patel
Sundt Construction	David Fagerstrom, John Nichols

REGULAR SESSION – 12:00 PM

CALL TO ORDER

Chair Judah called the regular Willamette Water Supply System (WWSS) Commission meeting to order at 12:01 p.m.

ROLL CALL

Ms. Rehms administered the roll call and noted attendance.

1. GENERAL MANAGER'S REPORT

Mr. Kraska presented a safety minute on Super Bowl celebration safety (*presentation on file*).

The General Manager's report included Willamette Water Supply Program (WWSP) permitting and communications; design; construction; steel market exposure updates; a request for Commissioner input on continuing remote meetings; the Willamette Water Supply System insurance renewal; and the quarterly financial report for the period ending December 31, 2021.

Commissioners agreed to continue meeting remotely, using Microsoft Teams, and revisit this matter in May 2022 in preparation for the June 2022 Board meeting. This will allow more time for TVWD to test the technology to host hybrid meetings and provide time for evaluation and consideration COVID-related risks.

2. PUBLIC COMMENT

There were no public comments.

3. CONSENT AGENDA

- A. Approve the January 6, 2022, meeting minutes
- B. Approve the January 20, 2022, meeting minutes

Motion was made by San Soucie seconded by Duggan to approve the Consent Agenda as presented. The motion passed unanimously with San Soucie, Duggan, and Judah voting in favor.

4. BUSINESS AGENDA

- A. Approve PLM_1.3 Contract for Construction – *Mike Britch*

Mr. Britch presented an overview of the PLM_1.3 Pipeline Construction Contract with Moore Excavation, Inc. and requested the Board's approval of Contract 2022-023 and drawing \$4,332,124 from Management Reserve to fund the amount above the current Baseline budget. (*presentation on file*)

Motion was made by Duggan, seconded by San Soucie, to approve Contract 2022-23 with Moore Excavation, Inc for PLM_1.3 Pipeline Construction for the Willamette Water Supply Program. The motion passed unanimously with San Soucie, Duggan, and Judah voting in favor.

- B. Adopt PLM_4.2 WCLUT Construction IGA – *Mike Britch*

Mr. Britch provided an overview of the construction agreement for the joint WCLUT and WWSS construction of the PLM_4.2 project. He described the estimated costs outlined in Exhibit 2 of the IGA which include waterline work, engineering services during construction, mobilization, administration, and restoration costs among other categories. He provided a construction cost comparison to the WWSS baseline budget and noted the total contract price with project contingency has been included in Baseline 7.0 released on January 31, 2022. He reminded the Board that this is a cost estimate and exact costs are unknown until bids are received. Mr. Britch concluded by requesting the Board adopt Resolution WWSS-02-2022 approving an Intergovernmental Agreement between Washington County and the Willamette Water Supply System Commission for the joint construction of PLM_4.2 Tualatin Sherwood Road – SW 124th to Langer Farms project. (*presentation on file*)

Motion was made by San Soucie, seconded by Duggan, to adopt Resolution No. WWSS 02-22 approving an Intergovernmental Agreement between Washington County and the Willamette Water Supply System Commission for the joint construction of PLM_4.2 Tualatin Sherwood Road – SW 124th to Langer Farms project. The motion passed unanimously with San Soucie, Duggan, and Judah voting in favor.

5. INFORMATION ITEMS

A. Planned March Business Agenda Items – *Joelle Bennett*

Ms. Bennett presented information on business agenda items planned for the February 17, 2022, WWSS Commission Special Board Meeting and the March 3, 2022, WWSS Commission Regular Board meeting.

Staff anticipates recommending approval of:

1. WTP_1.0 GMP for Construction (Special Board Meeting)
2. WWSP 2022 Baseline Schedule and Budget
3. WWSS Fiscal Year 2022-2023 Work Plan and Budget
4. PLM_4.3 Contract for Construction
5. Sherwood Emergency Intertie Intergovernmental Agreement (IGA)

B. A Special Board meeting is scheduled on February 17, 2022 at 12:00 PM via Microsoft Teams.

C. The next Regular Board meeting is scheduled on March 3, 2022 via Microsoft Teams.

6. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled.

ADJOURNMENT

There being no further business, Chairman Judah adjourned the meeting at 12:39 PM

David Judah, Chair

James Duggan, Vice Chair

Willamette Water Supply System Commission

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DRAFT

**Willamette Water Supply System Commission
Special Board Meeting Minutes
Thursday, February 17, 2022**

Attendance:

Commissioners present:

City of Beaverton:	Marc San Soucie
City of Hillsboro:	David Judah
Tualatin Valley Water District (TVWD):	Jim Duggan

Committee Members present:

City of Beaverton:	Chad Lynn
City of Hillsboro:	Niki Iverson
TVWD:	Tom Hickmann

Managing Agency Staff present:

WWSS Commission General Manager / Willamette Water Supply Program (WWSP) Director	Dave Kraska
TVWD General Counsel	Clark Balfour
WWSP Assistant Director	Joelle Bennett
WWSP Program Manager	Jeremy Taylor
WWSP Engineering and Construction Manager	Mike Britch
WWSP Permitting and Outreach Manager	Christina Walter
WWSP Finance Manager	Toby LaFrance
WWSS Commission Recorder / WWSP Executive Assistant	Annette Rehms

Other Attendees present:

WWSP WTP/DCS Project Manager	Matt Gribbins
Sundt	David Fagerstrom, Steve Bradford, Mike Neher

REGULAR SESSION – 12:00 PM

CALL TO ORDER

Chair Judah called the regular Willamette Water Supply System (WWSS) Commission meeting to order at 12:01 p.m.

ROLL CALL

Ms. Rehms administered the roll call and noted attendance.

1. PUBLIC COMMENT

There were no public comments.

2. CONSENT AGENDA

A. None scheduled

3. BUSINESS AGENDA

A. Approve WTP_1.0 GMP for Construction – *Mike Britch*

Mr. Britch and staff presented an overview of the WTP_1.0 Guaranteed Maximum Price (GMP) for Construction from Sundt Construction, Inc. In development of the GMP, the majority of construction costs were competitiveness bid, while most fees and staffing costs were established as part of the original contract negotiation in 2018. Staff reported that preparing this GMP required months of negotiation and both the WWSP and Sundt are committed to delivering a quality project, completed on time, safely, and if possible, under budget. The negotiations included a \$3 million credit to the cost of work and a savings-sharing amendment that will encourage both sides to find additional savings during construction, incentivizing continuous value engineering and potentially reducing the project's total cost. Mr. Britch requested the Board's approval to change Contract 2018-015 in the amount of \$405,508,878 to incorporate GMP No. 1 for the construction of the WTP_1.0 project of the Willamette Water Supply Program. *(presentation on file)*

Commissioners thanked staff for the careful analysis, attention to detail, and care taken by both the WWSP and Sundt staff to put together the recommendations for consideration today. Commissioners said it has been a privilege to watch this process develop and look forward to visiting the site in the future.

In response to questions, Mr. Fagerstrom (Sundt) said he is proud of the team for coming together the work through the negotiation challenges and he affirmed Sundt's commitment to the project and said his team is excited to get started and provide a quality product, built on time, and under budget.

Motion was made by Duggan, seconded by San Soucie, to approve to change Contract 2018-015 in the amount of \$405,508,878 to incorporate Guaranteed Maximum Price No. 1 for the construction of the WTP_1.0 project of the Willamette Water Supply Program. The motion passed unanimously with San Soucie, Duggan, and Judah voting in favor.

4. INFORMATION ITEMS

A. The next Board meeting is scheduled on March 3, 2022, via Microsoft Teams.

5. COMMUNICATIONS AND NON-AGENDA ITEMS

A. None scheduled.

ADJOURNMENT

There being no further business, Chairman Judah adjourned the meeting at 12:41 PM

David Judah, Chair

James Duggan, Vice Chair

STAFF REPORT

To: WWSS Board of Commissioners

From: Dave Kraska, P.E., WWSS Commission General Manager

Date: March 3, 2022

Subject: Fiscal Year 2022-23 Annual Work Plan and Budget and Approval of WWSP Capital Improvement Plan (Baseline 7.0)

Requested Board Action:

Consider adopting the Annual Work Plan and Budget for the Willamette Water Supply System (WWSS) for fiscal year 2022-23 and approving the Willamette Water Supply Program (WWSP) Capital Improvement Plan (Baseline 7.0).

Key Concepts:

- In accordance with Sections 5.4.6 and 8.1 of the WWSS Intergovernmental Agreement (IGA), the WWSS Commission Board shall adopt a budget and work plan for the Commission's operations and capital improvements each fiscal year.
- The Annual Work Plan attached to this staff report provides the scope of work to be performed by the Managing Agency for the fiscal year 2022-23 (FY2023).
- Section 8.3 of the WWSS IGA requires the Managing Agency (MA), TVWD, to maintain a capital improvement plan (CIP) for the current and subsequent four fiscal years.
- The WWSP prepares a baseline budget and schedule each year that establishes the budget and schedule to execute the delivery of WWSP, which includes the capital outlay for WWSS. Currently, this baseline budget and schedule serves as the CIP for the WWSS.
- The total estimated cost of WWSP in Baseline 7.0 of \$1.6 billion is approximately \$315 million higher than Baseline 6.1.
- The FY2023 budget includes appropriations of \$1,197,410 for operations and administration, \$372,643,578 for capital outlay (proposed Baseline 7.0), and \$100,000 for general operating contingency.
- The Finance and Management Committees recommend the WWSS Commission Board adopt the FY2023 Annual Work Plan and Budget and approve Baseline 7.0.

Background:

This report summarizes:

- The WWSP's Baseline 7.0 establishes both the projected capital outlay for FY2023 and the Capital Improvement Program. The annual WWSP baseline budget and schedule update process forecasts WWSP costs through the life of the program and establishes the capital outlay portion of the WWSS Budget for the upcoming fiscal year.
- The WWSS FY2023 Annual Work Plan and Budget update process develops the WWSS Annual Work Plan's scope of work, staffing plans and underlying assumptions and the budget associated with accomplishing the Program tasks.

WWSP staff provided the early release Baseline 7.0 information and data on December 28, 2021, via email, to the Management, Finance, and Operations committees members. The early release version was necessary because the WWSP received construction bids that exceeded opinion of probable construction costs by an unexpected amount. The construction bids reflect recent forces in the economy, including supply chain and labor supply issues that are having impacts on major infrastructure projects across the country. The early release Baseline 7.0 was reviewed by members of the Finance and Management Committees. Prior to the January 20, 2022 Management Committee meeting, preliminary support for the new budget was expressed, despite the unanticipated increase in project costs. The official Baseline 7.0 was released to the Management, Finance, and Operations committees members on January 31, 2022, via email. The official Baseline 7.0 recognizes the cost efficiencies of several projects bid since the early release Baseline 7.0. Those excess funds were assigned to Management Reserve in order to maintain the same estimated total program cost as provided in early release Baseline 7.0, and to preserve funds to accommodate remaining delivery risks.

The official Baseline 7.0 was presented to the Management Committee on February 17, 2022. Committee members agreed to recommend adoption of the FY 2023 Annual Work Plan and Budget, and Baseline 7.0 by the WWSS Board.

The Annual Work Plan includes the following main tasks:

1. General Administration
2. Capital Projects Management
3. Annual Work Plan and Budget Development
4. Finance Administration
5. Operations Committee Administration
6. Management Committee Administration
7. Administer WWSS Board of Commissioners Meetings
8. Contingency

The proposed FY2023 budget for the WWSS is:

Personnel Services (WWSS)	\$0
Materials & Services (WWSS)	\$1,197,410
Capital Outlay (WWSP)	\$372,643,578
General Operating Contingency (WWSS)	\$100,000
Total Appropriations	\$373,940,988

The details in the materials and services category includes:

Operating Expense	\$404,450
Professional Services	\$675,690
Insurance	\$30,300
Business Expense	\$5,250
Property Maintenance	\$40,000
Audit	\$10,670
Locates	\$31,050
Total Materials & Services	\$1,197,410

The WWSS IGA provides the methodology for allocating the materials and services line items to the parties. Specifically, the IGA provides two allocation techniques: one for administration costs, the other for other operating costs. During this preoperational period, the WWSS Finance Committee has recommended that all materials and services costs be treated as Administration, until the operational plans have been completed, and costs can be segmented as either administrative or operational.

The IGA allocates Administration costs to the parties based on two weighted factors. The first weighted factor is equal shares. That is, each of the three parties is allocated one-third of the costs recovered based on equal shares. The second factor is based on percentage ownership. For Administration costs, the two factors are weighted 25% based on equal shares and 75% based on ownership. The weighted allocations factors by party are:

Party	Weighted Allocation %	Weighted Allocation \$
Beaverton	12.07%	\$144,527
Hillsboro	35.40%	\$423,883
Tualatin Valley Water District	52.53%	\$629,000

The costs for capital outlay are allocated based on the ownership shares of each party in the project being built, per WWSS IGA Exhibit 1.

Recommended Approval:

WWSP recommends Board adoption of the FY2023 Annual Work Plan and Budget, and approval of Baseline 7.0.

Budget Impact:

The resolution establishes the FY2023 WWSS Annual Work Plan and Budget. The impact of adopting the resolution is to establish appropriations for the WWSS of \$1,197,410 for materials and services, \$372,643,578 for capital outlay for the WWSP, and \$100,000 for general operating contingency for the WWSS for 2022-23 fiscal year. In addition, it establishes the Capital Improvement Program through Baseline 7.0 of \$1,606,547,681.

Staff Contact Information:

David Kraska, P.E., Willamette Water Supply Program Director; 503-941-4561; david.kraska@tvwd.org

Attachments:

- Proposed Resolution
- Exhibit 1: Annual Work Plan for FY2023
- Exhibit 2: Budget for FY2023
- Exhibit 3: Baseline 7.0

Willamette Water Supply System Commission

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RESOLUTION NO. WWSS-03-22

A RESOLUTION ADOPTING THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION ANNUAL WORK PLAN AND BUDGET FOR THE 2022-23 FISCAL YEAR AND APPROVING THE CAPITAL IMPROVEMENT PLAN BASELINE BUDGET 7.0

WHEREAS, pursuant to Article 5.4.4 of the Willamette Water Supply System (WWSS) Intergovernmental Agreement (IGA), the Board of Commissioners (Board) shall annually adopt a budget (Budget); and

WHEREAS, pursuant to Article 5.4.6 of the WWSS IGA, the Board shall annually adopt a work plan (Annual Work Plan) in association with the annual Budget; and

WHEREAS, pursuant to Article 5.4.7 of the WWSS IGA, the Board shall annually approve the capital improvement plan (Baseline 7.0) in association with the annual Budget; and

WHEREAS, pursuant to Article 6.6.1 of the WWSS IGA, the Managing Agency prepared a proposed Annual Work Plan and corresponding proposed annual Budget; and

WHEREAS, pursuant to Article 8.1 of the WWSS IGA, the Board shall strive to adopt the Budget by resolution in April of each year; and

WHEREAS, pursuant to Article 8.3 of the WWSS IGA, the Managing Agency prepared capital improvement plan budget projections for at least the subsequent four Fiscal Years following the current fiscal year which is attached hereto as Baseline Budget 7.0; and being so advised

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE WILLAMETTE WATER SUPPLY COMMISSION THAT:

Section 1: The Board of the Willamette Water Supply System Commission hereby adopts the Annual Work Plan for the 2022-23 fiscal year, attached hereto as Exhibit 1 and incorporated by reference.

Section 2: The Board of the Willamette Water Supply Commission hereby adopts the Budget for the 2022-23 fiscal year, attached hereto as Exhibit 2, and incorporated by reference.

Section 3: The Board of the Willamette Water Supply Commission hereby approves the capital outlay plan set forth in Baseline 7.0, attached hereto as Exhibit 3, and incorporated by reference.

Section 4: That the Budget will be allocated to the individual WWSS Parties according to the requirements of the WWSS IGA.

Section 5: The Managing Agency will invoice the allocated amounts set forth herein from the individual WWSS Parties in accordance with the WWSS IGA.

Willamette Water Supply
Our Reliable Water

Approved and adopted at a regular meeting held on the 3rd day of March 2022.

David Judah, Chair

James Duggan, Vice Chair

Proposed

Exhibit 1

WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET
March 3, 2022

INTRODUCTION

The Willamette Water Supply System (WWSS) includes all water supply system infrastructure facilities beginning at the Willamette Intake Facilities (WIF) System Separation Point and continuing to the Points of Delivery (turnouts). The WWSS comprises the raw water pump station, raw water pipeline, water treatment plant, finished water pipelines, finished water storage, and related facilities that serve potable water to TVWD, Hillsboro, Beaverton, and potentially other municipal water providers. The WWSS is currently owned by three parties: the cities of Beaverton and Hillsboro and the Tualatin Valley Water District (TVWD). The WWSS Intergovernmental Agreement (IGA) establishes the general operating procedures for the WWSS Commission, including designating TVWD as its managing agency (MA).

This document represents the scope of work (SOW) and budget for the MA for the 2022-23 fiscal year (FY 23). The primary objectives of this effort include:

- Prepare an annual work plan and corresponding budget for FY 24.
- Perform the duties described herein and other duties as directed by the Board.
- Provide leadership, administration and staffing in support of the Board and committees such as the Management Committee, Operations Committee, and Finance Committee; administration of the Board meetings; and required public meeting notices and duties.
- Maintain records in accordance with public records laws.
- Complete finance procedures for the WWSS Commission.
- Provide capital project management through WWSP for delivery of the WWSS by 2026, including the annual Capital Improvements Plan (Baseline 7.0).
- Review and refine chapters of the draft Operations Plan, in coordination with the Parties.
- Procure and manage appropriate insurance coverages and fidelity coverages, in accordance with the insurance requirements.
- Approve, execute, and administer contracts, subject to the contracting rules and direction of the Board within the set limits.
- Acquire real property by negotiation, lease sale, or condemnation.
- Acquire IGAs and permits.
- Provide public communications and outreach, including response to public information, media or records requests and public affairs support.
- Identify, track, and report on key performance indicators and level of service goals.

SCOPE OF WORK

1. General Administration

The MA is responsible for managing the business affairs of the Commission. The MA shall perform the general administrative activities as described below:

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET**

March 3, 2022

- a. Administration of Infrastructure Operations and Maintenance
 - i. Plans Development - The WWSS IGA identifies six WWSS plans to be drafted by the MA: 1) Capital Improvements Plan, 2) Master Plan, 3) Operations Plan, 4) Emergency Response Plan, 5) Curtailment Plan, and 6) Overuse Plans.
 - ii. To date, the MA has updated the Baseline each year and that serves as the Capital Improvements Plan for the following year. The MA has also led the initial outline development of the Operations Plan including drafting chapters. All other plans will be drafted in future years.
 - iii. For FY23, the MA will continue drafting the Operations Plan (the draft of which is to be completed in calendar year 2023) in coordination with the Parties.
- b. Records Management – Maintain a location for all relevant WWSS-related records on the TVWD information technology (IT) infrastructure. Follow Oregon statutes regarding records maintenance, management, and disposal.
- c. Asset Management – Asset management procedures for the WWSS are included in the Operations plan and are under development. The MA will also provide system locating services and records management for completed projects as needed.
- d. Warranty Management – Follow established warranty management procedures for the WWSS and provide such services as needed.
- e. Property Management – Draft property management procedures for the WWSS and provide required services for currently owned properties.
- f. Contracts – Draft and execute new contracts, manage existing contracts, and close completed contracts subject to the contracting rules and direction of the Board within the limits set forth on IGA Exhibit 5.
- g. Real Property Acquisition – The MA is responsible for securing the needed real property to facilitate system construction and maintenance. Secure real property in support of project construction.
- h. IGAs, Permits, and Other Assets – The MA is responsible for negotiating the IGAs and obtaining the permits to facilitate system construction for FY 23.
- i. Responding to Requests – When requests for WWSS-related information are made by the public or the media, coordinate a response with the other WWSS Parties as appropriate. Requests for public records will be responded to in keeping with TVWD’s established public information request policy. The MA will notify the WWSS Operations Committee members when a public information request is received and when it is fulfilled.
- j. Communications and Public Outreach
 - i. Responding to Requests – When requests for WWSS-related information are made by the public or the media, coordinate a response with the other WWSS Parties as appropriate.
 - ii. Public Affairs – The MA will provide intergovernmental coordination services through a private consultant.
- k. Legislative Updates
 - i. Provide quarterly updates on legislative activities relevant to water within the Willamette basin to the

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET**

March 3, 2022

Management Committee.

- i. Legal Services
 - ī. Provide legal services as required in the performance of MA duties for the WWSS Commission including supporting the preparation and execution of IGAs and project agreements as well as support for real estate transactions.
- m. General
 - ī. Maintain a current contact list of the WWSS Board and alternates, the Operations Committee, the Finance Committee, and the Management Committee.

2. Capital Projects Management

The MA is responsible for managing the capital improvement projects for the WWSS undertaken by the WWSS Commission. The WWSS has agreed to perform Ancillary Projects to allow use of MA resources to oversee and manage design and construction of a project that delivers water from a direct connection to the WWSS to that Party's water system.

- a. Capital and Ancillary Projects for FY 23 as presented in Exhibit 3 – Baseline 7.0.

3. Annual Work Plan and Budget Development

The MA is responsible for preparing and managing the Annual Work Plan and corresponding annual budget.

- a. Coordinate with the Operations and Finance committees to prepare the draft Annual Work Plan and Budget for FY 24.
- b. Prepare Management Committee Review Draft and present at a regularly scheduled meeting.
- c. Prepare Final FY 24 Annual Work Plan and Budget for Presentation to WWSS Board.

4. Finance Committee Administration

The Finance Committee provides recommendations to the Management Committee on the proposed annual budget, capital improvement plan including resource availability and timing, and other financial policies. The MA, which is responsible for financial planning and management for the WWSS Commission, will conduct the following tasks:

- a. Coordinate with the Finance Committee in hiring consultants to develop financial procedures to replace the interim procedures and obtain WWSS Board approval.
- b. Prepare an annual budget preparation calendar.
- c. Prepare monthly invoices.
- d. Prepare quarterly financial reports. Financial reports will be provided to the WWSS Board as part of the Board packet in the month following the reports' issuance.
- e. Provide routine accounting and financial management including payment of accounts payable for expenses incurred on behalf of the WWSS Commission.
- f. Prepare and submit monthly or weekly remittance advices for payment of capital costs associated with constructing the WWSS.
- g. Prepare and invoice dues for each WWSS Party monthly.

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET**

March 3, 2022

- h. Provide insurance, pursuant to IGA Article 28.3 and referenced Exhibit 11, for the WWSS.
- i. Administer Committee Meetings
 - i. When the Finance Committee meets independently of the other committees, the MA shall be responsible for administering the Finance Committee meetings, including:
 - Schedule each meeting with the attendees via email. Provide email reminders for each meeting.
 - Coordinate meeting logistics including meeting room set up, breakdown, and clean up.
 - Prepare draft agendas for each meeting and submit to attendees for review one week prior to each meeting.
 - Prepare brief meeting notes capturing decisions and action items.
- j. Annual Audit – The MA will facilitate an independent financial review of the WWSS Commission’s activities up to the time of the audit. Facilitation of this audit is assumed to entail the following:
 - i. Contract with TVWD’s auditor for purposes of conducting the independent financial review.
 - ii. Oversee execution of the review, including providing access to accounting records and WWSS Commission-related transactions and reports.
 - iii. Distribute and facilitate communication of the financial review findings.
 - iv. Prepare and submit required regulatory findings, if any, with the State of Oregon.

5. Operations Committee Administration

The Operations Committee considers issues as directed by the Management Committee as stipulated in the WWSS IGA and supports development of the Operations Plan and other associated plans. The MA shall be responsible for administering the Operations Committee meetings.

- a. Administer Committee Meetings – Conduct monthly meetings with Operations Committee. The MA will provide the following support for these meetings, all of which are assumed to occur at the TVWD Board Room, or via Microsoft Teams:
 - i. Schedule each meeting with the attendees via email. Provide email reminders for each meeting.
 - ii. Coordinate meeting logistics including meeting room set up, breakdown, and clean up.
 - iii. Prepare draft agendas for each meeting and submit to attendees for review one week prior to each meeting.
 - iv. Prepare brief meeting notes capturing decisions and action items.

6. Management Committee Administration

The Management Committee provides input and recommendations to the MA on policies, planning, operations, capital projects, contract awards, etc. with the goal of achieving consensus recommendations within the Management Committee. The Management Committee members will also serve as the liaison to each of their governing bodies and shall be charged with authority to act on behalf of the governing body as stipulated within the WWSS IGA. The MA shall be responsible for administering the Management Committee meetings.

- a. Administer Committee Meetings – Conduct twice monthly meetings of the Management Committee. The MA will provide the following support for these meetings, all of which are assumed to occur at either the

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET**

March 3, 2022

TVWD Board Room, or at a conference room at the Willamette Water Supply Program office, or via Microsoft Teams:

- i. Schedule each meeting with the attendees via email. Provide email reminders for each meeting.
- ii. Coordinate meeting logistics including meeting room set up, breakdown, and clean up.
- iii. Prepare draft agendas for each meeting and submit to attendees for review one week prior to each meeting.
- iv. Prepare brief meeting notes capturing decisions and action items.

7. Administer WWSS Board of Commissioners Meetings

The Board shall manage the business and affairs of the Commission for the mutual benefit of all Parties. The powers and duties of the Board are as described in the WWSS IGA. The MA shall be responsible for conducting the Board meetings as described herein:

- a. Administration of Commission Meetings
 - i. Schedule monthly WWSS Board meetings starting in July 2022 and for each month until June 2023. All meetings are assumed to be held at the TVWD Board Room, or via Microsoft Teams.
 - ii. Draft agendas for each meeting in coordination with the Management Committee and the WWSS Commission Board Chair.
 - iii. Post public notice of meetings and agendas on the Commission web page and make a public notice available to each party for posting at the party's offices.
 - iv. Email calendar invites for all FY 23 meetings in July 2022 and email reminders of upcoming meetings one week prior to the meeting.
 - v. Prepare and electronically distribute meeting agenda packets to the Board and Finance Committee one week prior to meetings.
 - vi. Host twelve Board meetings and up to four special Board meetings, including coordinating meeting room set up, breakdown, and clean up.
 - vii. Arrange for a boxed meal to be provided during meetings.
 - viii. Draft speaking points for Board Chair.
 - ix. Make an audio recording of all Board meetings.
 - x. Prepare and distribute draft meeting minutes as part of the Board meeting packets.
 - xi. Post meeting minutes to the WWSS Commission web page.

8. Contingency

This task provides an allowance of approximately 10 percent of the total annual Operating Expenses budget to provide funds for WWSS Commission related work that is not identified at the time when the Annual Work Plan and Budget were prepared. In such situations, the MA will present a request to the MC to use contingency funds, including the purpose and amount of funds requested. Following approval by the MC, approval will also be obtained from the Board.

Exhibit 1

WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET

March 3, 2022

STAFFING PLAN

The proposed staffing plan for the FY 23 services is reflected in the proposed budget. This staffing plan includes five categories of labor from both TVWD and City of Hillsboro (COH) staff. Specific staffing categories and representative staff positions include:

- **General Manager:** this category is limited to the Willamette Water Supply Program Director.
- **Department Manager:** this category may include TVWD's Chief Financial Officer, General Counsel, Chief Engineer, JWC and/or WWSS Water Treatment Plant Manager, WWSP Assistant Program Director, and WWSP Permitting and Outreach Manager.
- **Professional:** this category may include senior professional staff such as TVWD's Financial Operations Manager, Senior Engineer, Risk Management Coordinator, Senior Management Analyst, Water Resources Manager, WWSS Water Treatment Coordinator, WWSP Communications Supervisor, and WWSP Financial Manager.
- **Technician:** this category may include a wide variety of technical and para-professional staff including TVWD Communications Coordinators, District Recorder, Engineering Associates, Management Analyst, Water Quality Specialists, and Accountants.
- **Administrative Support:** this category may include the Executive Assistant and Administrative Assistant positions.

Not all staffing categories or positions are used for all tasks or assignments. Instead, specific staff will be engaged as needed based on the demands of the given task and the expertise of available staff. As such, staff resources represent a deep pool from which the Commission can efficiently draw upon. The diverse range of knowledge, skills and abilities represented by these five categories is intended to allow assignments to be completed at the lowest cost and provide the highest value for the WWSS Commission.

ASSUMPTIONS

Additional services by the MA and special projects beyond the above scope and proposed budget will be specifically directed, authorized, and funded by the WWSS Commission Board.

The proposed scope of services and budget are limited to services provided in FY 23 and do not establish a cap, or precedent for services and funding requirements for future years.

Future funding requirements will be based on Board-approved work plans and scopes of work.

All meetings may be held online as deemed appropriate by the MA. If in-person meetings are convened, including but not limited to Commission Board meetings, Management Committee meetings, Finance Committee meetings, and Operations Committee meetings, they will be held at TVWD's office or the WWSP Program Management Office, both in Beaverton.

Committee meetings shall be considered technical meetings and Commission Board meetings shall be considered public meetings.

Exhibit 1

**WILLAMETTE WATER SUPPLY SYSTEM
ANNUAL WORK PLAN – FY23 SCOPE OF WORK AND BUDGET**

March 3, 2022

For Commission meetings, TVWD will provide logistical support, as needed, such as meeting room set-up, audio visual equipment, and meeting room clean-up. A boxed meal shall be provided for each of the four attendees per agency, and for up to four other attendees from the MA when meeting in-person.

The level of effort (e.g., staff hours) will generally be consistent with the proposed MA budget for FY 23. The MA shall manage the use of budgeted labor hours and expenses as the MA deems necessary to fulfill the scope of work. The MA will control the scope of work in coordination with the Finance and Operations Committees. Any significant anticipated changes to the scope of work will first be vetted by the MA with the Finance and Operations committees. In the event the level of effort significantly exceeds the anticipated budget, the MA will coordinate with the Management Committee to identify appropriate response strategies, including supplemental budget requests, or use of contingency funds (Task 8) for consideration by the Board and MA staff.

BUDGET

The following proposed budget is based on the assumed scope of services and staffing plan as outlined above. Hours in the proposed budget include only those hours that are anticipated to be in addition to TVWD's participation in the Commission as a Party. Labor rates, by category, are based on direct salary plus burden, direct overhead, and indirect overhead.

Willamette Water Supply System Commission

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**Exhibit 2 - Revised
WILLAMETTE WATER SUPPLY SYSTEM**

Historical Data			Personnel Services	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22	Detailed Description	Proposed FY23	% Change from FY22
\$0	\$0	\$0	Fund Total - WWSS General Services	\$0	N/A
\$0	\$0	\$0	Total Personnel Services	\$0	N/A

Historical Data			Materials & Services	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22	Detailed Description	Proposed FY23	% Change from FY22
\$518,361	\$664,222	\$1,265,666	Fund Total - WWSS General Services	\$1,197,410	-5.4%
\$518,361	\$664,222	\$1,265,666	Total Materials & Services	\$1,197,410	-5.4%

Historical Data			Capital Outlay	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22	Detailed Description	Proposed FY23	% Change from FY22
\$62,479,807	\$94,053,440	\$176,355,996	Fund Total - WWSS General Services	\$372,643,578	111.3%
\$62,479,807	\$94,053,440	\$176,355,996	Total Capital Outlay	\$372,643,578	111.3%

Historical Data			Transfers and Contingency	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22	Detailed Description	Proposed FY23	% Change from FY22
\$0	\$0	\$126,000	Fund Total - WWSS General Services	\$100,000	-20.6%
\$0	\$0	\$126,000	Total Transfers and Contingency	\$100,000	-20.6%

Historical Data			Total Appropriations	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22	Detailed Description	Proposed FY23	% Change from FY22
\$62,998,168	\$94,717,662	\$177,747,662	Total Fund Appropriations	\$373,940,988	110.4%

Historical Data			WWSS Division Summary Materials & Services General Services Division	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22	Detailed Description	Proposed FY23	% Change from FY22
\$160,739	\$118,264	\$489,496	Operating Expense	\$404,450	-17.4%
\$295,476	\$474,392	\$662,100	Professional Services	\$475,690	-28.2%
\$32,078	\$27,898	\$33,700	Insurance	\$30,300	-10.1%
\$1,857	\$26	\$5,070	Business Expense	\$5,250	3.6%
\$25,762	\$22,961	\$35,000	Property Maintenance	\$40,000	14.3%
\$0	\$15,250	\$10,300	Audit	\$10,670	3.6%
\$2,449	\$5,430	\$30,000	Locates	\$31,050	3.5%
\$518,361	\$664,222	\$1,265,666	Total WWSS Division Summary	\$997,410	-21.2%

WWSP Program Forecast Report
For WWSP Use Only

Baseline 7.0 Official Release

WWSP Projects	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Forecast	FY 2023 Forecast	FY 2024 Forecast	FY 2025 Forecast	FY 2026 Forecast	FY 2027 Forecast	Forecast Total (Estimate at Complete)
WTP 1.0 Willamette Water Treatment Plant	-	-	-	150,758	4,970,114	6,525,163	7,023,108	14,808,457	108,142,858	182,044,340	149,792,167	27,674,682	-	501,131,647
RWF 1.0 Raw Water Facility	-	-	96,405	1,895,608	3,907,422	3,341,184	32,927,180	22,165,756	22,326,668	41,795,157	2,038,537	-	-	130,493,918
PLM 1.0 WTP to Day Road	-	-	90,115	1,886,085	1,876,292	5,459,633	9,533,201	4,829,149	30,656,170	14,081,632	616,808	-	-	69,029,085
PLM 2.0 Kinsman Road	348,109	313,030	3,900,969	546,918	99,692	110	-	-	-	-	-	-	-	5,208,827
PLM 3.0 SW 124th Avenue Extension	(1,219)	3,446,072	1,258,176	7,273,216	2,235,519	410,611	-	-	-	-	-	-	-	14,622,375
PLM 4.0 124th to Beef Bend Road	-	23,749	2,247,185	1,336,570	767,319	998,123	3,049,373	8,274,896	69,766,945	49,579,135	7,421,506	354,122	-	143,818,924
PLM 5.0 Beef Bend to Farmington	-	-	1,434,218	2,965,639	4,867,050	26,478,339	13,285,660	2,888,970	1,748,495	1,741,611	1,163,369	-	-	56,573,350
PLM_5.3 Construction	-	-	-	-	-	-	237,274	2,677,564	36,070,068	32,756,306	2,152,071	-	-	73,893,283
RES 1.0 Storage Reservoirs	-	-	-	79,137	19,137	1,114,081	3,460,595	7,992,694	34,979,088	33,566,372	5,361,124	-	-	86,572,228
PLW 1.0 Farmington to Frances	-	115,033	4,967,474	3,233,188	4,334,174	2,107,036	16,044,032	19,169,146	11,510,138	2,817,757	-	-	-	64,297,978
PLW 2.0 Frances to Hwy 26	-	-	-	-	18,292	2,525,553	2,392,605	952,870	8,091,744	8,418,146	3,550,925	-	-	25,950,134
CoH_1.0 City of Hillsboro	-	-	-	-	-	31,943	40,521	348	-	-	-	-	-	72,812
MPE 1.0 Metzger Pipeline East	-	-	-	973,238	959,750	2,410,868	3,358,457	34,155,391	48,593,575	30,583,762	3,845,558	-	-	124,880,599
COB_1.0 City of Beaverton	-	-	-	-	-	580,171	972,411	8,508,315	8,188,441	672,400	-	-	-	18,921,738
DCS 1.0 Distribution Control System	-	-	-	-	402,468	245,786	449,542	531,785	691,289	1,681,799	1,451,144	492,018	-	5,945,831
PgM Program Management	1,711,891	1,745,508	2,219,773	2,340,167	2,577,475	2,638,444	2,811,222	3,544,610	3,570,390	3,311,866	3,311,866	3,311,866	1,649,388	34,744,465
PC Controls	244,912	533,744	1,262,585	1,180,855	1,220,562	1,474,137	1,661,430	1,789,280	2,028,070	1,595,925	1,595,925	1,595,925	794,809	16,978,160
PA Procurement	2,889	205,504	379,213	306,029	302,321	314,860	233,430	230,530	228,200	225,850	225,850	225,850	112,479	2,993,005
PE Permitting	80,256	700,521	1,507,663	1,318,672	1,779,418	3,179,875	2,918,230	1,581,550	3,025,070	1,912,589	1,912,589	1,912,589	952,515	22,781,537
MI Mitigation	-	-	-	206,150	-	630,672	30,301	1,059,250	760,780	750,380	508,850	526,650	-	4,473,033
DM Design Management	189,926	1,129,744	2,087,030	2,384,971	2,927,030	3,003,043	2,981,084	2,137,650	1,605,600	1,780,577	1,780,577	1,780,577	886,770	24,674,579
CM Construction Management	3,068	266,858	760,428	771,904	826,993	1,275,583	1,703,502	2,519,490	2,929,760	2,219,873	2,219,873	2,219,873	1,105,549	18,822,755
RE Real Estate	62,549	253,119	2,928,854	8,281,118	4,003,550	2,737,599	(128,926)	8,915,308	3,440,240	1,577,720	477,840	15,698,030	260,900	48,507,901
PR Public Outreach	619,381	434,866	913,297	851,876	874,597	805,401	878,264	1,077,430	1,155,570	1,209,871	1,209,871	1,209,871	602,544	11,842,838
LG Legal	203,299	74,257	58,683	218,071	494,980	440,365	372,999	460,280	382,650	418,739	418,739	418,739	208,542	4,170,345
IT Information Technology	23,087	25,607	24,143	17,219	12,307	4,358	4,101	20,550	21,290	23,842	23,842	23,842	11,874	236,061
NCE Non Capital Expenditures	376,722	6,047,377	437,534	39,539	(33,241)	1,331	-	-	-	-	-	-	-	6,869,263
SI System Integration	-	-	14,630	4,940	330,817	717,029	764,793	986,720	650,450	379,992	1,332,427	3,119,119	827,876	9,128,794
MR Management Reserve	-	-	-	-	-	-	-	22,192,948	30,796,843	17,091,872	6,812,659	2,017,894	-	78,912,216
Total	3,864,872	15,314,990	26,588,376	38,261,867	39,774,037	69,451,297	107,004,388	173,470,935	431,360,394	432,237,515	199,224,118	62,581,648	7,413,245	1,606,547,681

Willamette Water Supply System Commission

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Willamette Water Supply

Our Reliable Water

4.A. Adopt Fiscal Year 2022-2023 Annual Work Plan and Budget and Approve WWSP Capital Improvement Plan (Baseline 7.0) – *Toby LaFrance*

WWSS Commission Board Meeting
March 3, 2022

1

Outline

- Preview of requested Board action
- Baseline background
- WWSP contingency and management reserve
- Proposed Baseline 7.0
- Proposed FY 2023 WWSS Annual Work Plan and Budget
- Closing considerations and commitments
- Requested Board action

2

Preview of Requested Board Action

Consider adopting an Annual Work Plan and Budget for the Willamette Water Supply System (WWSS) for fiscal year 2022-23 and approving the WWSP Capital Improvement Plan (Baseline 7.0).

3

BASELINE BACKGROUND

4

What is the Baseline?



Why adopt a Baseline and when?

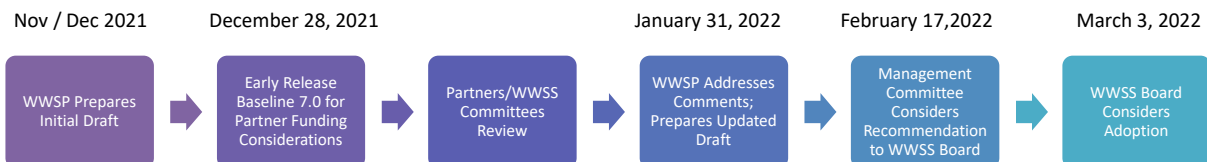
- Board to adopt a capital improvement plan (IGA Section 5 & 8)
- Component of WWSS Financial Procedures (IGA Exhibit 6)
- Part of WWSS governance (WWSS MAM)
- Updated annually and modified if needed

How is it used?

- Planning and managing work
- Establishing fiscal year budgets
- Detecting potential changes or variances
- Input to risk analysis and management
- Reporting to Board, Partners, WIFIA, and public
- Input to financial forecasting by Partners

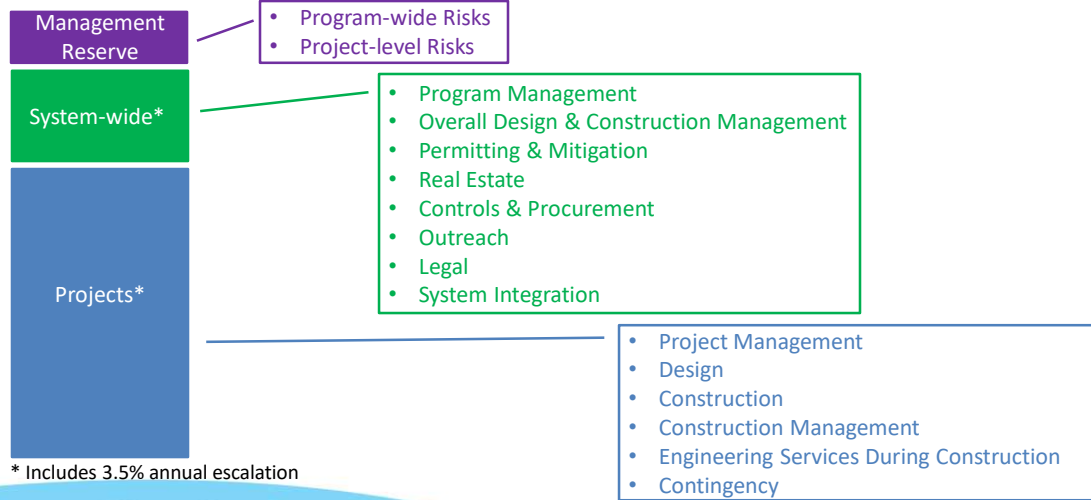
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Approach to annual Baseline preparation and review

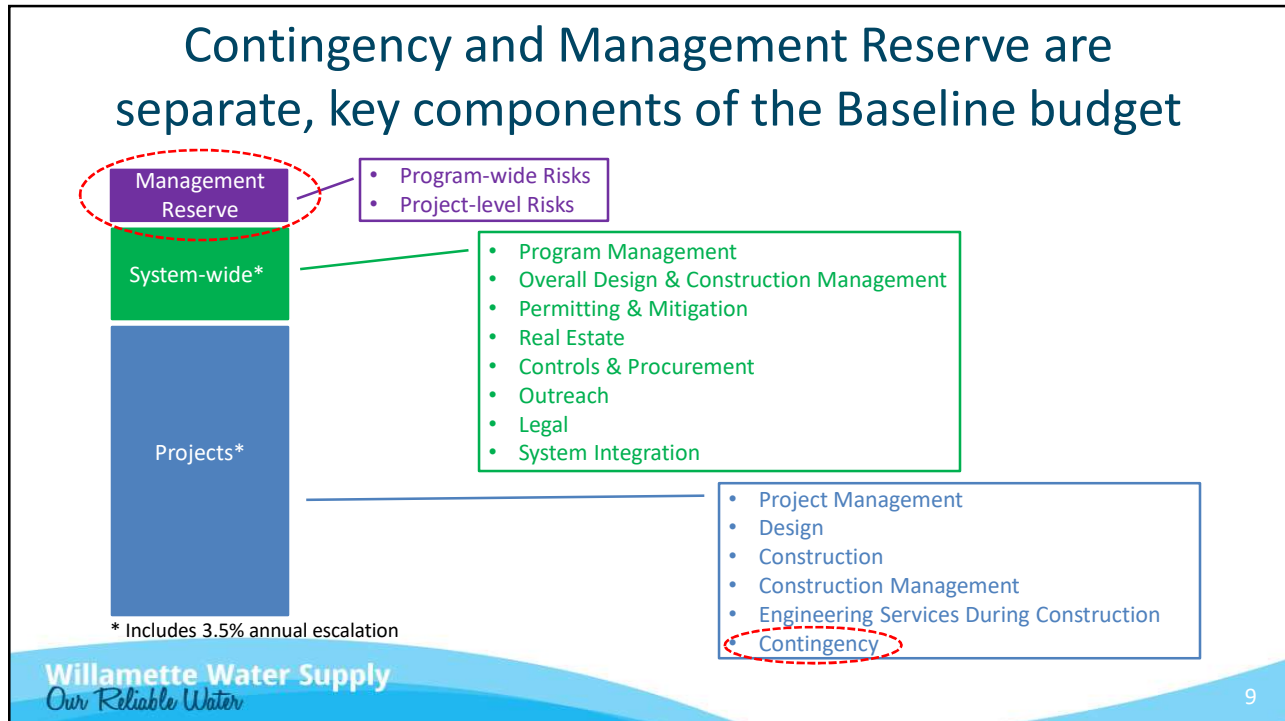


6

The Baseline cost estimate has 3 main components



WWSP PROJECT CONTINGENCY AND MANAGEMENT RESERVE



9

Examples of where Contingency and Management Reserve have been used on the WWSP

Contingency

- PLM_1.1 – additional construction duration due to city and property owner requirements resulting in extended overhead
- PLM_5.1 – Actual rock excavation quantity exceeds bid amount and results in additional construction costs
- PLM_5.2 – added accessway, additional survey during construction, and changes to pipe markers

Management Reserve

- Wilsonville Ground Lease
- Half-street improvements along SW 124th Ave
- Pipeline realignment on PLM_5.3 (credit to MR)
- Partnering costs on WCLUT IGAs beyond what was anticipated
- Project bids higher than anticipated and would underfund contingency

Willamette Water Supply
Our Reliable Water

10

10

Contingency value held in Baseline 7.0

Project Type	Construction Budget Excluding Contingency (\$M)	Contingency Budget (\$M)	Contingency % of Construction
Pipelines	\$477.8	\$33.8	7%
Facilities ¹	\$591.2	\$56.6	10%
Combined Total	\$1,069.1	\$90.4	8%

¹Construction budget includes Owner and CM/GC Contingency

11

Components of Management Reserve in Baseline 7.0



The assumptions in the Management Reserve risk analysis have been updated to reflect the current construction market conditions.



The analysis results yield a recommended Management Reserve amount that validates the initial Management Reserve estimate prepared for the Early Release Baseline 7.0 of \$55.0 million.




In addition, the \$23.9 million in projects and program reductions accrued since publishing Early Release Baseline 7.0 is added to the Management Reserve bringing the total Management Reserve up to \$78.9 million.



This is a \$26.0-million increase compared to Baseline 6.1.


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PROPOSED BASELINE 7.0

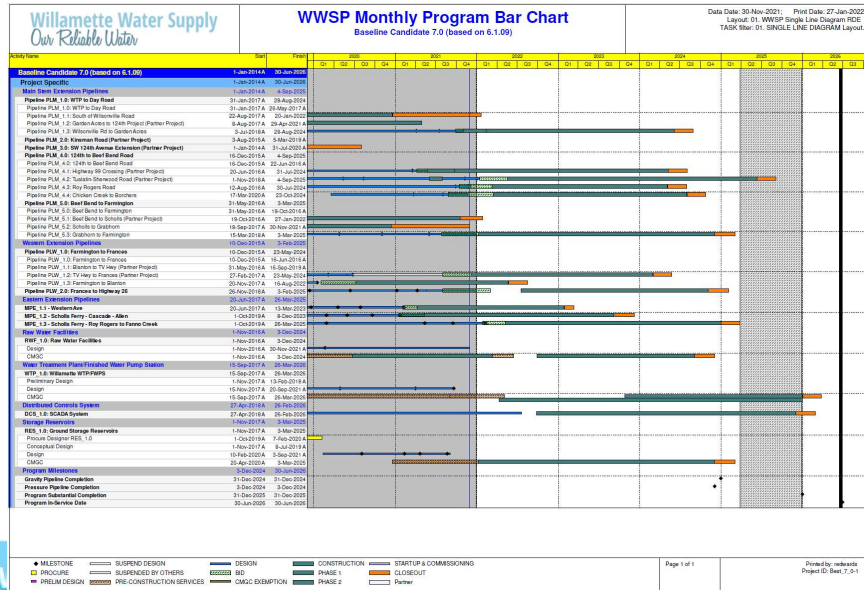

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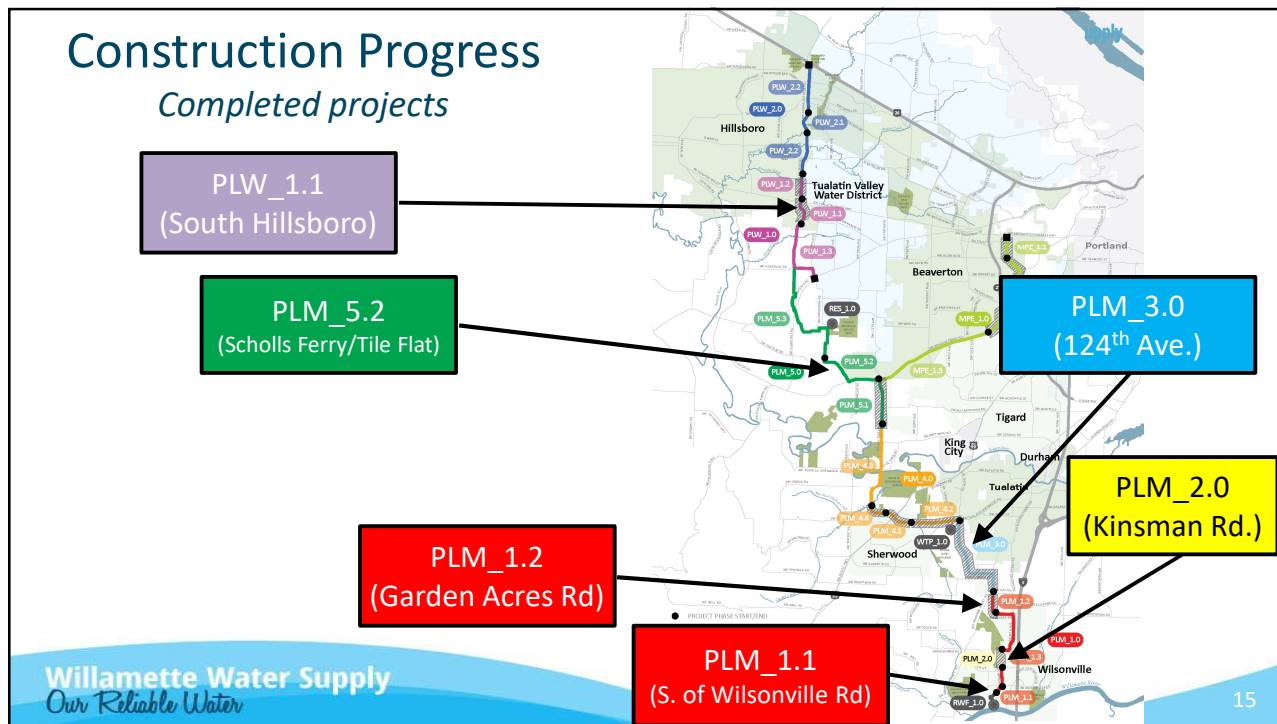
The Baseline schedule establishes work sequencing



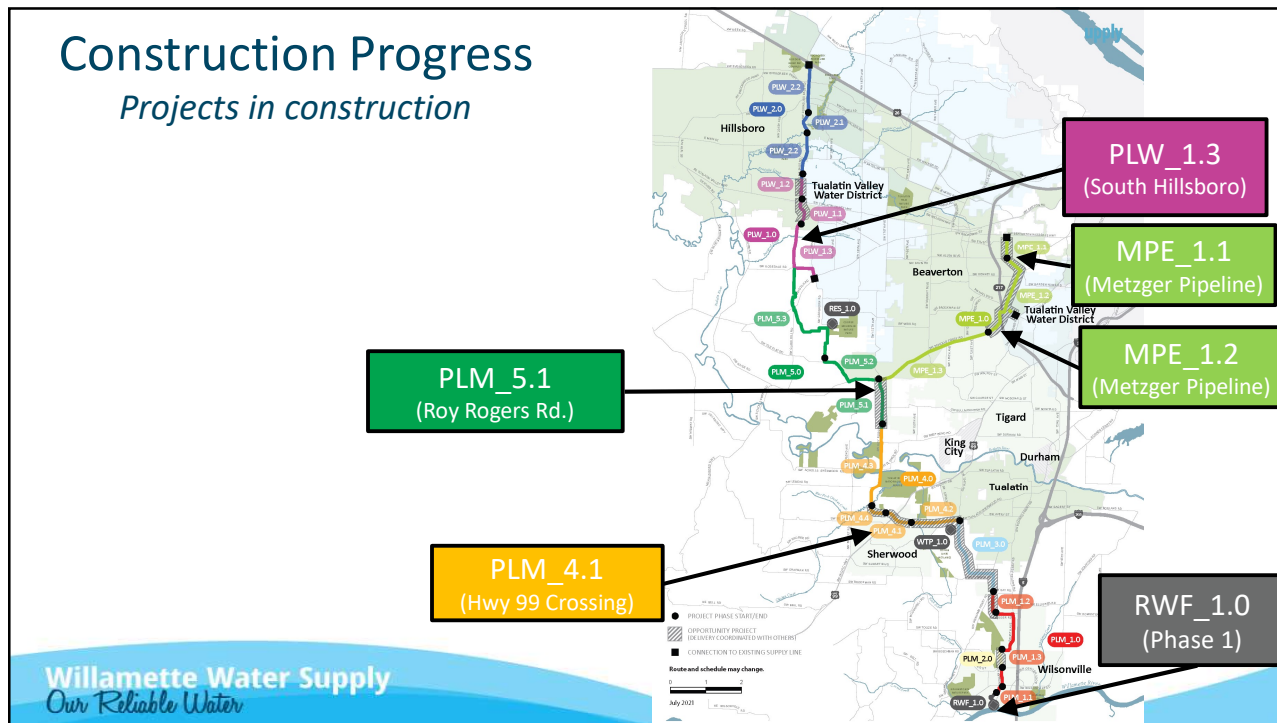
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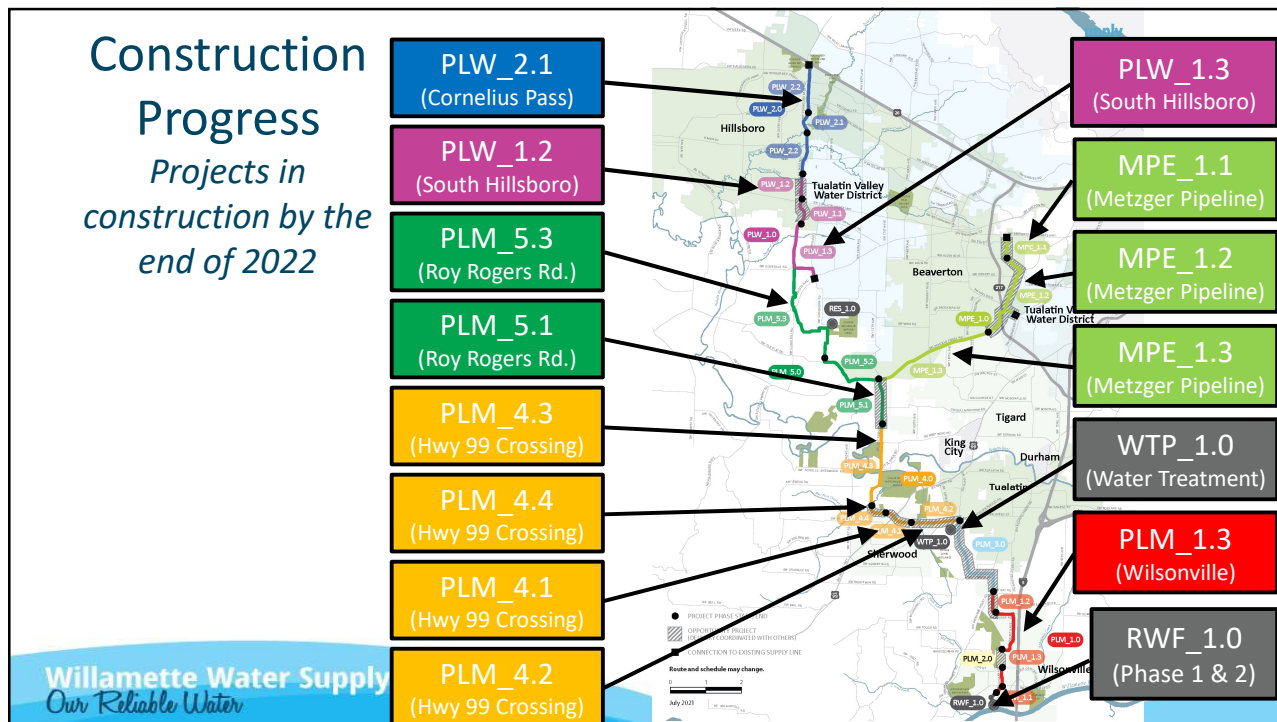
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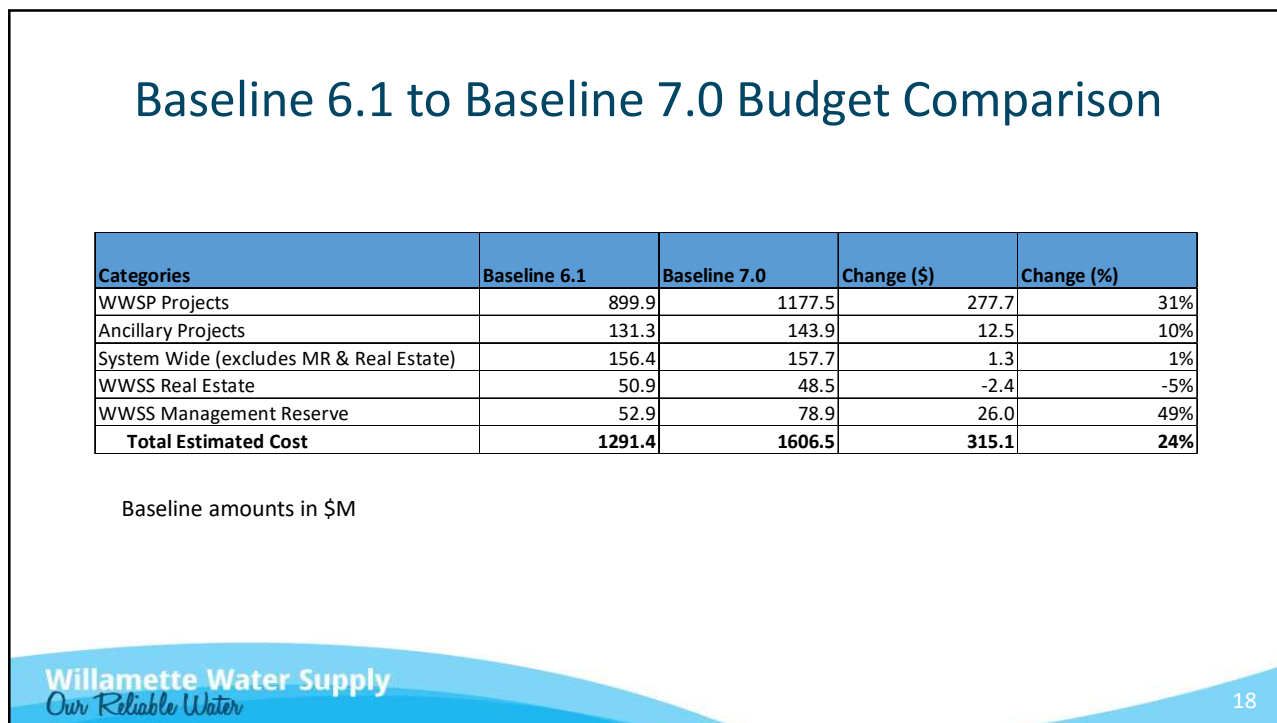
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Baseline 5.2 to Baseline 7.0 Budget Comparison

Categories	Baseline 5.2	Baseline 7.0	Change (\$)	Change (%)
WWSP Projects	953.7	1177.5	223.8	23%
Ancillary Projects	130.7	143.9	13.1	10%
System Wide (excludes MR & Real Estate)	151.6	157.7	6.1	4%
WWSS Real Estate	52.6	48.5	-4.1	-8%
WWSS Management Reserve	52.9	78.9	26.0	49%
Total Estimated Cost	1341.5	1606.5	265.0	20%

Baseline amounts in \$M

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Early Release 7.0 to Baseline 7.0 Budget Comparison

Categories	Draft Baseline 7.0 (early-release)	Baseline 7.0	Change (\$)	Change (%)
WWSP Projects	1199.5	1177.5	-22.0	-2%
Ancillary Projects	143.9	143.9	.0	0%
System Wide (excludes MR & Real Estate)	159.6	157.7	-1.9	-1%
WWSS Real Estate	48.5	48.5	.0	0%
WWSS Management Reserve	55.0	78.9	23.9	43%
Total Estimated Cost	1606.5	1606.5	.0	0%

Baseline amounts in \$M

Baseline 7.0 will be the basis for reporting after adoption.

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Baseline 7.0 Estimated Partner Cost Summary


Agency	Baseline 6.1	Baseline 7.0	Change (\$)	Change (%)
Beaverton	79.8	100.3	20.4	25.6%
Hillsboro	432.7	534.0	101.4	23.4%
TVWD	776.0	968.8	192.7	24.8%
WIF Partners	2.9	3.5	.6	20.0%
Total	1291.4	1606.5	315.1	24.4%

Note: Based on Program cost data and Baseline 6.1 cost shares, including ancillary projects. Cost shares are recalculated post-adoption.

Mitigating Inflation Risk

- Baseline 7.0 has been adjusted for the current economic condition
 - Where contracts are signed, inflation risk has shifted to contractors
 - OPCC's have been adjusted for current market
 - Baseline includes cost inflator for forecasted years
- Each project includes a 8-10% contingency
- Management Reserve exceeds 6% of forecasted costs

PROPOSED FY 2023 WWSS ANNUAL WORK PLAN AND BUDGET

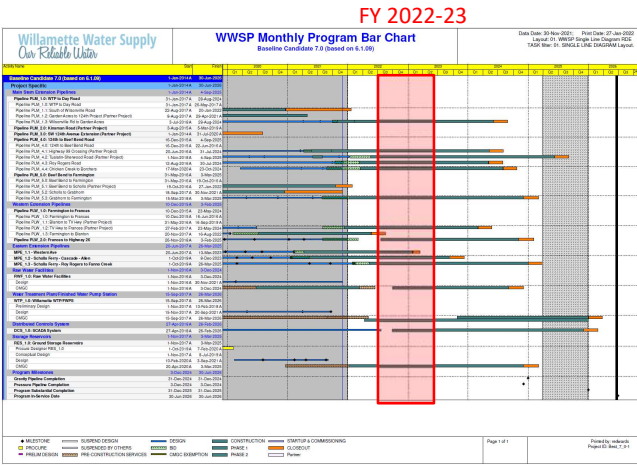

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23

Program Work Planned for FY 2022-23

- Transition program to construction activities
- Continued program management
 - WIFIA compliance and loan programs
 - Safety program
 - Communications and outreach program
 - Development of financial procedures
- Continued acquisitions
 - Real estate
 - Permits and land use approvals
- Plan
 - Water supply integration
 - Commissioning and start-up
 - Operations

FY 2022-23




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FY 2023 WWSS Budget - Revised

AWP Budget Element	FY 2023 (\$)	What it Covers
Materials and Services	1,197,410	WWSS Commission operating expenses including Board and committee meetings, locates, finance administration, plans development, property management
Capital Outlay	372,643,578	WWSP progress including systemwide Program and Construction Management, design, construction, real estate, permitting and MR
Transfers and Contingency	100,000	Allowance for unforeseen WWSS Commission expenses
Total FY 2023 Budget	373,940,988	--

Exhibit 2 for Resolution WWSS-XX-22

WILLAMETTE WATER SUPPLY SYSTEM					
Historical Data			Detailed Description	2022-23 Budget	
Actual FY20	Actual FY21	Adopted FY22		Proposed FY23	% Change from FY22
Personnel Services					
\$0	\$0	\$0	Fund Total - WWSS General Services	\$0	N/A
\$0	\$0	\$0	Total Personnel Services	\$0	N/A
Materials & Services					
\$518,361	\$664,222	\$1,265,666	Fund Total - WWSS General Services	\$1,197,410	-5.4%
\$518,361	\$664,222	\$1,265,666	Total Materials & Services	\$1,197,410	-5.4%
Capital Outlay					
\$62,479,807	\$94,053,440	\$176,355,996	Fund Total - WWSS General Services	\$372,643,578	111.3%
\$62,479,807	\$94,053,440	\$176,355,996	Total Capital Outlay	\$372,643,578	111.3%
Transfers and Contingency					
\$0	\$0	\$126,000	Fund Total - WWSS General Services	\$100,000	-20.6%
\$0	\$0	\$126,000	Total Transfers and Contingency	\$100,000	-20.6%
Total Appropriations					
\$62,998,168	\$94,717,662	\$177,747,662	Total Fund Appropriations	\$373,940,988	110.4%

CLOSING CONSIDERATIONS AND COMMITMENTS

Realizing Higher Costs

- Construction bids result in cost increase in program from \$1.3 billion to \$1.6 billion.
- Majority of projects have been bid, providing more cost certainty.
- To protect against remaining uncertainty, Management Reserve has been increased.
- Requested Baseline 7.0 Total Budget is the same as the Total Budget in the Early Release Baseline 7.0

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QUESTIONS?

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4.A. Requested Board Action

Consider adopting an Annual Work Plan and Budget for the Willamette Water Supply System (WWSS) for fiscal year 2022-23 and approving the WWSP Capital Improvement Plan (Baseline 7.0).

Willamette Water Supply System Commission

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STAFF REPORT

To: WWSS Board of Commissioners
From: David Kraska, P.E., WWSS Commission General Manager
Date: March 3, 2022
Subject: Approval of Contract with Tapani, Inc. for PLM_4.3 Pipeline Construction for the Willamette Water Supply Program

Requested Board Action:

Approve Contract 2022-040 with Tapani, Inc. in the amount of \$47,667,346 for PLM_4.3 Pipeline Construction for the Willamette Water Supply Program.

Key Concepts:

- A low bid selection process was used for this procurement and the Invitation to Bid (ITB) was published on December 10, 2021
- Four firms participated in proprietary meetings to ask questions about the project and submitted forms indicating their intent to respond to the ITB. Four bids were received and opened publicly on January 19, 2022. All the submitted bids met the minimum qualifications requirements for a responsive bidder
- The Bid Tab was populated and analyzed for cost errors, ambiguities, apparent unbalance of unit pricing, apparent front-end loading, and pricing that is commensurate with current market conditions (i.e., other bidders and historical bids)
- Tapani, Inc. was identified as the low responsive bidder based on all evaluations
- Limited Notice to Proceed for the construction services is planned upon approval and execution of the contract
- Approval of the proposed contract and recommended contingency budget, the total of which is less than both the current Baseline 6.1 and the Early Release Baseline 7.0, is requested

Background:

The PLM_4.3 project includes installation of approximately 13,200 linear feet of 66-inch welded steel water pipeline, including two trenchless crossings, and the installation of a structural retaining wall. The trenchless crossings include the installation of a steel casing to contain the 66-inch welded steel water pipeline. The PLM_4.3 project alignment follows SW Roy Rogers Road, beginning just south of Chicken Creek at the northern terminus of PLM_4.4, and ends at the UGB line north of SW Beef Bend Road where it will connect to the PLM_5.1 pipeline.

Budget Impact:

The contract amount, \$47,667,346, with a recommended project contingency of ten percent, is included in Baseline 7.0 Official Release. The contract amount including contingency is less than the current Baseline 6.1 and the Early Release Baseline 7.0 due to lower than anticipated pipe material and installation cost, as well as lower cost for trenchless crossings.

Approval of Contract with Tapani, Inc. for PLM_4.3 Pipeline Construction for the Willamette Water Supply Program
 March 3, 2022
 Page 2 of 2

The table below provides information on the existing and proposed baseline budgets, the contract price, and the recommended contingency.

Baseline 6.1 Construction + Contingency Budget	\$61,427,274
Baseline 7.0 (early release) Construction + Contingency Budget	\$76,050,422
Total Contract Price	\$47,667,346
Recommended Project Contingency (10%)	\$4,766,735
Total Estimated Cost	\$52,434,081
Baseline 7.0 Official Release Construction + Contingency Budget	\$52,434,081

The following is a summary of the estimated share of the construction cost (including project contingency) by WWSS partner:

Estimated Partner Share	Total \$52,434,081
<i>TVWD Estimated Share¹</i>	\$30,895,854
<i>Hillsboro Estimated Share¹</i>	\$18,924,364
<i>Beaverton Estimated Share¹</i>	\$2,613,863
¹ Based on overall project ownership percentage from Baseline 6.1 budget and WWSS IGA.	

Staff Contact Information:

David Kraska, P.E., WWSP Program Director; 503-941-4561; david.kraska@tvwd.org

Mike Britch, P.E., WWSP Engineering & Construction Manager; 503-941-4565; mike.britch@tvwd.org

Attachments:

- Exhibit 1: Contract 2022-040
- Exhibit 2: Bid Tab Summary

EXHIBIT 1

Willamette Water Supply
Our Reliable Water

PROJECT TITLE: PLM_4.3- PIPELINE CONSTRUCTION

CONTRACT NUMBER: 2022-040

Between
Willamette Water Supply System Commission

And

Tapani, Inc.

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**CONTRACT AGREEMENT
ON THE BASIS OF A STIPULATED PRICE
For Contract # 2022-040**

THIS CONTRACT is effective as of the 3rd day of March in the year 2022 by and between Willamette Water Supply System Commission, an intergovernmental entity formed under ORS Chapter 190 (“Commission” and “Owner”), and Tapani, Inc. ("Contractor"), whose principal place of business is located at 1904 SE 6th Place, Battle Ground, WA 98604. Each one of the above may be individually referred to as a “party” and collectively referred to as the “parties.”

Owner and Contractor, in consideration of the mutual general conditions hereinafter set forth, agree as follows:

SECTION 1 - WORK

The Work includes all labor, equipment, material, testing, inspection and appurtenant components in accordance with, or reasonably inferable from, the Contract Documents ("Work").

Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

The Work of this Contract includes but is not limited to furnishing materials, labor, and equipment required for the construction of a new waterline consisting of approximately thirteen thousand two hundred (13,200) linear feet of 66-inch welded steel water pipeline and pipeline accessories within street/road right of way and within easements on private property in a commercial/industrial neighborhood. The project includes a one thousand nine hundred and forty nine foot trenchless pipeline installation across the Tualatin River and a three hundred and ninety four foot trenchless pipeline installation across Chicken Creek. These improvements include an approximately two hundred- and seventy-foot retaining wall along Roy Rogers Road. The Contractor is required to furnish all other materials, labor, and equipment including valves, vaults, and appurtenances including electrical and instrumentation controls, and to complete the work as defined in these Contract Documents.

SECTION 2 - OWNER REPRESENTATIVE

2.01 Mr. Mike Britch, has been designated as Owner’s Representative and assumes all duties and responsibilities and has the right and authority assigned to Owner’s Representative in the Contract Documents in connection with completion of the work in accordance with the Contract Documents. Owner’s Representative shall be responsible for coordinating and obtaining appropriate Owner approvals for any requested contractual changes that affect cost, schedule, technical, or any other requirements of this contract.

Mr. Britch may be contacted by phone at 503-941-4565 or by email at mike.britch@tvwd.org.

SECTION 3 - CONTRACT TIMES/MILESTONE

- 3.01** The Work shall not commence prior to the date specified in the Limited Notice to Proceed and shall be completed in accordance with the following schedule, or any extension thereof granted by Owner:

Construction Milestones	Date
Limited Notice to Proceed	03/11/2022
Notice to Proceed	06/06/2022
Milestone 1 - Substantial Completion of the Work	05/03/2024
Milestone 2 - Final Completion of the Work	07/30/2024

The Project schedule shall be developed and maintained by Contractor in accordance with the General Requirements, Specification 01 31 30 and Specification 01 32 16. The Contractor acknowledges that it has examined the timelines, Milestones and Completion Dates established in this Contract and that the time allotted for performance of each portion of the Work is adequate. The services of the Contractor and its Subcontractors shall be performed diligently and uninterruptedly to ensure the timely completion of the Milestones. Contractor's failure to achieve the Milestones and Completion Dates, as set forth above, may constitute a material breach of this Contract and Owner reserves the right to exercise all of their rights and remedies, including the pursuit of agreed upon liquidated damages.

- 3.02** *Liquidated Damages.* The parties recognize that time is of the essence for the completion of all Work under this Contract and that Owner will suffer financial loss if the Work is not completed within the Milestones and Contract Times specified in Section 3.01 above, plus any extensions thereof approved in accordance with Article 12 of the General Conditions. The parties also recognize that there are delays, expenses, and difficulties involved in proving the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as reasonable and appropriate liquidated damages for delay (but not as a penalty), Contractor agrees to pay Owner in accordance with the following:

Construction Milestones	Liquidated Damages
Substantial Completion	Five Thousand Dollars (\$5,000) for each calendar day that expires after the time specified in Section 3.01 of the Contract (or any extension thereof granted by Owner) for Substantial Completion until the Work is substantially complete as defined by the Contract Documents and approved by Owner.

Construction Milestones	Liquidated Damages
Final Completion	After Substantial Completion, if Contractor neglects, refuses, or fails to complete the remaining Work within the time specified in Section 3.01 of the Contract, for completion and readiness for final payment (or any extension thereof granted by Owner), Contractor shall pay Owner Three Thousand Five Hundred Dollars (\$3,500) for each calendar day that expires after the times specified in Section 3.01 for completion and readiness for final payment.

3.03 Owner shall recover liquidated damages by deducting the amount thereof from any monies due or payable to Contractor. In the event the remaining balance due the Contractor is insufficient to cover the full amount of assessed liquidated damages, Contractor, or its surety, if applicable, shall pay the amount due and Owner shall be entitled to any and all rights and remedies available in law or equity to recover the same.

SECTION 4 - CONTRACT PRICE

4.01 Owner shall pay Contractor for Work completed in accordance with the Contract Documents pursuant to the Schedule of Values set forth in Section 4.03. The Contract Price, shall not exceed Forty-Seven Million Six Hundred and Sixty-Seven Thousand Three Hundred and Forty-Six Dollars and Zero Cents. (\$47,667,346.00), unless authorized by Owner in accordance with Article 12 of the General Conditions. Priced items, as identified in the Schedule of Values, are firm and not subject to escalation, absent a Change Order.

4.02 In accordance with ORS 279A.120, out-of-state Contractors are required to report to the Department of Revenue the Contract Price, terms of payment, length of Contract, and other information Department of Revenue may require. Owner shall verify Contractor has satisfied this requirement prior to issuing final payment.

4.03 SCHEDULE OF VALUES

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
SCHEDULE A					
1	Pre-Mobilization	LS	1	\$450,000.00	\$450,000.00
2	Pre-Mobilization Standby	MO	3	\$5,000.00	\$15,000.00

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
3	Mobilization	LS	1	\$1,875,000.00	\$1,875,000.00
4	Demobilization	LS	1	\$500,000.00	\$500,000.00
5	Health and Safety	LS	1	\$250,000.00	\$250,000.00
6	O&M Manual	LS	1	\$25,000.00	\$25,000.00
7	Temporary Environmental Controls	LS	1	\$100,000.00	\$100,000.00
8	Stormwater, Sediment and Erosion Control	LS	1	\$1,000,000.00	\$100,000.00
9	Tree Removal and Disposal	LS	1	\$350,000.00	\$350,000.00
10	Clearing and Grubbing	LS	1	\$1,000,000.00	\$1,000,000.00
11	Fencing and Site Security	LS	1	\$50,000.00	\$50,000.00
12	Construction Survey Work and As-Builts	LS	1	\$300,000.00	\$300,000.00
13	Trench Cutoff Wall	EA	26	\$7,500.00	\$195,000.00
14	Trench Foundation Stabilization	LF	1,361	\$75.00	\$102,075.00
15	Rock Excavation	CY	1,400	\$150.00	\$210,000.00
16	Furnish and Deliver 66-inch MLPCSP, t=0.375-inch	LF	10,432	\$750.00	\$7,824,000.00
17	Furnish and Deliver 66-inch MLPCSP, t=0.4375-inch	LF	2,201	\$925.00	\$2,035,925.00
18	Furnish and Deliver 66-inch MLPCSP, t=0.500-inch	LF	391	\$1,125.00	\$439,875.00
19	Furnish and Deliver 66-inch MLPCSP, t=0.625-inch	LF	190	\$1,325.00	\$251,750.00
20	Furnish and Deliver Chicken Creek Vertical Riser, 607+99	LS	1	\$150,000.00	\$150,000.00

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
21	Furnish and Deliver Tualatin River South Vertical Riser, 658+36	LS	1	\$160,000.00	\$160,000.00
22	Furnish and Deliver Tualatin River North Vertical Riser, 678+52	LS	1	\$180,000.00	\$180,000.00
23	Install 66-inch MLPCSP, t=0.375-inch, Double Lap-Welded Joint	LF	8,209	\$650.00	\$5,335,850.00
24	Install 66-inch MLPCSP, t=0.375-inch, Butt-Welded Joint	LF	2,223	\$500.00	\$1,111,500.00
25	Install 66-inch MLPCSP, t=0.4375-inch, Butt-Welded Joint	LF	220	\$525.00	\$115,500.00
26	Install 66-inch MLPCSP, t=0.500-inch, Butt-Welded Joint	LF	132	\$600.00	\$79,200.00
27	Install 66-inch MLPCSP, t=0.625-inch, Butt-Welded Joint	LF	55	\$800.00	\$44,000.00
28	Install Chicken Creek Vertical Riser, 607+99	LS	1	\$200,000.00	\$200,000.00
29	Install Tualatin River South Vertical Riser, 658+36	LS	1	\$225,000.00	\$225,000.00
30	Install Tualatin River North Vertical Riser, 678+52	LS	1	\$400,000.00	\$400,000.00
31	Chicken Creek Jacking Shaft	LS	1	\$750,000.00	\$750,000.00
32	Chicken Creek Receiving Shaft	LS	1	\$450,000.00	\$450,000.00
33	Chicken Creek Trenchless Crossing, 80-inch min ID Steel Casing with 66-inch MLPCSP, 608+11 to 612+05	LS	1	\$2,500,000.00	\$2,500,000.00

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
34	Tualatin River Jacking Shaft	LS	1	\$2,100,000.00	\$2,100,000.00
35	Tualatin River Receiving Shaft	LS	1	\$1,125,000.00	\$1,125,000.00
36	Tualatin River Trenchless Crossing, 80-inch min ID Casing with 66-inch MLPCSP, 658+51 to 678+32	LS	1	\$9,000,000.00	\$9,000,000.00
37	Combination Air Release Valve Assembly, Type I, 6-inch valve	EA	3	\$120,000.00	\$120,000.00
38	Combination Air Release Valve Assembly, Type I, 8-inch valve	EA	1	\$130,000.00	\$130,000.00
39	Combination Air Release Valve Assembly, Type II, 6-inch valve	EA	1	\$100,000.00	\$100,000.00
40	Combination Air Release Valve Assembly, Type II, 8-inch valve	EA	1	\$115,000.00	\$115,000.00
41	Combination Air Release Valve Assembly, Type II, 10-inch valve	EA	1	\$135,000.00	\$135,000.00
42	Combination Air Release Valve Assembly, Type II, 12-inch valve	EA	2	\$160,000.00	\$320,000.00
43	30-inch Accessway with Manhole (Locations with no air valve assembly)	EA	6	\$55,000.00	\$330,000.00
44	30-inch Buried Accessway	EA	3	\$35,000.00	\$105,000.00
45	Blowoff, Type I, 8-inch	EA	4	\$50,000.00	\$200,000.00
46	Major Blowoff, 18-inch	EA	1	\$100,000.00	\$100,000.00
47	Major Blowoff, 24-inch	EA	1	\$175,000.00	\$175,000.00
48	66-inch Butterfly Valve and Associated Harness Coupling	EA	3	\$225,000.00	\$675,000.00

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
49	Interior Joint Lining of 66-inch MLPCSP	LS	1	\$225,000.00	\$225,000.00
50	Pipeline Cleaning, Testing, and Disinfection	LS	1	\$250,000.00	\$250,000.00
51	Locate Stations, Curb Markers, Concrete Markers, and Marker Posts	LS	1	\$50,000.00	\$50,000.00
52	Corrosion Protection	LS	1	\$600,000.00	\$600,000.00
53	Traffic Control, Chicken Creek Trenchless Crossing	LS	1	\$40,000.00	\$40,000.00
54	Traffic Control, SW Roy Rogers Road Nighttime Full Closure, South Crossing	LS	1	\$40,000.00	\$40,000.00
55	Traffic Control, SW Roy Rogers Road Nighttime Full Closure, North Crossing	LS	1	\$40,000.00	\$40,000.00
56	Traffic Control, Typical Daytime Lane Shifts and Typical Nighttime Lane Closure, 690+40 to 712+50	LS	1	\$70,000.00	\$70,000.00
57	Traffic Control, Intersection Work, SW Roy Rogers Road and SW Beef Bend Road	LS	1	\$70,000.00	\$70,000.00
58	Traffic Control, Typical Shoulder Closure, SW Roy Rogers Road	LS	1	\$200,000.00	\$200,000.00
59	Traffic Signal Modification, SW Roy Rogers Road and SW Beef Bend Road	LS	1	\$40,000.00	\$40,000.00
60	Connection to PLM_4.4	LS	1	\$45,000.00	\$45,000.00
61	Connection to PLM_5.1	LS	1	\$45,000.00	\$45,000.00

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
62	Fiber Optic Cable Conduit System, Open Cut Construction	LF	10,839	\$15.00	\$162,585.00
63	Fiber Optic Cable Conduit System, Trenchless Construction (Chicken Creek)	LF	394	\$45.00	\$17,730.00
64	Soldier Pile Retaining Wall, 734+00 to 736+80	LS	1	\$1,000,000.00	\$1,000,000.00
65	Chicken Creek Access Road, 613+00 to 615+00	LS	1	\$90,000.00	\$90,000.00
66	Asphalt Pavement Restoration, Roy Rogers Road	SY	750	\$200.00	\$150,000.00
67	Asphalt Pavement Driveway Restoration	SY	254	\$120.00	\$30,480.00
68	Grind and Inlay Asphalt Pavement	SY	3,014	\$ 65.00	\$ 195,910.00
69	Concrete Sidewalk Replacement	SY	65	\$170.00	\$11,050.00
70	Curb and Gutter Replacement	LF	85	\$60.00	\$5,100.00
71	Culvert Removal and Replacement	LF	545	\$130.00	\$10,500.00
72	Culvert Extension	LF	75	\$ 140.00	\$ 10,500.00
73	Existing Guardrail Removal	LF	513	\$12.00	\$6,156.00
74	Guardrail, Midwest System	LF	690	\$65.00	\$44,850.00
75	Seeding and Landscape Restoration	AC	5	\$10,000.00	\$50,000.00
76	Wetland and Riparian Restoration	SY	5,325	\$25.00	\$133,125.00
77	Temporary Driveway, 641+00	LS	1	\$15,000.00	\$15,000.00

Bid Form					
Item No.	Item Description	Unit	Qty.	Unit Price	Extended Unit Price
78	Steel Escalation / De-Escalation for Furnished Steel Pipe	TN	2,071	\$0	\$0
79	Staging Area Remobilization (Cash Allowance)	ALLOWANCE	1	\$150,000.00	\$150,000.00
80	Vibration Risk Assessment Report and Monitoring Plan	LS	1	\$40,000.00	\$40,000.00
81	Vibration Monitoring Within Each Day's Work Zone, Sta. 607+69 to 613+00	LS	1	\$40,000.00	\$40,000.00
82	Vibration Monitoring of Contractor Identified Buildings and at On-Call Locations in Response to Complaints Received	EA	3	\$5,000.00	\$15,000.00
83	Fiber Optic Cable Conduit System, Trenchless Construction (Tualatin River)	LF	1,981	\$35.00	\$69,335.00
MLPC = mortar-lined and polyurethane coated				Base Bid Total	\$47,667,346.00

All cash allowances (if any) are included in the above price and have been computed in accordance with Article 11.02 of the General Conditions.

Notwithstanding anything else in the Contract Documents to the contrary, Contractor and Owner agree and acknowledge that Contractor may be required to standby, for a period of up to three (3) months prior to issuance of the Notice to Proceed, authorizing mobilization onto the Site. For each month the Work is on a Pre-Mobilization Standby, Contractor shall be entitled to receive the Unit Price specified (or a prorated portion thereof) in the Schedule of Values for "Pre-Mobilization Standby Time", for up to a maximum of three (3) months.

SECTION 5 - PAYMENT PROCEDURES/RETAINAGE

- 5.01** Applications for Payment shall be processed by Owner's Representative as provided in Article 14 of the General Conditions. These payment terms shall also be subject to applicable discounts offered by Contractor for any reason, including the terms of any applicable price warranty. Electronic funds transfer is a means of remitting payment only and shall not be construed as limiting Owner's rights or altering any of the terms or conditions incorporated into this Contract.
- 5.02** In the event Owner disputes or contests all or any part of any Application for Payment, Owner reserve the right to; (i) request a replacement Application for Payment in its entirety or (ii) request a replacement Application for Payment stating only the disputed amount, promptly pay any undisputed amount and withhold payment of any disputed amount without waiving any of its claims or defenses to payment of the disputed amount. In the event that Contractor issues a replacement Application for Payment for any undisputed amount, it is agreed that such issuance of a replacement Application for Payment does not constitute a waiver of Contractor's rights with regard to the disputed amount.
- 5.03** *Progress Payments; Retainage.* Subject to Owner's right to withhold payment in accordance with Article 14.02 of the General Conditions, Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Application for Payment as recommended by Owner's Representative.
- 5.03.A** Pursuant to ORS.279C.555 an amount equal to five percent (5%) of the amount shown to be due the Contractor on each Application for Payment shall be withheld for Work required by the Contract Documents as retainage, including all materials and equipment not incorporated in the Work which are delivered, suitably stored and insured, and which are accompanied by documentation satisfactory to Owner as provided in Article 14.02 of the General Conditions).
- 5.04** *Final Payment.* Upon Final Completion of the Work and final acceptance of the Work in accordance with Article 14.07 of the General Conditions, Owner shall pay Contractor the amount of the withheld retainage and accrued interest, as applicable. Retainage shall be held in a Local Government Investment Pool account and accrue interest at the rate Owner receives on its funds. Contractor may choose a different method for holding the retainage in an interest-bearing escrow account, such as a bond or security, provided the administrative cost associated with such alternative shall be paid for by Contractor.
- 5.05** *Net Spend Reports.* Owner shall provide a Quarterly Net Spend Report template for Contractor to complete and submit (Exhibit F – Quarterly Net Spend Report Template) which includes, at a minimum, the following information
- Total amount spent by Contractor and each Subcontractor and Supplier for the quarter;
 - Subcontractor/Subconsultant name, address and type of service(s) provided;
 - Other business attributes that may be required by Owner.

Owner will provide a quarterly template update to Contractor by the 15th day of the last month for each calendar quarter for the entire duration of this Contract. Owner reserves the right to withhold payment, without incurring additional expense from Contractor, if Contractor fails to submit the report within fifteen (15) days of the end of each calendar quarter.

SECTION 6 - CONTRACTOR REPRESENTATIONS

Contractor makes the following representations:

- 6.01** Contractor has thoroughly examined and carefully studied the Contract Documents (including all addenda) listed in Section 8 and the other related data identified in the Invitation to Bid including “technical data.” Based upon this review and analysis, Contractor represents to Owner that it will perform all of the Work within the Contract Times and within the Contract Price in accordance with the terms of the Contract.
- 6.02** Contractor has visited the Site, performed a visual inspection, and become familiar with and is satisfied as to the general, local, and site conditions that may affect cost, progress, performance, or furnishing of the Work and represents to Owner that it will provide all of the necessary services and perform all of the Work within the requirements of the Contract Documents.
- 6.03** Contractor is familiar with and agrees it will adhere to all Laws and Regulations that may affect cost, progress, performance, or furnishing of the Work.
- 6.04** Contractor has carefully studied all reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site, including those which have been identified or made available for Owner. Contractor shall be responsible for obtaining (or assumes responsibility for not doing so), prior to commencement of the Work, any additional explorations or tests which Contractor has determined are necessary to thoroughly understand the geotechnical environment for performance of the Work. Contractor accepts the limitations of the extent to which Contractor may rely on the “technical data” contained in such reports and drawings as set forth in Article 4.02 of the General Conditions. Contractor acknowledges that such reports and drawings are not Contract Documents and may not be complete for Contractor’s purposes.
- 6.05** Contractor acknowledges that Owner and Engineer do not assume responsibility for the accuracy or completeness of information and data shown or indicated in the Contract Documents with respect to Underground Facilities at or contiguous to the Site. Contractor has or will obtain and carefully study (or assumes responsibility for having done so), prior to commencement of the Work, all such additional supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and

Underground Facilities) at or contiguous to the Site or otherwise which may affect cost, progress, performance, or furnishing of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto. Should Contractor consider that any additional examinations, investigations, explorations, tests, studies, or data are necessary for the performance and furnishing of the Work, Contractor shall bear all costs associated with obtaining, studying, and analyzing such additional examinations, investigations, explorations, tests, studies, or data. If, through such additional examinations, investigations, explorations, tests, studies, or data, it is determined that the conditions do materially so differ and cause an increase or decrease in the Contractor's cost of, or the time required for, performing any part of the Work, an equitable adjustment may be made under Article 4.03 and the Contract Times or Contract Price may be modified in writing by Change Order in accordance with Article 10.

- 6.06 Contractor is aware of the general nature of Work to be performed by Owner and others to complete the Work in accordance with the Contract Documents.
- 6.07 Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents. Contractor assumes the risk of such Site conditions and will, regardless of such conditions and the expense or difficulty in performing the Work, fully complete the Work for the stated Contract Price without recourse to Owner, whether or not an equitable adjustment is made.
- 6.08 Contractor has given Owner written Notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents and accepted the written resolution thereof by Owner, and the Contractor acknowledges that the Contract Documents are sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
- 6.09 Contractor has satisfied itself regarding the conditions applicable to the Work, such as, but not limited to: (i) conditions bearing on transportation, disposal, handling and storage of materials; (ii) the availability of water, power and road access; (iii) potential weather conditions; (iv) physical conditions of the Site; (v) the conditions of the ground and drainage thereof; and; (vi) Site ground water.
- 6.10 Contractor expressly recognizes that the Work must be completed within the time and fiscal constraints set forth in the Contract Documents and guarantees that it will perform all of the Work in accordance with the Contract Price and the Contract Times.

**SECTION 7 - WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT
(WIFIA) REQUIREMENTS**

During the performance of this contract, the contractor agrees as follows:

- 7.01** The contractor understands that the goods and services called for under this ITB are being funded with monies made available by the federal Water Infrastructure Finance and Innovation Act (“WIFIA”). Contractor agrees to comply with all applicable statutes, regulations, executive orders, and any additional terms and conditions imposed by the Environmental Protection Agency (“EPA”) in connection with WIFIA funding for the Project per Exhibit J – WIFIA Program Requirements, Exhibit K – AIS Certification Template, Exhibit L - De Minimis Tracking Worksheet Template and Exhibit M – Prevailing Wage Rate Books.

SECTION 8 - CONTRACT DOCUMENTS

The Contract Documents which comprise the entire Contract between Owner and Contractor concerning the Work consist of the following, all of which are incorporated (attached hereto or by reference) into and form the entire Contract between Owner and Contractor:

- 8.01** This Contract (Sections 1 through 9)
- 8.02** General Conditions (Articles 1 through 17) and any document expressly identified in the General Conditions as a Contract Document, if any
- 8.03** Exhibit A
- 8.04** Exhibit B – Contractor’s Bid and Documentation submitted prior to the Effective Date of the Contract
- 8.05** Exhibit C – Confidentiality Agreement
- 8.06** Exhibit D – Contractor’s qualification submittal documents in response to RFQ-PGM-0300919
- 8.07** Exhibit E – Bond Sureties: Performance Payment Maintenance
- 8.08** Exhibit F – Quarterly Net Spend Reports
- 8.09** Exhibit G – Contractor’s Insurance Certificates
- 8.10** Exhibit I – Invitation to Bid ITB-PLM-0301221-PLM_4.3 Pipeline Construction Bidding Documents and all Addenda
- 8.11** Exhibit J – WIFIA Program Requirements
- 8.12** Exhibit K – AIS Certification Template
- 8.13** Exhibit L – De Minimis Tracking Worksheet Template
- 8.14** Exhibit M – Prevailing Wage Rate Books
- 8.15** Limited Notice(s) to Proceed
- 8.16** Notice(s) to Proceed
- 8.17** The following which may be delivered or issued after the Effective Date of the Contract: Change Orders, Work Change Directives and other documents amending, modifying, or supplementing the Contract Documents pursuant to the General Conditions.
- 8.18** Attachment 1 – PLM_4.3 66-INCH WATER TRANSMISSION PIPELINE - SPECIFICATIONS
- 8.19** Attachment 2 – PLM_4.3 66-INCH WATER TRANSMISSION PIPELINE - DRAWINGS
- 8.20** Attachment 3 – PLM_4.3 FIBER OPTIC CABLE SYSTEM - DRAWINGS
- 8.21** Attachment 4 – WWSP PLM_4.3 GEOTECHNICAL DATA REPORT, SHANNON &

WILSON INC., AUGUST 2021

- 8.22 Attachment 5 – WWSP PLM_4.3 SUPPLEMENTAL GEOTECHNICAL DATA REPORT, MCMILLAN JACOBS AND ASSOCIATES, JULY 2021
- 8.23 Attachment 6 – PLM_4.3 EASEMENTS
- 8.24 Attachment 7 – Example Vibration Risk Assessment Report

There are no Contract Documents other than those listed in this Section 8. The Contract Documents may only be amended, modified, or supplemented as provided in Article 10 of the General Conditions.

Except as specifically listed, in case of any inconsistency or conflict among the provisions of the Contract and any other terms and conditions of any documents comprising the Contract Documents, the provisions of the Contract shall control. Concerning the Contract Documents, the order of precedence shall be as follows: 1) Permits, where permit requirements are more stringent than other requirements, 2) Change Orders, 3) Work Change Directives, 4) General Conditions, 5) Contract and Contract Amendments, 6) Specifications, 7) Drawings: 7.1 Enumerated dimensions take precedence over scaled dimensions, 7.2 Details take precedence over general drawings, 7.3 Change order drawings take precedence over other drawings, 7.4 Drawings take precedence over standard detail drawings, 8) Geotechnical Data Report, 9) Other Contract Documents listed in 8.01 through 8.24 above. The Contract Documents listed above represent the entire and integrated Contract between the parties hereto, and supersede prior negotiations, representations, or agreements, either written or oral.

SECTION 9 - MISCELLANEOUS

- 9.01 The Standard General Conditions of the Contract between Owner and Contractor are referred to herein as the General Conditions.
- 9.02 Terms used in this Contract, which are defined in Article 1 of the General Conditions, will have the meanings indicated therein.
- 9.03 Contractor may not assign or transfer any part of this Contract without the written consent of Owner, and then, only to an Affiliate if (1) the assignee agrees in writing to be bound by the terms of this Contract, (2) the assigning party remains liable for obligations under the Contract, and (3) the assignee accepts the condition of and responsibility for all prior Work. Any other attempt to transfer or assign is void.
- 9.04 Upon a change of control (for example, through a stock purchase or sale, merger, or other form of corporate transaction), (1) the party experiencing the change of control will provide written Notice to the other party within thirty (30) days after the change of control, and (2) the other party may immediately terminate this Contract any time between the change of control and thirty (30) days after it receives the written Notice in subsection (1).
- 9.05 Owner and Contractor each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns, and legal

representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

- 9.06** Any provision or part of the Contract Documents held to be void or unenforceable under any Laws or Regulations shall be deemed stricken and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 9.07** Owner and Contractor specifically agree that this Contract is not intended by any of its terms, provisions, or conditions to create in the public or any individual member of the public a third party beneficiary relationship, or to authorize any person not a party to this Contract to maintain suit for personal injuries or property damage pursuant to the terms, conditions or provisions of this Contract.
- 9.08** This Contract, Change Orders, and Work Change Directives may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Executed signature pages may be delivered using pdf or similar file type transmitted via electronic mail, cloud-based server, e-signature technology or other similar electronic means.
- 9.09** Contractor understands that the goods and services under this Contract are being funded with monies made available by the WIFIA program. Contractor agrees to comply with all applicable WIFIA statutes and regulations and any additional terms and conditions imposed by EPA in connection with WIFIA funding for the Project.
- 9.10** For the purposes of reviewing, monitoring, and auditing, Owner may at any time make reasonable requests to access and to view or to have their designee access and view, all records, including source data, prepared for or relied on by Contractor in the performance of this Contract.

IN WITNESS WHEREOF, Owner and Contractor, being duly authorized to commit their respective entities to the terms contained herein, execute this Contract in its entirety as of the Effective Date.

BY WILLAMETTE WATER SUPPLY SYSTEM COMMISSION

By: _____

Name: David Kraska

Title: General Manager

Date: _____

BY CONTRACTOR:

By: _____

Name: _____

Title: _____

Date: _____

GENERAL CONDITIONS

ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. ***Acts of God***—Unexpected or uncontrollable events, such as earthquakes, flood, fire, cyclone, epidemic (unless it relates to the public health threat currently posed by the novel infectious coronavirus known as - COVID-19), or other cataclysmic phenomenon of nature. Rain, wind, flood, or other natural phenomenon of intensity comparable to that recorded for the locality of the Work shall not be construed as Acts of God and no reparation shall be made to Contractor for damages to the Work resulting therefrom or warrant a change to the Contract Times.
 2. ***Addenda***—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents or Construction Documents.
 3. ***Application for Payment***—The form acceptable to Owner which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents. All Applications for Payment shall be submitted in e-Builder.
 4. ***Asbestos***—Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.
 5. ***Bid*** —The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
 6. ***Bid Bond***—The security to be furnished by the Bidder on the form furnished as a guaranty of good faith to enter into a contract for the Work contemplated if it were awarded to Bidder.
 7. ***Bidder***—The individual or entity who submits a Bid directly to Owner.

8. ***Bid Documents***—The Bidding Requirements and the proposed Contract Documents (including all Addenda).
9. ***Bidding Requirements***—The advertisement or invitation to bid security form, if any, and the Bid form with any supplements.
10. ***Change Order***—A document signed by Contractor and Owner authorizing an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Contract.
11. ***Claim***—A demand or assertion by Owner or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
12. ***Construction Manager***—See Program Manager
13. ***Contract***—The entire and integrated written agreement between Owner and Contractor concerning the Work. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral.
14. ***Contract Documents***—Those items so designated in the Contract. Only printed or hard copies of the items listed in the Contract are Contract Documents. Approved Shop Drawings, other Contractor submittals, and the reports and drawings of subsurface and physical conditions are not Contract Documents.
15. ***Contract Price***—The moneys payable by Owner to Contractor for completion of the Work in accordance with the Contract Documents as stated in the Contract (subject to the provisions of Paragraph 11.03 in the case of Unit Price Work).
16. ***Contract Times***—The number of days or the dates stated in the Contract to: (i) achieve Milestones, if any; (ii) achieve Substantial Completion; and (iii) achieve Final Completion of the Work so that it is ready for final payment as evidenced by Engineer's written recommendation of final payment.
17. ***Contractor***—The individual or entity with whom Owner has entered into the Contract.
18. ***Contractor Change Notification***—Notification provided in e-Builder by Contractor to Owner within seven (7) days of an occurrence that in the opinion of the Contractor a potential change to the Work that may or may not impact the Contract Price or Contract Times. Contractor shall provide supporting documentation within thirty (30) days of submitting a Contractor Change Notification, or as mutually agreed to by Contractor and Owner. If Owner agree a change is justified, a Request for Quote,

Work Change Directive, or Change Order will be issued by Owner. A Contractor Change Notification will not change the Contract Price or the Contract Times.

19. **Cost of the Work**—See Paragraph 11.01 for definition.
20. **Davis-Bacon and Related Acts** – The Davis-Bacon Act (40 U.S.C.A. 276a to 276a-5) is federal law that governs the Minimum Wage rate to be paid to laborers and mechanics employed on federal public works projects.
21. **Drawings**—That part of the Contract Documents prepared or approved by Engineer, which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings and other Contractor submittals are not Drawings as so defined.
22. **Design Clarification**—A written statement from Engineer, issued by Owner, to Contractor clarifying or revising information shown in the Drawings, Specifications, or both. A Design Clarification will not change the Contract Price or the Contract Times.
23. **e-Builder**—Owner’s electronic document management system
24. **Effective Date of the Contract**—The date indicated in the Contract on which it becomes effective, but if no such date is indicated, it means the date on which the Contract is signed and delivered by the last of the party to sign and deliver.
25. **Engineer**—The individual or entity, named as such in the Contract, having an agreement with Owner to furnish engineering services with respect to the Work.
26. **Final Completion of the Work**— The date certified by Owner when (i) all Work has been inspected and operates to the performance standards established in the Contract Documents, (ii) all tasks and documentation required in General Requirements, Paragraph 14.06 have been completed, submitted and approved by Owner, and (iii) a final Application for Payment for the Work in accordance with Paragraph 14.07 is received and approved by Owner.
27. **General Requirements**—Division 1 of the Specifications.
28. **Hazardous Environmental Condition**—The presence at the Site of Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material in such quantities or circumstances that may present a danger to persons or property exposed thereto.
29. **Hazardous Waste**—The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended.

30. ***Laws and Regulations; Laws or Regulations***—Any and all applicable laws, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
31. ***Liens***—Charges, security interests, or encumbrances upon Project funds, real property, or personal property.
32. ***Limited Notice to Proceed***—A written Notice from Owner to Contractor fixing the date on which the Contract Times will commence to run and authorizing the start of premobilization activities described in Paragraph 2.04.
33. ***Line Item***— Individual elements of work identified on a bid or other schedule and associated with a price or a unit price and quantity particular to that individual element of work. Also refers to individual items of work within a schedule of values.
34. ***Milestone***—A principal event, or intermediate completion date, specified in the Contract Documents.
35. ***Notice***—A written document in strict compliance with Article 17.01, which shall in no event include actual, verbal, or constructive notice.
36. ***Notice of Award***—The written notice by Owner to the apparent Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed therein, Owner will sign and deliver the Contract.
37. ***Notice to Proceed***—A written Notice given by Owner to Contractor which shall authorize Contractor to mobilize onto the Site and start to perform the Work under the Contract Documents.
38. ***Owner***—The individual or entity with whom the Contractor has entered into the Contract and for whom the Work is to be performed.
39. ***Owner's Representative***— The person designated in writing to act as Owner's representative with respect to Contractor's performance of the Work, including, but not limited to, an Owner's employee. Such person shall have complete authority to transmit instructions, receive information, interpret and define Owner's policies, and make decisions with respect to performance of the Work.
40. ***Partial Utilization***—Use by Owner of substantially completed portions of the Work for the purpose for which it is intended (or a related purpose) prior to Substantial Completion of all the Work.

41. **Payment Bond**—The form of security approved by Owner and furnished by the Contractor and Contractor’s surety guaranteeing payment for all labor, materials, services, and equipment furnished for use by the Contractor in performance of the Contract.
42. **PCBs**—Polychlorinated biphenyls.
43. **Performance Bond**—The form of security approved by the Owner and furnished by the Contractor and Contractor’s Surety guaranteeing the complete and faithful performance of all the obligations and conditions placed upon the Contractor by the Contract.
44. **Petroleum**—Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.
45. **Program Manager**—Stantec Consulting Services Inc.; or its subconsultant Carollo Engineers, Inc. having a contract with Owner to furnish consulting and construction management services with respect to the Project.
46. **Progress Schedule**—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising the Contractor’s plan to accomplish the Work within the Contract Times.
47. **Project**—The total construction of which the Work to be performed under the Contract Documents, which may be the whole, or a part.
48. **Punch List**— A list provided by the Owner to Contractor of Work that is unfinished, incomplete, defective, damaged or otherwise does not conform to the Contract Documents, and which Contractor must complete prior to Final Payment.
49. **Radioactive Material**—Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended.
50. **Request for Information (RFI)**—A process primarily used to gather information to make a decision, confirm the interpretation of a detail, specification, or note on the construction drawings, or to secure a documented directive or clarification needed to continue work. RFIs shall be managed in e-Builder. RFIs do not change the Contract Price or Contract Times.

51. ***Samples***—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.
52. ***Schedule of Submittals***—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements to support scheduled performance of related construction activities. The schedule will incorporate review times by Engineer and Owner and time for Contractor to address comments received and resubmit for review and acceptance by Engineer and Owner.
53. ***Schedule of Values***—A schedule incorporated into the Contract allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor’s Applications for Payment.
54. ***Shop Drawings***—All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.
55. ***Site***—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Owner which are designated for the use of Contractor.
56. ***Specifications***—That part of the Contract Documents consisting of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.
57. ***Subcontractor***—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work at the Site.
58. ***Substantial Completion***— The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Owner, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended providing full time, uninterrupted and continuous beneficial use. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion thereof. The Work will not meet the requirements of Substantial Completion until all following tasks and documentation have been completed, in accordance with the Contract Documents, submitted and approved by Owner including:

- All submittals including final operation and maintenance manuals for the Work accepted by Engineer and Owner.
- Successful completion of commissioning, startup and performance testing of the Work.
- As-Built Drawings current and complete for the Work
- Updates to the Maintenance and Operation Plan resulting from successful completion of the equipment startup and performance testing.
- All Site restoration.
- All additional requirements in the General Requirements.

Contractor shall follow the procedures described Paragraph 14.04 of these General Conditions.

59. **Successful Bidder**—The Bidder submitting a responsive Bid to whom Owner makes an award.
60. **Supplementary Conditions**—That part of the Contract Documents which amends or supplements these General Conditions.
61. **Supplier**—A manufacturer, fabricator, supplier, distributor, material man, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or Subcontractor.
62. **Underground Facilities**—All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic, or other control systems.
63. **Unit Price Work**—Work to be paid for on the basis of unit prices.
64. **Work**—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.
65. **Work Change Directive**—A written statement to Contractor issued on or after the Effective Date of the Contract and signed by both parties authorizing an addition, deletion, or revision in the Work under which the Work is to be performed. A Work Change Directive will not change the Contract Price or the Contract Times but is

evidence that the parties expect that the change ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order as to its effect, if any, on the Contract Price or Contract Times.

66. ***Willamette Water Supply System Commission*** – an intergovernmental entity created pursuant to ORS Chapter 190 and formed under this Agreement whose Parties are Tualatin Valley Water District, the City of Hillsboro, and the City of Beaverton, (“Owner”).

1.02 *Terminology*

- A. The words and terms discussed in Paragraph 1.02.B through F are not defined but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.

B. *Intent of Certain Terms or Adjectives:*

1. The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Owner as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Owner any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Paragraphs 8.05 and 9.06 or any other provision of the Contract Documents.

C. *Day:*

1. The word “day” means a calendar day of 24 hours measured from midnight to the next midnight and as described in Paragraph 17.02.

D. *Defective:*

1. The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
 - a. Does not conform to the Contract Documents; or

- b. Does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
- c. Has been damaged prior to Owner recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 14.04 or 14.05).

E. *Furnish, Install, Perform, Provide:*

1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
 2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
 3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.
 4. When “furnish,” “install,” “perform,” or “provide” is not used in connection with services, materials, or equipment in a context clearly requiring an obligation of Contractor, “provide” is implied.
- F. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 – PRELIMINARY MATTERS

2.01 Delivery of Bonds, Evidence of Insurance, and Other Documentation

- A. When Contractor delivers the executed counterparts of the Contract to Owner, Contractor shall also deliver to Owner:
1. Executed counterparts of the Contract.
 2. Such bonds as Contractor may be required to furnish.
 3. Evidence of Insurance with copies to each additional insured identified in the Article 5 of General Conditions.

4. Scheduler qualifications documentation required by the General Requirements.

2.02 *Copies of Documents*

- A. Owner shall furnish to Contractor up to five (5) half-size and one (1) full-size hard copies of the Drawings and Specifications. Electronic copies shall also be provided to Contractor Portable Document Format (PDF) and/or Auto CAD only for convenience.

2.03 *Commencement of Contract Times; Limited Notice to Proceed*

- A. The Contract Times will commence to run on the date stated in the Limited Notice to Proceed. A Limited Notice to Proceed shall be issued to Contractor after the Effective Date of the Contract authorizing premobilization components of the Work to begin. Other specific items of Work authorized to commence shall be described therein, including, but not limited to:
 1. Submittals; and
 2. Contractor obtained permits.
 3. Utility location and potholing in the public right of way.
- B. Contractor shall mobilize and start to perform the Work after premobilization components listed in Paragraph 2.04.A are complete and accepted by Owner, and a Notice to Proceed has been issued. No Work shall be done at the Site prior to that date, unless authorized in writing by Owner.

2.04 *Before Starting Construction*

- A. Following the issuance of the Limited Notice to Proceed, Contractor shall complete and submit the following to Owner for review and acceptance before mobilization onto the Site:
 1. Preconstruction Conference per General Requirements.
 2. Baseline Schedule in accordance with the General Requirements.
 3. Project Sign Submittal per the General Requirements.
 4. Schedule of Submittals per the General Requirements.
 5. Baseline cash flow projection.
 6. Contractor Site Specific Safety Plan per the General Requirements.

7. All Contractor required environmental and other permits for the Work.
 8. Photographic and video documentation of pre-existing conditions in accordance with the General Requirements.
- B. Owner shall provide comment or approve each submittal listed in 2.04.A within fifteen (15) days after the date received from Contractor.
- C. Contactor's failure to expeditiously complete and allow for Owner's review of all deliverables in Paragraph 2.04.A will not be cause for an adjustment of the Contract Times and/or Contract Price.

ARTICLE 3 – CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete project (or part thereof) to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that reasonably may be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the indicated result will be provided whether or not specifically called for, at no additional cost to Owner.
- C. Clarifications and interpretations of the Contract Documents shall be issued by Owner as provided in Article 8.

3.02 *Reference Standards*

- A. Standards, Specifications, Codes, Laws, and Regulations
1. Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
 2. No provision of any such standard, specification, manual, or code, or any instruction of a Supplier, shall be effective to change the duties or responsibilities of Owner, Contractor, or Engineer, or any of their subcontractors, consultants, agents, or employees, from those set forth in the Contract Documents. No such provision or

instruction shall be effective to assign to Owner, Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3. In case of conflict between codes, reference standards, drawings, and the Contract Documents, the Contract Documents shall govern. All conflicts shall be brought to the attention of the Owner's Representative for clarification and direction prior to ordering or providing any materials or furnishing labor. The Contract Price shall include the most stringent requirements.

3.03 *Reporting and Resolving Discrepancies*

A. *Contractor's Review of Contract Documents Before Starting Work:* Before undertaking each part of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. Contractor shall promptly report in writing to Owner any conflict, error, ambiguity, or discrepancy which Contractor discovers, or has actual knowledge of, and shall obtain a written interpretation or clarification from Owner before proceeding with any Work affected thereby.

1. *Contractor's Review of Contract Documents During Performance of Work:* If, during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) any standard, specification, manual, or code, or (c) any instruction of any Supplier, then Contractor shall promptly report it to Owner's Representative in writing by submitting a Contractor Change Notification or Request for Information. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 6.17) until written authorization has been issued by Owner using one of the methods indicated in Paragraph 3.04.
2. Contractor shall not be liable to Owner for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

B. *Resolving Discrepancies:*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and:

- a. The provisions of any standard, specification, manual, or code, or the instruction of any Supplier (whether or not specifically incorporated by reference in the Contract Documents); or
- b. The provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 *Amending and Supplementing Contract Documents*

- A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof by a Change Order in accordance with Article 10.
- B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, by one or more of the following ways:
 1. Work Change Directive;
 2. Request for Information; or
 3. Design Clarification.

3.05 *Reuse of Documents*

- A. Contractor and any Subcontractor or Supplier or other individual or entity performing or furnishing an or all of the Work under a direct or indirect contract with the contractor shall not:
 1. Have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) provided by Owner, Owner's consultants, and Engineer, including electronic media editions; or
 2. Reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and specific written verification or adaptation by Engineer.
- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes.

3.06 *Electronic Data*

- A. Except as otherwise limited in the Contract Documents, electronic data furnished by Owner to Contractor, or by Contractor to Owner may be relied upon. When transferring documents in electronic media format, the transferring party makes no representations as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the data's creator.
- B. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the transferring party.

ARTICLE 4 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS; REFERENCE POINTS; WASTE MANAGEMENT

4.01 *Availability of Lands*

- A. Owner shall furnish the Site, rights-of-way, and easements (both permanent and temporary) as indicated on the Drawings. Upon reasonable written request, Owner shall notify Contractor of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work. Owner will obtain in a timely manner and pay for easements as indicated on the Drawings. If Contractor and Owner are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, as a result of any delay in Owner furnishing the Site, rights-of-way, or easements, or a part thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.
- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which the Work is to be performed and Owner interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide all additional lands not indicated on the Drawings and access thereto that Contractor deems necessary for temporary construction facilities or storage of materials and equipment. Costs for such additional lands shall be included in the Contract Price.

1. Contractor shall provide Owner with copies of agreements with private land owners and evidence of appropriate insurance and liability coverage for the term of such use, and include all additionally insured parties listed in Article 5.03

4.02

Subsurface and Physical Conditions

A. Reports and Drawings: The following will be provided to the Contractor:

1. Those reports known to Owner of explorations and tests of subsurface conditions at or contiguous to the Site; and
2. Those drawings known to Owner of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities).

B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the “technical data” contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such “technical data” is identified in the General Requirements. Except for such reliance on such “technical data,” Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors with respect to:

1. The completeness of such reports and drawings for Contractor’s purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
2. Other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
3. Any Contractor interpretation of or conclusion drawn from any “technical data” or any such other data, interpretations, opinions, or information.

4.03 *Differing Subsurface or Physical Conditions*

A. *Notice:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed either:

1. Is of such a nature as to establish that any “technical data” on which Contractor is entitled to rely as provided in Paragraph 4.02 is materially inaccurate; or
2. Is of such a nature as to require a change in the Contract Documents; or

3. Differs materially from that shown or indicated in the Contract Documents; or
4. Is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, within seven (7) days after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.17.), notify Owner in via Contractor Change Notification. Contractor shall not further disturb such condition or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

- B. After receipt of written Notice as required by Paragraph 4.03.A, Owner will promptly review the pertinent condition, determine the necessity of obtaining additional exploration or tests with respect thereto, and advise Contractor in writing of Owner's findings and conclusions.

C. *Possible Price and Times Adjustments:*

1. The Contract Price or the Contract Times, or both, will be equitably adjusted to the extent that the existence of such differing subsurface or physical condition causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
 - a. Such condition must meet any one or more of the categories described in Paragraph 4.03.A; and
 - b. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraphs 8.04 and 11.03.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times if:
 - a. Contractor knew of the existence of such conditions at the time Contractor made a final commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract; or
 - b. The existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such final commitment; or

- c. Contractor failed to give the written Notice as required by Paragraph 4.03.A and 10.05
3. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, a Claim may be made therefor as provided in Paragraph 10.05. However, neither Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors shall be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.

4.04 *Underground Facilities*

A. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the Site is based on information and data furnished to Owner and Engineer by the owner of such Underground Facilities, including Owner, or by others. Unless it is otherwise expressly provided:

1. Owner and Engineer shall not be responsible for the accuracy or completeness of any such information or data provided by others; and
2. The cost of all of the following will be included in the Contract Price, and Contractor shall have full responsibility for:
 - a. Reviewing and checking all such information and data;
 - b. Locating all Underground Facilities shown or indicated in the Contract Documents;
 - c. Coordination of the Work with the owner of such Underground Facilities, including Owner, during construction; and
 - d. The safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.

B. *Not Shown or Indicated:*

1. If an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown or indicated, or not shown or indicated with reasonable accuracy in the Contract Documents, Contractor shall, within seven (7) days after becoming aware thereof and before further disturbing conditions affected thereby or performing

any Work in connection therewith (except in an emergency as required by Paragraph 6.17), identify the owner of such Underground Facility and give written Notice to that owner and to Owner. Owner will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the consequences of the existence or location of the Underground Facility. During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.

2. If Owner conclude that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued to reflect and document such consequences. An equitable adjustment shall be made in the Contract Price or Contract Times, or both, to the extent that they are attributable to the existence or location of any Underground Facility that was not shown or indicated or not shown or indicated with reasonable accuracy in the Contract Documents and that Contractor did not know of and could not reasonably have been expected to be aware of or to have anticipated. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment in Contract Price or Contract Times, Owner or Contractor may make a Claim therefor as provided in Paragraph 10.05.

4.05 *Reference Points*

- A. Owner shall provide control points to establish reference points for construction. Contractor shall be responsible for laying out the Work, shall protect and preserve the established control points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Owner whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments provided by Owner.

4.06 *Hazardous Environmental Condition at Site*

- A. Reports and Drawings: Refer to Contract Drawings and Specifications, if any.
- B. Contractor shall not be responsible for any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work. Contractor shall be responsible for a Hazardous Environmental Condition created with any materials brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible.

- C. If Contractor encounters a Hazardous Environmental Condition or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, Contractor shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 6.17); and (iii) notify Owner's Representative (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to obtain required permits and provide Contractor the written Notice.
- D. Contractor shall not be required to resume Work in connection with such condition or in any affected area until after Owner have obtained any required permits related thereto and delivered written Notice to Contractor: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work; or (ii) specifying any special conditions under which such Work may be resumed safely. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by Contractor, either party may make a Claim therefore as provided in Paragraph 10.05.
- E. If after receipt of such written Notice Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of an adjustment in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a Claim therefor as provided in Paragraph 10.05. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 7.
- F. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition: (i) was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be included within the scope of the Work, and (ii) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06.F shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.

- G. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, Engineer, Consultants and the officers, directors, employees, agents, other consultants and subcontractors of each and any of them from and against all claims, costs, losses and damages arising out of or resulting from such hazardous condition, provided that: (i) any such claim, cost, loss or damage is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting there from, (ii) nothing in this Paragraph shall obligate Owner to indemnify any person or entity from and against the consequences of that person's or entity's conduct or activities, and (iii) nothing in this Paragraph 4.06.G shall obligate Owner to indemnify any person or entity in an amount in excess of the Tort Action Liability limitations for municipal corporations set forth in ORS Chapter 30.
- H. The provisions of Paragraphs 4.02, 4.03, and 4.04 do not apply to a Hazardous Environmental Condition uncovered or revealed at the Site.
- I. Waste generated by demolition operations must be categorized, managed and disposed of in accordance with applicable federal, state, and local solid waste and hazardous waste regulations. Upon request, the Contractor shall provide a copy of the waste determination analytical results and the Certificate of Acceptance, if applicable from the disposal site.

ARTICLE 5 – BONDS AND INSURANCE

5.01 Performance, Payment, and Other Bonds

- A. Contractor shall furnish Performance and Payment Bonds each in an amount equal to the Contract Price as security for the faithful performance and payment of all of Contractor's obligations under the Contract Documents. The Payment Bonds shall remain in effect until one (1) year after the date of Substantial Completion, except as provided otherwise by Laws or Regulations or by the Contract Documents. The Performance Bond shall remain in effect until two (2) years after the date of Substantial Completion, except as provided otherwise by Laws or Regulations or by the Contract Documents Contractor shall also furnish such other bonds as are required by the Contract Documents.
- B. All bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. All bonds signed by an agent or attorney-in-fact must be accompanied by a certified copy of that individual's authority to bind the surety. The evidence of authority shall show that it is effective on the date the agent or attorney-in-fact signed each bond.

- C. If the surety on any bond furnished by Contractor is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of Paragraph 5.01.B, Contractor shall promptly notify Owner and shall, within twenty (20) days after the event giving rise to such notification, provide another bond and surety, both of which shall comply with the requirements of Paragraphs 5.01.B and 5.02.

5.02 *Licensed Sureties and Insurers*

- A. All bonds and insurance required by the Contract Documents to be purchased and maintained by Contractor and shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in t this Article 5.

5.03 *Certificates of Insurance*

- A. For the duration of the Contract and for a period of not less than the specific number of years after Final Completion of the Work in the table below, Contractor shall, at its own expense, procure and maintain insurance of the type and with the minimum limits as set forth below, on all operations, in companies authorized to do business in the State of Oregon and rated by A.M. Best's Rating as A:VIII or better, or in companies acceptable to Owner. The purpose of the insurance is to provide protection from claims which may arise out of or result from Contractors performance of the Work and Contractors other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable

<p><u>Workers Compensation</u></p>	<p>Statutory Limits for states and federal (e.g., Longshoreman) where work is performed and/or where benefits can be claimed. Waiver of subrogation in favor of Owner shall be obtained. Coverage shall remain in effect for the duration of the Contract.</p> <p>Contractor and Subcontractors that employ workers who work under this Contract in the State of Oregon shall comply with ORS 656.017 and provide required Workers' Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its Subcontractors complies with these requirements.</p> <p>In accordance with ORS 279C.530, Contractor shall promptly, as due, make payment to any entity furnishing care for incidents due to sickness or injury, to employees of Contractor, of all sums which Contractor agrees to pay for such care and all moneys which Contractor deducted from the wages of employees pursuant to any law, contract, or agreement for the purpose of providing or paying for such service.</p>
<p><u>Employers Liability</u></p>	<p>\$1,000,000 – Each Occurrence \$1,000,000 – Disease: Each Employee \$1,000,000 – Disease: Policy Limit Coverage shall remain in effect for the duration of the Contract.</p>

<p><u>Commercial General Liability</u></p> <ul style="list-style-type: none"> Specifically including (or not excluding) and not limited to coverage for premises and operations, products and completed operations, personal and advertising injury, contractual liability, independent contractors, riggers liability, railroad liability (if working within fifty feet (50') of railroad, offsite operations and storage, and XCU* exposures. Completed operations coverage to remain in effect for minimum ten (10) years after the date of Substantial Completion. <p>*Explosion/Collapse/Underground</p>	<p>\$1,000,000 – Each Occurrence \$1,000,000 – for Personal and Advertising Injury Liability \$2,000,000 – Aggregate for Products-Completed Operations \$2,000,000 – General Aggregate</p>
<p><u>Automobile Liability</u></p> <ul style="list-style-type: none"> All owned, hired and non-owned vehicles. 	<p>\$2,000,000 – Each Occurrence, property damage or bodily injury Combined Single Limit (“CSL”)</p>
<p><u>Umbrella or Excess Liability</u></p> <ul style="list-style-type: none"> Excess of the primary Commercial General Liability, Automobile Liability and Employers Liability Limits above. Completed operations coverage shall remain in effect for a minimum of ten (10) years after the date of Substantial Completion 	<p>\$6,000,000 – Each Occurrence and Policy Aggregate for the Project</p> <p>Umbrella or Excess Liability coverage will follow form with and be at least as broad as the underlying coverages.</p>
<p><u>Builders Risk/Installation Floater</u></p>	<p>The required coverage and terms are outlined in Paragraph 5.06.</p> <p>Policy shall include coverage for owner provided material and equipment received and accepted by Contractor</p>
<p><u>Contractors Pollution Legal Liability</u></p>	<p>\$5,000,000 – Each Accident and Policy Aggregate for the Project</p>

<p><u>Additional Insured</u></p> <ul style="list-style-type: none"> • All coverages except Workers Compensation/Employers Liability and Professional Liability • Specifically including for completed operations exposure 	<p>Additional Insureds shall include: The Owner, its officers, Commissioners, agents and employees, as well as the parties to the Commission: Tualatin Valley Water District, its members, officers, boards, agents and employees and the City of Hillsboro, the Hillsboro Utilities Commission, its members, officers, boards, agents and employees, and the City of Beaverton, its members, officers, boards, agents and employees, as well as Stantec Consulting Services Inc., its members, officers, boards, agents and employees, and Carollo Engineers, Inc., its members, officers, boards, agents and employees, its related and affiliated companies, subconsultants, and the officers, directors, partners, shareholders, employees, agents and representatives thereof, the US Government Environmental Protection Agency; PLM_4.3 Engineer, its members, officers, boards, agents and employees; and other individuals or entities, as may be directed by the Owner from time to time.</p>
<p><u>Other Requirements</u></p> <ul style="list-style-type: none"> • Contractor coverage is primary and non-contributory as respects any similar insurance maintained by Owner • If Contractor does not comply with this Article 5.03, Owner may, in addition to any other remedies it may have, terminate this Contract, subject to any provision of this Contract. • Unless otherwise specified above all coverages are occurrence based. 	

- B. Failure of Owner to demand such certificates or other evidence of Contractor's full compliance with these insurance requirements or failure of Owner to identify a deficiency in compliance from the evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.
- C. Owner do not represent that insurance coverage and limits established in this Contract will be adequate to protect Contractor.
- D. The insurance and insurance limits required herein shall not be deemed as a limitation on Contractor's liability under the indemnities granted to Owner in the Contract Documents.
- E. Contractor shall cause each Subcontractor to purchase and maintain in full force and effect policies of insurance and limits as specified in the Contract Documents. Owner, at

their sole discretion, may waive requirements for umbrella or excess liability, professional liability, or pollution liability policies for certain Subcontractors. Contractor will be responsible for the Subcontractors' coverage if the Subcontractors fail to purchase and maintain the required insurance. When requested by the Owner, Contractor will furnish copies of certificates of insurance establishing coverage for each Subcontractor.

5.04 *Contractor's Insurance*

- A. Contractor shall purchase and maintain such insurance as is appropriate for the Work being performed and will provide protection from claims set forth below which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable:
1. Claims under workers' compensation, disability benefits, and other similar employee benefit acts;
 2. Claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees;
 3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees;
 4. Claims for damages insured by reasonably available personal injury liability coverage which are sustained:
 - a. By any person as a result of an offense directly or indirectly related to the employment of such person by Contractor, or
 - b. By any other person for any other reason;
 5. Claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and
 6. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.
- B. The policies of insurance required by this Paragraph 5.04 shall:
1. With respect to insurance required by Paragraphs 5.04.A.3 through 5.04.A.6 inclusive, be written on an occurrence basis, include as additional insureds (subject to any customary exclusion regarding professional liability) Owner and Engineer, and any other individuals or entities identified in these General Conditions, all of

whom shall be listed as additional insureds, and include coverage for the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of all such additional insureds, and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby;

2. Include at least the specific coverages and be written for not less than the limits of liability provided in these General Conditions or required by Laws or Regulations, whichever is greater;
3. Include contractual liability insurance covering Contractor's indemnity obligations under Paragraphs 6.16 and 6.20;
4. Contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty (30) days' prior written Notice has been given to Owner and Contractor and to each other additional insured identified in these General Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the Contractor pursuant to Paragraph 5.03 will so provide);
5. Remain in effect at least until final payment and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work in accordance with Paragraph 13.07; and
6. Include completed operations coverage.
 - a. Such insurance shall remain in effect ten (10) years after Substantial Completion.
 - b. Contractor shall furnish Owner additional insured identified in these General Conditions, to whom a certificate of insurance has been issued, evidence satisfactory to Owner and any such additional insured of continuation of such insurance at final payment and one year thereafter.

5.05 *Owner Liability Insurance*

- A. In addition to the insurance required to be provided by Contractor under Paragraph 5.04, Owner, at Owner's option, may purchase and maintain at Owner's expense Owner's own liability insurance as will protect Owner against claims which may arise from operations under the Contract Documents.

5.06 *Property Insurance*

- A. Contractor shall purchase and maintain property insurance upon the Work at the Site in the amount of the full replacement cost thereof. Contractor shall be responsible for any deductible or self-insured retention and shall:
1. Include the interests of Owner, Contractor, Subcontractors, Engineer and any other individuals or entities identified herein, and the officers, directors, partners, employees, agents and other consultants and subcontractors of any of them each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured;
 2. Be written on a Builder's Risk "all-risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss and damage to the Work, temporary buildings, false work, and materials and equipment in transit and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage (other than that caused by flood), and such other perils or causes of loss as may be specifically required by the Contract Documents;
 - a. In addition to the above listed perils, the property insurance shall:
 - 1) Include flood, landslide or mudslide, seismic event, and damage to electrical apparatus from electrical currents.
 - 2) Cover expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);
 - 3) Cover materials and equipment stored at the Site or at another location that was agreed to in writing by Owner prior to being incorporated in the Work, or materials and equipment in transit, provided that such materials and equipment have been included in an Application for Payment;
 - 4) Allow for partial utilization of the Work by Owner;
 - 5) Be in effect until final payment is made unless otherwise agreed to in writing by Owner and Contractor with thirty (30) days written Notice to each other additional insured to whom a certificate of insurance has been issued.
- B. Owner shall not be responsible for purchasing and maintaining any property insurance specified in this Paragraph 5.06 to protect the interests of Contractor, Subcontractors, or others in the Work to the extent of any deductible amounts that are identified in this Article 5. The risk of loss within such identified deductible amount will be borne by

Contractor, Subcontractors, or others suffering any such loss, and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.

- C. If Owner request in writing that other special perils be included in the property insurance policies provided under Paragraphs 5.06.A or 5.06.B, Contractor shall, if possible, include such insurance, and the cost thereof will be charged to Owner by appropriate Change Order. Prior to commencement of the Work at the Site, Contractor shall in writing advise Owner whether or not such other insurance has been procured by Contractor.

5.07 *Waiver of Rights*

- A. Owner and Contractor intend that all policies purchased in accordance with Paragraph 5.06 will protect Owner, Contractor, Subcontractors, and Engineer, and all other individuals or entities identified in the Contract Documents as loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) in such policies and will provide primary coverage for all losses and damages caused by the perils or causes of loss covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or loss payees thereunder. Owner and Contractor waive all rights against each other and their respective officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them for all losses and damages caused by, arising out of or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors and Engineer, and all other individuals or entities identified in these General Conditions as loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by Owner as trustee or otherwise payable under any policy so issued.
- B. Any insurance policy maintained by Owner covering any loss, damage or consequential loss referred to in Paragraph 5.07.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of recovery against Contractor, Subcontractors, or Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them.

5.08 *Receipt and Application of Insurance Proceeds*

- A. Any insured loss under the policies of insurance required by Paragraph 5.06 will be adjusted with Contractor and made payable to Contractor as fiduciary for the insured, as their interests may appear, subject to the requirements of any applicable mortgage clause and of Paragraph 5.08.B. Contractor shall deposit in a separate account any money so received, and shall distribute it in accordance with such agreement as the party in interest may reach. If no other special agreement is reached the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof and the Work and the cost thereof covered by an appropriate Change Order.
- B. Contractor as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the party in interest shall object in writing within fifteen (15) days after the occurrence of loss to Contractor's exercise of this power. If such objection be made, Contractor as fiduciary shall make settlement with the insurers in accordance with such agreement as the party in interest may reach. If no such agreement among the party in interest is reached, Contractor as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, Contractor as fiduciary shall give bond for the proper performance of such duties.

5.09 *Acceptance of Bonds and Insurance; Option to Replace*

- A. If either Owner or Contractor has any objection to the coverage afforded by or other provisions of the bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within ten (10) days after receipt of the certificates (or other evidence requested) required by Paragraph 2.01. Owner and Contractor shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent bonds or insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

5.10 *Partial Utilization, Acknowledgment of Property Insurer*

- A. If Owner finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in Paragraph 14.05, no such use or occupancy shall commence before the insurers providing the property insurance pursuant to Paragraph 5.06 have acknowledged notice thereof and in writing effected any changes

in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy. The property insurance shall contain no partial occupancy restriction for utilization of the Project by Owner for the purpose intended.

ARTICLE 6 – CONTRACTOR’S RESPONSIBILITIES

6.01 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction. Contractor shall not be responsible for the negligence of Owner or Engineer in the design or specification of a specific means, method, technique, sequence, or procedure of construction, which is shown or indicated in and expressly required by the Contract Documents.
- B. At all times during the progress of the Work, Contractor shall assign one competent project manager and one competent project superintendent, approved by Owner, for the duration of the project, who shall not be replaced without prior written Notice to Owner (except under extraordinary circumstances).

6.02 *Labor; Working Hours*

- A. Refer to the General Requirements for approved Site working hours.
- B. In accordance with ORS 279C.520, no person shall be employed for more than ten (10) hours in any one (1) day, or forty (40) hours in any one (1) week, except in cases of necessity, emergency, or where the public policy absolutely requires it. In such cases, the person so employed shall be paid at least time and a half the person’s regular rate of pay for all time worked in excess of forty (40) hours in one week; when work week is eight (8) hours for five (5) consecutive days or ten (10) hours for four (4) consecutive days, and for time worked on Saturday and on any legal holiday specified in ORS 279C.540. This provision will not apply if the Contractor is currently a party to a collective bargaining agreement in effect with any labor organization. Contractor shall cause a circular to be posted in accordance with ORS 279C.545 and ORS 279C.840 regarding claim rights and limitations for overtime pay and benefits.

6.03 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start-up, and completion of the Work.
- B. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of good quality and new, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Contract Documents shall expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents. Failure by Contractor to comply with this Paragraph will be at the sole expense of Contractor.

6.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with the Specification Section 01 32 16.
 - 1. Proposed adjustments in the Progress Schedule whether or not resulting in changes to the Contract Times shall be indicated with each Monthly Progress Schedule submittal.
 - 2. Proposed adjustments in the Progress Schedule that will change the Contract Times shall be submitted in accordance with the requirements of Article 12. Approved adjustments in Contract Times may only be made by a Change Order.

6.05 *Substitutes and "Or-Equals"*

- A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item or no substitution is permitted, other items of material or equipment or material or equipment of other Suppliers may be submitted to Owner for review as described in the Specification Section 01 33 00 Submittal Procedures.

6.06 *Concerning Subcontractors, Suppliers, and Others*

- A. Contractor shall not employ any Subcontractor, Supplier, or other individual or entity (including those acceptable to Owner as indicated in Paragraph 6.06.B), whether initially or as a replacement, against whom Owner may have reasonable objection. Contractor shall not be required to employ any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against whom Contractor has reasonable objection.
- B. If the Contract Documents require the identity of certain Subcontractors, Suppliers, or other individuals or entities to be submitted to Owner in advance for acceptance by Owner by a specified date, and if Contractor has submitted a list thereof in accordance with the Contract Documents, Owner's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the Bidding Documents or the Contract Documents) of any such Subcontractor, Supplier, or other individual or entity so identified may be revoked on the basis of reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor, Supplier, or other individual or entity, and the Contract Price will be adjusted by the difference in the cost occasioned by such replacement, and an appropriate Change Order will be issued. No acceptance by Owner of any such Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, shall constitute a waiver of any right of Owner to reject defective Work.
- C. Contractor shall be fully responsible to Owner for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as Contractor is responsible for Contractor's own acts and omissions. Nothing in the Contract Documents:
 - 1. Shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between Owner and any such Subcontractor, Supplier or other individual or entity; nor
 - 2. Shall create any obligation on the part of Owner to pay or to see to the payment of any moneys due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.
- D. Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with Contractor.
- E. Contractor shall require all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work to communicate to or with Owner through Contractor.

- F. The divisions and sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.
- G. All Work performed for Contractor by a Subcontractor or Supplier will be pursuant to an appropriate agreement between Contractor and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of Owner and Engineer. Whenever any such agreement is with a Subcontractor or Supplier who is listed as a loss payee on the property insurance provided in Paragraph 5.06, the agreement between the Contractor and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against Owner, Contractor, Engineer, and all other individuals or entities to be listed as insureds or loss payees (and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them) for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, Contractor will obtain the same.
- H. Owner may furnish to any Subcontractor or Supplier, to the extent practicable, information about amounts paid to Contractor on account of Work performed for Contractor by a particular Subcontractor or Supplier

6.07 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if, to the actual knowledge of Owner, its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by Owner in the Contract Documents.
- B. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, and its officers, directors, members, partners, employees, agents, consultants, and subcontractors from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device specified in the Contract

Documents, but not identified as being subject to payment of any license fee or royalty to others required by patent rights or copyrights.

- C. Contractor shall, at its sole expense, defend and pay all damages, fees, royalties, and costs awarded in any proceeding brought against Owner, its employees agents and consultants, in which it is claimed that the manufacture, sale, or use of any treatment process, material and equipment, or parts thereof furnished thereunder constitutes an infringement of any patent or other proprietary information right, provided Contractor is promptly notified of the commencement of any such proceedings. Contractor's indemnity, as to use, applies only when infringement occurs from the normal use for which such treatment process, material, and equipment were designed. Owner may, at its option, be represented at any such proceeding.
 - 1. If such manufacture, sale, or use is held in any such proceeding to constitute an infringement and is enjoined, Contractor, at its expense, shall either procure for Owner the right to manufacture, sell, and use such treatment process, material and equipment; or pay the costs for damages, fees, or royalties.

6.08 *Permits*

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain and pay for all construction permits and licenses. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Contract. Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.
- B. Contractor shall conform to the requirements of all permits required to complete the Project. Such requirements are hereby made a part of these Contract Documents as fully and completely as though the same were set forth herein.

6.09 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising

out of or relating to such Work. However, it shall not be Contractor's responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve Contractor of Contractor's obligations under Paragraph 3.03.

- C. Changes in Laws or Regulations not known at the time of opening of Bids (or, on the Effective Date of the Contract if there were no Bids) having an effect on the cost or time of performance of the Work shall be the subject of an adjustment in Contract Price or Contract Times. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

6.10 *Prevailing Wage Rates*

- A. Contractor shall fully comply with ORS 279C.800 through 279C.870, and the Davis-Bacon Act, concerning payment of not less than prevailing wage rates; each worker in each trade or occupation employed in the performance of the Work under these Contract Documents, either by Contractor, Subcontractor, or other person doing or contracting to do the whole or any part of the Work, shall be paid not less than the applicable prevailing wage rates for state or federal wages, whichever is higher. Prevailing wage publications applicable to this contract are the Prevailing Wage Rates for Public Works Contracts in Oregon effective July 1, 2021, and the Prevailing Wage Rate Amendment effective October 1, 2021, and October 1, 2021 Apprenticeship Rates. These can be found at http://www.oregon.gov/boli/WHD/PWR/Pages/pwr_state.aspx. The applicable Federal Davis-Bacon Wage Rates are the General Decision: OR20210061, 11/26/21. These can be found at <http://.SAM.gov>.
- B. Contractor and its subcontractors shall submit complete certified statements of payrolls and submit them as required under ORS 279C.845. If the Contractor or subcontractors fail to submit the required statements, Owner will deduct 25% of what is owed for Work performed until the required statements are submitted. Contractor shall pay the Commissioner of the Bureau of Labor and Industries the fee required by ORS 279C.825.

6.11 *Discrimination*

- A. In accordance with ORS 279A.110, Contractor will not discriminate against minority, women, or emerging small businesses in obtaining required subcontracts.

6.12 *Payment, Contributions, Liens, Withholding*

- A. In accordance with ORS 279C.505, Contractor shall:
 1. Make payment promptly, as due, to all persons supplying to the Contractor labor or material for the performance of the work provided for in the contract;

2. Pay all contributions or amounts due the Industrial Accident Fund from the Contractor or subcontractor incurred in the performance of the contract;
 3. Not permit any lien or claim to be filed or prosecuted against the Owner on account of any labor or material furnished;
- B. Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.
- C. Pursuant to ORS 279C.515, if Contractor fails, neglects or refuses to make prompt payment on any claim for labor or services furnished to Contractor or Subcontractor by any person in connection with the Work as such claim becomes due, Owner may pay the claim and charge the amount of the payment against funds due or to become due to the Contractor under this Contract. Payment of claims in this manner shall not relieve Contractor or Contractor's Surety from obligation with respect to any unpaid claims. A notice of claim on the Payment Bond may also be filed under ORS 279C.605. If Contractor a first-tier Subcontractor fails, neglects or refuses to pay a person that provides labor or materials in connection with this Contract within 30 days after receiving payment, Contractor or the first-tier Subcontractor owes the person the amount due plus interest charges that begin at the end of the 10-day period within which payment is due under ORS 279C.580 (4) and that end upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest on the amount due is nine (9) percent per annum. The amount of interest may not be waived.

6.13 *Contractor's Written Drug Testing Program*

- A. Contractor's written drug testing program shall require drug testing for all new subject employees or alternatively, require testing of all subject employees every 12 months on a random selection basis and require testing of a subject employee when the Contractor has reasonable cause to believe the subject employee is under the influence of drugs.
1. A drug-testing program that meets the above requirements is deemed a "qualifying employee drug-testing program." An employee is a "subject employee" only if that employee will be working on the public improvement project job site.
 2. Contractor represents and warrants that the qualifying employee drug-testing program is in place at the time of Contract execution and will continue in effect for the entire duration of the Contract. Further, the Owner performance obligation (which includes without limitation, the Owner's obligation to make payment) is contingent upon Contractor's compliance with this representation and warranty.
- B. Contractor requires each subcontractor providing labor for the Project to:

1. Demonstrate to Contractor that it has a qualifying employee drug-testing program for the subcontractor's subject employees, and represents and warrants to the Contractor that the qualifying employee drug-testing program is in place at the time of subcontract execution and will continue in full force and effect for the duration of the subcontract; or
2. Contractor shall require that the subcontractor's subject employees participate in the Contractor's Qualifying Employee Drug Testing Program for the duration of the subcontract.

6.14 *Environmental Pollution*

- A. In compliance with ORS 279C.525, Owner has knowledge of federal, state and local agencies of which have enacted ordinances or regulations relating to environmental pollution and the preservation of natural resources that may affect the performance of the Contract. Contractor shall strictly comply requirements of such ordinances or regulations while performing the Work. Refer to the General Requirements for the list of regulatory agencies.

6.15 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

6.16 *Use of Site and Other Areas*

A. *Limitation on Use of Site and Other Areas:*

1. Contractor shall not enter upon nor use property not under Owner's control until appropriate easements have been executed and a copy is on file at the Site.
2. Contractor shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.
3. Should any claim be made by any such owner or occupant because of the performance of the Work, Contractor shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law.

4. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless the Owner, its officers, Commissioners, agents and employees, as well as the parties to the commission: Tualatin Valley Water District, its members, officers, boards, agents and employees; the City of Hillsboro, the Hillsboro Utilities Commission, its members, officers, boards, agents and employees; the City of Beaverton, its members, officers, boards, agents and employees; Stantec Consulting Services Inc., its members, officers, boards, subsidiaries, agents, and employees; Carollo Engineers, Inc., its members, officers, boards, agents and employees; its related and affiliated companies, subconsultants, and the officers, directors, partners, shareholders, employees, agents and representatives thereof; the US Government Environmental Protection Agency; PLM_4.3 Engineer, its members, officers, boards, agents and employees from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused by or based upon Contractor's performance of the Work.
- B. *Removal of Debris During Performance of the Work:* During the progress of the Work Contractor shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.
1. In accordance with ORS 279C.510, Contractor shall salvage or recycle construction and demolition debris if feasible and cost effective.
- C. *Cleaning:* Prior to Substantial Completion of the Work, Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work, Contractor shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.
- D. *Loading Structures:* Contractor shall not load nor permit any part of any structure (either buried or above grade) to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent property to stresses or pressures that will endanger it. Contractor shall be liable to Owner for damage to structures caused by Contractor or anyone with whom Contractor contracts to perform the Work.
- E. Working Environment
1. Contractor shall provide a working environment that is considered safe and healthful, complying in all respects to applicable federal, state and local occupational health

and safety rules and regulations. Contractor shall furnish, install, maintain, and remove adequate temporary sanitary facilities (including drinking water and toilets), worker shelters, heating/cooling equipment, lights (if needed), silencers and other noise-suppressing devices, emission control devices, and other equipment needed to meet regulations promulgated under OSHA and under state and local laws.

2. Contractor shall instruct and is responsible for its employees, Subcontractors, and Suppliers to perform all work in a manner which will least interfere with the environment of and adjacent to the job-site. Efforts shall be made to control dust, objectionable vegetation growth, drainage problems, gaseous and particulate emissions, noise, vibration, and operations which may affect the environment.

F. Protection of Work and Public

1. Contractor shall provide and maintain proper barricades, fences, signal lights and/or watchmen to properly protect the Work, the Willamette River, persons, animals, and property against injury. These statements of specific duties on the part of Contractor shall not be considered as a limitation on the general duties imposed by the Contract or Construction Documents.
2. Owner reserves the right to remedy any neglect on the part of the Contractor regarding the protection of the Work or the public after 24-hours' notice in writing to Contractor, except in case of emergency when Owner shall have the right to remedy any neglect without notice, and in either case to deduct the cost of such remedy from any money due or to become due to Contractor.

G. Storing Materials and Care of Structures

1. All excavated and stored materials shall be placed so they will not endanger the Work or existing structures and so that free access may be had at any time to all parts of the Work and to adjacent properties. Materials shall be kept neatly stored to cause the least possible inconvenience to the public and employees, comply with erosion control requirements, and comply with storage regulations of OSHA. Proper provision shall be made for handling the materials, and for protection of traffic, the public, and employees.
2. Reasonable and satisfactory provision shall be made for travel on sidewalks, crosswalks, streets, roads, railroads, alleys, and private ways. Walkways shall be kept clean and unobstructed. All fences and other structures in the vicinity of the Work shall be protected and, if damaged, shall be repaired or replaced. All trees shall be satisfactorily protected by boxes or otherwise.

6.17 *Emergencies*

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent threatened damage, injury, or loss. Contractor shall give Owner prompt written Notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Owner determines that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Work Change Directive and/or Change Order will be issued.

6.18 *Continuing the Work*

- A. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by Paragraph 15.04 or as Owner and Contractor may otherwise agree in writing.

6.19 *Contractor's General Warranty and Guarantee*

- A. Contractor warrants and guarantees to Owner that all Work will be performed in a professional, competent, good and workmanlike manner, in the best interests of Owner, with high professional standards and in strict compliance with the provisions of the Contract Documents and all Laws and Regulations, that the finished Work shall be fit for its intended use, compatible with the Project and that the Work shall be free from defects in design, materials, and workmanship. Contractor further warrants that all materials, equipment, and supplies, to the maximum extent reasonably possible unless otherwise approved by Owner in writing shall be new, merchantable, and of the most suitable grade and fit for their intended purpose, which warranties shall be transferable to Owner, and further shall furnish satisfactory evidence to Owner as to the kind and quality of the materials and equipment incorporated into the Work. Any professional services supplied by Contractor as part of the Work shall be performed in accordance with generally accepted standards and practices and free from error. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
1. Abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 2. Normal wear and tear under normal usage.
- B. Contractor warrants and guarantees the Work for a period of two (2) years from the date of Substantial Completion, unless otherwise indicated in the Contract Documents. Without limitation of any other rights or remedies of Owner, including the provisions set

- forth in Paragraph 13.071, if any defect in the Work in violation of the foregoing warranties arises or the Work is determined by Owner not to have been completed in accordance with the Contract Documents, Contractor shall, upon receipt of written Notice of such defect, promptly furnish, at no cost to Owner, design and engineering, labor, equipment, and materials necessary to correct such defect and cause the Work to comply fully with the foregoing warranties and Contract Documents. This obligation shall survive both Final Completion of and Final Payment for the Work. Owner shall not be invoiced for any of the costs of warranty work and Contractor shall not be entitled to submit any Claim for an increased fee arising therefrom.
- C. An additional one (1) year warranty period shall be added to the warranty period as stated in Article 6.19 (B) for portions of the Work that are corrected by Contractor during the warranty period.
- D. None of the following will constitute a waiver of Warranty for Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
1. Observations by Owner's Representative;
 2. Observations by Owner's Program Manager
 3. Observations by Engineer;
 4. Payment by Owner of any progress or final payment;
 5. The issuance of a certificate of Substantial Completion by Owner or any payment related thereto by Owner;
 6. Use or occupancy of the Work or any part thereof by Owner;
 7. Any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by Owner;
 8. Any inspection, test, or approval by others; or
 9. Any correction of defective Work by Owner.
- E. Contractor shall promptly, without expense to the Owner:
1. Correct all damage to the Site, equipment or contents which is the result of the use of materials, equipment or workmanship which are inferior, defective, or not in accordance with the Contract Documents;

2. Correct any Work, material, equipment, or contents of building, structure or Site disturbed in fulfilling the guarantee.
3. Repairs, replacements or changes made under the warranty requirements shall be warranted for the specified warranty period, or for one year, beginning on the date of the acceptance of the repairs, replacements or changes, whichever is longer.
4. If the Contractor fails within ten (10) days to proceed to comply with the terms of this warranty, Owner may have the defects corrected. Contractor and the Contractor's surety shall be liable for all expense incurred. In case of an emergency where delay would cause serious loss or damage, repairs may be made without notice to Contractor and Contractor or Contractor's surety shall pay the cost.

6.20 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless the Owner, its officers, Commissioners, agents and employees, as well as the parties to the Commission: Tualatin Valley Water District, its members, officers, boards, agents and employees, the City of Hillsboro, the Hillsboro Utilities Commission, its members, officers, boards, agents and employees, and the City of Beaverton, its members, officers, boards, agents and employees; Stantec Consulting Services Inc., its members, officers, boards, agents and employees; Carollo Engineers, Inc., its members, officers, boards, agents and employees; its related and affiliated companies, subconsultants, and the officers, directors, partners, shareholders, employees, agents and representatives thereof; the US Government Environmental Protection Agency; PLM_4.3 Engineer, its members, officers, boards, agents and employees; thereof, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, including the loss of use resulting therefrom but only to the extent caused by any act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable .
- B. In any and all claims against the Owner, its officers, Commissioners, agents and employees, as well as parties to the Commission: Tualatin Valley Water District, its members, officers, boards, agents and employees, the City of Hillsboro, the Hillsboro Utilities Commission, its members, officers, boards, agents and employees, and the City of Beaverton, its members, officers, boards, agents and employees; Stantec Consulting Services Inc., its members, officers, boards, agents and employees; Carollo Engineers, Inc., its members, officers, boards, agents and employees; its related and affiliated companies, subconsultants, and the officers, directors, partners, shareholders, employees, agents and representatives thereof; the US Government Environmental Protection

- Agency; PLM_4.3 Engineer., its members, officers, boards, agents and employees; and any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 6.20.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- C. The indemnification obligations of Contractor under Paragraph 6.20.A shall not extend to the liability of Engineer and Engineer's officers, directors, members, partners, employees, agents, consultants and subcontractors arising out of:
1. The preparation or approval of, or the failure to prepare or approve maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or
 2. Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

6.21 *Delegation of Professional Design Services*

- A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law.
- B. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Contract Documents, Owner will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to Owner.
- C. Owner shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided Owner have specified to Contractor all performance and design criteria that such services must satisfy.

- D. Pursuant to this Paragraph 6.21, Owner's review and approval of design calculations and design drawings will be only for the limited purpose of checking for conformance with performance and design criteria given, the design concept expressed in the Contract Documents, and for the stamp of a professional engineer. Owner review and approval of Shop Drawings and other submittals (except design calculations and design drawings) will be only for the purpose stated in the General Requirements.
- E. Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

ARTICLE 7 – OTHER WORK AT THE SITE

7.01 *Related Work at Site*

- A. Owner may perform other work related to the Project at the Site with Owner employees, or through other direct contracts therefor, or have other work performed by utility owners. Owner may also have agreements with third parties performing different work on the Site unrelated to the Project. If such other work is not noted in the Contract Documents, then:
 - 1. Written Notice thereof will be given to Contractor prior to starting any such other work; and
 - 2. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times that should be allowed as a result of such other work, a Claim may be made therefor as provided in Paragraph 10.05.
- B. Contractor shall afford each other contractor who is a party to such a direct contract, each utility owner, and Owner, if Owner is performing other work with Owner's employees, proper and safe access to the Site, provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work, and properly coordinate the Work with theirs. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Owner and the others whose work will be affected. The duties and responsibilities of Contractor under this Paragraph are for the benefit of such utility owner and other contractors to the extent that there are comparable provisions for the benefit of Contractor in said direct contracts between Owner and such utility owner and other contractors.
- C. If the proper execution or results of any part of Contractor's Work depends upon work performed by others under this Article 7, Contractor shall inspect such other work and

promptly report to Owner in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

7.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work on the Project at the Site, or to contract with others to coordinate other work unrelated to the Project at the Site, the following will be set forth in the General Requirements:
 - 1. The individual or entity who will have authority and responsibility for coordination of the activities among the various parties and contractors will be identified;
 - 2. The specific matters to be covered by such authority and responsibility will be itemized; and
 - 3. The extent of such authority and responsibilities will be provided.
- B. Unless otherwise provided in the General Requirements, Owner shall have sole authority and responsibility for such coordination.

7.03 *Legal Relationships*

- A. Paragraphs 7.01.A and 7.02 are not applicable for utilities not under the control of Owner.
- B. Each other direct contract of Owner under Paragraph 7.01.A shall provide that the other contractor is liable to Owner and Contractor for the reasonable direct delay and disruption costs incurred by Contractor as a result of the other contractor's wrongful actions or inactions.
- C. Contractor shall be liable to Owner and any other contractor under direct contract to Owner for the reasonable direct delay and disruption costs incurred by such other contractor as a result of Contractor's wrongful action or inactions.

ARTICLE 8 – OWNER RESPONSIBILITIES

8.01 *Communications to Contractor*

- A. Except as otherwise provided in Contract Documents, Owner shall issue all communications to Contractor through the designated Owner's Representative. The duties, responsibilities and the limitations of authority of Owner's Representative during construction are set forth in the in Paragraph 8.03.

8.02 *Replacement of Owner's Representative*

- A. In the event that an identified individual's employment is terminated or he or she is unable to perform the role of Owner's Representative, Owner shall replace Owner's Representative; such replacement shall assume the full status under the Contract Documents of the former Owner's Representative.

8.03 *Owner's Representative's Authority*

- A. Owner's Representative will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. All matters in question and other matters between Owner and Contractor arising prior to the date final payment is due relating to the acceptability of the Work, and the interpretation of the requirements of the Contract Documents pertaining to the performance of the Work.
- B. Engineer shall promptly advise Owner's Representative as to its clarifications and interpretations. Upon approval by Owner's Representative, such written clarifications and interpretations will be communicated to Contractor and will be binding on Owner and Contractor.
- C. If Contractor believes that any such decision entitles them to an adjustment in the Contract Price or Contract Times or both, a Claim may be made under Paragraph 10.05 by submitting a Contractor Change Notification.

8.04 *Determinations for Unit Price Work*

- A. Owner's Representative will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Owner's Representative will review with Contractor the preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Owner's Representative's written decision thereon will be final and binding (except as modified by Owner's Representative to reflect changed factual conditions or more accurate data) upon Owner and Contractor, subject to the provisions of Paragraph 10.05.

8.05 *Limitations on Owner Representative's Responsibilities*

- A. Neither Owner's Representative's authority or responsibility under this Paragraph 8.05 or under any other provision of the Contract Documents nor any decision made by Owner's Representative in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Owner's Representative shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Owner to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for an employee or agent of any of them.

- B. Owner's Representative shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Owner's Representative has the authority to reject Work which they believe to be defective, or that Engineer believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Engineer may recommend Owner require special inspection or testing of the Work as provided in Paragraph 13.03, whether or not the Work is fabricated, installed, or completed.
- D. Owner's Representative will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- E. Owner's Representative's review of all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Paragraph 14.07.A and the General Requirements will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.

8.06 *Furnish Data*

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

8.07 *Pay When Due*

- A. Owner shall make uncontested payments to Contractor when they are due as provided in Paragraphs 14.02.C and 14.07.C.

8.08 *Lands and Easements; Reports and Tests*

- A. Owner duties with respect to providing lands and easements and providing engineering surveys to establish reference points are set forth in Paragraphs 4.01 and 4.05. Paragraph 4.02 refers to Owner identifying and making available to Contractor copies of reports of explorations and tests of subsurface conditions and drawings of physical conditions relating to existing surface or subsurface structures at the Site.

8.09 *Insurance*

- A. Owner responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 5.

8.10 *Change Orders*

- A. Owner are obligated to execute Change Orders as indicated in Paragraph 10.03.

8.11 *Inspections, Tests, and Approvals*

- A. Owner responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 13.03.B.

8.12 *Undisclosed Hazardous Environmental Condition*

- A. Owner responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 4.06.

8.13 *Compliance with Safety Program*

- A. While at the Site, Owner employees and representatives shall comply with the specific applicable requirements of Contractor's safety programs of which Owner has been informed pursuant to the General Requirements.

ARTICLE 9 – ENGINEER'S STATUS DURING CONSTRUCTION

9.01 *Visits to Site*

- A. Owner intends that the Engineer will visit the Site periodically to review the progress and quality of the Work.
- B. Not Withstanding paragraph A, Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 9.06. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

9.02 *Project Representative*

- A. If authorized by Owner, Engineer may furnish a project representative to assist Owner in providing more extensive observation of the Work. The authority and responsibilities of any such Resident Project Representative and assistants will be as provided in Paragraph 9.06. If Owner designates another representative or agent to represent Owner at the Site who is not Engineer's consultant, agent or employee, the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the General Requirements.

9.03 *Authorized Variations in Work*

- A. Engineer may recommend minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Design Clarification from the Engineer, issued by Owner to Contractor, who shall perform the Work involved promptly. If Owner or Contractor believes that a Work Change Directive justifies an adjustment in the Contract Price or Contract Times, or both, and the party are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

9.04 *Rejecting Defective Work*

- A. Engineer may recommend Owner reject Work which Engineer believes to be defective, or that Engineer believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Engineer may also recommend special inspection or testing of the Work as provided in Paragraph 13.03, whether or not the Work is fabricated, installed, or completed.

9.05 *Submittals and Shop Drawings*

- A. In connection with Engineer's authority, and limitations thereof, as to Shop Drawings and Samples, refer to the General Requirements.
- B. In connection with Engineer's authority, and limitations thereof, as to design calculations and design drawings submitted in response to a delegation of professional design services, if any, see Paragraph 6.21.

9.06 *Limitations on Engineer's Authority and Responsibilities*

- A. Neither Engineer's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer shall create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.
- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of all maintenance and operating instructions, certificates of inspection, tests, and approvals, and other documentation required to be for Substantial Completion and Final Completion will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with, the Contract Documents.
- E. The limitations upon authority and responsibility set forth in this Paragraph 9.06 shall also apply to the Resident Project Representative, if any, and assistants, if any.

9.07 *Compliance with Safety Program*

- A. While at the Site, Engineer's employees and representatives will be expected to comply with the specific applicable requirements of Contractor's safety programs of which Engineer has been informed pursuant to the General Requirement.

ARTICLE 10 – CHANGES IN THE WORK; CLAIMS

10.01 *Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work by a Change Order, or a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved which will be performed

under the applicable conditions of the Contract Documents (except as otherwise specifically provided).

- B. Owner may, in anticipation of possibly ordering an addition, deletion, or revision to the Work, issue a request for quote for Contractor to prepare a proposal of additional or deductive cost and/or times for Owner contemplated changes in the Work. Owner is not responsible for any cost incurred by Contractor associated with the preparation of the proposal. Contractor's written proposal shall be transmitted to Owner's Representative promptly, but not later than fourteen (14) days after Contractor's receipt of Owner written request and shall remain a firm offer for a period not less than forty-five (45) days after receipt thereof. Contractor is not authorized to proceed on an Owner contemplated change in the Work prior to Contractor's receipt of an executed Change Order or Work Change Directive authorizing such change into the Work. Contractor proposals shall include, when applicable:
- C. If Owner and Contractor are unable to agree on entitlement to, or on the amount or extent, if any, of an adjustment in the Contract Price or Contract Times, or both, that should be allowed as a result of a Work Change Directive, a Claim may be made therefor as provided in Paragraph 10.05.

10.02 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents as amended, modified, or supplemented as provided in Paragraph 3.04, except in the case of an emergency as provided in Paragraph 6.17 or in the case of uncovering Work as provided in Paragraph 13.04.

10.03 *Execution of Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders covering:
 - 1. Changes in the Work which are: (i) ordered by Owner pursuant to Paragraphs 10.01.A and 10.01.B, (ii) required because of acceptance of defective Work under Paragraph 13.08.A or Owner's correction of defective Work under Paragraph 13.09, or (iii) agreed to by the parties;
 - 2. Changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive; and
 - 3. Changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by Owner pursuant to Paragraph 10.05; provided that, in lieu of executing any such Change Order, an appeal may be taken from any such

decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, Contractor shall carry on the Work and adhere to the Progress Schedule as provided in Paragraph 6.04.

- B. In signing a Change Order, Owner and Contractor acknowledge and agree that:
1. Contractor acknowledges and agrees on behalf of itself, all Subcontractors, and all Suppliers, that the stipulated adjustment includes adjustment for all work contained in the Change Order, plus all adjustment for the interruption of schedules, extended field overhead costs, delay, and all impact, ripple effect or cumulative impact on all other work under this Contract.
 2. The Change Order constitutes the full mutual accord and satisfaction for the change, and that the time and/or cost under the Change Order constitutes the total equitable adjustment owed to Contractor, all Subcontractors, and all Suppliers as a result of the change.
 3. Contractor, on behalf of itself, all Subcontractors, and all Suppliers, agrees to waive all rights, without exception or reservation of any kind whatsoever, to file any further Claim related to this Change Order. No further Claim or request for equitable adjustment of any type shall arise out of or as a result of this Change Order or the impact of this Change Order on the remainder of the Work under this Contract.
- C. All Change Orders shall contain the following terms:
1. The equitable adjustment (to the Contract Price and Contract Times) set forth in this Change Order comprises the total adjustment due the Contractor,
 2. All Subcontractors and all Suppliers costs for the Work or change defined in the Change Order, including impact on other work.

10.04 *Notification to Surety*

- A. If the provisions of any bond require notice to be given to a surety of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times), the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

10.05 *Claims*

- A. *Notice:* Written Notice stating the general nature of each Claim shall be delivered by the claimant the other party to the Contract promptly (but in no event later than seven (7) days) after the start of the event giving rise thereto or the Claim shall be forever barred,

- unless Owner allows additional time, in writing, for claimant to submit additional or more accurate data in support of such Claim, dispute, or other matter. The responsibility to substantiate a Claim shall rest with the party making the Claim. Within thirty (30) days of Notice of Claim, claimant shall provide the following: (i) a statement of the amount or extent of the Claim, dispute, or other matter, (ii) supporting data explaining the reason, amount, and/or extent of the Claim, dispute, or other matter and, (iii) a written statement that the adjustment claimed is the entire adjustment to which the claimant believes it is entitled as a result of said event. Claimant's failure to submit such supporting data shall be a waiver of any and all Claims related to the data. A Claim for an adjustment in Contract Price shall be prepared in accordance with the provisions of Paragraph 12.01.A. A Claim for an adjustment in Contract Times shall be prepared in accordance with the provisions of Paragraph 12.02.B.
- B. Owner will review each Claim and, within thirty (30) days after receipt of the last submittal of the claimant or the last submittal of the opposing party, if any, take one of the following actions in writing:
1. Deny the Claim in whole or in part;
 2. Approve the Claim; or
 3. Notify the party that Owner is unable to resolve the Claim if, in the Owner's sole discretion, it would be inappropriate for the Owner to do so. For purposes of further resolution of the Claim, such notice shall be deemed a denial.
- C. In the event that Owner does not take action on a Claim within said thirty (30) days, the Claim shall be deemed denied.
- D. Owner written action under Paragraph 10.05.B or denial pursuant to Paragraphs 10.05.B.3 or 10.05.C will be final and binding upon Owner and Contractor, unless Owner or Contractor invoke the dispute resolution procedure set forth in Article 16 within thirty (30) days of such action or denial.
- E. No Claim for an adjustment in Contract Price or Contract Times will be valid if not submitted in accordance with this Paragraph 10.05.

ARTICLE 11 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK

11.01 Cost of the Work

- A. *Costs Included:* The term Cost of the Work means the sum of all costs, except those excluded in Paragraph 11.01.B, necessarily incurred and paid by Contractor in the proper performance of the Work. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of

the Work, the costs to be reimbursed to Contractor will be only those additional or incremental costs required because of the change in the Work or because of the event giving rise to the Claim. Except as otherwise may be agreed to in writing by Owner, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall not include any of the costs itemized in Paragraph 11.01.B, and shall include any and all the following items:

1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor. Such employees shall include, without limitation, superintendents, foremen, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits. The expenses of performing Work outside of regular working hours, on Saturday or Sunday, shall be included in the above to the extent authorized by Owner.
2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and suitable storage (both onsite and off-site) thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to Contractor unless Owner deposit funds with Contractor with which to make payments, in which case the cash discounts shall accrue to Owner. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to Owner, and Contractor shall make provisions so that they may be obtained.
3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, who will then determine which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as Contractors Cost of the Work and fee as provided in this Paragraph 11.01.
4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories and surveyors) employed for services specifically related to the Work with approval by Owner.
5. Supplemental costs including the following:

- a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
- b. Cost, including transportation and maintenance, of all materials, water, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
- c. Equipment costs shall be calculated using the rental rate listed for such equipment in the Equipment Watch Rental Rate Blue Book for Owned Equipment. Such rental rate will be used to compute payments for equipment whether the equipment is under the Contractor's control through direct ownership, leasing, renting, or another method of acquisition. The rental rate to be applied for use of each item of equipment will be the rate resulting in the least total cost to Owner for the total period of use, and in general shall be the monthly rental rate divided by 176 times the actual hours used. If it is deemed necessary by the Contractor to use equipment not listed in the publication specified herein, an equitable rental rate for the equipment will be established by Owner. Contractor may furnish cost data which may assist Owner in the establishment of the rental rate. Individual pieces of equipment or tools having a replacement value of \$500 or less, whether or not consumed by use, will be considered to be small tools and no payment will be made therefore.
- d. The rental time to be paid for equipment on the Site will be the time the equipment is in productive operation on the extra Work being performed and, in addition, will include the time required to move the equipment to the location of the extra Work and return it to the original location or to another location requiring no more time than that required to return it to its original location. Rental time will not be allowed while equipment is inoperative due to breakdowns. The rental time of equipment on the work Site will be computed subject to the following:
 - 1) When hourly rates are listed, any part of an hour less than 30 minutes of operation will be considered to be half-hour of operation, and any part of an hour in excess of 30 minutes will be considered one hour of operation.
 - 2) When daily rates are listed, any part of a day less than 4 hours operation will be considered to be half-day of operation. When owner-operated equipment is used to perform extra Work to be paid for on a time and materials basis, the Contractor will be paid for the operator(s), as set forth in Article 11.01.
- e. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.

- f. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
- g. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with Paragraph 5.06), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee.
- h. The cost of utilities, fuel, and sanitary facilities at the Site.
- i. Minor expenses such as, long distance telephone calls, telephone service at the Site, express and courier services, and similar petty cash items in connection with the Work.
- j. The costs of premiums for all bonds and insurance Contractor is required by the Contract Documents to purchase and maintain.

B. *Costs Excluded:* The term Cost of the Work shall not include any of the following items:

1. Payroll costs and other compensation of Contractors officers, executives, principals (of partnerships and sole proprietorships), general managers, safety managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 11.01.A.1 or specifically covered by Paragraph 11.01.A.5, all of which are to be considered administrative costs covered by the Cost of the Work.
2. Expenses of Contractors principal and branch offices other than Contractors office at the Site.
3. Any part of Contractors capital expenses, including interest on Contractors capital employed for the Work and charges against Contractor for delinquent payments.
4. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable,

including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.

5. Costs due to rework to correct defective Work performed by Contractor, any Subcontractor, or any one for whom Contractor is responsible; excluding design errors or omissions.
 6. Costs due to the fault of the Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to fines or penalties imposed by governmental entities, remediation costs, or environmental clean-up costs caused or resulting from violations of law or negligence of Contractor.
 7. Costs of fines or penalties or other costs arising from or resulting from criminal acts, willful acts, or gross negligence of Contractor or of those for whom Contractor is responsible.
 8. Bonuses paid in whatever form.
 9. Paid time off in place of, or in addition to, actual time off.
 10. Standby costs due to the fault of the Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them.
 11. Royalties, damages for infringement of patents and costs of defending suits therefore, and deposits lost for causes not directly attributable to Owner.
 12. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraphs 11.01.A including, but not limited to (a) expenses for travel or staff training not directly related to the Project; (b) income taxes of any kind; (c) gross receipts taxes of any kind; (d) taxes on profits of any kind; and (e) increases in the rate of income taxes, profits taxes, or gross receipts taxes. For the avoidance of any doubt, taxes included under this Paragraph 11.01.B.12 (and expressly not included in the Cost of Work) include but are not limited to: (a) Federal Corporate Income Tax; (b) Federal Individual Income Tax; (c) Oregon Corporate Income Tax; (d) Oregon Individual Income Tax; (e) Oregon Corporate Activity Tax; (f) Metro Supportive Housing Services Income Tax; (g) City of Portland Business License Tax; (h) Multnomah County Business Income Tax; and (i) Multnomah County Preschool for All Income Tax.
- C. *Contractor's Fee:* When all the Work is performed on the basis of cost-plus, Contractor's fee shall be determined as set forth in the Contract. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price

is determined on the basis of Cost of the Work, Contractor's fee shall be determined as set forth in Paragraph 12.01.C.

- D. *Documentation:* Whenever the Cost of the Work for any purpose is to be determined pursuant to Paragraphs 11.01.A and 11.01.B, Contractor will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to Owner's Representative an itemized cost breakdown together with supporting data.

11.02 *Allowances*

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner's Representative.
- B. *Cash Allowances:*
1. Contractor agrees that:
 - a. The cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
 - b. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.
- C. Prior to final payment, an appropriate Change Order will be issued as recommended by Owner to reflect actual amounts due Contractor on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.03 *Unit Price Work*

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Contract.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by Contractor will be made by Owner subject to the provisions of Paragraph 8.04.

- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Owner or Contractor may make a Claim for an adjustment in the Contract Price in accordance with Paragraph 10.05 if:
 - 1. The quantity of any item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the General Requirements; and
 - 2. There is no corresponding adjustment with respect to any other item of Work; and
 - 3. Contractor believes that Contractor is entitled to an increase in Contract Price as a result of having incurred additional expense or Owner believe that Owner are entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12 – CHANGE OF CONTRACT PRICE; CHANGE OF CONTRACT TIMES

12.01 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Claim for an adjustment in the Contract Price shall be based on written Notice submitted by the party making the Claim to Owner in accordance with the provisions of Paragraph 10.05.
- B. The value of any Work covered by a Change Order or of any Claim for an adjustment in the Contract Price will be determined as follows:
 - 1. Where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 11.03); or
 - 2. Where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 12.01.C.2); or
 - 3. Where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under Paragraph 12.01.B.2, on the basis of the Cost of the Work (determined as provided in Paragraph 11.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 12.01.C).
- C. *Contractor's Fee:* The Contractor's fee for overhead and profit shall be determined as follows:

1. A mutually acceptable fixed fee; or
2. If a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
 - a. For costs incurred under Paragraphs 11.01.A.1 and 11.01.A.2, the Contractor's fee shall not exceed 10 percent;
 - b. For costs incurred under Paragraph 11.01.A.3, the Contractor's fee shall be five percent;
 - c. Where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 12.01.C.2.a and 12.01.C.2.b is that the Subcontractor who actually performs the Work, at whatever tier, will be paid a fee of 10 percent of the costs incurred by such Subcontractor under Paragraphs 11.01.A.1 and 11.01.A.2 and that any higher tier Subcontractor and Contractor will each be paid a fee of five percent of the amount paid to the next lower tier Subcontractor;
 - d. No fee shall be payable on the basis of costs itemized under Paragraphs 11.01.A.4, 11.01.A.5, and 11.01.B;
 - e. The amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in Contractor's fee by an amount equal to five percent of such net decrease; and
 - f. When both additions and credits are involved in any one change, the adjustment in Contractor's fee shall be computed on the basis of the net change in accordance with Paragraphs 12.01.C.2.a through 12.01.C.2.e, inclusive.

12.02 *Change of Contract Times*

- A. The Contract Times (or Milestones) may only be changed by a Change Order. Any Claim for an adjustment in the Contract Times shall be based on written submitted by the party making the Claim to Owner in accordance with the provisions of Paragraph 10.05.
- B. Any adjustment of the Contract Times (or Milestones) covered by a Change Order or any Claim for an adjustment in the Contract Times will be determined in accordance with the provisions of this Article 12 and the General Requirements.

12.03 *Delays*

- A. Where Contractor is prevented from completing any part of the Work within the Contract Times (or Milestones) due to delay beyond the control of Contractor, the Contract Times (or Milestones) will be extended in an amount equal to the time lost due to such delay if a Claim is made therefor as provided in Paragraph 12.02.A. Delays beyond the control of Contractor shall include, but not be limited to, acts or neglect by Owner, acts or neglect of utility owner or other contractors performing other work as contemplated by Article 7, or Acts of God.
- B. If Owner, Engineer, or other contractors or utility owner performing other work for Owner as contemplated by Article 7, or anyone for whom Owner has control, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times (or Milestones), or both. Contractor's entitlement to an adjustment of the Contract Times (or Milestones) is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times (or Milestones).
- C. If Contractor is delayed in the performance or progress of the Work by Acts of God, acts or failures to act of utility owner not under the control of Owner, or other causes not the fault of and beyond control of Owner and Contractor, then Contractor shall be entitled to an equitable adjustment in Contract Times (or Milestones), if such adjustment is essential to Contractor's ability to complete the Work within the Contract Times. Such an adjustment shall be Contractor's sole and exclusive remedy for the delays described in this Paragraph 12.03.C.
- D. Owner, Engineer, and their officers, directors, members, partners, employees, agents, consultants, or subcontractors shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.
- E. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times (or Milestones) for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.
- F. In no event shall Owner be liable to Contractor, any Subcontractor, any Supplier, or any other person or organization, or to any surety for or employee or agent of any of them, for damages arising out of or resulting from:
 - 1. Delays caused by or within the control of Contractor; or

2. Delays beyond the control of both Owner and Contractor including but not limited to fires, floods, epidemics, abnormal weather conditions, acts of God, or acts or neglect by utility owner or other contractors performing other work as contemplated by Article 7, unless provided for in Paragraph 15.01.
3. Nothing in this Paragraph 12.03.F bars a change in Contract Price pursuant to this Article 12 to compensate Contractor due to delay, interference, or disruption directly attributable to actions or inactions of Owner or anyone for whom Owner is responsible.

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

13.01 Notice of Defects

- A. Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor. All defective Work may be rejected, corrected, or accepted as provided in this Article 13.

13.02 Access to Work

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and governmental agencies with jurisdictional interests will have access to the Site and the Work at reasonable times for their observation, inspection, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's safety procedures and programs so that they may comply therewith as applicable.

13.03 Tests and Inspections

- A. Contractor shall give Owner's Representative minimum 48-hours' notice of readiness of the Work for all required inspections, tests, or approvals and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.
- B. Owner shall employ and pay for the services of an independent testing laboratory to perform all field inspections, tests, or approvals required by the Contract Documents except:
 1. For inspections, tests, or approvals covered by Paragraphs 13.03.C and 13.03.D below;
 2. That costs incurred in connection with tests or inspections conducted pursuant to Paragraph 13.03.C shall be paid as provided in Paragraph 13.03.D; and

3. As otherwise specifically provided in the General Requirements.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Owner the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests, or approvals required for Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work; or acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work. Such inspections, tests, or approvals shall be performed by organizations acceptable to Owner and Engineer.
- E. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Owner, Contractor shall, if requested by Owner, uncover such Work for observation.
- F. Uncovering Work as provided in Paragraph 13.03.E shall be at Contractor's expense unless Contractor has given Owner timely notice of Contractor's intention to cover the same and Owner have not acted with reasonable promptness in response to such notice.

13.04 *Uncovering Work*

- A. If any Work is covered prior inspection by Owner without Owner's consent, the Work must, if requested by Owner's Representative, be uncovered for Owner's observation and re-covered at Contractor's expense.
- B. If any Work is covered prior to inspection by Owner with Owner's consent, Owner may order the Work to be uncovered if Owner considers it necessary or advisable that covered Work be observed by Owner or inspected or tested by others. In such event, Contractor, at Owner's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Owner may require, that portion of the Work in question, furnishing all necessary labor, material, and equipment.
 1. If it is found that the uncovered Work is defective, Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties

are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05.

2. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times (or Milestones), or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.

13.05 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, Owner may issue a written Notice to Contractor ordering to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work shall not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.
- B. In the event Owner determines, in its sole discretion, that a violation of any required permit exists, Owner may order Contractor to stop the Work, or any portion thereof, until the cause of such violation has been eliminated.
- C. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times (or Milestones) for delays as a result of the conditions described in this Paragraph 13.05.

13.06 *Correction or Removal of Defective Work*

- A. Promptly after receipt of written Notice, Contractor shall correct all defective Work, whether or not fabricated, installed, or completed, or, if the Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or removal (including but not limited to all costs of repair or replacement of work of others).
- B. When correcting defective Work under the terms of this Paragraph 13.06 or Paragraph 13.07, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.

13.07 *Correction Period*

- A. Pursuant to ORS 12.135(2), if within six (6) years after the date of Substantial Completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents) or by any specific provision of the Contract Documents, any Work is found to be defective, or if the repair of any damages to the land, water or groundwater or areas made available for Contractor's use by Owner or permitted by Laws and Regulations as contemplated in Paragraph 6.16.A is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
1. Repair such defective land, water or groundwater, or areas; or
 2. Correct such defective Work; or
 3. If the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and
 4. Satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others or other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by Contractor.
- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this Paragraph 13.07, the correction period hereunder with respect to such Work will be in accordance with Paragraph 13.07.A or be extended for a period of one year after such correction or removal and replacement has been satisfactorily completed, whichever is longer.
- E. Contractor's obligations under this Paragraph 13.07 are in addition to any other obligation or warranty. The provisions of this Paragraph 13.07 shall not be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

13.08 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner prefer to accept it, Owner may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to Owner's evaluation of and determination to accept such defective Work (and for the diminished value of the Work to the extent not otherwise paid by Contractor pursuant to this sentence. If any such acceptance occurs prior to final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Owner shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work so accepted. If the party are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05. If the acceptance occurs after such recommendation, an appropriate amount will be paid by Contractor to Owner.

13.09 *Owner May Correct Defective Work*

- A. If Contractor fails within a reasonable time after written Notice from Owner to correct defective Work, or to remove and replace rejected Work as required by Engineer in accordance with Paragraph 13.06.A, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, Owner may, after seven (7) days written Notice to Contractor, correct, or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 13.09, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, take possession of Contractor's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Owner have paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner representatives, agents and employees, and Owner other contractors and consultants access to the Site to enable Owner to exercise the rights and remedies under this Paragraph.
- C. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 13.09 will be charged against Contractor, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and Owner shall be entitled to an appropriate decrease in the Contract Price. If the party are unable to agree as to the amount of the

adjustment, Owner may make a Claim therefor as provided in Paragraph 10.05. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.

- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 13.09.

ARTICLE 14 – PAYMENTS TO CONTRACTOR AND COMPLETION

14.01 Schedule of Values

- A. The Schedule of Values in Section 4.03 of the Contract will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Owner's Representative. Progress payments shall be in accordance with Specification Section 01 22 13.

14.02 Progress Payments

A. Applications for Payments:

1. On or before the 10th day of each month, Contractor shall submit to Owner's Representative for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents.
2. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location approved by Owner in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance or other arrangements to protect Owner interest therein, all of which must be satisfactory to Owner. Owner shall pay up to seventy-five percent (75%) until materials or equipment are delivered to the Site and incorporated into the Work in accordance with the Contract Documents.
3. Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.

4. The amount of retainage with respect to progress payments will be as stipulated in the Section 5 of the Contract.
 5. Refer to ARTICLE 11 for definition of costs to be paid on actual amounts.
- B. *Review of Applications:*
1. Owner's Representative will, within ten (10) days after receipt of each Application for Payment, either indicate in writing a recommendation of payment or return the Application to Contractor indicating in writing Owner's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
 2. Owner's Representative's recommendation of any payment requested in an Application for Payment will constitute a representation by Owner, based on Owner's Representative's observations of the executed Work and the accompanying data and schedules, that to the best of Owner's Representative's knowledge, information and belief:
 - a. The Work has progressed to the point indicated;
 - b. The quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 8.04 and any other qualifications stated in the recommendation); and
 - c. The conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Owner's Representative's responsibility to observe the Work.
 3. By recommending any such payment, Owner's Representative will not thereby be deemed to have represented that:
 - a. Inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Owner's Representative in the Contract Documents; or
 - b. There may not be other matters or issues between the party that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.

4. Neither Owner's Representative's review of Contractor's Work for the purposes of recommending payments nor Owner's Representative's recommendation of any payment, including final payment, will impose responsibility on Owner's Representative's:
 - a. To supervise, direct, or control the Work, or
 - b. For the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or
 - c. For Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work, or
 - d. To make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or
 - e. To determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.

5. Owner's Representative may refuse to recommend the whole or any part of any payment if, in Owner's Representative's opinion, it would be incorrect to make the representations stated in Paragraph 14.02.B.2. Owner's Representative may also refuse to recommend any such payment, because of subsequently discovered evidence or the results of subsequent inspections or tests, revise or revoke any such payment recommendation previously made, to such extent as may be necessary in Owner's Representative's opinion to protect Owner from losses, which may include, but is not limited to the following:
 - a. The Work is defective, or completed Work has been damaged, requiring correction or replacement;
 - b. The Contract Price has been reduced by Change Orders;
 - c. Owner has been required to correct defective Work or complete Work in accordance with Paragraph 13.09; or
 - d. Owner's Representative's has actual knowledge of the occurrence of any of the events enumerated in Paragraph 15.02.A.
 - e. Failure of Contractor to diligently prosecute the Work and maintain progress to assure completion within the Contract Times; or
 - f. Failure of the Contractor to maintain bonds, certificates of insurance, or other information as required under the Contract.

- g. Failure of Contractor to submit monthly progress schedules, required reports, de minimis list, and as-built and survey data drawing information.
- h. Any reasonable doubt that the Work can be completed for the balance then unpaid.
- i. Claims have been filed or reasonable evidence indicating probable filing of Claims on account of Contractor's acts or omissions.
- j. Security interests have been filed in connection with the Work, except where Contractor has delivered a specific Bond satisfactory to Owner to secure the satisfaction and discharge of such security interests.
- k. Failure to obtain and maintain required permits and licenses.
- l. Failure to maintain a representative on Site as required by Contract Documents.

C. Payment Becomes Due:

- 1. Thirty (30) days after Owner's Representative's recommendation of payment, the amount recommended will (subject to the provisions of Paragraph 14.02.D) become due, and when due will be paid by Owner to Contractor.

D. Reduction in Payment:

- 1. Owner may refuse to make payment of the full amount recommended by Owner's Representative's because:
 - a. Claims have been made against Owner on account of Contractor's performance or furnishing of the Work;
 - b. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens;
 - c. There are other items entitling Owner to a set-off against the amount recommended;
 - d. Owner have actual knowledge of the occurrence of any of the events enumerated in Paragraphs 14.02.B.5.a through 14.02.B.5.c or Paragraph 15.02.A; or
 - e. Liability for liquidated damages incurred by Contractor.

2. If Owner refuses to make payment of the full amount recommended by Owner's Representative, Owner will give Contractor immediate written Notice stating the reasons for such action and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, when Contractor remedies the reasons for such action.
3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by Paragraph 14.02.C.1.

E. *Subcontractor Payments*

1. In accordance with ORS 279C.505, Contractor shall: (i) make payment promptly, as due to all persons supplying to Contractor, labor or material for the prosecution of the Work under these Contract Documents, (ii) pay all contributions or amounts due the Industrial Accident Fund from Contractor or Subcontractor incurred in the performance of the Work, (iii) not permit any lien or Claim to be filed or prosecuted against Owner, on account of labor or material furnished, and (iv) pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
2. In accordance with ORS 279C.515:
 - a. If Contractor fails, neglects, or refuses to make prompt payment to Subcontractors or Suppliers of any Claim as such Claim becomes due, Owner may pay such Claim and deduct the amount of the payment against funds due Contractor. The payment of a Claim in the manner authorized shall not relieve Contractor or Contractor's surety from obligation with respect to any unpaid Claims.
 - b. If Contractor or first-tier Subcontractor fails, neglects, or refuses to make payments within thirty (30) days after receipt of payment from Owner, Contractor or first-tier Subcontractor shall owe amount due plus interest charges commencing at the end of the ten (10) day period that payment is due and ending upon payment.
 - c. If Contractor or first-tier Subcontractor fails, neglects, or refuses to make payments to person furnishing labor or materials, person may file a complaint with the Construction Contractors Board.
3. In accordance with ORS 279C.580:
 - a. Contractor shall include in each subcontract for property or services entered in to by Contractor or first-tier Subcontractor, including material Suppliers, for the

purpose of performing Work under this Contract, a clause that obligates Contractor to pay first-tier Subcontractor for satisfactory performance under its subcontract within ten (10) days out of such amounts as are paid to Contractor by Owner.

- b. Contractor shall include in each subcontract a clause that obligates Contractor to pay first-tier Subcontractor an interest penalty of three (3) times the discount rate on ninety (90) day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is thirty (30) days after the date when payment was received from Owner, but the rate of interest shall not exceed thirty percent (30%). The amount of interest may not be waived.
- c. Contractor shall require first-tier Subcontractors to included same clauses in subcontracts with lower tiered Subcontractors and Suppliers in connection with this Project.

14.03 *Contractor's Warranty of Title*

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to Owner no later than the time of payment free and clear of all Liens.
- B. Contractor shall ensure that Subcontractors from whom Contractor obtains materials and equipment do not retain, encumber, or reserve title to any such items. Contractor shall indemnify, defend, and hold Owner harmless from any such claims by Contractor's Subcontractors.
- C. The care, custody, and control of the Work shall remain with Contractor until such Work has been accepted in writing by Owner and shall thereupon pass to Owner unless Owner notifies Contractor in writing that such care, custody, and control is assumed by Owner at an earlier date. The taking of possession of such Work prior to Final Completion, shall not constitute the assumption of care, custody, and control of such Work until such time as such Work has either been accepted in writing by Owner or Contractor has been notified in writing as set forth herein.

14.04 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner's Representative in writing that the entire Work is substantially complete (except for items specifically listed by Contractor as incomplete) and request that Owner's Representative issue a certificate of Substantial Completion.
- B. Promptly after Contractor's notification, Owner's Representative, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If

Owner's Representative does not consider the Work substantially complete, Owner's Representative will notify Contractor in writing giving the reasons therefor.

- C. If Owner's Representative considers the Work substantially complete, Owner's Representative shall prepare a certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a list of items to be completed or corrected before final payment.
- D. At the time of delivery of the certificate of Substantial Completion, Owner's Representative will deliver to Contractor a written recommendation as to division of responsibilities pending final payment between Owner and Contractor with respect to security, operation, safety, and protection of the Work, maintenance, heat, utilities, insurance, and warranties and guarantees.
- E. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property, complete or correct items, provide warranty services and participate in optimization process as specified in the Contract Documents.

14.05 *Partial Utilization*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner's Representative and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:
 - 1. Owner at any time may request Contractor in writing to permit Owner to use or occupy any such part of the Work which Owner believe to be ready for its intended use and substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor and Owner will follow the procedures of Paragraph 14.04.A through E for that part of the Work.
 - 2. Contractor at any time may notify Owner's Representative in writing that Contractor considers any such part of the Work ready for its intended use and substantially complete and request Owner's Representative to issue a certificate of Substantial Completion for that part of the Work.
 - 3. Within a reasonable time after either such request, Owner's Representative, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Owner's Representative does not consider that part of the Work to be substantially complete, Owner's Representative will notify Contractor in writing giving the reasons therefor. If Owner's Representative

considers that part of the Work to be substantially complete, the provisions of Paragraph 14.04 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.

4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 5.10 regarding property insurance.

14.06 *Final Inspection & Final Completion of the Work*

- A. Upon written Notice from Contractor that the entire Work or an agreed portion thereof is complete, Owner's Representative and Engineer will promptly make a final inspection with Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

14.07 *Final Payment*

A. *Application for Payment:*

1. After Contractor has, in the opinion of the Owner's Representative, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Specification Section 01 77 00, all documentation and other documents, Contractor may make application for final payment following the procedure for progress payments.
2. The final Application for Payment shall be accompanied (except as previously delivered) by:
 - a. All documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by Paragraph 5.04.A.6;
 - b. Consent of the surety, if any, to final payment;
 - c. A list of all Claims against Owner that Contractor believes are unsettled; and
 - d. Complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of or Liens filed in connection with the Work.
 - e. Final signed De Minimis list per Exhibit L.
3. In lieu of the releases or waivers of Liens specified in Paragraph 14.07.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (i) the releases and receipts include all labor, services,

material, and equipment for which a Lien could be filed; and (ii) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in Liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien.

B. Review of Application and Acceptance:

1. If, on the basis of the Owner's Representative's observation of the Work during construction and final inspection, and review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Owner's Representative is satisfied that the Work has been completed and Contractor's other obligations under the Contract Documents have been fulfilled, Owner's Representative will, within ten (10) days after receipt of the final Application for Payment, indicate in writing to Contractor acceptance of final payment. At the same time, Owner's Representative will also give written Notice to Contractor that the Work is acceptable subject to the provisions of Paragraph 14.09. Otherwise, Owner's Representative will return the Application for Payment to Contractor, indicating in writing the reasons for refusing final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

C. Payment Becomes Due:

1. Thirty (30) days after the acceptance by Owner's Representative of the final Application for Payment and accompanying documentation by the Owner's Representative, the amount recommended less any sum Owner is entitled to set off against by the Owner's Representative's recommendation, including but not limited to liquidated damages, will become due and will be paid by Owner to Contractor.

14.08 *Final Completion Delayed*

- A. If, through no fault of Contractor, final completion of the Work is significantly delayed, and if Owner shall, upon receipt of Contractor's final Application for Payment (for Work fully completed and accepted), and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by Owner for Work not fully completed or corrected is less than the retainage stipulated in the Contract, and if bonds have been furnished as required in Paragraph 5.01, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by Contractor to the Owner's Representative with the Application for such payment. Such payment

shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

14.09 *Waiver of Claims*

- A. The making and acceptance of final payment will constitute:
1. A waiver of all Claims by Owner against Contractor, except Claims arising from unsettled Liens, from defective Work appearing after final inspection pursuant to Paragraph 14.06, from failure to comply with the Contract Documents or the terms of any special guarantees specified therein, or from Contractor's continuing obligations under the Contract Documents; and
 2. A waiver of all Claims by Contractor against Owner other than those previously made in accordance with the requirements herein and expressly acknowledged by Owner in writing as still unsettled.

ARTICLE 15 – SUSPENSION OF WORK AND TERMINATION

15.01 *Owner May Suspend Work*

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than ninety (90) consecutive days by notice in writing to Contractor. Contractor shall be granted an adjustment in the Contract Price or an extension of the Contract Times, or both, for cost and time impacts directly attributable to any such suspension if Contractor makes a Claim therefor as provided in Paragraph 10.05.
- B. Contractor's Claim for an adjustment in the Contract Price for any such suspension of Work shall not exceed five thousand dollars (\$5,000.00) for each business day that Work is suspended. Contractor shall waive all Claims to the abovementioned stipulated damages for the first three (3) business days of suspended Work following the day of discovery if the suspension is caused by one or more of the following Site conditions: findings of (i) cultural, archeological, or historical significance; (ii) plant and/or wildlife in areas of the natural habitat; (iii) conditions preventing Work due to permit compliance requirements; (iv) Hazardous Environmental Condition; and/or (v) evidence of criminal or tortious acts.
- C. In no event shall an equitable adjustment be made for the benefit of Contractor to the extent the suspension arises from faulty workmanship or material, improper supervision, Contractor's failure to carry out orders or perform and provision of the Contract Documents.
- D. Any delays associated with the Pre-Mobilization Standby, for which Contractor is compensated shall not be subject to this Paragraph 15.01.

15.02 *Owner May Terminate for Cause*

- A. The occurrence of any one or more of the following events will justify termination for cause:
1. Contractor's failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the Baseline Schedule established under Paragraph 2.04 as adjusted monthly pursuant to Paragraph 6.04);
 2. Contractor's disregard of Laws or Regulations of any public body having jurisdiction;
 3. Contractor's repeated disregard of the authority of Owner's Representative; or
 4. Contractor's violation in any substantial way of any provisions of the Contract Documents.
- B. If one or more of the events identified in Paragraph 15.02.A occur, Owner may, after giving Contractor (and surety) seven (7) days written Notice of its intent to terminate the services of Contractor:
1. Exclude Contractor from the Site, and take possession of the Work and of all Contractor's tools, appliances, construction equipment, and machinery at the Site, and use the same to the full extent they could be used by Contractor (without liability to Contractor for trespass or conversion);
 2. Incorporate in the Work all materials and equipment stored at the Site or for which Owner have paid Contractor but which are stored elsewhere; and
 3. Complete the Work as Owner may deem expedient.
- C. If Owner proceed as provided in Paragraph 15.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Owner arising out of or relating to completing the Work, such excess will be paid to Contractor. If such claims, costs, losses, and damages exceed such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Owner's Representative as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this Paragraph, Owner shall not be required to obtain the lowest price for the Work performed.

- D. Notwithstanding Paragraphs 15.02.B and 15.02.C, Contractor's services will not be terminated if Contractor begins within seven (7) days of receipt of notice of intent to terminate to correct its failure to perform and proceeds diligently to cure such failure within no more than thirty (30) days of receipt of said notice.
- E. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue. Any retention or payment of moneys due Contractor by Owner will not release Contractor from liability.
- F. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 5.01.A, the termination procedures of that bond shall supersede the provisions of Paragraphs 15.02.B and 15.02.C.

15.03 *Owner May Terminate For Convenience*

- A. Upon seven days (7) written Notice to Contractor, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract or a portion thereof. In such case, Contractor shall be paid for (without duplication of any items):
 - 1. Completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 - 2. Expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;
 - 3. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and
 - 4. Reasonable expenses directly attributable to termination.
- B. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

15.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (i) the Work is suspended for more than ninety (90) consecutive days by Owner or under an order of court or other public authority, or

- (ii) Owner's Representative fails to act on any Application for Payment within thirty (30) days after it is submitted, or (iii) Owner fails for thirty (30) days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven (7) days' written Notice to Owner, and provided Owner does not remedy such suspension or failure within that time, terminate the Contract and recover from Owner payment on the same terms as provided in Paragraph 15.03.
- B. In lieu of terminating the Contract, and without prejudice to any other right or remedy, if Owner's Representative has failed to act on an Application for Payment within thirty (30) days after it is submitted, or Owner has failed for thirty (30) days to pay Contractor any sum finally determined to be due, Contractor may, seven (7) days after written Notice to Owner, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The provisions of this Paragraph 15.04 are not intended to preclude Contractor from making a Claim under Paragraph 10.05 for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this Paragraph.

ARTICLE 16 – DISPUTE RESOLUTION

- A. If a dispute arises between the parties relating to this Contract, the procedure below shall be followed as a condition precedent to litigation:
1. The aggrieved party will notify the other party in writing describing the dispute and requested relief (Notice of Dispute). The parties shall hold a meeting promptly, but in no event later than thirty (30) days from the initial written Notice of Dispute, attended by persons with decision-making authority regarding the dispute, to attempt in good faith to negotiate a resolution of the dispute; provided, however, that no such meeting shall be deemed to vitiate or reduce the obligations and liabilities of the parties thereunder or be deemed a waiver by a party hereto of any remedies to which such party would otherwise be entitled thereunder unless otherwise agreed to by the party in writing.
 2. If, following thirty (30) days of such meeting, the parties have not succeeded in negotiating a resolution of the dispute, either party may notify the other of its election to submit the dispute to non-binding mediation (Election to Mediate). The parties shall exercise good faith efforts to select a mediator who is an Oregon member of the National Academy of Distinguished Neutrals or such other person as they mutually agree. The mediator shall be compensated equally by both parties. Mediation will be conducted in Portland, Oregon, unless both parties agree in writing otherwise. Both parties agree to exercise good faith efforts to resolve disputes covered by this Section through this mediation process.

3. Mediation shall be completed within sixty (60) days from the date of Election to Mediate unless the parties agree otherwise. The parties hereby expressly agree that no claim or dispute arising under the terms of this Contract shall be resolved other than first through mediation and, only in the event said mediation efforts fail, through litigation. If a party requests mediation and the other party fails to respond within ten (10) days of the Election to Mediate, or if the party fail to agree on a mediator within ten (10) days of the Election to Mediate, or if mediation is completed within sixty (60) days without resolution, then the aggrieved party may commence litigation and assert all claims under this Contract.

ARTICLE 17 – MISCELLANEOUS

17.01 *Giving Notice*

- A. Whenever any provision of the Contract Documents requires the giving of written Notice, it will be deemed to have been validly given if:
 1. Delivered in e-Builder to Owner’s Representative or Contractor’s project manager; or
 2. Delivered at or sent by registered or certified mail, postage prepaid addressed to all of the following:

If to Owner:

Willamette Water Supply System Commission
 David Kraska, General Manager
 1850 SW 170th Avenue
 Beaverton, OR 97003

If to Contractor:

17.02 *Computation of Times*

- A. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract Documents. The provisions of this Paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

17.05 *Controlling Law*

- A. This Contract is to be governed by the law of the state of Oregon.

17.06 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

Client: Willamette Water Supply Program
 Project: ITB-PLM-0301221
 Description: PLM_4.3 Pipeline Construction

				Emery & Sons		JW Fowler		Kerr Contractors		Tapani	
Item No.	Item Description	Unit	Qty	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price
PLM 4.3 - SCHEDULE A											
1	Pre-Mobilization	LS	1	\$ 490,000.00	\$ 490,000.00	\$ 530,000.00	\$ 530,000.00	\$ 605,415.85	\$ 605,415.85	\$ 450,000.00	\$ 450,000.00
2	Pre-Mobilization Standby	MO	3	\$ 36,000.00	\$ 108,000.00	\$ 1.00	\$ 3.00	\$ 36,000.00	\$ 108,000.00	\$ 5,000.00	\$ 15,000.00
3	Mobilization	LS	1	\$ 1,900,000.00	\$ 1,900,000.00	\$ 2,120,000.00	\$ 2,120,000.00	\$ 2,420,300.00	\$ 2,420,300.00	\$ 1,875,000.00	\$ 1,875,000.00
4	Demobilization	LS	1	\$ 546,000.00	\$ 546,000.00	\$ 530,000.00	\$ 530,000.00	\$ 605,500.00	\$ 605,500.00	\$ 500,000.00	\$ 500,000.00
5	Health and Safety	LS	1	\$ 525,000.00	\$ 525,000.00	\$ 200,000.00	\$ 200,000.00	\$ 140,000.00	\$ 140,000.00	\$ 250,000.00	\$ 250,000.00
6	O&M Manual	LS	1	\$ 10,000.00	\$ 10,000.00	\$ 15,000.00	\$ 15,000.00	\$ 18,100.00	\$ 18,100.00	\$ 25,000.00	\$ 25,000.00
7	Temporary Environmental Controls	LS	1	\$ 200,000.00	\$ 200,000.00	\$ 375,000.00	\$ 375,000.00	\$ 400,000.00	\$ 400,000.00	\$ 100,000.00	\$ 100,000.00
8	Stormwater, Sediment and Erosion Control	LS	1	\$ 425,000.00	\$ 425,000.00	\$ 425,000.00	\$ 425,000.00	\$ 800,000.00	\$ 800,000.00	\$ 1,000,000.00	\$ 1,000,000.00
9	Tree Removal and Disposal	LS	1	\$ 225,000.00	\$ 225,000.00	\$ 120,000.00	\$ 120,000.00	\$ 106,300.00	\$ 106,300.00	\$ 350,000.00	\$ 350,000.00
10	Clearing and Grubbing	LS	1	\$ 150,000.00	\$ 150,000.00	\$ 116,400.00	\$ 116,400.00	\$ 28,500.00	\$ 28,500.00	\$ 1,000,000.00	\$ 1,000,000.00
11	Fencing and Site Security	LS	1	\$ 50,000.00	\$ 50,000.00	\$ 175,000.00	\$ 175,000.00	\$ 59,250.00	\$ 59,250.00	\$ 50,000.00	\$ 50,000.00
12	Construction Survey Work and As-Builts	LS	1	\$ 245,000.00	\$ 245,000.00	\$ 175,000.00	\$ 175,000.00	\$ 500,000.00	\$ 500,000.00	\$ 300,000.00	\$ 300,000.00
13	Trench Cutoff Wall	EA	26	\$ 18,650.00	\$ 484,900.00	\$ 8,270.00	\$ 215,020.00	\$ 9,320.00	\$ 242,320.00	\$ 7,500.00	\$ 195,000.00
14	Trench Foundation Stabilization	LF	1,361	\$ 60.00	\$ 81,660.00	\$ 130.00	\$ 176,930.00	\$ 88.00	\$ 119,768.00	\$ 75.00	\$ 102,075.00
15	Rock Excavation	CY	1,400	\$ 90.00	\$ 126,000.00	\$ 160.00	\$ 224,000.00	\$ 34.00	\$ 47,600.00	\$ 150.00	\$ 210,000.00
16	Furnish and Deliver 66-inch MLPCSP, t=0.375-inch	LF	10,432	\$ 685.00	\$ 7,145,920.00	\$ 745.00	\$ 7,771,840.00	\$ 1,162.00	\$ 12,121,984.00	\$ 750.00	\$ 7,824,000.00
17	Furnish and Deliver 66-inch MLPCSP, t=0.4375-inch	LF	2,201	\$ 1,144.00	\$ 2,517,944.00	\$ 845.00	\$ 1,859,845.00	\$ 1,703.00	\$ 3,748,303.00	\$ 925.00	\$ 2,035,925.00
18	Furnish and Deliver 66-inch MLPCSP, t=0.500-inch	LF	391	\$ 1,400.00	\$ 547,400.00	\$ 1,066.00	\$ 416,806.00	\$ 2,248.00	\$ 878,968.00	\$ 1,125.00	\$ 439,875.00
19	Furnish and Deliver 66-inch MLPCSP, t=0.625-inch	LF	190	\$ 1,850.00	\$ 351,500.00	\$ 1,235.00	\$ 234,650.00	\$ 2,975.00	\$ 565,250.00	\$ 1,325.00	\$ 251,750.00
20	Furnish and Deliver Chicken Creek Vertical Riser, 607+99	LS	1	\$ 225,000.00	\$ 225,000.00	\$ 145,000.00	\$ 145,000.00	\$ 374,000.00	\$ 374,000.00	\$ 150,000.00	\$ 150,000.00
21	Furnish and Deliver Tualatin River South Vertical Riser, 658+36	LS	1	\$ 255,000.00	\$ 255,000.00	\$ 240,235.00	\$ 240,235.00	\$ 399,000.00	\$ 399,000.00	\$ 160,000.00	\$ 160,000.00
22	Furnish and Deliver Tualatin River North Vertical Riser, 678+52	LS	1	\$ 275,000.00	\$ 275,000.00	\$ 267,500.00	\$ 267,500.00	\$ 415,000.00	\$ 415,000.00	\$ 180,000.00	\$ 180,000.00
23	Install 66-inch MLPCSP, t=0.375-inch, Double Lap-Welded Joint	LF	8,209	\$ 675.00	\$ 5,541,075.00	\$ 895.00	\$ 7,347,055.00	\$ 770.00	\$ 6,320,930.00	\$ 650.00	\$ 5,335,850.00
24	Install 66-inch MLPCSP, t=0.375-inch, Butt-Welded Joint	LF	2223	\$ 710.00	\$ 1,578,330.00	\$ 935.00	\$ 2,078,505.00	\$ 815.00	\$ 1,811,745.00	\$ 500.00	\$ 1,111,500.00
25	Install 66-inch MLPCSP, t=0.4375-inch, Butt-Welded Joint	LF	220	\$ 1,060.00	\$ 233,200.00	\$ 1,417.00	\$ 311,740.00	\$ 848.00	\$ 186,560.00	\$ 525.00	\$ 115,500.00
26	Install 66-inch MLPCSP, t=0.500-inch, Butt-Welded Joint	LF	132	\$ 1,190.00	\$ 157,080.00	\$ 1,515.00	\$ 199,980.00	\$ 822.00	\$ 108,504.00	\$ 600.00	\$ 79,200.00
27	Install 66-inch MLPCSP, t=0.625-inch, Butt-Welded Joint	LF	55	\$ 1,240.00	\$ 68,200.00	\$ 1,620.00	\$ 89,100.00	\$ 935.00	\$ 51,425.00	\$ 800.00	\$ 44,000.00
28	Install Chicken Creek Vertical Riser, 607+99	LS	1	\$ 232,500.00	\$ 232,500.00	\$ 173,200.00	\$ 173,200.00	\$ 280,000.00	\$ 280,000.00	\$ 200,000.00	\$ 200,000.00
29	Install Tualatin River South Vertical Riser, 658+36	LS	1	\$ 394,500.00	\$ 394,500.00	\$ 265,000.00	\$ 265,000.00	\$ 377,000.00	\$ 377,000.00	\$ 225,000.00	\$ 225,000.00
30	Install Tualatin River North Vertical Riser, 678+52	LS	1	\$ 696,000.00	\$ 696,000.00	\$ 600,000.00	\$ 600,000.00	\$ 734,000.00	\$ 734,000.00	\$ 400,000.00	\$ 400,000.00
31	Chicken Creek Jacking Shaft	LS	1	\$ 670,000.00	\$ 670,000.00	\$ 950,000.00	\$ 950,000.00	\$ 1,050,200.00	\$ 1,050,200.00	\$ 750,000.00	\$ 750,000.00
32	Chicken Creek Receiving Shaft	LS	1	\$ 865,000.00	\$ 865,000.00	\$ 1,000,000.00	\$ 1,000,000.00	\$ 1,200,500.00	\$ 1,200,500.00	\$ 450,000.00	\$ 450,000.00
33	Chicken Creek Trenchless Crossing, 80-inch min ID Steel Casing with 66-inch MLPCSP, 608+11 to 612+05	LS	1	\$ 2,500,000.00	\$ 2,500,000.00	\$ 2,050,000.00	\$ 2,050,000.00	\$ 2,353,400.00	\$ 2,353,400.00	\$ 2,500,000.00	\$ 2,500,000.00
34	Tualatin River Jacking Shaft	LS	1	\$ 2,700,000.00	\$ 2,700,000.00	\$ 4,600,000.00	\$ 4,600,000.00	\$ 2,809,800.00	\$ 2,809,800.00	\$ 2,100,000.00	\$ 2,100,000.00

Client: Willamette Water Supply Program
 Project: ITB-PLM-0301221
 Description: PLM_4.3 Pipeline Construction

Item No.	Item Description	Unit	Qty	Emery & Sons		JW Fowler		Kerr Contractors		Tapani	
				Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price
35	Tualatin River Receiving Shaft	LS	1	\$ 1,825,000.00	\$ 1,825,000.00	\$ 2,200,000.00	\$ 2,200,000.00	\$ 1,765,200.00	\$ 1,765,200.00	\$ 1,125,000.00	\$ 1,125,000.00
36	Tualatin River Trenchless Crossing, 80-inch min ID Casing with 66-inch MLPCSP, 658+51 to 678+32	LS	1	\$ 8,520,000.00	\$ 8,520,000.00	\$ 7,125,000.00	\$ 7,125,000.00	\$ 8,136,693.00	\$ 8,136,693.00	\$ 9,000,000.00	\$ 9,000,000.00
37	Combination Air Release Valve Assembly, Type I, 6-inch valve	EA	3	\$ 147,000.00	\$ 441,000.00	\$ 124,900.00	\$ 374,700.00	\$ 169,425.00	\$ 508,275.00	\$ 120,000.00	\$ 360,000.00
38	Combination Air Release Valve Assembly, Type I, 8-inch valve	EA	1	\$ 164,750.00	\$ 164,750.00	\$ 135,000.00	\$ 135,000.00	\$ 181,165.00	\$ 181,165.00	\$ 130,000.00	\$ 130,000.00
39	Combination Air Release Valve Assembly, Type II, 6-inch valve	EA	1	\$ 137,500.00	\$ 137,500.00	\$ 135,000.00	\$ 135,000.00	\$ 141,326.00	\$ 141,326.00	\$ 100,000.00	\$ 100,000.00
40	Combination Air Release Valve Assembly, Type II, 8-inch valve	EA	1	\$ 132,800.00	\$ 132,800.00	\$ 152,000.00	\$ 152,000.00	\$ 149,307.00	\$ 149,307.00	\$ 115,000.00	\$ 115,000.00
41	Combination Air Release Valve Assembly, Type II, 10-inch valve	EA	1	\$ 169,600.00	\$ 169,600.00	\$ 173,000.00	\$ 173,000.00	\$ 195,868.00	\$ 195,868.00	\$ 135,000.00	\$ 135,000.00
42	Combination Air Release Valve Assembly, Type II, 12-inch valve	EA	2	\$ 189,000.00	\$ 378,000.00	\$ 204,250.00	\$ 408,500.00	\$ 228,973.00	\$ 457,946.00	\$ 160,000.00	\$ 320,000.00
43	30-inch Accessway with Manhole (Locations with no air valve assembly)	EA	6	\$ 77,000.00	\$ 462,000.00	\$ 54,175.00	\$ 325,050.00	\$ 102,426.00	\$ 614,556.00	\$ 55,000.00	\$ 330,000.00
44	30-inch Buried Accessway	EA	3	\$ 41,500.00	\$ 124,500.00	\$ 17,730.00	\$ 53,190.00	\$ 39,676.00	\$ 119,028.00	\$ 35,000.00	\$ 105,000.00
45	Blowoff, Type I, 8-inch	EA	4	\$ 58,000.00	\$ 232,000.00	\$ 72,400.00	\$ 289,600.00	\$ 68,200.00	\$ 272,800.00	\$ 50,000.00	\$ 200,000.00
46	Major Blowoff, 18-inch	EA	1	\$ 121,000.00	\$ 121,000.00	\$ 149,350.00	\$ 149,350.00	\$ 154,858.00	\$ 154,858.00	\$ 100,000.00	\$ 100,000.00
47	Major Blowoff, 24-inch	EA	1	\$ 158,000.00	\$ 158,000.00	\$ 190,850.00	\$ 190,850.00	\$ 205,830.00	\$ 205,830.00	\$ 175,000.00	\$ 175,000.00
48	66-inch Butterfly Valve and Associated Harness Coupling	EA	3	\$ 265,000.00	\$ 795,000.00	\$ 224,750.00	\$ 674,250.00	\$ 387,200.00	\$ 1,161,600.00	\$ 225,000.00	\$ 675,000.00
49	Interior Joint Lining of 66-inch MLPCSP	LS	1	\$ 293,000.00	\$ 293,000.00	\$ 205,000.00	\$ 205,000.00	\$ 111,720.00	\$ 111,720.00	\$ 225,000.00	\$ 225,000.00
50	Pipeline Cleaning, Testing, and Disinfection	LS	1	\$ 525,000.00	\$ 525,000.00	\$ 280,000.00	\$ 280,000.00	\$ 546,400.00	\$ 546,400.00	\$ 250,000.00	\$ 250,000.00
51	Locate Stations, Curb Markers, Concrete Markers, and Marker Posts	LS	1	\$ 190,000.00	\$ 190,000.00	\$ 101,250.00	\$ 101,250.00	\$ 239,165.00	\$ 239,165.00	\$ 50,000.00	\$ 50,000.00
52	Corrosion Protection	LS	1	\$ 870,000.00	\$ 870,000.00	\$ 658,000.00	\$ 658,000.00	\$ 963,440.00	\$ 963,440.00	\$ 600,000.00	\$ 600,000.00
53	Traffic Control, Chicken Creek Trenchless Crossing	LS	1	\$ 58,000.00	\$ 58,000.00	\$ 140,000.00	\$ 140,000.00	\$ 48,030.00	\$ 48,030.00	\$ 40,000.00	\$ 40,000.00
54	Traffic Control, SW Roy Rogers Road Nighttime Full Closure, South Crossing	LS	1	\$ 70,500.00	\$ 70,500.00	\$ 96,250.00	\$ 96,250.00	\$ 51,805.00	\$ 51,805.00	\$ 40,000.00	\$ 40,000.00
55	Traffic Control, SW Roy Rogers Road Nighttime Full Closure, North Crossing	LS	1	\$ 45,300.00	\$ 45,300.00	\$ 96,500.00	\$ 96,500.00	\$ 51,500.00	\$ 51,500.00	\$ 40,000.00	\$ 40,000.00
56	Traffic Control, Typical Daytime Lane Shifts and Typical Nighttime Lane Closure, 690+40 to 712+50	LS	1	\$ 315,000.00	\$ 315,000.00	\$ 283,500.00	\$ 283,500.00	\$ 151,488.00	\$ 151,488.00	\$ 70,000.00	\$ 70,000.00
57	Traffic Control, Intersection Work, SW Roy Rogers Road and SW Beef Bend Road	LS	1	\$ 102,750.00	\$ 102,750.00	\$ 81,000.00	\$ 81,000.00	\$ 43,994.00	\$ 43,994.00	\$ 70,000.00	\$ 70,000.00
58	Traffic Control, Typical Shoulder Closure, SW Roy Rogers Road	LS	1	\$ 288,000.00	\$ 288,000.00	\$ 283,500.00	\$ 283,500.00	\$ 209,887.00	\$ 209,887.00	\$ 200,000.00	\$ 200,000.00

Client: Willamette Water Supply Program
 Project: ITB-PLM-0301221
 Description: PLM_4.3 Pipeline Construction

Item No.	Item Description	Unit	Qty	Emery & Sons		JW Fowler		Kerr Contractors		Tapani	
				Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price	Bid Unit Price	Extended Bid Price
59	Traffic Signal Modification, SW Roy Rogers Road and SW Beef Bend Road	LS	1	\$ 36,000.00	\$ 36,000.00	\$ 75,950.00	\$ 75,950.00	\$ 29,205.00	\$ 29,205.00	\$ 40,000.00	\$ 40,000.00
60	Connection to PLM 4.4	LS	1	\$ 37,000.00	\$ 37,000.00	\$ 85,000.00	\$ 85,000.00	\$ 53,110.00	\$ 53,110.00	\$ 45,000.00	\$ 45,000.00
61	Connection to PLM 5.1	LS	1	\$ 37,000.00	\$ 37,000.00	\$ 85,175.00	\$ 85,175.00	\$ 53,456.00	\$ 53,456.00	\$ 45,000.00	\$ 45,000.00
62	Fiber Optic Cable Conduit System, Open Cut Construction	LF	10,839	\$ 15.00	\$ 162,585.00	\$ 17.00	\$ 184,263.00	\$ 26.00	\$ 281,814.00	\$ 15.00	\$ 162,585.00
63	Fiber Optic Cable Conduit System, Trenchless Construction (Chicken Creek)	LF	394	\$ 32.00	\$ 12,608.00	\$ 21.00	\$ 8,274.00	\$ 50.00	\$ 19,700.00	\$ 45.00	\$ 17,730.00
64	Soldier Pile Retaining Wall, 734+00 to 736+80	LS	1	\$ 1,042,000.00	\$ 1,042,000.00	\$ 1,200,700.00	\$ 1,200,700.00	\$ 628,022.00	\$ 628,022.00	\$ 1,000,000.00	\$ 1,000,000.00
65	Chicken Creek Access Road, 613+00 to 615+00	LS	1	\$ 98,000.00	\$ 98,000.00	\$ 76,000.00	\$ 76,000.00	\$ 78,962.00	\$ 78,962.00	\$ 90,000.00	\$ 90,000.00
66	Asphalt Pavement Restoration, Roy Rogers Road	SY	750	\$ 242.00	\$ 181,500.00	\$ 265.00	\$ 198,750.00	\$ 129.60	\$ 97,200.00	\$ 200.00	\$ 150,000.00
67	Asphalt Pavement Driveway Restoration	SY	254	\$ 112.00	\$ 28,448.00	\$ 188.00	\$ 47,752.00	\$ 118.20	\$ 30,022.80	\$ 120.00	\$ 30,480.00
68	Grind and Inlay Asphalt Pavement	SY	3,014	\$ 55.00	\$ 165,770.00	\$ 86.00	\$ 259,204.00	\$ 40.00	\$ 120,560.00	\$ 65.00	\$ 195,910.00
69	Concrete Sidewalk Replacement	SY	65	\$ 210.00	\$ 13,650.00	\$ 329.00	\$ 21,385.00	\$ 71.00	\$ 4,615.00	\$ 170.00	\$ 11,050.00
70	Curb and Gutter Replacement	LF	85	\$ 73.00	\$ 6,205.00	\$ 96.00	\$ 8,160.00	\$ 48.25	\$ 4,101.25	\$ 60.00	\$ 5,100.00
71	Culvert Removal and Replacement	LF	545	\$ 162.00	\$ 88,290.00	\$ 205.00	\$ 111,725.00	\$ 183.00	\$ 99,735.00	\$ 130.00	\$ 70,850.00
72	Culvert Extension	LF	75	\$ 140.00	\$ 10,500.00	\$ 205.00	\$ 15,375.00	\$ 210.00	\$ 15,750.00	\$ 140.00	\$ 10,500.00
73	Existing Guardrail Removal	LF	513	\$ 26.00	\$ 13,338.00	\$ 13.00	\$ 6,669.00	\$ 10.00	\$ 5,130.00	\$ 12.00	\$ 6,156.00
74	Guardrail, Midwest System	LF	690	\$ 75.00	\$ 51,750.00	\$ 71.00	\$ 48,990.00	\$ 58.00	\$ 40,020.00	\$ 65.00	\$ 44,850.00
75	Seeding and Landscape Restoration	AC	5	\$ 32,000.00	\$ 160,000.00	\$ 35,450.00	\$ 177,250.00	\$ 24,980.00	\$ 124,900.00	\$ 10,000.00	\$ 50,000.00
76	Wetland and Riparian Restoration	SY	5,325	\$ 24	\$ 127,800.00	\$ 30.00	\$ 159,750.00	\$ 22.00	\$ 117,150.00	\$ 25.00	\$ 133,125.00
77	Temporary Driveway, 641+00	LS	1	\$ 28,000.00	\$ 28,000.00	\$ 16,200.00	\$ 16,200.00	\$ 30,925.00	\$ 30,925.00	\$ 15,000.00	\$ 15,000.00
78	Steel Escalation / De-Escalation for Furnished Steel Pipe	TN	2,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
79	Staging Area Remobilization (Cash Allowance)	AL OW ENC E	1	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
80	Vibration Risk Assessment Report and Monitoring Plan	LS	1	\$ 80,000.00	\$ 80,000.00	\$ 21,775.00	\$ 21,775.00	\$ 18,100.00	\$ 18,100.00	\$ 40,000.00	\$ 40,000.00
81	Vibration Monitoring Within Each Day's Work Zone, Sta. 607+69 to 613+00	LS	1	\$ 15,000.00	\$ 15,000.00	\$ 41,500.00	\$ 41,500.00	\$ 18,100.00	\$ 18,100.00	\$ 40,000.00	\$ 40,000.00
82	Vibration Monitoring of Contractor Identified Buildings and at On-Call Locations in Response to Complaints Received	EA	3	\$ 2,700.00	\$ 8,100.00	\$ 1,520.00	\$ 4,560.00	\$ 4,100.00	\$ 12,300.00	\$ 5,000.00	\$ 15,000.00
83	Fiber Optic Cable Conduit System, Trenchless Construction (Tualatin River)	LF	1,981	\$ 22.00	\$ 43,582.00	\$ 20.00	\$ 39,620.00	\$ 20.10	\$ 39,818.10	\$ 35.00	\$ 69,335.00
PLM_1.3 SCHEDULE A LINE TOTAL:					\$ 51,536,035.00		\$ 53,652,326.00		\$ 60,542,200.00		\$ 47,667,346.00
ADJUSTMENTS:					\$ 25,000.00						

Willamette Water Supply
Our Reliable Water

4.B. Approve PLM_4.3 Construction Contract –
Mike Britch

WWSS Commission Board Meeting
March 3, 2022

1

Outline

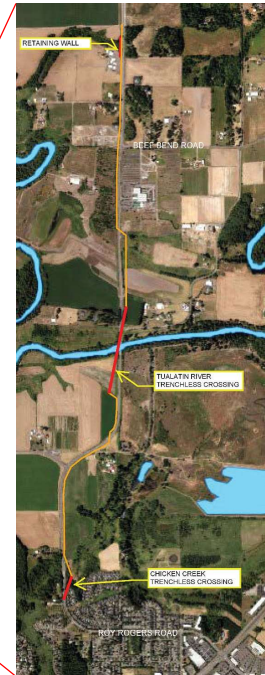
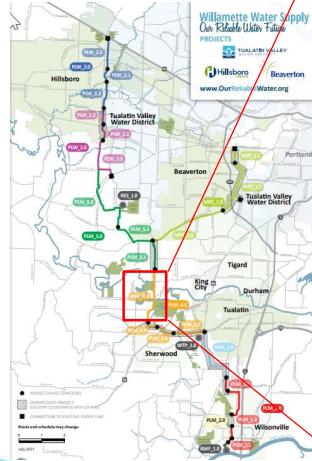
- Project Overview
- Construction Procurement Approach
- Bid Results
- Budget Information
- Requested Action

2

Project Overview

Scope of Work

- 13,200 feet of 66" WSP
- Trenchless Crossings
 - Tualatin River – 2000 LF
 - Chicken Creek – 400 LF
- Tributary 4 Retaining Wall



Low Bid Construction Procurement

- Invitation to Bid (ITB) published on December 10, 2021
- Advertised in the Oregon DJC
- Four firms participated in proprietary meetings
- Four Bids were received:
 - Emery & Sons
 - JW Fowler
 - Kerr Contractors
 - Tapani
- Public Bid Opening occurred January 19, 2022



James W. Fowler Co.



Bid Results

Company	Cost Proposal	Variance from Low Bid	Percent Difference
Emery & Sons	\$51,561,035.00	\$3,893,689.00	8.1%
JW Fowler	\$53,652,326.00	\$5,984,980.00	12.6%
Kerr Contractors	\$60,542,200.00	\$12,874,854.00	27.0%
Tapani, Inc.	\$47,667,346.00	\$0.00	0.0%

- Internal review performed by Program Estimator and Design Consultant for cost errors, ambiguities, apparent unbalance of unit pricing, apparent front-end loading and pricing that is commensurate with current market conditions
- Based on the evaluation of the submitted bids, Tapani, Inc. was the lowest responsive bidder and the respondent determined to be the most advantageous to the Owner

Budget Information

Baseline 7.0 (Q1 2022) for PLM_4.3	
Baseline 6.1 Construction + Contingency Budget	\$61,427,274
Baseline 7.0 (early release) Construction + Contingency Budget	\$76,050,422
Total Contract Price	\$47,667,346
Recommended Project Contingency (10%)	\$4,766,735
Total Estimated Cost	\$52,434,081
Baseline 7.0 Official Release Construction + Contingency Budget	\$52,434,081

- Contract price + 10% contingency (WWSP standard practice) is approximately \$23.6M (31.0%) below the Baseline 7.0 Early Release budget amount.
- The contract amount was favorable due to lower than anticipated pipe material and installation cost as well as lower cost for trenchless crossings.

Estimated Cost: Contract and Recommended Contingency

Estimated Partner Share	Total
<i>TVWD Estimated Share¹</i>	\$30,895,854
<i>Hillsboro Estimated Share¹</i>	\$18,924,364
<i>Beaverton Estimated Share¹</i>	\$2,613,863

¹Based on overall project ownership percentage from Baseline 6.1 budget and WWSS IGA.

7

QUESTIONS?

8

4.B. Requested Board Action

Consider approving Contract 2022-040 for \$47,667,346 with Tapani, Inc. for PLM_4.3 Pipeline Construction for the Willamette Water Supply Program.

Willamette Water Supply System Commission

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STAFF REPORT

To: WWSS Board of Commissioners

From: David Kraska, P.E., WWSS General Manager

Date: March 3, 2022

Subject: Delegation of Authority for a Safe Drinking Water Revolving Loan Fund (SDWRLF) Grant Funding Letter of Interest (LOI)

Requested Board Action:

Consider adopting a resolution approving a delegation of authority from the Willamette Water Supply System Commission (Commission) to Tualatin Valley Water District (TVWD) as the Managing Agency of the Commission to seek Safe Drinking Water Revolving Loan Fund (SDWRLF) grant funding on behalf of the Commission.

Key Concepts:

- SDWRLF funding presents a potential opportunity to offset some of the Willamette Water Supply Program (WWSP) costs.
- To be considered for potential funding, a LOI must be prepared and submitted by March 15, 2022 to the Oregon Health Authority and Business Oregon.
- WWSP resources will be used to prepare the LOI, but a Water System Identification Number is needed.
- Because the Willamette Water Supply System (WWSS) does not yet have a Water System Identification Number, we intend to use the Tualatin Valley Water District's (TVWD's) Water System Identification Number given its position as the Managing Agency of both the WWSP and the WWSS.
- This resolution delegates to TVWD authority to prepare the subject LOI on the behalf of the Commission for potential grant funding opportunities.
- Delegation of authority is not being sought to incur debt on behalf of the WWSP partners.

Background:

The Safe Drinking Water Revolving Loan Fund (SDWRLF), known nationally as the Drinking Water State Revolving Fund (DWSRF), is a partnership program between Business Oregon and the Oregon Health Authority (OHA) and is funded by the U.S. Environmental Protection Agency (EPA). The program helps fund planning, design, and construction of drinking water facility improvements. There is an opportunity that this funding may be available to the WWSS Commission to help offset costs of constructing the WWSS. On February 22, 2022, a virtual meeting was held between TVWD's Chief Financial Officer and staff from Business Oregon. The outcome of that meeting is that it is recommended the WWSS apply for this funding to position the WWSP for forthcoming grant funding opportunities.

WWSP staff are currently drafting the LOI to facilitate review and approval prior to submitting on or before March 15. The LOI requires a Water System Identification Number, but neither the WWSP nor the WWSS Commission has one. We believe it is most appropriate to use TVWD's Water System Identification Number as it is the Managing Agency for both the WWSP and the WWSS. This approach was previously (in mid-2021) vetted with the staff from the Oregon Health Authority and Business Oregon.

Delegation of Authority for a Safe Drinking Water Revolving Loan Fund (SDWRLF) Grant Funding Letter of Interest (LOI)
March 3, 2022
Page 2 of 2

Because we are intending to use TVWD's Water System Identification Number to pursue SDWRLF grant funding for all the WWSS Commission partners, we believe it is prudent to document delegation of authority to do so from the Commission to TVWD. The attached resolution provides that delegation of authority.

Budget Impact:

WWSP staff will prepare the LOI without impacting to the approved FY2022 budget.

Staff Contact Information:

Dave Kraska, WWSP Program Director; 503-941-4561; david.kraska@tvwd.org

Attachments:

- Proposed resolution

RESOLUTION NO. WWSS-04-22

A RESOLUTION DELEGATING AUTHORITY TO THE TUALATIN VALLEY WATER DISTRICT TO SEEK SAFE DRINKING WATER REVOLVING LOAN FUND GRANT FUNDING

WHEREAS, Tualatin Valley Water District (“TVWD”), the City of Hillsboro (“Hillsboro”), and the City of Beaverton (“Beaverton”) formed the Willamette Water Supply System Commission (“Commission”) to permit, design, and construct the Willamette Water Supply System (“WWSS”), including intake pumping facilities and transmission facilities, a water treatment plant, and reservoir facilities (“System”) under the Willamette Water Supply Program (“WWSP”) to provide potable water to TVWD, Hillsboro, and Beaverton and to increase system reliability; and

WHEREAS, the Commission wishes to pursue grant funding through the Safe Drinking Water Revolving Loan Fund (SDWRLF) program funded by the Environmental Protection Agency (EPA); and,

WHEREAS, a necessary step in applying for SDWRLF funding involves submitting a Letter of Interest (LOI) to Oregon Health Authority and Business Oregon, which requires a Water System Identification Number; and,

WHEREAS, though the SDWRLF funding would be to the benefit of the Commission, the Commission does not yet have a Water System Identification Number; and,

WHEREAS, the Commission wishes to delegate authority to TVWD, as the Managing Agency of the Commission, to seek SDWRLF grant funding for the Commission and to use its Water System Identification Number in any application for SDWRLF grant funding.

NOW, THEREFORE, BE IT RESOLVED BY THE WILLAMETTE WATER SUPPLY SYSTEM COMMISSION THAT:

Section 1: The Commission hereby authorizes TVWD as its Managing Agency, and the WWSP Director or his designee specifically, to seek SDWRLF grant funding on behalf of the Commission, to take all actions necessary to seek such grant funding, and to use the TVWD Water System Identification Number in its application for SDWRLF grant funding, consistent with this Resolution.

Approved and adopted at a regular meeting held on the 3rd day of March 2022.

David Judah, Chair

James Duggan, Vice Chair

Willamette Water Supply System Commission

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STAFF REPORT

To: WWSS Board of Commissioners
From: Joelle Bennett, P.E., WWSP Assistant Program Director
Date: March 3, 2022
Subject: Anticipated Business Agenda Items for the April 2022 Meeting of the WWSS Board of Commissioners

Key Concepts:

The next Willamette Water Supply System (WWSS) Commission Board meeting agenda is anticipated to include staff recommendations for the following business agenda items:

1. Sherwood Emergency Intertie Intergovernmental Agreement (IGA)
2. Permitting Services Contract Amendment

Background:

The following are anticipated business agenda items for the April 7, 2022, meeting of the WWSS Board of Commissioners. Due to the dynamic nature of the WWSS work, request for approval of some items may be delayed or new items may emerge on the business agenda next month. WWSS staff strive to provide preliminary information one month prior to requesting action and a full staff report describing the recommended action during the appropriate month.

1. Sherwood Emergency Intertie IGA

The WWSS and City of Sherwood desire to build on their history of cooperation to enable the cost-effective provision of safe and reliable water services to present and future customers by establishing an interconnection between the two systems near the future WWSS treatment plant. This IGA will describe the allowable uses for the intertie, allocation of initial capital costs and ongoing operations and maintenance costs, agreement term and renewals, as well as how either party can terminate the agreement in the future.

At the next WWSS Board meeting, WWSP staff plan to present the proposed intergovernmental agreement with a recommendation to the Board to adopt it through resolution.

2. Permitting Services Contract Amendment

DEA, and its team of subconsultants, was selected through a competitive process to provide the WWSP with professional permitting services in 2015. The permitting services contract included an initial two-year scope of work and up to a total term of twelve years in possible extensions. The contract has been subsequently extended multiple times, and the current contract expires March 12, 2022. The proposed amendment approves the next annual scope of work and budget for services from March 13, 2022 through March 12, 2023.

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At the next WWSS Board meeting, WWSP staff plan to present the proposed contract amendment with a recommendation for approval to the Board.

Budget Impact:

Anticipated costs for the actions described in this staff report are reflected in the WWSP FY2023 budget.

Staff Contact Information:

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Attachments:

- Approvals and Procurement Forecast (February 2022 – April 2022)

Approvals and Procurement Forecast: February 2022 through April 2022

This report provides a three-month projection of (1) forthcoming actions under the WWSS Management Authority Matrix and (2) ongoing and forthcoming procurements.

a = Actual date
 e = Email approval
 FC = Finance Committee
 LCRB = Local Contract Review Board
 MC = Management Committee
 N/A = Not applicable
 OC = Operations Committee

Rec. = Recommendation
 t = Tentative date
 TBD = To be determined; sufficient information not available to project a date
 Note: Dates in red text indicate meetings needed outside the normal meeting schedule

Type	Description	Projected Action	Body/Position (projected action date)		
			Program Director	WWSS Committees	WWSS Board
Program Baseline or Related Plans (above Program Director's Authority)	1. WWSP 2022 Rebaseline Schedule and Budget and WWSS Fiscal Year 2022-2023 Work Plan and Budget	Approve	N/A	MC: 2/17/2022 t	3/3/2022 t
		Execute	N/A	N/A	N/A
	2. PLM_5.3 Add Accommodations for Temporary Pump Station Connection and Use during WWSS Commissioning	Approve	N/A	MC: 3/24/2022 t	N/A
		Execute	N/A	N/A	N/A
Real Estate	3. None	Approve	N/A	N/A	N/A
IGAs, MOUs, Permit Commitments, & Similar Agreements	4. DCS_1.0 Sherwood Broadband Services IGA	Approve	N/A	MC: 3/18/2021 a	4/1/2021 a
		Execute	4/15/2022 t	N/A	N/A
	5. PLM_4.4 WCLUT Construction IGA	Approve	N/A	MC: 10/21/2021 a	11/4/2021 a
		Execute	1/24/2022 a	N/A	N/A
	6. RES_1.0 WCLUT Grabhorn Road Realignment IGA	Approve	N/A	MC: 10/21/2021 a	11/4/2021 a
		Execute	2/28/2022 t	N/A	N/A
	7. PLM_4.2 WCLUT Construction IGA	Approve	N/A	MC: 1/20/2022 a	2/3/2022 a
		Execute	3/31/2022 t	N/A	N/A
	8. PLW_1.3 Butternut Creek Amendment 3	Approve	N/A	N/A	N/A
		Execute	3/31/2022 t	N/A	N/A
	9. Sherwood Emergency Intertie IGA 10.	Approve	N/A	MC: 3/24/2022 t	4/7/2022 t
		Execute	5/30/2022 t	N/A	N/A
Contracts (above Program Director's Authority)	11. PLM_1.3 Contract for Construction Goal: Construct PLM_1.3 Value: \$38M Contractor: MEI Group	Approve	N/A	MC: 1/20/2022 a	2/3/2022 a
		Execute	2/4/2022 a	TBA	N/A
	12. PLM_4.3 Contract for Construction Goal: Construct PLM_4.3 Value: \$47.9M Contractor: Tapani	Approve	N/A	MC: 2/17/2022 t	3/3/2022 t
		Execute	3/10/2022 t	N/A	N/A
	13. MPE_1.3 Contract for Construction Goal: Construct MPE_1.3 Value: \$45.3M Contractor: TBD	Approve	N/A	MC: 4/21/2022 t	5/5/2022 t
		Execute	4/18/2022 t	N/A	N/A

Type	Description	Projected Action	Body/Position (projected action date)		
			Program Director	WWSS Committees	WWSS Board
Contract Amendments and Change Orders (above Program Director's Authority)	14. RES_1.0/PLM_5.3 GMP for Construction Contractor: Hoffman-Fowler, LLC Goal: Construct RES_1.0 and PLM_5.3 Value: \$127.5M	Approve	N/A	MC: 1/20/2022 a	1/20/2022 a
		Execute	1/20/2022 a	TBA	N/A
	15. WTP_1.0 GMP for Construction Goal: Construct WTP_1.0 Value: \$406 M Contractor: Sundt Construction	Approve	N/A	MC: 1/20/2022 a	2/17/2022 t (special meeting)
		Execute	2/18/2022 t	N/A	N/A
	16. Permitting Services Contract Goal: System-wide permitting Value: \$2 M (Estimated) Contractor: DEA	Approve	N/A	MC: 3/24/2022 t	4/7/2022 t
		Execute	4/18/2022 t	N/A	N/A
Local Contract Review Board (LCRB) Actions	17. None	Approve	N/A	N/A	N/A

**Willamette Water Supply System Commission
Board Meeting**

March 3, 2022
