City of Redmond Progressive Design-Build Contract

Maintenance & Operation Center Project

This Contract is made and entered into as ofparties, for services in connection with the Project identified below:	_, 2025, by and between the following
OWNER:	
The City of Redmond 15670 NE 85th St Redmond, WA 98073	
DESIGN-BUILDER:	

Lease Crutcher Lewis WA, LLC 2200 Western Ave #500 Seattle, WA 98121

PROJECT:

Maintenance & Operation Center Project

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder agree as set forth herein.

Article 1

General

- **1.1 Authorization.** This Design-Build Contract (the "Contract") is authorized by and entered in accordance with the Design-Build requirements of RCW 39.10. This Contract shall be interpreted to be consistent with the requirements of those statutory provisions.
- **1.2 Duty to Cooperate.** Owner and Design-Builder always commit to cooperate fully with each other and proceed on the basis of trust and good faith to permit each party to realize the benefits afforded under this Contract.

- **1.3 Definitions.** Terms, words, and phrases used in this Contract shall have the meanings given them in this Contract and as otherwise provided in the *General Conditions of Progressive Design-Build Contract Between Owner and Design-Builder* ("General Conditions").
- **1.4 Design Services.** Design-Builder shall, consistent with applicable state licensing laws, provide design services, including architectural, engineering, and other design professional services required by this Contract. Such design services shall be provided through qualified, licensed design professionals who are either (i) employed by Design-Builder, or (ii) procured by Design-Builder from independent sources. Nothing in this Contract is intended to create any legal or contractual relationship between Owner and any independent design professional.

Article 2

Scope of Work

Design-Builder shall perform all design and construction services, and provide all material, equipment, tools, and labor necessary to complete the Work (including Validation Phase Work, Phase 1 Work, and Phase 2 Work) described in and reasonably inferable from the Contract Documents. The Design-Builder is fully responsible to design and to build the Project, as described in the Project Criteria, as may be revised in accordance with Section 2.1.2 hereof.

2.1 General Services.

- **2.1.1** Owner has provided Design-Builder with access to the Owner-Provided Information listed in **Exhibit A (Owner-Provided Information)**. Owner provides such documents to Design-Builder for information only, and subject to the conditions and qualifications identified in Section 3.2.1 of the General Conditions.
- **2.1.2** Owner's Initial Programming and Overview describing Owner's preliminary program objectives for the Project are in **Exhibit B (Owner's Initial Programming and Overview)**. The Design-Builder shall review the Owner's Initial Programming and Overview, including recommendations to Owner for innovative approaches to the design and construction of the Project. The parties shall meet to discuss Design-Builder's written evaluation of Owner's Initial Programming and Overview and agree upon what revisions, if any, should be made.

2.2 Phased Services.

- **2.2.1 Validation Phase Work.** Design-Builder shall perform validation work (the "Validation Phase Work") as set forth in **Exhibit C (Validation Phase Work)**. Design-Builder's Compensation for Validation Phase Work is set forth in Article 7 of this Contract.
- **2.2.2 Phase 1 Preconstruction and Design Work.** Design-Builder shall perform design, pricing, and other services for the Project (the "Phase 1 Work"), which shall be incorporated into this Contract via amendment as **Exhibit D (Phase 1 Work)**. The Phase 1 Work will include completion of Final Design Documents. However, Owner and Design-Builder may reach agreement on the GMP Amendment for Phase 2 at any point following Design-Builder's completion of the Basis of Design Documents, including incorporation of any Owner comments. As a result, Phase 1 may overlap with Phase 2. The Contract Price and GMP for Phase 2 shall be developed during Phase 1 on an open-book basis. Design-Builder's Compensation for Phase 1 Work is set forth in Article 7 of this Contract.
- **2.2.3 Phase 2 Work.** Design-Builder's Phase 2 Work, which shall be identified and described in the agreed-upon Phase 2 Proposal and GMP Amendment, shall consist of, but not be limited to, ensuring continuous operations of Owner or other Services at the site, the procurement of all materials and equipment for the Project, the performance of construction work for the Project,

development of various documents associated with Phase 2, training of Owner's operations staff, and the provision of warranty services.

- **2.2.4 Early Works Packages.** Owner and the Design Builder may agree to early work packages prior to the GMP Amendment. Scope of work, bonding (consistent with the requirements of Article 11), insurance (consistent with the requirements of Article 11), pricing, and other terms for any Early Work Packages shall be negotiated and memorialized in a written executed Amendment prior to issuance of a notice to proceed. Pricing shall be substantially similar to the pricing structure for Phase 2 set forth in Article 7 of this Contract and any General Conditions and pro-rated to the scope of General Conditions Work included in the early works package.
- **2.3 Phase 2 Proposal.** Design-Builder may develop a Phase 2 Proposal at any point following completion of the conceptual design and any other Basis of Design Documents upon which the parties may agree. Design-Builder shall submit a proposal to Owner (the "Phase 2 Proposal") for the completion of the design and construction for the Project for the Contract Price. The Contract Price in the Phase 2 Proposal shall be based on the Construction General Conditions Price (Section 7.4), the Design-Build Fee (Section 7.5), Pass-Through Costs (Section 7.6.3) plus the Cost of the Phase 2 Work (Section 7.6.1) as provided in Article 7 hereof, presented on an open-book basis, all subject to a Guaranteed Maximum Price (GMP).
 - **2.3.1** The Phase 2 Proposal shall include the following unless the parties mutually agree otherwise:
 - **2.3.1.1** The Contract Price, subject to a GMP, shall be the sum of:
 - i. Construction General Conditions Price as defined in Section 7.4;
 - ii. Design-Builder's Fee as defined in Section 7.5;
 - iii. The Cost of the Phase 2 Work as defined in Section 7.6 hereof, inclusive of any Design-Builder's Contingency as defined in Section 7.7.2; and
 - iv. Pass Through Costs as defined in Section 7.6.3.
 - **2.3.1.2** The Basis of Design Documents in a form and state as agreed to by Owner;
 - **2.3.1.3** A list of the assumptions and clarifications made by Design-Builder in the preparation of the Proposal, which list is intended to supplement the information contained in the drawings and specifications;
 - **2.3.1.4** The Scheduled Substantial Completion Date upon which the Phase 2 Proposal is based, to the extent said date has not already been established under Section 6.2.1 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based and a Project Schedule for the Work;
 - **2.3.1.5** If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis;
 - 2.3.1.6 If applicable, a schedule of alternate prices;
 - 2.3.1.7 If applicable, a schedule of unit prices;
 - **2.3.1.8** If applicable, a statement of Additional Services which may be performed but which are not included in the Phase 2 Proposal, and which, if performed, shall be the basis for an increase in the GMP and/or Contract Time(s);

- **2.3.1.9** An expiration date for the Phase 2 Proposal provided that Design-Builder shall not make the Phase 2 Proposal subject to expiration or withdrawal for at least ninety (90) days after submission and Owner shall provide its initial review and comment on the Phase 2 Proposal within thirty (30) days of submission;
- **2.3.1.10** A Permits and Approvals list detailing the permits and governmental approvals not otherwise addressed in the Contract Documents that Owner and Design-Builder will need and assigning responsibility for each;
- 2.3.1.11 A preliminary training plan;
- 2.3.1.12 A project-specific safety plan;
- **2.3.1.13** A project-specific construction quality plan;
- **2.3.1.14** A plan for inclusion of underutilized firms as subcontractors and suppliers in accordance with the provisions of Chapter 39.10 RCW and the requirements of the Office of Minority and Women's Business Enterprises ("OMWBE"); and
- **2.3.1.15** Design-Builder's Owned Equipment Rate Schedule, which shall be incorporated herein as **Exhibit F** and shall include adequate identifying information such as use, manufacturer, make, model, dimensions/length, blade size, capacity, fuel usage, horse power, voltage/amperage, weight, etc., such that accurate identification can be determined. These descriptors shall match Contractor's owned equipment rental log. **Exhibit F** shall include replacement values and approved rates for each item.

2.3.2 Review and Adjustment to Phase 2 Proposal.

- **2.3.2.1** After submission of the Phase 2 Proposal, Design-Builder will discuss and review it with Owner. Owner may require modifications to the Phase 2 Proposal that Design-Builder shall in good faith attempt to accommodate. Owner must approve the Phase 2 Proposal, as originally submitted or as modified, and enter into a GMP Amendment incorporating the agreed Phase 2 Proposal in order for the Design-Builder to proceed to Phase 2.
- 2.3.2.2 Acceptance of Phase 2 Proposal. If Owner accepts the Phase 2 Proposal, as may be modified, the Contract Price and its basis shall be set forth in an amendment to this Contract (the "GMP Amendment"). Once the parties have agreed upon the GMP Amendment and Owner has issued a Notice to Proceed with Phase 2, Design-Builder shall perform the Phase 2 Work, all as described in the GMP Amendment. Design-Builder acknowledges and agrees that Owner's acceptance and execution of the GMP Amendment is subject to approval by the City of Redmond's City Council. Design-Builder further acknowledges and agrees that its execution of the GMP Amendment constitutes certification that there are no claims, obligations, or liens outstanding or unsatisfied for labor, services, material, equipment, taxes, or other items performed, furnished, or incurred for or in connection with the Phase 1 Work through the date of the GMP Amendment that will in any way affect Owner's interests.
- **2.3.2.3 Failure to Accept Phase 2 Proposal.** If Owner rejects the Proposal, or fails to notify Design-Builder in writing on or within ninety (90) day after submission that it accepts the Phase 2 Proposal, the Phase 2 Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:
 - i. Terminate this Contract and pay Design-Builder for all Work performed through the date of termination;

- ii. Terminate this Contract, pay Design-Builder for all Work performed through the date of termination and contract directly with the Design Consultant and Design Sub-Consultants, if any, for completion of the Phase 1 Scope of Services for the agreed upon price for Phase 1 Work set forth at Section 7.1 minus payments for all Work performed through the date of termination;
- iii. Require Design-Builder to proceed with remaining Phase 1 Work for the agreed upon price for Phase 1 Work set forth at Section 7.1 minus payments for all Work performed through the date of termination;
- iv. Require Design-Builder to perform any specific portion of the Work under this Contract based on the Design-Build Fee (Section 7.5), the Construction General Conditions Price (Section 7.4), Pass-Through Costs (Section 7.6.3) plus the Cost of the Phase 2 Work (Section 7.6.1) as provided in Article 7 hereof without a GMP Amendment, in which case all references in this Contract to the GMP Amendment shall not be applicable; or
- v. Require Design-Builder to continue to proceed with the Work, until further notice (reserving the right to terminate this Contract pursuant to Section 2.3.2.3.i.) on the basis of the Design-Build Fee (Section 7.5), the Construction General Conditions Price (Section 7.4), Pass-Through Costs (Section 7.6.3) plus the Cost of the Phase 2 Work (Section 7.6.1) as provided in Article 7 hereof without a GMP Amendment, in which case all references in this Contract to the GMP Amendment shall not be applicable.
- **2.3.2.4** If Owner fails to exercise any of the options set forth in Section 2.3.2.3, Design-Builder shall continue the Work as if Owner had elected to proceed in accordance with Item 2.3.2.3.v above, and be paid by Owner accordingly, unless and until Owner notifies Design-Builder in writing to stop the Work.

Article 3

Contract Documents

The Contract Documents are comprised of the following, which are incorporated herein by this reference. In the event of a conflict or discrepancy among or in the Contract Documents that cannot be resolved by interpreting the Contract Documents as a single, integrated document and giving effect to each provision therein, interpretation shall be governed in the following priority:

- **3.1** All written and fully executed modifications, amendments (including the GMP Amendment), and Change Orders to this Contract issued in accordance with the General Conditions, with more recent documents taking preference;
- 3.2 This Contract, including all exhibits and attachments but excluding the Owner Initial Programming and Overview and Owner Provided Information attached to this Contract. The Owner Initial Programming and Overview and Owner Provided Information are not Contract Documents, and are provided for information only;
- **3.3** The General Conditions;
- **3.4** Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions;
- 3.5 Owner's Request for Qualifications, its Request for Proposals, and Addenda thereto, if any; and
- **3.6** Design-Builder's Statement of Qualifications, Proposal, and Attachments accepted by Owner.

Article 4

Interpretation and Intent

- **4.1** Design-Builder and Owner, at the time of acceptance of the Phase 2 Proposal by Owner, shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the GMP Amendment.
- 4.2 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents discovered after Owner's acceptance of the Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict, or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Article 3.
- **4.3** Terms, words, and phrases used in the Contract Documents, including this Contract, shall have the meanings given them in the General Conditions.
- **4.4** The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.
- **4.5** In the event of an ambiguity in the Contract Documents, the parties shall be deemed to have jointly authored them, and as such, nothing shall be construed against or in favor of one party based on its being deemed the sole author.
- 4.6 Changes in the Legal Requirements. The Owner and Design-Builder acknowledge that numerous aspects of the Project are governed by federal, state, and local laws, rules, and regulations and that the intent is to complete all Work in compliance with the Legal Requirements. Design-Builder is required to account for applicable changes in the Legal Requirements that occur during Phase 1 in its Phase 2 Proposal, the GMP Amendment, and the Phase 2 schedule. Changes in the Legal Requirements that become effective prior to execution of the GMP Amendment shall in no event form the basis for an adjustment of the GMP and/or Contract Time for Phase 2 Work. Changes in the Legal Requirements that become effective after execution of the GMP Amendment may form the basis for an adjustment to the GMP and/or Contract Time for Phase 2 Work, in accordance with the requirements and conditions of Section 8.2 of the General Conditions.

Article 5

Ownership of Work Product

- **5.1 Work Product.** All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions, furnished by Design-Builder to Owner under this Contract ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including but not limited to any intellectual property rights, copyrights, and/or patents, subject to the provisions set forth in Sections 5.2 through 5.5 below.
- **5.2** Owner's License upon Project Completion and Payment in Full to Design-Builder. Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a perpetual license to use the Work Product in connection with Owner's occupancy and maintenance of the Project. Owner shall hold Design-Builder and anyone working by or through Design-Builder, including

Design Consultants of any tier (collectively the "Indemnified Parties") harmless for any material alteration of the Work Product without the involvement of Design-Builder.

- **5.3** Owner's License upon Owner's Termination for Convenience or Design-Builder's Election to Terminate. If Owner terminates this Contract for its convenience as set forth in Article 9 hereof, or if Design-Builder elects to terminate this Contract in accordance with Section 11.4 of the General Conditions, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a perpetual license to use the Work Product to complete the Project and subsequently occupy and maintain the Project, and Owner shall thereafter have the same rights as set forth in Section 5.2 above. Owner shall hold the Indemnified Parties harmless for any material alteration of the Work Product undertaken by Owner after the effective date of the termination.
- **5.4 Owner's License upon Design-Builder's Default.** If this Contract is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions, then Design-Builder grants Owner a perpetual license to use the Work Product to complete the Project and subsequently occupy and maintain the Project, and Owner shall thereafter have the same rights and obligations as set forth in Section 5.2 above. Notwithstanding the preceding sentence, if it is ultimately determined that Design-Builder was not in default, Owner shall be deemed to have terminated the Contract for convenience, and Design-Builder shall be entitled to the rights and remedies set forth in Section 5.3 above. All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions, furnished by Design-Builder to Owner under this Contract ("Work Product").

Article 6

Contract Time

- **6.1 Date of Commencement**. The Validation Services shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed unless the parties mutually agree otherwise in writing. The Work shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed for Phase 2 Work ("Date of Commencement") if the Proposal is accepted and the Contract Price Amendment is amended to this Contract unless the parties mutually agree otherwise in writing.
- 6.2 Substantial Completion and Final Completion.
 - **6.2.1** Substantial Completion of the entire Work or identified portions of the Work shall be established in the GMP Amendment.
 - **6.2.2** Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.27 of the General Conditions.
 - **6.2.3** All of the dates set forth in this Article 6 ("Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions.
- **6.3 Time is of the Essence.** Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.
- **6.4 Liquidated Damages.** Liquidated damages, if any, shall be established in the GMP Amendment.

Article 7

Price

7.1 Validation Phase Price. For the completion of Validation Phase Work (**Exhibit C**), Owner shall pay the Design-Builder in accordance with Article 8 of this Contract for a sum not to exceed four million

nine hundred seventy-three thousand eight hundred thirty-four [\$ 4,973,834.00] (the "Validation Phase Price").

- **7.2 Phase 1 Price**. For completion of the Phase 1 Work (**Exhibit D**), Owner shall pay Design-Builder in accordance with Article 8 of this Contract and as established in the Phase 1 Amendment. Phase 1 Work shall be billed at the all-inclusive billing rates and labor categories agreed to in the Phase 1 Amendment, and an agreed-upon not to exceed price. Any rates established shall not be subject to increase for any Phase 1 Work.
- **7.3 Phase 2 Price.** For Phase 2 Work, Owner shall pay Design-Builder in accordance with Article 8 of this Contract and Article 6 of the General Conditions a contract price ("Contract Price") set forth in the GMP Amendment which shall be equal to the Pass-Through Costs (as defined in Section 7.6.3 hereof), plus Design-Build Fee percentage (as defined in Section 7.5 hereof) applied to the Cost of the Phase 2 Work, plus the Construction General Conditions Price (as defined in Section 7.4 hereof), plus the Cost of the Phase 2 Work (as defined in Section 7.6.1 hereof), subject to the GMP established in the GMP Amendment and governed by Section 7.7 hereof, and any adjustments made in accordance with the General Conditions.
- **7.4 Construction General Conditions Price**. The Construction General Conditions Price shall be for all Construction General Conditions Work as identified and defined in **Exhibit E (Construction General Conditions Work)**. The Construction General Conditions Price shall be paid on the actual general conditions cost incurred in the month.

7.5 Design-Build Fee.

- **7.5.1** Design-Build Fee shall be four and seven tenths percent (4.7%) multiplied by the Cost of the Phase 2 Work.
- **7.5.2** The Design-Build Fee is intended to compensate Design-Builder for **all** costs and expenses **not specifically included** elsewhere, including but not limited to the following:
 - **7.5.2.1** Profit on all work including self-performed work.
 - **7.5.2.2** Profit Margins or similar mark-ups on cost for work performed by related parties or entities of the Design Builder.
 - **7.5.2.3** General administration costs associated with Design-Builder's home office operations, support staff, such as executives, HR, accounting, IT, etc. unless specifically approved in advance by Owner.
 - **7.5.2.4** Cost of centralized and generally shared information technology, equipment, enterprise software and data processing.
 - **7.5.2.5** Cost associated with bonuses or profit sharing.
 - **7.5.2.6** Discretionary costs, such as clothing, awards or similar expenses.
 - **7.5.2.7** Premiums for insurance and bonds required by this Contract or the performance of the Work, per Article 11, except Section 11.1.1.8, Builder's Risk.

7.6 Cost of the Phase 2 Work.

7.6.1 Cost of the Phase 2 Work includes only those items expressly defined in this Section 7.6.1 that are reasonably incurred by Design-Builder in the proper performance of the Phase 2 Work. The Cost of the Phase 2 Work shall not include any Pass-Through Costs (as defined in Section 7.6.3), Construction General Conditions Work (as defined in Section 7.4 and Exhibit E), or costs intended to be covered by the Design-Build Fee (as defined in Section 7.5). For the avoidance of doubt, any confusion about the categorization of cost items between the Cost of the Phase 2 Work and Pass-Through Costs shall be resolved in favor of Pass-Through-Costs. Further, any confusion about the categorization of cost items between the Cost of the Phase 2 Work and Construction General Conditions Fee or Design-Build Fee shall be resolved in favor of Construction General Conditions Fee and Design-Build Fee, respectively.

The Cost of the Phase 2 Work shall include only the following:

- **7.6.1.1** Except for those supervisory and administrative personnel who are covered by the Construction General Conditions Work (**Exhibit E**), the actual paid and incurred wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's agreement, at locations off the Site.
- **7.6.1.2** Except for those supervisory and administrative personnel who are covered by the Construction General Conditions Work (**Exhibit E**), the actual paid and incurred wages or salaries of Design-Builder's personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.
- **7.6.1.3** Except for those supervisory and administrative personnel who are covered by the Construction General Conditions Work (**Exhibit E**), the actual paid and incurred wages or salaries of Design-Builder's personnel stationed at Design-Builder's Project Office, but only to the extent such personnel perform tasks directly associated with the Project and are approved in advance by the Owner.
- **7.6.1.4** Actual costs paid and incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, (subject to statutory payroll tax caps) collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 7.6.1.1 through 7.6.1.3 hereof. Bonuses, profit sharing and other discretionary incentive programs are not to be reimbursable as a cost of the work. For employees not covered by collective bargaining agreements vacation, sick leave and other paid time off, including holidays, are to be calculated as the individual employees' actual benefit. For those not full-time on the project a pro-rata share may be charged based on hours directly associated with the project.

Worker's compensation shall be reimbursed at the Design-Builder's specific State L&I rate, net of employee deductions with the Design-Builder's specific EMF applied. For self-insured companies, the actual state classification rate net of employee deduction with a .5 EMF applied.

7.6.1.5 Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work. The Design-Builder shall obtain bids from Subcontractors and from Suppliers of materials or equipment fabricated especially for the Work. Unless otherwise agreed, the Design-Builder shall use reasonable best efforts to obtain a minimum of three competitive bids or proposals per category. The Design-Builder shall maintain all such bids in an organized notebook by division and include a comparative analysis of the bids, the Design Builder's recommendations for award, the amount included in the Guaranteed Maximum Price for that part of the Work and other

useful information to support a decision to award the work. These bid comparisons shall be available to the Owner for review and copying. The Design-Builder shall determine the capability of all recommended Subcontractors and Suppliers to perform the Work, their financial capacity, their insurance coverage and whether the bids are complete and in compliance with the Contract Documents. The Design-Builder shall determine, subject to the reasonable objection of the Owner and Architect, which bids will be accepted and obtain the Owner's approval as noted above. The Design-Builder shall not be required to contract with anyone to whom the Design-Builder has reasonable objection.

Unless otherwise stated in the relevant Subcontract, Design-builder is responsible to ensure that the pricing of its Subcontractors complies with all of the cost reimbursement terms stated in this Contract. Design-builder shall pass down cost reimbursement terms to its Subcontractors.

For any Subcontracts awarded on a reimbursable basis, Design-Builder shall provide in the Subcontract for Owner to receive the same audit rights with regard to the Subcontractor as Owner has with regard to Design-Builder.

Design-Builder self-performed scopes of work must be approved in advance by Owner, with clear business case for utilization of Design-Builder's own forces.

If any of the costs to be reimbursed arise from a transaction between the Design-Builder and a related party, the Design-Builder shall notify the Owner of the specific nature of the contemplated transaction, including the identity of the related party and the anticipated cost to be incurred, before any such transaction is consummated or cost incurred. If the Owner, after such notification, authorizes the proposed transaction, then the cost incurred shall be included as a cost to be reimbursed, and the Design-Builder shall procure the Work, equipment, goods or service from the related party, as a Subcontractor, according to the terms of Section 7.6. If the Owner fails to authorize the transaction, the Design-Builder shall procure the Work, equipment, goods or service from some person or entity other than a related party.

The term "related party" shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Design-Builder; any entity in which any stockholder in, or management employee of, the Design-Builder owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Design-Builder.

- **7.6.1.6** Costs, including acquisition, transportation, inspection, testing, storage, and handling of materials, furnishings, equipment, and supplies incorporated or reasonably used in completing the Work.
 - .1 Small tools purchased by the project are to be inventoried, tracked and residual value credited to the project at completion. Small tools are defined as those items with less than a \$500 value.
 - .2 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work. All equipment and items greater than \$500 (including electronic computer equipment and software) are to be rented to the project from the lowest available source, whether 3rd Party or from the Design-Builder's own equipment yard.

Owned Equipment Rate Schedule (Exhibit F) shall include adequate identifying information such as use, manufacturer, make, model, dimensions/length, blade

size, capacity, fuel usage, horsepower, voltage/amperage, weight, etc., such that accurate identification can be determined. These descriptors shall match Design-Builder's owned equipment rental log. Exhibit F shall include replacement values and approved rates for each item.

The rental equipment rates for equipment owned by Design-Builder shall be charged at the lower of the following:

- seventy-five percent (75%) of the current AED Green Books/NECA/any other published rates
- the current Design-Builder's rates as listed in the equipment rental Exhibit F ("Equipment Rate Schedule.")

Recovery periods should reflect useful life for each category of equipment.

Design-Builder owned equipment rental rates shall be based on monthly rates but prorated on a daily basis (30.4 days). Days used to prorate monthly rates to daily should be consistent with the calculation of days to charge each piece of rental equipment.

All rental equipment owned by Design-Builder that has been used to construct the Project and has accumulated rental charges equal to seventy-five percent (75%) of the Design-Builder's replacement cost as included in Exhibit F value shall be provided for the remainder of the Project at no additional rental cost and shall remain as property of the Design-Builder. Replacement value on piece of equipment may not be modified during the term of the Agreement.

The Design-Builder's owned equipment rental log shall include a unique equipment identification number, a definitive equipment description exactly matching Exhibit F, date on site, date off site, replacement cost, monthly rate prorated to daily, days billing per month, this month billing calculation and cumulative billing to date, maximum rental allowed for each rented item. The Design-Builder's owned equipment rental log shall be available in Excel format if requested by Owner.

- **7.6.1.7** Costs of removal of debris and waste from the Site(s).
- **7.6.1.8** All fuel and utility costs incurred in the performance of the Work.
- **7.6.1.9** The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent.
- **7.6.1.10** Deposits which are lost, except to the extent caused by Design-Builder's negligence.
- **7.6.1.11** Costs incurred in preventing damage, injury, or loss in case of an emergency affecting the safety of persons and property except to the extent caused by Design-Builder's negligence.
- **7.6.1.12** Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.
- **7.6.1.13** Site security, temporary fencing, signage and similar security and safety measures for active construction areas.

- **7.6.1.14** Costs for agreed-upon Allowance Items as described and defined in Section 7.8 herein.
- **7.6.2** Non-Reimbursable Costs. The following shall be excluded from the Cost of the Phase 2 Work:
 - **7.6.2.1** Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in connection with Sections 7.6.1.1, 7.6.1.2, and 7.6.1.3, costs associated with Construction General Conditions Work, items intended to be covered by the Design-Build Fee, and Pass-Through Costs.
 - **7.6.2.2** General expenses not specifically provided for herein.
 - **7.6.2.3** The cost of Design-Builder's capital used in the performance of the Work.
 - **7.6.2.4** If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted in accordance with the Contract Documents, to be exceeded, unless Owner has approved an Adjustment or Change Order.
 - **7.6.2.5** Any bonuses or incentive pay that is the obligation of Design-Builder to pay as this is to be recovered by fee
 - **7.6.2.6** Percentage markups or adders applied to the Cost of Work or General Conditions without prior written approval from the Owner.
- **7.6.3 Pass-Through Costs**. The following costs shall be "passed through" and paid without mark-up or any added Design-Build Fee:
 - **7.6.3.1** Sales, use, B&O, or similar taxes, tariffs, or duties incurred in the performance of the Work.
 - **7.6.3.2** Costs for permits, royalties, licenses, tests, and inspections.
 - **7.6.3.3** Builder's Risk, per Section 11.1.1.8.

7.7 The Guaranteed Maximum Price.

- **7.7.1 GMP.** Design-Builder guarantees that the Contract Price shall not exceed the Guaranteed Maximum Price ("GMP") established in the GMP Amendment. Documents used as basis for the GMP shall be identified in the GMP Amendment. Design-Builder agrees that it will be responsible for all costs of completing the Work which exceed the GMP, as it may be adjusted in accordance with the Contract Documents.
- **7.7.2 Contingency.** The GMP shall include a Design-Builder's contingency, in an amount that is no less than two-point five percent (2.5%) and no more than five percent (5%) of the estimated Cost of the Work, which will be negotiated between the Design-Builder and Owner as a part of the Phase 2 Proposal. The percentage shall depend upon the level of completion of the Design-Build Documents and certainty of subcontractor pricing at that time and depending upon any other risk factors agreed upon between the Design Builder and Owner.

The final amount of the contingency shall be stated in the GMP Amendment and included in the GMP amount. The contingency is a sum established for the Design-Builder's sole use to cover the Design-Builder's costs that are properly reimbursable as a Cost of the Work but not the basis for a Change Order, such as, for example, design errors and omissions, buy-out or estimating error, post-GMP unanticipated market conditions, scope gaps, coordination between trades, overtime, acceleration, failure of a Subcontractor of any tier, pandemic or epidemic, or expediting costs for critical materials.

The Design-Builder shall use the contingency only with Owner's prior written consent, which shall not be unreasonably withheld or delayed. Design-Builder shall provide Owner notice of all anticipated charges against the Contingency and shall provide Owner as part of the monthly status report required by Section 2.1.2 of the General Conditions an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months.

Design-Builder agrees that with respect to any expenditure from the Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for said costs, then said recovery will be credited back to the Contingency.

7.7.3 Savings. If the sum of the actual Design-Build Fee (as defined in 7.5 hereof), the Construction General Conditions Price (Section 7.4), Pass-Through Costs (Section 7.6.3) plus the Cost of the Phase 2 Work (Section 7.6.1) as provided in Article 7 hereof is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") may be incorporated back into the Project as agreed, or returned to Owner. The Design Builder will keep Owner informed of the status of all costs and opportunities to increase the outcomes of the project.

7.8 Allowance Items and Allowance Values.

- **7.8.1** Any and all Allowance Items, as well as their corresponding Allowance Values, shall be set forth in the GMP Amendment.
- **7.8.2** Design-Builder and Owner will work together to review the Allowance Items and Allowance Values based on design information then-available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.
- **7.8.3** No Work shall be performed on any Allowance Item without Design-Builder first obtaining in writing advanced authorization to proceed from Owner. Owner agrees that if Design-Builder is not provided written authorization to proceed by the date set forth in the Project Schedule approved with the GMP Amendment, due to no fault of Design-Builder, Design-Builder may be entitled to an adjustment of the Contract Time(s) and Contract Price.
- **7.8.4** The Allowance Value includes the direct cost of labor, materials, equipment, transportation, taxes, and insurance associated with the applicable Allowance Item.
- **7.8.5** Whenever the actual cost for an Allowance Item is more than or less than the stated Allowance Value, the Design-Builder shall report such difference to Owner so that Owner can maintain a running tally of Allowance Item costs against Allowance Values. Prior to final payment, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 7.8.4. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for all Allowance Items and the total Allowance Value.

Article 8

Procedure for Payment

- **8.1 Validation and Phase 1 Payments.** Validation Work and Phase 1 Work shall be paid by Owner based on the not-to-exceed **Validation Phase Price** and **Phase 1 Price** at the all-inclusive billing rates and labor categories set forth in the **Validation Phase Amendment** and **Phase 1 Amendment**, respectively. All-inclusive billing rates and labor categories shall not be subject to any overtime pay obligations incurred by Design-Builder nor any rate increases during the Validation Phase or Phase 1.
 - **8.1.1** Validation Work and Phase 1 Work may be invoiced to Owner on a monthly basis on the day agreed to during Partnering activities. Application for payment will be based on cost incurred during the previous billing cycle. Draft applications for payment will be reviewed and agreed during weekly project meetings to ensure that costs and expenses are paid as incurred and not held until a later billing period.

8.2 Phase 2 Payments.

- **8.2.1** Progress payments will be made monthly for work duly certified, approved, and performed during the calendar month preceding the Application in accordance with the following procedure:
 - **8.2.1.1 Draft Application.** Design-Builder shall submit to Owner an accounting of the current progress of the Work as compared to Design-Builder's Master Project Schedule, and a draft, itemized application for payment for work performed during the current payment period on a form supplied or approved by Owner. This shall not constitute a payment request. Design-Builder and Owner shall discuss the current progress of the Work and the amount of payment to which Design-Builder is entitled. Owner will, at any time during the project request Design-Builder to provide data substantiating Design-Builder's right to payment.

With each monthly draft payment application, Design-Builder shall provide:

- .1 Substantiation summary. A summary cover sheet showing total actual substantiated costs compared to invoiced costs for the current month and job to date. At a minimum, the summary sheet shall be itemized by cost type (i.e. cost of work, general conditions, etc.) to include labor, materials, equipment, subcontractors and markups.
 - As part of the substantiation summary, a General Conditions Summary, by position, person and an hourly trade labor summary (for DB costs) reflecting summary data by type of hour, and positions/trade RT/OT/DT for the current month
- .2 Subcontractor Payment Applications and conditional lien releases.
- **.3** A computer-generated transactional level Job Cost Report detailing project costs for the month.
- .4 Design-Builder's Owned Equipment Rental Log in Excel format.

Upon request, the Design-Builder shall also provide the following documents electronically:

- .5 A computer-generated Job cost report in Excel format detailing project costs inception to date.
- .6 Labor detail report in Excel format from inception to date Labor cost detail or other documentation acceptable to Owner and its auditors, showing employees by name, title, hours charged, type (ST, OT, Sick, PTO, etc.) and rate, per pay period.
- .7 Labor rate build (if applicable) upon request, a fully burdened hourly rate build with supporting documentation to substantiate actual cost.
- .8 Daily time sheets and all daily reports, Supervisor's reports, and inspection reports.

- .9 Collective bargaining agreements.
- .10 Insurance, welfare, and benefits records.
- **.11** Payroll registers.
- .12 Earnings records.
- .13 All tax forms, including payroll taxes.
- .14 Material invoices and requisitions.
- .15 Material cost distribution worksheet.
- .16 Equipment records (list of Design-Builder's and Subcontractor' equipment, rates, etc.).
- .17 Design-Builder's Owned Equipment Rental Log from inception to date.
- .18 Contracts, purchase orders and agreements between Design-Builder and each Subcontractor.
- .19 Subcontractor's payment certificates.
- .20 Correspondence, including email, with Subcontractor.
- **.21** All meeting notes by and between Design-Builder and Subcontractor and/or any third parties related to the Project.
- .22 Canceled checks (payroll and vendors).
- .23 Certified payrolls.
- .24 General ledger.
- .25 Cash disbursements journal.
- **8.2.1.2 Payment Request.** After Design-Builder and Owner have met and agreed regarding the updated draft application, and Design-Builder has furnished all progress information required and all data requested by Owner under 8.2.1.1 above, Design-Builder shall submit Design-Builder's Application for Payment for Work completed during the previous month in accordance with Article 6 of the General Conditions on a form supplied or approved by Owner. Among other things, the Application shall attest those prevailing wages have been paid in accordance with the pre-filed statements of intent to pay prevailing wages on file with Owner and that all payments due Subcontractors of any tier from Owner's payment the prior month have been made.
- **8.2.1.3 Disputed Amounts.** If Design-Builder believes it is entitled to payment for Work performed during the prior billing cycle in addition to the agreed-upon amount, Design-Builder may, submit to Owner along with the approved payment request a separate written payment request specifying the exact additional amount due, the category in the Schedule of Values in which the payment is due, the specific Work for which the additional amount is due, and why the additional payment is due. Furthermore, Design-Builder and all Subcontractors shall file with Owner certified copies of all payroll records relating to the additional amount due. Disputed Amounts are due ten (10) working days following the prior approved Payment Application.
- **8.2.1.4 Validity of Payment Requests.** A payment request shall not be valid unless it complies with the requirements of the Contract Documents.
- **8.2.2** Owner shall make payment within 30 days after Owner's receipt of each properly submitted and accurate Application for Payment, but in each case less the total of payments previously made, less retainage, and less amounts properly withheld under Section 6.3 of the General Conditions. In taking action on the Design-Builder's Applications for Payment the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder, and such action shall not be deemed to be a representation that (1) the Owner has made a detailed examination, audit, or arithmetic verification, of the documentation submitted (2) that the Owner has made exhaustive or continuous on-site inspections; or (3) that the Owner has made examinations to ascertain how or for what purposes the Design-Builder has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.
- 8.3 Retainage on Phase 2 Progress Payments.

- **8.3.1** Pursuant to Chapter RCW 60.28, Owner will retain five percent of each approved Application for Payment to be retained as a trust fund for the protection and payment of the claims of any person arising under the contract and the state with respect to taxes imposed pursuant to Titles 50, 51, and 82 RCW which may be due from Design-Builder. The moneys reserved may, at the option of Design-Builder, be retained in accordance with the provisions of Chapter 60.28 RCW.
- **8.3.2** If the Design-Builder elects to submit a retainage bond on behalf of itself or one or more of its Subcontractors in accordance with Chapter 60.28 RCW, each such bond must be issued on a form acceptable to Owner by a surety licensed to do business in the state where the Work is located with an A.M. Best rating of A-/IX or better on behalf of Design-Builder or A-/V on behalf of a Subcontractor. Design-Builder is responsible for submitting retainage bond(s) that meet these requirements to Owner on behalf of itself and/or any Subcontractor. Owner will not accept retainage bonds submitted directly to it by a Subcontractor.
- **8.3.3** Sixty (60) days after Final Acceptance of the entire Work, Owner shall release to Design-Builder all retained amounts in accordance with chapter RCW 39.12 and chapter RCW 60.28, provided that Design-Builder has submitted: (1) pursuant to RCW 39.12.040, an "Affidavit of Wages Paid" from Design-Builder and from each Subcontractor of any tier certified by the Industrial Statistician of the Department of Labor and Industries, with the fees paid by Design-Builder or Subcontractor of any tier, (2) pursuant to RCW 60.28.021, certificates from the Department of Revenue, the Employment Security Department, and the Department of Labor and Industries. If there are either unpaid taxes or unsatisfied claims of lien against the retained percentage, disbursement of retainage funds will be made in accordance with state law.
- **8.4 Payment to Subcontractors.** Design-Builder shall ensure payment to any Subcontractor (or Sub-Subcontractor), at any tier every thirty (30) days for any Work satisfactorily completed and not disputed, regardless of being paid by Owner. The Design-Builder and Owner jointly commit to reviewing and agreeing eligible costs, back up and completed work as they become due and available for review.
- **8.5 Final Payment.** Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment within 30 days after Owner's receipt of the Final Application for Payment, provided that (a) Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions and (b) Owner shall have the right to withhold all amounts to which Owner is entitled to withhold pursuant to Section 6.3 of the General Conditions.
- **8.6 Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payments, shall bear interest as specified by RCW 39.76.
- **8.7 Record Keeping and Finance Controls.** Design-Builder acknowledges that this Contract is to be administered on an *Open-Book* arrangement relative to the Cost of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents.

During the performance of the Work and for a period of six (6) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time to time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda, and other data relating to the Work, all of which Design-Builder shall preserve for a period of six (6) years after Final Payment.

Such inspection may take place at Design-Builder's local offices during normal business hours unless another location and time is agreed to by the parties. Alternatively, the Owner will request documents to be provided electronically for off-site review. Any multipliers or markups agreed to by Owner and Design-Builder as part of this Contract are only subject to audit to confirm that such multiplier or markup has been

charged in accordance with this Contract, but the composition of such multiplier or markup is not subject to audit.

Article 9

Termination for Convenience

- **9.1** In addition to Owner's other termination rights in the General Conditions to Contract, Owner may terminate the Contract for convenience. Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Contract or any portion of this Contract. In such event, Owner shall (subject to the limitation set forth in Section 8.3 above) pay Design-Builder for that portion of the Contract Price that corresponds to the percentage of completion of Work in accordance with the Contract Documents, plus the reasonable administrative costs of the termination, but shall not be entitled to any other costs or damages whatsoever (including without limitation fee or profit on terminated Work).
- **9.2** The total sum to be paid to Design-Builder under this Article 9 shall not exceed the Contract Price as reduced by the amount of payments otherwise made, the price of Work not terminated, and as otherwise permitted by this Contract. The amounts payable to Design-Builder shall exclude the fair value of property not under Owner's control which is destroyed, lost, stolen or damaged to become undeliverable to Owner.
- **9.3** Any claim, request for equitable adjustment or other demand for extra compensation or time extension by Design-Builder arising from or related to acts, events, occurrences, or omissions prior to the effective date of the convenience termination shall continue to be subject to and resolved in accordance with the rules (contractual or legal, express or implied) in effect prior to the termination. The convenience termination will not convert this Contract into a cost reimbursement contract.

<u>Article 10</u>

Representatives of the Parties

10.1 Owner's Representatives.

10.1.1 Owner designates the individual listed below as its Senior Representative ("Owner's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.7.2 of the General Conditions to the extent permitted by the Legal Requirements:

Vangie Garcia, Deputy Public Works Director, City of Redmond

10.1.2 Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.3 of the General Conditions to the extent permitted by the Legal Requirements:

Diana Brown, Vice President, OAC Services, Inc.

10.2 Design-Builder's Representatives.

10.2.1 Design-Builder designates the individual listed in the table in Section 10.3 below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.7.2 of the General Conditions.

10.2.2 Design-Builder designates the individual listed in the table in Section 10.3 below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions.

10.3 Key Personnel. Design-Builder has been selected for this Project based on not only its qualifications as a corporate entity, but also upon the basis of the qualifications of the key personnel it intends to employ to perform the Work. Design-Builder agrees to provide all professional personnel necessary, at adequate staffing levels, to perform the required services under this Contract, including the key personnel identified below:

Position Title	Name of Individual
Design Build Project Director	Joe Nielsen
Project Manager	Duncan Howard
Design Partner in Charge	Sian Roberts
Design Lead	Scott Wolf
Design Manager	Claire Rennhack
Lead Functional Planner	Jared Weismantel
Superintendent	Larry Alar
Estimator	Julianna Plant

These key personnel, all of whom were named in Design-Builder's proposal submitted in response to the Owner's Request for Qualifications and Proposals for the Project, will be assigned to the Project. Except in the event of the death of the employee or their termination of employment with Design-Builder, these key personnel shall remain assigned for the duration of the Project unless otherwise agreed to in writing by the Owner in its sole discretion.

In the event Design-Builder proposes to substitute any of the key personnel due to death or employment termination, the individual(s) proposed must demonstrate the qualifications indicated in the Request for Proposals for their respective role(s), and experience as required to successfully perform such duties. Owner shall have the sole right to determine whether key personnel proposed as substitutes are qualified to work on the Project. Design-Builder will remove from the Project any personnel assigned to the Project if, after the matter has been thoroughly considered by Owner and Design-Builder, Owner considers such removal necessary and in the best interest of the Project, and Owner so notifies Design-Builder in writing and allows a reasonable period for the transition to different personnel.

10.4 Key Firms. Design-Builder has been selected for this Project on the basis of not only its qualifications as a corporate entity, but also upon the basis of the qualifications of the key firms it intends to engage to perform the Work. Design-Builder agrees to engage such firms to perform the required services under this Contract, including the key firms identified below:

Firm	Role
Miller Hull Partnership	Design
Stantec	Maintenance and Operation Center Planning

These key firms, all of whom were named in Design-Builder proposal submitted in response to the Owner's Request for Qualifications and Proposals for the Project, will be engaged on the Project. These key firms shall be engaged for the complete scope identified in the Design-Builder's proposal. In the event Design-Builder proposes to substitute any of the key firms, Design-Builder shall demonstrate that the replacement firm possesses sufficient qualifications to perform the Work in question. Owner shall have the sole right to determine whether key firm proposed as substitutes is qualified to work on the Project.

Article 11

Bonds and Insurance

11.1 Design-Builder's Insurance

Unless a longer period of coverage is specified elsewhere in this Contract, prior to commencing Work, Design-Builder shall obtain at its sole expense and keep in force the following insurance coverages for a period of 365 days from Substantial Completion of all Work with insurance companies approved by the State Insurance Commissioner pursuant to Title 48 RCW.

All policies will name the Owner, its officers, officials, employees, and agents as additional insureds, except for the Design-Builder's Professional Liability policy and workers' compensation. The insurance provided must be with an insurance company with a rating of A: VIII or higher in the A.M. Best's Key Rating Guide or, if not rated with Bests', with minimum surpluses the equivalent of Bests' surplus size VIII., which is licensed to do business in the state of Washington (or issued as a surplus line by a Washington Surplus lines broker). Owner reserves the right to approve the security of the insurance provided, the company, terms and coverage, the certificates of insurance, and endorsements and reserves the right to obtain complete copies of all policies from Design-Builder upon request.

11.1.1 Coverages and Limits. The insurance shall provide the minimum coverages and limits set forth below. Owner shall be provided 45 days written notice of cancellation. Owner does not warrant or represent that such coverages and limits are appropriate or adequate to protect Design-Builder. Neither Owner's specification nor approval of the insurance in this Contract, nor of its amount, nor providing coverage in these stated minimum limits shall be construed to relieve Design-Builder from liability more than such limits. Coverages are the minimum to be provided and are not limitations of liability under the Contract, indemnification, or applicable law provisions. Design-Builder may, at its expense, purchase larger coverage amounts.

The cost of any claim payments falling within the deductible shall be the sole responsibility of Design-Builder. Design-Builder's insurance shall be primary and non-contributory as respects the Owner, and any self-insurance or any other insurance maintained by Owner shall be excess and not contributing insurance with the Design-Builder's insurance. The Design-Builder's insurance coverage shall apply separately to each insured against whom a claim is made or lawsuit is brought, except with respect to the limits of the insurer's liability. Design-Builder shall submit, upon execution of this Contract, Certificates of Insurance and additional insured endorsements acceptable to Owner as evidence of all insurance required herein:

11.1.1.1 Commercial General Liability Insurance. A policy of Commercial General Liability Insurance on an industry standard insurance occurrence form: (CG 00 01) or equivalent, with limits of at least \$1,000,000 per occurrence / \$2,000,000 aggregate, including all coverage known as:

Per Project Aggregate endorsement (CG2503)

Premises/Operations Liability

Products/Completed Operations—for a period of six years following Substantial Completion

Personal/Advertising Injury

Contractual Liability

Independent Contractors Liability

Stop Gap or Employers Contingent Liability

The CGL insurance shall not exclude XCU or subsidence perils

11.1.1.2 Employers Liability:

ach Accident

(2) \$1,000,000 Disease - Policy Limit

(3) \$1,000,000 Disease - Each Employee

- **11.1.1.3 Excess or Umbrella Liability.** \$10 million per occurrence and aggregate in excess of the primary CGL during construction and with Products/Completed Operations coverage for a period of six (6) years following Substantial Completion.
- **11.1.1.4 Automobile.** Commercial Automobile Liability with a combined single limit of not less than \$5,000,000 for each accident and including coverage for transportation of pollutants. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If pollutants are to be transported, MCS 90 and CA 99 48 endorsements are required on the Automobile Liability insurance policy unless in-transit pollution risk is covered under a Pollution Liability insurance policy.
- 11.1.1.5 Contractors Pollution Liability. A policy providing coverage for claims involving remediation, disposal, or other handling of pollutants arising out of Design-Builder's work or operations for others; from the transportation of hazardous materials; or involving remediation, abatement, repair, maintenance or other work with lead-based paint or materials containing asbestos. Such Pollution Liability policy shall provide at least \$5,000,000 per occurrence coverage for Bodily Injury and Property Damage. If the services involve lead-based paint or asbestos identification/remediation, the Contractors Pollution Liability policy shall not contain lead-based paint or asbestos exclusions. If the services involve mold identification/remediation, the Contractors Pollution Liability policy shall not contain a mold exclusion, and the definition of Pollution shall include microbial matter, including mold.

11.1.1.6 Design-Builder's Professional Liability.

(1) The Design-Builder's Design Consultant and Engineer will maintain for at least six (6)

years after Substantial Completion Professional Liability/Errors and Omissions Liability insurance in an amount of not less than \$10,000,000 per claim and annual aggregate (deductible of up to \$150,000 permitted).

- (2) The Design Sub-Consultants, and any other Subcontractor (including subcontractors of any tier) performing design services will maintain for at least six (6) years after Substantial Completion Professional Liability/Errors and Omissions Liability insurance in an amount of not less than \$2,000,000 per claim and annual aggregate (deductible of up to \$150,000 permitted).
- (3) All parties required to procure and maintain insurance under this Section 11.1.1.6 (the "Insured Parties") shall promptly notify Owner of any material changes to, interruption of, or termination of this insurance, and will immediately procure replacement coverage. The Insured Parties either maintain active policy coverage, or an extended reporting period, providing coverage for claims first made and reported to the insurance company within six (6) years of Substantial Completion or termination of the Work under this Contract, whichever occurs first. Owner may modify these insurance requirements for certain entities, on a case-by-case basis, by providing written agreement of such modifications.
- (4) If this policy is issued on a claims-made basis:
 - a) The retroactive date must be shared and this date must be before the execution date of the contract or the beginning of contract work.
 - b) Insurance must be maintained and evidence of insurance must be provided for at least six (6) years after completion of contract work.
 - c) If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective, or start of work date, the Contractor must purchase extended reporting period coverage for a minimum of six (6) years after completion of contract work.
 - d) A copy of the claims reporting requirements must be submitted to the Entity for review.
- **11.1.1.7 Worker's Compensation.** Worker's Compensation coverage, as required by RCW Title 51. If Design-Builder is qualified as a self-insurer in accordance with RCW 51.14, Design-Builder shall so certify by letter signed by a corporate officer indicating that it is a qualified self-insured and setting forth the limits of any policy of excess insurance covering its employees.
- Builder's Risk. Prior to the start of any construction work the Design-Builder shall procure and maintain during the life of the Contract, or until acceptance of the project by Owner, whichever is longer, "All Risk" Builders Risk Insurance at least as broad as ISO form number CP0020 (Builders Risk Coverage Form) with ISO form number CP0030 (Causes of Loss - Special Form) including coverage for collapse, theft, and if applicable, off-site storage and property in transit. The coverage shall insure for direct physical loss to property of the entire construction project, for 100% of the replacement value thereof and include earthquake and flood. The policy shall include coverage for cost of making good for faulty workmanship and defective design (Leg 3 endorsement), and be endorsed to cover the interests, as they may appear, of Owner, Design-Builder, Subcontractor, and Subcontractors of all tiers with Owner and Subcontractors listed as a Named Insured. In the event of a loss to any or all the work and/or materials therein and/or to be provided at any time prior to the final close-out of the Contract and acceptance of the project by Owner, the Design-Builder shall promptly reconstruct, repair, replace or restore all work and/or materials so destroyed. Nothing herein provided for shall in any way excuse the Design-Builder or its surety from the obligation of furnishing all the required materials and completing the work in full compliance with the terms of the Contract.

- **11.1.2 Self-Insurance.** At its sole option and in its sole discretion, Owner may accept Design-Builder's self-insurance for liability coverage in lieu of insurance from a commercial insurer. Design-Builder must provide a letter from its Corporate Risk Manager or appropriate Finance Officer representing and warranting the following minimum information: whether the self-insurance program is actuarially funded; the fund limits; any excess declaration pages to meet the contract requirements; a description of how Design-Builder would protect and defend Owner as an Additional Insured in their Self-Insured layer; and claims-handling directions in the event of a claim. Any amounts due to, sought by, or paid to third party claimants shall be the sole responsibility of Design-Builder, irrespective of whether such amount falls wholly within the level or amount of Design-Builder's self-insured retention.
- **11.1.3 Waiver of Subrogation.** Design-Builder and Owner waive all rights against each other any of their subcontractors, sub-subcontractors, agents and employees, each of the other, for damages caused by fire or other perils to the extent of proceeds paid by the Builder's Risk insurance or other property insurance obtained pursuant to the Contract Documents. The policies shall provide such waivers by endorsement or otherwise.
- **11.1.4 Design-Build Exclusions.** Design-Builder is responsible for procuring and maintaining the insurance for the coverage amounts all as set forth in this Contract. Design-Builder's liability insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build nature of the Project. Any professional liability insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build nature of the Project.
- 11.1.6 Subcontractors (at any tier). Design-Builder shall cause each Subcontractor to provide insurance that complies with all applicable requirements of the Design-Builder-provided insurance as set forth herein. Design-Builder shall have sole responsibility for determining the limits of coverage required, if any, to be obtained by Subcontractors, which determination shall be made in accordance with reasonable and prudent business practices. Design-Builder shall also cause each Subcontractor to include Owner, its officers, officials, employees, and agents as additional insureds under each Subcontractor's Commercial General Liability and Commercial Automobile Liability policies.
- Performance and Payment Bond. Design-Builder shall secure from a surety company acceptable to Owner, admitted and licensed in the State of Washington, and shall pay for performance and payment bonds covering the faithful performance of the Contract and payment of obligations arising under the Contract Documents, each in the full amount of the GMP plus sales tax, pursuant to RCW 39.08, "Contractor's Bond." The bond shall be on a form provided by Owner. The bond must be executed by a duly licensed surety company that is listed in the latest Circular 570 of the United States Treasury Department as being acceptable as surety on federal bonds. No surety's liability on the bond shall exceed the underwriting limitations for the respective surety specified in Circular 570. Said bonds shall meet all requirements of RCW 39.08 and shall also be issued by a surety with an A.M. Best rating of A/IX or better. All reinsurers that may be called upon to support or share in a surety's obligations specified in connection with the performance and payment bond obligations required of the Contractor by the Contract Documents must also have an A.M. Best rating of A/VIII or better. The scope of the bond or the form thereof prescribed in these Contract Documents shall in no way affect or alter the liabilities of Design-Builder to Owner as set forth herein. 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. The bond shall cover all Change Orders without further consent from the surety.

Article 12

Other Provisions

- **12.1 Contract Exhibits.** The Exhibits to this Contract, incorporated herein by reference, are as follows:
 - **Exhibit A** Owner Provided Information
 - Exhibit B Owner's Initial Project Program and Overview
 - Exhibit C Validation Phase Work
 - **Exhibit D** Phase 1 Work (to be incorporated via Contract amendment)
 - Exhibit E Work Included in Construction General Conditions
 - **Exhibit F** Equipment Rate Schedule (to be incorporated via Contract amendment)
- **12.2 CPARB Reporting**. Design-Builder shall provide Owner and, if requested, the Capital Projects Advisory Review Board ("CPARB") any project information required to be submitted by the Design-Builder in accordance with the provisions of Chapter 39.10 RCW and the requirements of CPARB.
- **12.3 Subcontractor Reporting.** Design-Builder shall submit plans for subcontracting, apprentices, and inclusion of underutilized firms as subcontractors and suppliers as requested by Owner. Design-Builder shall track and provide Owner and the Office of Minority and Women's Business Enterprises ("OMWBE") any project information required to be submitted by the Design-Builder in accordance with the provisions of Chapter 39.10, 39.12, or similar RCW and as requested by OMWBE.

12.4 Apprenticeship.

- **12.4.1** Pursuant to RCW 39.04.320, Design-Builder shall cause fifteen percent or more of project Labor Hours to be performed by Apprentices (the "Apprentice Utilization Requirement") unless Good Faith Efforts are accepted. Design-Builder shall not be required to exceed the Apprentice Utilization Requirement as established herein.
- **12.4.2** Apprentice hours shall be performed by participants in training programs approved by the Washington State Apprenticeship Council.
- **12.4.3** "Labor hours" for purposes of this Section 12.4 means the total hours of workers receiving an hourly wage who are directly employed on the Project site of the public works project. "Labor hours" includes hours performed by workers employed by the Contractor and all Subcontractors working on the Project. "Labor hours" does not include hours worked by foremen, superintendents, owners, and workers who are not subject to prevailing wage requirements of Chapter 39.12 RCW.
- **12.4.4** During the term of this Contract, Owner may adjust the Apprentice Utilization Requirement upon its finding or determination of Design-Builder's good faith effort ("Good Faith Effort") to meet the Apprentice Utilization Requirement that includes:
 - **12.4.4.1** A demonstration of lack of availability of apprentices in the geographic area of the Project;
 - **12.4.4.2** A disproportionately high ratio of material costs to labor hours that does not make feasible the required minimum levels of apprentice participation;

- **12.4.4.3** Demonstration by participating contractors of a good faith effort to comply with the requirements of RCW 39.04.300, 39.04.310 and 39.04.320;
- **12.4.4.4** Small contractors or subcontractors (e.g., small or emerging businesses) would be forced to displace regularly employed members of their workforce;
- **12.4.4.5** The reasonable and necessary requirements of the Contract render apprentice utilization infeasible at the required level (e.g., the number of skilled workers required and/or limitations on the time available to perform the Work preclude utilization of apprentices); or
- **12.4.4.6** Other criteria Owner deems appropriate, which are subject to review by the office of the Governor.
- **12.4.5** Design-Builder shall report apprentice participation to Owner at least quarterly, on forms provided or approved by Owner. In addition, copies of quarterly certified payroll records may be requested to document the goal. The reports will include:
 - **12.4.5.1** The name of the Project;
 - **12.4.5.2** The dollar value of the Project;
 - **12.4.5.3** The date of the Contractor's notice to proceed;
 - **12.4.5.4** The name of each apprentice and apprentice registration number;
 - **12.4.5.5** The number of apprentices and labor hours worked by them, categorized by trade or craft;
 - **12.4.5.6** The number of journey level workers and labor hours worked by them, categorized by trade or craft; and
 - **12.4.5.7** The number, type, and rationale for the exceptions granted.
- **12.4.6** Incentive. Owner will pay Design-Builder \$5,000 with the Final Payment for meeting the Apprentice Utilization Requirement without adjustment(s) for Good Faith Efforts.
- **12.4.7.** Penalty. The Owner will assess a penalty for Design-Builder's failure to meet Apprentice Utilization Requirement (as adjusted by Good Faith Efforts approved by the Owner) as calculated below. Apprenticeship hours will be measured for each hour of work performed by an apprentice as shown on the quarterly reports, based on certified payrolls or the affidavits of wages paid, whichever is least. The percentage is not rounded up. The penalty will be calculated on an hourly basis as follows, and deducted from the Final Payment:

Percent of requirement met	Penalty per hour of unmet requirement
100%	\$0.00
90% to 99%	\$2.00
75% to 89%	\$3.50
50% to 74%	\$5.00
1% to 49%	\$7.50

12.5 Notices. All notices required to be given by any party to the other party under this Contract shall be in writing and shall be delivered either in person, by United States mail, or by electronic mail (email) to the applicable Administrator or the Administrator's designee. Notice delivered in person shall be deemed given when accepted by the recipient. Notice by United States mail shall be deemed given as of the date the same is deposited in the United States mail, postage prepaid, and addressed to the Administrator, or their designee, at the addresses as follows. Notice delivered by email shall be deemed given as of the date and time received by the recipient.

Owner:

Vangie Garcia, PE, PMP, Deputy Public Works Director

Design-Builder:

Duncan Howard, Project Manager

Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee. Notices and communications given by mail hereunder shall be deemed to have been given seventy-two (72) hours after the date of dispatch: all other notices shall be deemed to have been given upon receipt.

In executing this Contract, Design-Builder declares under penalty of perjury under the law of Washington and in accordance with RCW 39.04.350(2) that within the three-year period immediately preceding the date of the Request for Qualifications issued in this matter, it has not been determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgment entered by a court of limited or general jurisdiction to have willfully violated, as defined in RCW 49.48.082, any provision of chapter 49.46, 49.48, or 49.52 RCW.

OWNER:	DESIGN-BUILDER:
	(Name of Design-Builder)
(Signature)	(Signature)
	(Printed Name)
	(Title)
Date:	Date:

Exhibit A

Owner Provided Information

Link to the City of Redmond's Sharepoint site: <u>Design Background and Studies</u>

Item	Title	Dated
1	Survey	
а	Topo Survey	11/16/1995
b	PSE Map	7/4/2025
С	Site Plan with Easements (pdf & DWG)	No Date
d	COR PD Drone Photo folders	8/7/2025
е	MOC Drone Video	8/7/2025

2	Good Faith Survey (All Buildings)	2015
а	MOC Bldg 1 folder	
b	MOC Bldg 10 Folder	
С	MOC Bldg 11 folder	
d	MOC Bldg 12 Folder	
е	MOC bldg 2 Folder	
f	MOC Bldg 3 folder	
g	MOC Bldg 4 folder	
h	MOC Bldg 5 folder	
i	MOC Bldg 6 folder	
j	MOC Bldg 7 folder	
k	MOC Bldg 8 folder	
I	MOC Bldg 9 folder	
m	Trinity bldg	

3	Title Reports	
а	Exhibit A - Legal Description	No Date
b	Commitment for Title Insurance	5/17/2023
С	Trinity Building - Title Report After Purchase	5/1/2007
d	Trinity Building - Title Report Prior to Purchase	5/1/2007
4	Underground Fuel Tank Decommissioning Report	3/15/2024

5 Facility Condition Assessment 3/10/2014

Item	Title	Dated
6	Geotechnical Report	
а	Master Plan Soils Report	7/10/2023
b	Draft Master Plan Soils Report	7/7/2023
С	Proposed Maintenance Operations Facility	6/27/1996
d	Report of Environmental Services Surface Contamination	12/5/1996
	Assessment and Remedial Excavation Monitoring Sajasa	
	Construction Property	
	Report of Supplemental Environmental Services Excavation	6/12/1997
е	Monitoring Former HOS Brothers Facility	
f	Soil Remediation Monitoring HOS Brothers' Site	11/8/1994
g	Geotech Eng. Services - Education Hill Booster Pump Station	2/9/1996
h	Excavation Monitoring	6/12/1997
i	Ground Water Monitoring	7/6/1995
j	Ground Water Monitoring	10/6/1995
k	Ground Water Monitoring	12/8/1995
I	Phase 1/Phase II Env Site Assessment	10/4/1994
m	Fuel Tank Assessment Services	9/16/1994
n	Geotech Eng. Services - City of Redmond MOC Improvements	7/10/2023
0	Summer 2023 Groundwater Monitoring Results	11/3/2023
р	Summer 2024 Groundwater Monitoring Results	10/28/2024
q	Winter 2023 Groundwater Monitoring Results	4/28/2023
r	Winter 2024 Groundwater Monitoring Results	5/9/2024
s	Winter 2025 Groundwater Monitoring Results	4/24/2025
t	Env. Serv. Surface Contamination Assess. and Remedial Excav. Monitoring	12/5/1995
u	Geotech Eng Services - Proposed MOC	6/27/1996
	J 1	
7	Existing Record Drawings	
а	MOC Expansion Drawings	1/17/2000
b	Trinity Building	1/2/2018
С	Decant Facility	9/19/2014
d	Civil Plan v.5	6/25/2020
8	Environmental Site Assessment	
а	Phase 1 ESA	8/8/2023
9	SCADA	
a	Control and Telemetry Phase 4 project charter	7/8/2025
b	Control and Telemetry Phase 4 project schedule	6/30/2025
C	Fiber from City Hall to MOC Bldg	No Date
<u> </u>	1.20. Holli dity Hall to Moo Blag	7/4 4/000F

7/14/2025

2/26/2025

2/22/2025

MOC informational Early coordination on SCADA and Tech planning

d

е

f

MOC TIS Mtg

SCADA move Initial Discovery

Item	Title	Dated
10	Dispersed Operations	
а	City Controlled Property Primary use 34x44	No Date
b	MOC Dispersed Op Mtg 8-5-2025	8/5/2025
С	Redmond City Hall Space Planning Existing and proposed plans	5/30/2024
d	Redmond City Hall Seating Cahart 2025	5/30/2024

Exhibit B

Owner's Initial Project Program and Overview

Link to the City of Redmond's Sharepoint site: Masterplan Final Report

Exhibit C

Validation Phase Work

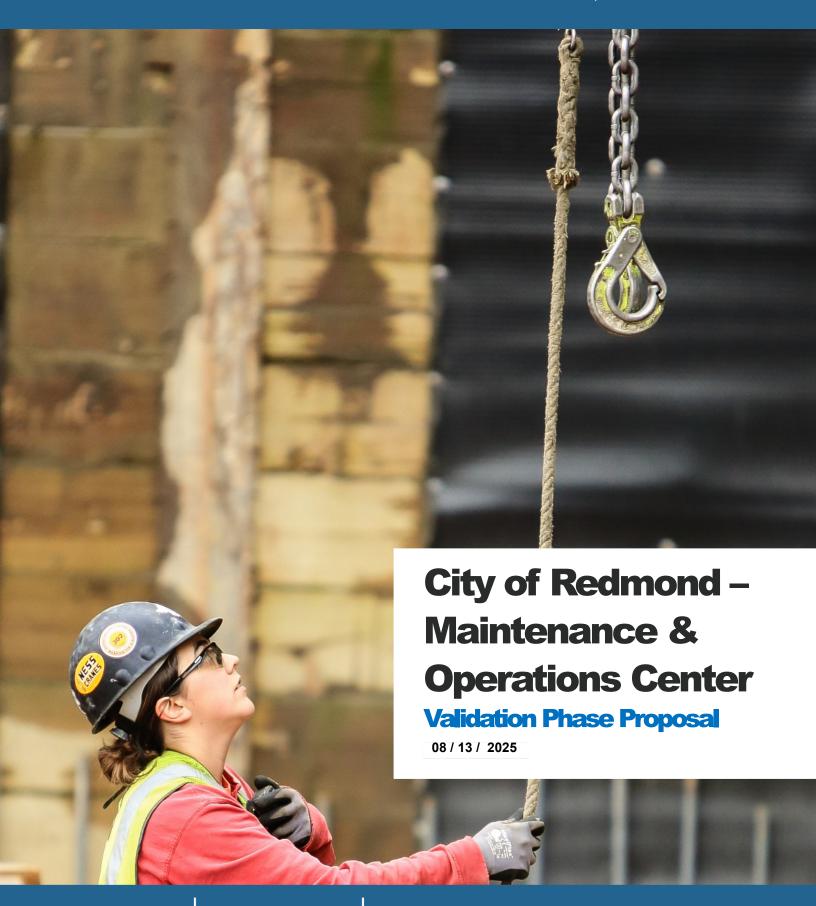








TABLE OF CONTENTS

- 1. Scope Narrative & Task Summary
- 2. Budget Summary
- 3. Estimate Detail
- 4. Estimate Rate Sheets
- 5. Clarifications & Assumptions
- 6. Validation Schedule
- 7. Validation Report Deliverable







SCOPE NARRATIVE & TASK SUMMARY













1. Scope Narrative & Task Summary

Scope of Work

This section details the Scope and Task descriptions of the Validation Phase.

1. Teaming

Approach development, procurement and selection of key subconsultants and subcontractors in partnership with the City. Perform initial team building and chartering activities, inclusive of teaming with City of Redmond and OAC personnel. Assemble and present selection process to the City for review, input and participation as appropriate.

Deliverables:

- Procurement/Selection of key team members, including:
 - Geotechnical Consultant (Step 1)
 - Environmental Permitting Consultant (Step 1)
 - · Civil Engineer (Step 2)
 - Structural Engineer (Step 2)
 - Design-Build Mechanical/Plumbing Trade Partner (Step 2)
 - Design-Build Electrical Trade Partner (Step 2)
 - Design-Build Fire Protection partner (Step 2)
- Project charter
- Project Procurement Plan including MWBE and apprentice utilization
- Onboarding of key consultants during Validation

2. Site Investigation

Evaluate owner provided site information. Draft work plans to identify and schedule future investigations needed in Phase 1. Review client-provided groundwater monitoring and diesel UST site assessment and decommissioning reports to inform further site investigations. Perform registered site land survey. Coordinate with client to arrange soil contamination assessment and site mapping. Conduct initial site work and investigations to obtain information to minimize risks and refine design assumptions.

Deliverables:

- Phase 2 Geotechnical Assessment
- Geotechnical Report
- Site survey
- Potholing and other site investigations associated with Geotechnical assessment
- Potholing for utilities as determined appropriate and as coordinated with OAC and City of Redmond to minimize impacts during ongoing site operations







3. Dispersed Operations Approach

Develop 3-4 differentiated dispersed operations approaches utilizing existing and/or new buildings and/or sites. Provide high level schedule, pricing, and key considerations to compare to support confirmation of approach/siting in conjunction with Master Plan validation activities identified in Task 4. Key considerations to include evaluation of site access, circulation, building configuration, material storage, fleet storage and fueling, proximity to and compatibility with existing data collection, and employee parking/commuting. Confirm details of current operations, identify critical functions and subsequent temporary solutions, evaluate how existing buildings and operations may be impacted or require modifications to key systems such as MEPF in order to support continued program function, depending on dispersed operation approach. Using client-provided preliminary information regarding the space needs of various user groups as a basis, evaluate space needs for each dispersed operations approach. Evaluation of new sites identified by the City. Results are to be presented in a "choosing by advantages" format to support more targeted exploration of one approach based on these factors, real estate availability, and Executive Committee/Council feedback (see Task 5 for further information).

Deliverables

- Phasing Workshops with stakeholders and end users
- Desktop Review of Dispersed Program Summary of Alternate Sites
- Dispersed Operations Options Report outlining key findings and recommendations

4. Master Plan Validation

Validation of site-independent characteristics of Master Plan program to align project cost, schedule, and quality expectations. Examples of these independent characteristics include office and maintenance program, fleet transition planning, fleet storage, storage consolidation and capacity for the future Maintenance and operations Center, and interaction of MEPF with desired structural systems. Other specific DB team efforts include:

- Review and provide gap analysis of owner provided Fleet Transition plan and recommended equipment lists, infrastructure requirements, and transition related design input. This effort includes outreach to the AHJ to support feasibility evaluation of future electrical capacity on existing site as well as other alternative sites identified.
- Review and validation of project sustainability goals that align with the City's current Sustainability Action Plan based on the foundational sustainability work completed in the Master Plan, including evaluation of sustainability accreditation systems (ex: LEED) and levels of available accreditation within appropriate systems to support project targets to be further developed in Phase 1.
- Re-evaluation of addition of fire fleet maintenance to master plan program and impacts to project overall program, scope, schedule, and budget.







• Review of contemporary technology/network/SCADA upgrades to plan for subsequent programmatic incorporation in Phase I design development

This effort is to be performed in conjunction with Task 3 to allow comparison of site-specific needs as a consideration in Task 3 and the subsequent work in Task 5. See Tasks 6, 7, and 8 for specific tools/efforts used in support of validating program elements.

Deliverables:

- Program Summary Report
- Space Needs Program Validation Summary
- Fleet Transition Plan Review
- Sustainability Approach Review

5. Preferred Option Detailed Development

Refinement and Basis of Design Development for the preferred Phasing Strategy and Dispersed Operations Approach. Validation and refinement of the Space Needs Plan and Conceptual Site Approach established in the Masterplan based on the selected phasing and dispersed operation approach.

Deliverables

Basis of Design Report

6. Permitting Strategy

Conduct permitting research and outreach to identify Authorities Having Jurisdiction, required permits, identify responsible parties to lead permitting activities and develop overall permitting strategy. Conduct integrated pull planning sessions to identify critical path permitting schedule drivers.

Deliverables

- Comprehensive Permitting Plan
- Level of Detail Matrix
- AHJ Early Engagement Meetings and Outreach

7. Budget Validation







Develop benchmarking cost information, systems evaluation, and project budget integrative with scope and schedule. This includes:

- Identification and data analysis of relevant benchmark facilities and systems to provide relevant completed construction cost information for analogous systems of comparable quality targets.
- Determination of appropriate systems ranges corresponding to fulfillment of project goals within fixed project budget, as well as identification of funding gaps to aspirational goals.
- Identification of relevant system options corresponding to differing levels of investment and weighing cost, schedule, quality, and performance outcomes of the associated system.
- Development, presentation, and interaction with client on dashboards articulating system target investment options to facilitate scope/budget alignment and shared understanding across project team and client.
- Determination of project Final Target Cost.

Deliverables:

- Facilities and Systems Benchmarking
- Systems Option Evaluation
- Project Budget

8. Schedule

Develop a schedule to align budget and scope explorations, integrating design durations, permitting activities, and key tasks/milestones. Utilize key trade partner feedback to inform sequencing of trades in a manner that supports overall facility function and design intent. This task will be an ongoing activity for the duration of the Validation phase.

Deliverables:

Project Schedule

9. Validation Report

Production and compilation of Validation Report to summarize and record findings of the Validation Effort, memorializing project definition and aligned scope, schedule, and budget. Deliverables:

 Validation Report (refer to Section 7 of this proposal for a detailed Table of Contents outlining typical inclusions)







10. Project Startup and Management

Project Setup and ongoing Administration efforts. Identification and establishment of project specific tools and communication protocols to inform stakeholders, document progress, record decisions, and summarize research and findings. Integration and transition of City of Redmond/OAC SharePoint site materials and record documentation onto DB team platform(s). Develop and maintain document controls and management.

Deliverables:

- Contracts
- Communication Plans
- Project Tools including documentation formats, informational dashboards, and/or status updates
- BIM Management Plan
 - Includes input from design-build trade partners to establish aligned approach to systems coordination and rules for conflict resolution within detailing.
- Ongoing Risk Identification and Mitigation Log
- Ongoing Decision Log

11. Meetings and Presentations

Ongoing efforts include administration, attendance, preparation and recording of meetings and presentations. Generate collateral and presentation production materials to support effective meetings, presentations, and project advancement. This also includes prompt dissemination of meeting minutes and outcomes to the team and relevant project stakeholders.

Deliverables include:

- Council meetings
- Executive Committee Meetings
- Senior Management Team Meetings
- Project Management Team Meetings
- Project Working Team Meetings
- Project Meetings
- Meeting Matrix to communicate decision-making schedule

BUDGET SUMMARY









Project: Redmond Maintenance & Operations Center

Architect: Miller Hull Partnership

Validation 08.11.25

#	Summary System	08.11.25	Redmond MOC - Validat	ion - NTP Date 9/2/2025
			Validation	Total
			Cost	Cost
00	Design		3,056,355	3,056,355
01	General Conditions		782,218	782,218
02	Demolition			-
03	Site		250,000	250,000
04	Structure			-
05	Exterior Wall			-
06	Roofing \ Waterproofing			-
07	Interior Construction			-
08	Vertical Transportation			-
09	HVAC		130,000	130,000
10	Plumbing		120,000	120,000
11	Fire Sprinklers		50,000	50,000
12	Electrical		350,000	350,000
13	Construction Support		-	-
	Subtotal		4,738,573	4,738,573
	PL/PD Insurance (included in fee)		0	0
	SDI / Subcontractor Bonds	1.223%	11,985	11,985
	Contractor's Contingency	2.5% - 5%	-	-
yment 8	R Performance Bond (included in fee)		0	0
	Fee	4.70%	223,276	223,276
	Budget Subtotal		4,973,834	4,973,834
				,
	Scope Coordination Contingency		0	-
	Escalation		-	-
	Budget Subtotal		4,973,834	4,973,834
	State B&O Tax*			
	(Avg. 0.471% 2024 & 0.5% in 2025)	0.486%	24,291	24,291
	Builder's Risk* (TBD)	0.40070	24,231	
	*Pass Through Costs		_	_
	BUDGET TOTAL		4,998,125	4,998,125
	DODGET TOTAL		4,000,120	4,000,120
	WSST	10.40%	519,805	519,805
	***************************************	10.1070	0.0,000	0.0,000
	BUDGET TOTAL WITH WSST		5,517,930	5,517,930
<u> </u>			5,5,666	3,3,000

ESTIMATE DETAIL









Redmond MOC Validation Phase

<u>Item</u>	<u>Description</u>	<u>Takeoff</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Amount</u>
00.000	Design				
	•				
00.100	Design				
01	Geotechnical Engineer	1.00	alw	225,000.00 / alw	225,000
01	Industrial Systems Engineer - Stantec	1.00	nte	553,400.00 /nte	553,400
01 01	Civil Engineer - Primary Structural Engineer - Primary	1.00 1.00	alw alw	200,000.00 / alw 100,000.00 / alw	200,000 100,000
01	Architect - Miller Hull	1.00	nte	1,337,955.00 /nte	1,337,955
01	Means & Methods Engineering	1.00	alw	15,000.00 / alw	15,000
01	Environmental Consultant	1.00	alw	120,000.00 /alw	120,000
01	Traffic Consultant	1.00	alw	75,000.00 /alw	75,000
01	Structural Engineer - Dispersed Operations	1.00	alw	50,000.00 / alw	50,000
01	Civil Engineer - Dispersed Operations	1.00	alw	50,000.00 / alw	50,000
01	Licensed Survey	1.00	alw	80,000.00 /alw	80,000
01	Design Services Management Reserve	1.00	alw	250,000.00 /alw	250,000
	Design				\$3,056,355
		Decim			¢2 056 255
01.000	General Conditions	Design			\$3,056,355
01.001	Add-on Related				
05	Retainage Bond	0.00	ls	0.00 / ls	0
	Add-on Related				\$0
01.010	Job Staff & Support				
03	Director	32.00	wks	1,136.97 /wks	36,383
03	VP Project Delivery	10.00	wks	227.40 /wks	2,274
04	Senior Project Manager	32.00		4,547.89 /wks	145,532
04 05	Senior Precon Estimator	32.00 4.00	wks wks	3,638.31 /wks 1,705.46 /wks	116,426 6,822
05	Misc Estimating Support Chief Estimator	6.00	wks	909.58 /wks	5,457
06	Design Construction Integrator	7.00		568.49 /wks	3,979
06	MEP specialist	3.00	wks	568.48 /wks	1,705
06	Project Controls	2.00	wks	1,136.98 /wks	2,274
10	Sr Superintendent	30.00		909.58 /wks	27,287
11	Superintendent	30.00	wks	454.79 /wks	13,644
13 24	Employee Parking (per employee)	5,903.00 1.00	hrs	1.44 /hrs	8,500 900
24 25	Project Administration Project Coordinator	32.00	ls wks	899.67 /ls 454.79 /wks	14,553
35	VDC Support	18.00	wks	1,569.02 /wks	28,242
35	Project Manager	30.00	wks	4,547.89 /wks	136,437
35	Project Engineer	30.00	wks	4,547.89 /wks	136,437
58	Peer Facility Site Visits	1.00	alw	10,000.00 /alw	10,000
58	Management Travel	2,942.00	hrs	4.62 /hrs	13,592
63	Teaming Activities	1.00	alw	15,000.00 /alw	15,000
63 66	Public Relations Postage	1.00 7.00	ls mos	3,000.00 /ls 100.00 /mos	3,000 700
70	Blueprint/Reproduction Costs	7.00	mos	500.00 /mos	3,500
74	Photographs - Aerial	1.00	ls	750.00 /ls	750
76	Safety Director Review	28.00		272.87 /wks	7,640



Redmond MOC Validation Phase

<u>ltem</u>	<u>Description</u>	<u>Takeoff</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Amount</u>
	Job Staff & Support				\$741,036
01.020	Equipment and Supplies				
10	Office Supplies & Expendables	7.00	mos	500.00 /mos	3,500
70	Pick Up Trucks	425.00	hrs	8.08 /hrs	3,434
85	Gas/Oil/Lubricants	425.00	hrs	2.89 /hrs	1,228
	Equipment and Supplies				\$8,162
01.040	Office Equipment				
40	Cell Phones	7.00	mos	583.51 /mos	4,085
60	Computers	7.00	mos	562.47 /mos	3,937
110	Software	7.00	mos	2,588.83 /mos	18,122
110 120	Software - VDC Project Management System	7.00 1.00	mos Is	118.26 /mos 6,047.74 /ls	828 6,048
130	Office Equipment One-Time Setup Charge	0.00	ls	0.00 /ls	0,048
	Office Equipment				\$33,019
	555 – 4p 5				700,010
		General C	`ondi	itions	\$782,218
03.000	Sitework	General	onai	itions	Ψ102,210
03.040	Stormwater det/treatment				
02	Water Testing / Monitoring	1.00	alw	75,000.00 /alw	75,000
	Stormwater det/treatment				\$75,000
03.050	Utility Relocation				
10	Pothole Hazardous Materials	1.00	alw	75,000.00 /alw	75,000
10	Pothole Utilities	1.00	alw	100,000.00 /alw	100,000
	Utility Relocation				\$175,000
		Sitework			\$250,000
09.000	HVAC				
09.300	HVAC				
005	Design Build Mechanical - Dispersed Operations	1.00	alw	30,000.00 /alw	30,000
005	Design Build Mechanical - Primary	1.00	alw	100,000.00 /alw	100,000
	HVAC				\$130,000
		HVAC			\$130,000
10.000	Plumbing				
10.100	Plumbing				
005	Design Build Plumbing - Primary	1.00	alw	100,000.00 /alw	100,000
005	Design Build Plumbing - Dispersed Operations	1.00	alw	20,000.00 /alw	20,000



Redmond MOC Validation Phase

<u>Item</u>	<u>Description</u>	<u>Takeoff</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Amount</u>
	Plumbing				\$120,000
11.000	Fire Sprinklers	Plumbing	1		\$120,000
11.100	Fire Sprinklers				
001 001	Design Build Fire Sprinklers - Dispersed Operations Design Build Fire Sprinklers - Primary	1.00 1.00	alw alw	15,000.00 /alw 35,000.00 /alw	15,000 35,000
	Fire Sprinklers				\$50,000
12.000	Electrical	Fire Sprin	klers		\$50,000
12.001	Electrical Subcontract				
005 005	Design Build Electrical - Primary Design Build Electrical - Dispersed Operations	1.00 1.00	alw alw	275,000.00 /alw 75,000.00 /alw	275,000 75,000
	Electrical Subcontract				\$350,000
		Electrical			\$350,000

City of Redmond Maintenance and Operations Center

Date: July 30, 2025

Validation Phase Fee Proposal

DURATION: 3	32.0 weeks				MILLE	R HULL						STA	NTEC			
		Sian Roberts	Scott Wolf	Claire	Steve Doub	Tets Takemoto	Arch 6 TBD	April Ng	Katherine	Jared	Ben Strehlow	TBD	Reb Guthrie	Mark Peckover	Adam Lyons	
	7.0 months			Rennhack					Martin	Weismantel						TOTALS
MAJOR ACTIVITIES / HOURS		Partner in Charge	Design Lead	Design PM	Specs / QAQM	Project Architect	Project Architect	Staff Architect	Support Architect	Functional Lead	Functional Arch	Functional Suppor	t Fueling Infrastructur	Electrical Lead	Mech/Plmg Lead	
TASK 1: TEAMING		32	24	80	0	0	0	0	0	32	40	24	20	20	12	284
TASK 2: SITE INVESTIGATIONS		0	4	24	0	40	80	20	40	8	8	0	12	12	4	252
TASK 3: INTERIM OPERATIONS		12	60	64	24	220	260	100	220	80	200	120	20	20	10	1,410
TASK 4: MASTER PLAN VALIDATION		8	16	32	24	120	140	80	120	20	40	40	4	4	0	648
TASK 5: PREFERRED OPTION DETAILED DEVELOPMENT		16	80	96	48	340	380	180	340	120	280	200	60	60	16	2,216
TASK 6: PERMITTING STRATEGY		8	8	96	24	80	80	40	80	4	4	0	4	4	4	436
TASK 7: BUDGET VALIDATION		12	4	24	4	60	80	40	60	8	20	4	4	4	4	328
TASK 8: SCHEDULE		8	4	40	0	44	40	20	44	8	8	0	4	4	4	228
TASK 9: VALIDATION REPORT		0	8	16	4	24	40	20	40	32	80	16	16	16	16	328
TASK 10: PROJECT STARTUP AND MANAGEMENT		8	8	88	0	40	80	40	0	40	24	0	8	8	8	352
TASK 11: MEETINGS		24	40	80	0	56	100	100	80	90	120	24	90	90	40	934
	TOTALS	128	256	640	128	1,024	1,280	640	1,024	442	824	428	242	242	118	7,416
	Avg. Hrs./Wk.	4	8	20	4	32	40	20	32	14	26	13	8	8	4	232
	Total Hours	128	256	640	128	1,024	1,280	640	1,024	442	824	428	242	242	118	7,416
	vg hours/Week	4	8	20	4	32	40	20	32	14	26	13	8	8	4	268
% of Ti	ime (40 hr. wk.)	10.00%	20.00%	50.00%	10.00%	80.00%	100.00%	50.00%	80.00%	34.53%	64.38%	33.44%	18.91%	18.91%	9.22%	669%
	Pay Rate (\$/hr.)	\$318.00	\$318.00	\$287.00	\$287.00	\$246.00	\$195.00	\$256.00	\$185.00	\$246.00	\$195.00	\$181.00	\$287.00	\$287.00	\$234.00	
	Subtotal	\$40,704	\$81,408	\$183,680	\$36,736	\$251,904	\$249,600	\$163,840	\$189,440	\$108,732	\$160,680	\$77,468	\$69,454	\$69,454	\$27,612	\$1,710,712
	Firm Subtotal			1		97,312			1		1		3,400	1		
Anticipated Reimbursable Costs Based on MHP + Subconsult	tant scope value					,457						\$4	0,000			
Subconsultant Markup (10% on Stantec, Civil, Structural, Environmen	ntal, and Traffic)				\$117	7,186							\$0			
	Firm Total			Miller Hull	\$1,33	37,955					Stantec	\$55	3,400			

Notes

Stantec reimbursable costs are based on assuming 6 trips (avg 1/month) during Validation for 3 people for 3-5 days each. This proposal is intended to be conservative to account for travel from MN to WA while accomodating the potential for some travel to need to be booked days in advance, rather than several weeks/months in advance.

For the purpose of this proposal, Miller Hull assumes a 10% markup on Stantec. Per discussion with OAC, the team will proceed with a reduced markup on Stantec to align with the teaming outlined in the RFQ + RFP. The intent of this markup is to assist with cost recovery of actual overhead costs such as B&O and insurance that are incurred through contracting. The team will work with OAC and their auditor to establish and formalize a percentage rate of markup for MHP to apply to Stantec costs to support recovery of these actual costs. This rate is to be formalized in advance of the Phase 1 contract Amendment.



Validation Phase Staffing Plan

Project: Redmond MOC Updated: 7/15/25

												Contractor NTP	Contract Issued			Complete Subcons						Complete Trade P						City Council Valid		Present Dispersec Schedule/Risk Ma		MOG laye I doil	Dispersed Operati (4 ea) PEC & Cou				Detailed Disperse Operations Option Discuss with PEC	tailed Opti comend to			Council Update				
			eeks 32			weeks 27														Project Va	idation														Disper	rsed Op	erations	Validation	n						
		Wks	Project Validation Hours	Avg hrs/Wk	Wks	Dispersed Operation Validation Hours	s Avg	Total Wks	Total Hours	Total Avg hrs/Wk	otal Avg hrs/Wk over 27 wks	2-Sep-25 9-Sep-25	16-Sep-25	23-Sep-25 30-Sep-25	7-Oct-25 14-Oct-25	21-Oct-25 28-Oct-25	4-Nov-25	18-Nov-25	25-Nov-25 2-Dec-25	9-Dec-25 16-Dec-25	23-Dec-25 30-Dec-25	6-Jan-26 13-Jan-26	20-Jan-26 27-Jan-26	3-Feb-26 10-Feb-26	17-Feb-26 24-Feb-26	3-Mar-26	17-Mar-26	31-Mar-26 7-Apr-26	2-Sep-25	9-Sep-25 16-Sep-25	23-Sep-25 30-Sep-25	7-Oct-25	21-Oct-25	28-Oct-25 4-Nov-25	11-Nov-25	18-Nov-25 25-Nov-25	2-Dec-25 9-Dec-25	16-Dec-25	30-Dec-25	6-Jan-26 13-Jan-26	20-Jan-26	3-Feb-26	10-Feb-26	17-Feb-26 24-Feb-26	3-Mar-26
Position	Staff											1 2	2 3	4 5	6 7	8 9	10 1	1 12	13 14	15 16	17 18	19 20	21 22	23 24	4 25 2	6 27 2	8 29 3	0 31 32	1	2 3	4 5	6	7 8	9 10	11 1	12 13	14 15	5 16 1	7 18	19 20	0 21 2	.2 23	24 2	25 26	27
Precon Staff																																					للللا								
VP of Project Planning and Delivery	Geoff Anderson	8	16	0.5	2	4	0.1	10.0	20.0	2.0	0.6	2			2		2			2		2		2			2	2				2			$\perp \perp \downarrow$	2	Щ.		$\perp \perp \downarrow$		$\perp \perp$			'	
Director	Joe N	32	185	5.8	27	135	5.0	32.0	320.0	10.0	10.0	5	5 5	5 5	5 5	5 5	5	5 5	5 5	5 5	5 5	5 5	5	5 5	5 5	5 5	0 10	0 10 10	5	5 5	5 5	5	5 5	5 5	, 5	5 5	5 !	5 5	5 5	5 5	5 ز	5 5	5	5 5	5
Superintendent	Tony K	30	140	4.4	25	100	3.7	30.0	240.0	8.0	7.5		4	4 4	4 4	4 4	4	4 4	4 4	4 4	4 4	4 4	4 4	1 4 4	4 4	4 4	8 8	8 8 8		4	4 4	4	4 4	4 4	. 4	4 4	4 4	4 4	4 4	4 4	4	4 4	4	4 4	4
Superintendent	Larry A	30	70	2.2	25	50	1.9	30.0	120.0	4.0	3.8		2	2 2	2 2	2 2	2 2	2 2	2 2	2 2	2 2	2 2	2 2	2 2 2	2 2	2 2	4 4	4 4 4		2	2 2	2	2 2	2 2	. 2	2 2	2 :	2 2	2 2	2 2	2 2	2 2	2	2 2	2
Project Manager	Duncan H	32	740	23.1	27	540	20.0	32.0	1280.0	40.0	40.0	20 20	0 20	20 20	20 20	20 20	20 2	0 20	20 20	20 20	20 20	20 20	20 20	20 20	0 20 2	0 20 4	10 40 4	40 40	20	20 20	20 20	20	20 20	20 20	20	20 20	20 20	J 20 2	.0 20	20 20	0 20 2	20 20	20 2	20 20	20
DCI	Eva T	4	20	0.6	3	15	0.6	7.0	35.0	5.0	1.1	5			5					5				5											5	'	டட	5			5			'	
MEP Specialist	Ed B	3	15	0.5	0	0	0.0	3.0	15.0	5.0	0.5		5							5							5								$\perp \perp \perp$	'	டட							'	
Chief Estimator	Chris Burris	5	38	1.2	1	10	0.4	6.0	48.0	8.0	1.5								5	5					1	0 10		8				10			$\perp \perp \perp$	'	டட							'	
Senior Estimator (Precon)	Julianna P	32	592	18.5	27	432	16.0	32.0	1024.0	32.0	32.0	16 10	6 16		16 16			٠.٠		16 16		16 16						32 32 32		16 16	16 16	16	16 16	16 16	16	16 16	16 16	å 16 1	6 16	16 16	6 16 1	16 16	16 1	16 16	16
PE - Validation Support	TBD	30	1200	37.5	0	0	0.0	30.0	1200.0	40.0	37.5		40	40 40	40 40	40 40	40 4	0 40	40 40	40 40	40 40	40 40	40 40	40 40	0 40 4			40 40								'								'	
PM - Dispersed Ops Lead	TBD	5	200	6.3	25	1000	37	30.0	1200.0	40.0	37.5															4	0 40 4	40 40		40	40 40	40	40 40	40 40	40 4	40 40	40 40	0 40 4	0 40	40 40) 40 <i>4</i>	10 40	40 4	40 40	40
Misc. Estimating Support	Ryan S	4	60	1.9	0	0	0.0	4.0	60.0	15.0	1.9								15	10					15 2	0									$\perp \perp \perp$	'	டட							'	
VDC Manager	Mark B	10	108	3.4	8	140	5.2	18.0	248.0	13.8	7.8		5	5		5	5					15	15 1	15			4 14					20	20 20	20 20	20	10 10	டட							'	
Project Coordinator	TBD	32	128	4.0	0	0	0.0	32.0	128.0	4.0	4.0	4 4	4 4	4 4	4 4	4 4	4	4 4	4 4	4 4	4 4	4 4	4 4	4 4	4 4	4 4	4 4	4 4 4							$\Box \Box$	'	டட							'	
Project Controls Specialist	Gabe	2	20	0.6	0	0	0.0	2.0	20.0	10.0	0.6														1	0 10									$\Box \Box$	'	டட							'	
Safety Director Review	Scott K	4	47	1.5	2	20	0.7	6.0	67.0	11.2	2.1											10	10 1	2 15											10	'		10						'	
			3,579	112		2,446	91	304	6,025			52 4	5 101	96 91	98 91	91 96	98 9	1 91	91 111	108 101	91 91	93 116	116 118	128 91	1 106 13	1 111 19	9 192 17	8 188 178	41	41 87	87 87	119 1	07 107	107 107	122	99 97	87 8	7 102 8	i7 87	87 87	7 92 8	37 87	87 F	87 87	87
																												3,579																	2,446

ESTIMATE RATE SHEETS













4. Estimate Rate Sheets

Lease Crutcher Lewis

Based on the contract, our team understands the intent of reimbursable salaried labor costs in the final (GMP) agreement to be based on actual salaried labor cost plus an auditable burden rate tied to the specific project team/crew mix. Therefore, we recommend use of the same approach in the Validation and Phase 1 contract agreements to provide continuity of accounting and auditability for contract costs. We also believe this provides the best value to City of Redmond, since it ties our hourly cost to actuals, rather than escalating a rate to cover future salary actions.

For the purpose of providing an NTE proposal, Lewis has provided a blended average rate and auditable burden based on our current proposed staffing to complete the Validation Phase scope of work.

Miller Hull + Stantec

Similar to the logic above, Miller Hull and Stantec have provided proposals based on current (2025) rates applicable to the Validation Phase only for the roles below. Stantec rates on the following page.

Miller Hull

Category	Rate
Partner	\$318
Principal	\$287
Senior Associate	\$256
Architect 9	\$256
Associate	\$246
Architect 8	\$246
Architect 7	\$215
Architect 6	\$195
Architect 5	\$185
Architect 4	\$164
Architect 3	\$154
Architect 2	\$113
Architect 1	\$103







Stantec

Category	Rate
Level 21	\$346
Level 20	\$327
Level 19	\$316
Level 18	\$303
Level 17	\$297
Level 16	\$287
Level 15	\$260
Level 14	\$246
Level 13	\$234
Level 12	\$222
Level 11	\$211
Level 10	\$195
Level 09	\$188
Level 08	\$181
Level 07	\$171
Level 06	\$160
Level 05	\$156
Level 04	\$136
Level 03	\$125

CLARIFICATIONS & ASSUMPTIONS













5. Clarifications and Assumptions

The purpose of this document is to identify key clarifications and assumptions relevant to the Lease Crutcher Lewis + Miller Hull + Stantec (DB Team) proposal for the Validation Phase for the Redmond Maintenance and Operations Center project. These include:

- 1. This proposal is based on being able to meet the key decisions and schedule outlined in Section 6 Schedule and Exhibit A, "Decision and Approval Process." inclusive of key real estate listing information needed in order to evaluate dispersed operations. There is some flexibility to decision-making dates to accommodate/synchronize with client decision-making across the EC and Council. If durations are determined to need to extend based on factors outside of DB Team control, the DB Team reserves the right to update this proposal accordingly.
- 2. This proposal does not account for the added time associated with due diligence site investigations (example new environmental and geotechnical assessments) associated with the Maintenance and Operations Center being relocated to a new site.
- 3. This proposal assumes that OAC, City of Redmond, or another appropriate alternate authorized party will provide due diligence information for any alternate sites, including those needed for dispersed operations. The timeline for provision of this information is outlined in Section 6, Validation Schedule.
 - a. Note the DB Team is prepared to provide a crosswalk of functional process requirements to assist with real estate property filtering. The team will need input from the 3rd party Real Estate professional to identify critical filtering information to facilitate DB Team response.
- 4. Because design contracts are subject to 100% payment at time of service, the cost of a retention bond is included in the cost of the work associated with this proposal.
- 5. This proposal assumes use of a subcontractor default insurance (SDI) policy in lieu of bonding for coverage of trade partner scope, and is part of the cost of the work.
- 6. Based on the contract terms presented, our team understands the intent of reimbursable salaried labor costs for the Design-Builder in the GMP agreement to be based on actual salaried labor cost plus an auditable burden rate. Therefore:
 - a. Lease Crutcher Lewis costs for staff support in Validation and Phase 1 are assumed to follow this model, rather than a stipulated hourly rate. The cost of salaried staff support is presented as a single average blended hourly rate based on anticipated staffing to inform this NTE proposal. Invoiced amounts will be based on actual hours worked with the specific team member's actual cost of work plus burden (within the overall contract NTE limits). The burden rate provided as part of this proposal is based on the current anticipated staffing and is anticipated to be revised at subsequent contract Amendments associated with Phase 1 and GMP.







- b. Miller Hull and Stantec costs are presented based on current 2025 rates applicable to work performed in the Validation Phase, with rates for future contract phases to be set based on current rates applicable at time of contract amendment execution. These proposals are shown as single line items in the estimate for the purpose of establishing an NTE amount, but are to be billed as hourly NTE agreements.
- 7. It is understood that the Validation Proposal is being issued for a not to exceed amount any cost savings for this phase of the project are intended to be rolled over to the Phase 1 proposal as part of the project rolling GMP.
- 8. This proposal assumes direct award for "Step 1" procurements and best value selection for "Step 2" procurements. The DB Team will include City of Redmond and OAC in the selection process.
- 9. The values identified for subconsultant and trade partner contracts are assumptions to be confirmed during initial teaming.
- 10. For the purpose of establishing an NTE value, a 10% markup of Stantec's cost by Miller Hull has been incorporated into the estimate for this proposal. The project team intends to work with OAC and their auditor to establish and formalize a percentage markup on Stantec's work by Miller Hull that allows cost recovery of actual incurred costs associated with contracting, such as B&O and insurance. This rate applies only to Stantec's work all other partners brought on by Miller Hull as subconsultants shall have the typical 10% markup applied.

Exclusions:

- 1. WSST
- 2. Construction activities beyond limited geotechnical site assessments
- 3. Design activities beyond those identified in the Task List
- 4. Detailed design of any dispersed operations site(s)
- 5. Builder's Risk is excluded from this proposal
- 6. Good Faith, Contaminated Soil, and other Regulated Material assessments, inspections, and reports
- 7. 3rd Party inspections, inclusive of geotechnical inspections required to be independent performed

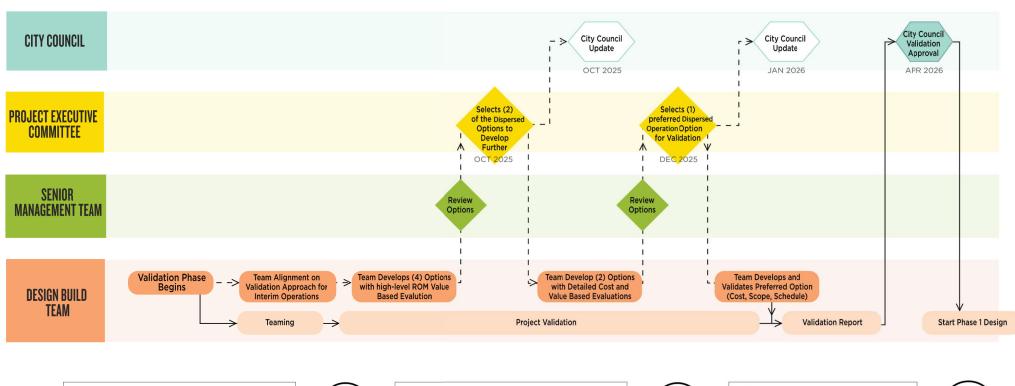


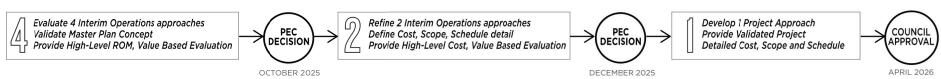




EXHIBIT A

Maintenance and Operations Center - Decision and Approval Process





VALIDATION SCHEDULE







Redmond Maintenance & Operations Validation Schedule







								Initial Team	Onboarded	Narrow down	dispersed options										Preferred Option	Decision											
																		Valida	ation														
	Task	Primary Responsibility	Wks.	1-Sep-25	8-Sep-25	15-Sep-25	22-Sep-25	6-Oct-25	9-Oct-23	13-OGF-23	20-Oct-25	27-Oct-25	3-Nov-25	10-Nov-25	24-Nov-25	1-Dec-25	8-Dec-25	15-Dec-25	22-Dec-25	29-Dec-25	Salra	12-Jan-26	19-Jan-26	26-Jan-26	2-Feb-26	9-Feb-26			Z-Mar-26	9-Mar-26	23-Mar-26	30-Mar-26	6-Apr-26
				1	2	3	4	5	6	7	8	9	10	11	12 1.	3 14	15	16	17	18	19	20	21	22	23	24	25	26	27	28 2	29 30	0 31	32
	ONGOING ACTIVITIES		32																														
<u> </u>	Project Startup and Management																																
<u> </u>	Meetings																																
E	Council Meetings Business Meetings																																
Ą (n	Council Planning & Public Works Meetings			1					1	_ _			1								1				1				1			1	
ONGOING ACTIVITIES	PEC Meeting	(Monthly exact date TBD)						\perp		\star								\sum_{i}															Ш
8	SMT Meetings	(Monthly exact date TBD)																															
Ö	PMT Meetings	(weekly)																															
	Project Meetings	(weekly)																															
	TEAMING		7																														
O	Group 1 Buyout	Redmond/OAC/DB Team	2																														
TEAMING	Geotech; Environmental Permitting; Survey		0																														
N.	Group 2 Buyout	Redmond/OAC/DB Team	6																														
F	Civil; Structural; Mech/Plumbing; Electrical; Fire Protection		0																													<u> </u>	
	Chartering	Redmond/OAC/DB Team	3																														
	DISPERSED OPERATIONS		20																														
	Validation schedule approach & risks with up to four (4) options	DB Team / PEC	3			\star																											
	Confirm validation schedule alignment	Redmond/OAC/DB Team	1																														
	Align on current real estate options avail	OAC/Stantec	2																														
	Site Evaluation Criteria (New Site)	Stantec	2																													<u> </u>	
"	Site Evaluation Criteria (Full Temp Facilities)	Stantec	2																													<u> </u>	
NS NS	Site Evaluation Criteria (Partial Temp Facilities)	Stantec	2																														
Ĕ	Confirm Program Goals for New Site	Redmond/Miller Hull	2																														
1 2	Employee Commuting survey (inform location)	DB Team	2																														
DISPERSED OPERATIONS	High Level ROM Dispersed Operations Assessment (4 options)	DB Team	4																														
SED	Owner review of four (4) options to proceed with 1-2) including Master Plan Phasing	Redmond	3																														
Ä	SMT Meeting		1																													1	
SP	PEC Meeting	Redmond	1					T	7	*						Ī											寸					T	
۵	Council Meeting	Redmond	1					1		7																						1	
	Detailed Validation of two (2) options (Project Validation option below)	DB Team	9																														
	Owner review of two (2) options to proceed with final validation deliverable	Redmond	6																														
	SMT Meeting		1					1	\Box			Ī															T					T	
	PEC Meeting	Redmond	1					1										3									T					T	
	Council Meeting	Redmond	1					T																									

Redmond Maintenance & Operations Validation Schedule







								Initial Team	Dog de de	Narrow down dispersed options											Preferred Option Decision											
																	V	alidati	on													
	Task	Primary Responsibility	Wks.	1-Sep-25	8-Sep-25	15-Sep-25	29-Sep-25	6-Oct-25	13-Oct-25	20-Oct-25	27-Oct-25	3-Nov-25	10-Nov-25	17-Nov-25	24-Nov-25	1-Dec-25	8-Dec-25	15-Dec-25	29-Dec-25	5-Jan-26	12-Jan-26	19-Jan-26	26-Jan-26	2-Feb-26	9-Feb-26	16-Feb-26	23-Feb-26	2-Mar-26	9-Mar-26 16-Mar-26	23-Mar-26	30-Mar-26	6-Apr-26
				1	2	3	4 :	5	6 7		8	9 10	11	12	13	14	15	16	17 18	19	20	21	22	23	24	25	26	27 2	28 29	9 30	31	32
	PROJECT VALIDATION		29																							_		4		4		
	Validate Master Plan Project		13									-			щ,			_								_		+	_	┷	\sqcup	
	Validating Master Plan Assumptions	DB Team	6												_		_	_								-		+	_	┷	ш	
	Confirming Program & Scope	DB Team	6									+			_		_	_								-		+	_	┷	ш	
	End User Engagement	Stantec	6				_	-									_	_								-		+	_	┷	ш	
	Decant Operations	Miller Hull	5				-	4	_		_	+			-											-		+	_	┷	ш	
PROJECT VALIDATION	SCADA Asset Maintenance	Miller Hull	4					-				+												_		-		+	_	—	ш	
Ē	Site Visits - Operating Facilities		1																							_		_		┵	ш	
₽	Budget Validation	Lewis	26																							47		جعا	حجها	4	ш	
₹	Facilities Benchmarking	Lewis	6															_								-		4	_	₩	ш	-
É	Systems Benchmarking	Lewis	7		<u> </u>			1		<u> </u>												<u> </u>				_		+		┷	\sqcup	
贸	Systems Options Evaluation	Lewis	5														щ									_		Ш	Ш	┸	Ш	
ó	Budgeting Efforts to align scope and Schedule	Lewis	9																							T,			البها	4_	Ш	
8	Fleet Transition Plan to validate equipment, infrastructure, etc.	Stantec	7																										┸			
	Preferred Dispersed Operation Strategy Detailed BOD Development		13																													
	Validating Master Plan Assumptions	DB Team	5																									\perp				
	Confirming Program & Scope	DB Team	5																											Ш		
	BOD Development provide cost inputs to validate target schedule & budget	DB Team	6																													
	Validation Report	DB Team	3																													
"	SITE INVESTIGATIONS		12																													
Ñ	Evaluate Project Documents	DB Team	4																													
Ĕ	Evaluate Site Data (including Phase II ESA)	DB Team	5																													
<u>ŏ</u>	Site Survey	Survey	6																									\Box				
ST	Draft work plans/schedule for further investigations	Lewis	4																													
₹	Pot hole for contamination and/or water monitoring data	Lewis	3																													
SITE INVESTIGATIONS	Pot hole Utilities	Lewis	4																									\Box				
Ë	Hazardous material identifications	Redmond	3																													
0)	Geotech Investigation & Report		8																													
(D	PERMITTING		21																							T						
PERMITTING	Permitting Strategies		0												T											ヿ゙		\top		T	\Box	
Ē	AHJ outreach + PDB process integration	Miller Hull	8												T									T		寸		\top	\top	1	+	
Σ	Pull-planning and permitting matrix	Miller Hull / Lewis	9																													
H	Level of detail alignment to support procurement/ permitting	DB Team	6																							7						
*	The option to purchase property or full dispersed site operat		ional schedule	e prec	lecess	ors that	may in	npact th	ne start	of final v	/alida	tion																				

S

Approval and Execution of Property Purchase / Lease Agreements / Property Closing

Additional Phase I and II Environmental / Survey / Site Investigations / Geotech Investigations & Report

VALIDATION REPORT DELIVERABLE













7. Validation Report Deliverable

Table of Contents

This proposed Table of Contents details the Validation Report Deliverable sections. The actual sections delivered in the Validation Report are subject to change based on the development of the work and findings.

- I. Executive Summary
 - a. Project Vision and Goals
 - b. Guiding Principals
 - c. Project Target Budget and Benchmarking Summary
 - d. Risk Matrix Summary
- II. Target Program
 - a. Summary and Recommendations
 - b. Phasing Strategy
 - c. Systems Summary by discipline
 - d. BOD Summary by discipline
 - e. Variance Log
 - i. Any code or design standard deviations, assumptions, and associated documentation of acceptance from the relevant AHJ.
- III. Target Costs
 - a. Overall project budget
 - b. Design and Construction Targets
 - i. Benchmarks
 - ii. Category and System Targets
 - iii. Detailed Risk & Mitigation, Probabilities, and Contingency Summary
 - c. Owner budget
- IV. Target Schedule
 - a. Project Schedule, including permitting timelines and milestones
 - b. Risks and schedule contingency considerations







- V. **Building and Aligning Project Team**
 - a. Summary of teaming to date
 - b. Procurement Plan
 - i. Best value narrative summary
 - ii. Phased procurement strategy
 - iii. SMWBE business utilization plan
 - iv. Apprentice/Journey utilization plan
 - c. Level of Detail Development Plan
 - d. Task and Responsibility Matrix
- VI. **Appendices**
 - **Detailed Basis of Designs**
 - Additional Documents to be identified



2200 WESTERN AVE, STE 500 SEATTLE, WA 98121

WWW.LEWISBUILDS.COM





Exhibit D

Phase 1 Work

To be incorporated via Contract amendment

Exhibit E

Work Included in Construction General Conditions

Section 1. Relationship to Construction General Conditions Price

The Construction General Conditions Price identified in Section 7.4 of the Progressive Design-Build Contract shall be the sole reimbursement for all costs and expenses associated with the Construction General Conditions Work regardless of whether such work is provided directly by Design-Builder or General Contractor (if not the Design-Builder, or indirectly via subcontract or vendor agreement.

Cost of the Phase 2 Services as identified in Section 7.6 of the Progressive Design-Build Contract shall not include any Construction General Conditions Work identified in this Exhibit E.

Section 2. Construction General Conditions Work

Design-Builder shall be responsible for all required Construction General Conditions Work, in connection with the Phase 2 Services, as well as the performance of the related obligations, as described below. All costs contained below shall be the actual cost necessarily incurred in the completion of the Work. No percentage markups or adders applied to the Cost of Work or General Conditions without prior written approval from the Owner.

Supervisory and Administrative Personnel (also includes General Contractor if Design-Builder is not the General Contractor) Wages and salaries of the contractors' supervisory and/or administrative personnel approved in advance by the Owner, are to be reimbursed at actual cost excluding bonuses/incentives or any other adders.

- All Design-Builder's supervisory and administrative personnel engaged in the on-site performance of Phase 2 Services, including but not limited to the Design-Build Project Manager, Construction Manager, Construction Superintendent(s), and those responsible for managing and implementing Design-Builder's scheduling, cost control, billing, health and safety, QA/QC, and expenses. For clarity, only the Design-Builder's craft labor shall be excluded from this category; any other on-site personnel provided by the Design-Builder (or General Contractor if Design-Builder is not acting as the General Contractor) shall be included as General Conditions and covered by the Design-Builder's General Conditions Fee.
- Time of Design-Builder's supervisory and administrative personnel engaged off of the Project Site to support the Phase 2 Services, including visits to suppliers and manufacturing locations, attendance at workshops, travel, and other activities required for the coordination, of production or transportation of material or equipment necessary for the Phase 2 Services, but only for that portion of their time required for the Phase 2 Services.
- Time of the Design-Builder's personnel stationed at the Design-Builder's principal or branch offices and performing Phase 2 Services with the Owner's prior approval.
 For clarity, this does not include time of the Engineer of Record associated with providing submittal reviews, responding to RFIs, and other activities necessary to ensure the construction complies with the design intent.

- Employee benefits, premiums, taxes, insurance, contributions and assessments for all personnel covered by the General Conditions Price, and as required by law and collective bargaining agreements. For personnel covered by the General Conditions Fee but not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions paid by the Design-Builder, to the extent such costs are based on wages and salaries paid to supervisory and administrative personnel of the Design-Builder. All payroll taxes are subject to capping. Bonuses and other discretionary payments are not reimbursable directly but are to be recovered by the Design Builder's Fee.
- The reasonable cost of vehicles, travel, accommodations, and meals for the Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Phase 2 Services, subject to the Owner's prior approval. Commuting cost is not reimbursable.
- Field Office(s) for Design-Builder Staff (also for General Contractor if Design-Builder is not the General Contractor). All work associated with establishing, operating, and demobilizing Design-Builder's Site Office including, but not limited to:
 - Design-Builder field office mobilization and demobilization
 - Office trailer rental
 - Office furniture and equipment
 - Office janitorial
 - Office supplies
 - Office Computers, software, and maintenance.
 - High speed internet service
 - All jobsite communication tools, equipment, and services for the Project including:
 - Cellular phones, and cellular phone service, including long-distance calls
 - Telephones, and telephone service, including long-distance calls
 - Jobsite radios
 - Copy machines, fax machines, printers, scanners, and paper shredders for onsite document reproduction
 - Document reproduction services (off-site or custom)
 - Postage, courier, and express delivery
 - Accounting and data processing costs directly associated with this project. Home
 office IT, centralized data processing, corporate cloud services etc. are to be
 recovered by fee.
 - Job travel, including fuel and vehicle
 - Scheduling expenses

Job meeting expenses necessarily incurred.

Construction Supplies and Support Areas

- Temporary parking and laydown areas both on and/or off-site, including rental areas
- Storage facilities, both on and off site, whether owned or rented as substantiated for square footage, with owner's advance approval if owned by the Design-Builder.
- Incidental construction equipment, small tools, tool shed, and consumables not customarily owned by workers and required for the performance of the Work.
- Fuel for onsite equipment
- Surveying equipment and supplies
- Project specific signage

Temporary Amenities and Utilities (includes hookup, metering, and consumption costs)

- Drinking water
- Temporary toilets
- Temporary water distribution and meters
- Temporary fire protection
- Temporary power
- Temporary and emergency lighting
- Temporary construction facilities and services
- Temporary heat and ventilation
- Temporary weather protection

Site Maintenance and Site Cleanup

- Site security
- Fencing, barricades, partitions, protected walkways, and other measures used for traffic control on site
- Site erosion control
- Daily site cleanup, dumpsters, and garbage/recyclables disposal
- Cleanup at Substantial Completion

Health and Safety

- Personal protective equipment (PPE) for staff and visitors
- COVID-19 related PPE (e.g., face masks, face shields, etc.) and all other COVID-19 related safety implementation measures (e.g., temperature check stations)
- Confined space entry, including personnel protective and monitoring equipment, standby personnel, and all related costs

- Handwashing stations, hand soap, and handwashing signage
- Alcohol-based hand sanitizer
- First aid
- Fall protection
- Safety program administration and training
- Drug testing
- Safety signage

• Project Documentation

- Photographs to document pre-field investigation and pre-construction conditions
- Project progress photos
- Reference manuals
- Project redline drawings

Design-Builder owned equipment

- Computers, vehicles, Radios or phones or any other Design Builder owned Equipment.
- Electronic Equipment: Hardware to be included in the Owned Equipment rental log, and rental rates based on 2 year estimated useful life. All software rates to be evaluated and negotiated prior to being charged to the project and shall be based on specific project use for individuals on the project. CAD Machine rental to be based on CAD machine operator hours. Computer hardware and software located in the Home office or other offsite office not to be reimbursable.

Exhibit F

Equipment Rate Schedule

To be incorporated via Contract amendment

City of Redmond

General Conditions of Progressive Design-Build Contract Between Owner and Design-Builder

Article 1

General

1.1 Mutual Obligations

1.1.1 Owner and Design-Builder commit at all times to cooperate fully with each other and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

1.2 Basic Definitions

- **1.2.1** Additional Services refers to those services defined or described in Section 2.3.1.8 of the Contract.
- **1.2.2** Allowance Items are specific portions of the Phase 2 Work set forth in the GMP Amendment with the cost for such Work estimated in an assigned dollar amount.
- **1.2.3** Allowance Values are the dollar amounts assigned to Allowance Items.
- **1.2.4** Application for Payment is the Design-Builder's request for payment prepared and submitted in compliance with Article 8 of the Contract and Article 6 of these General Conditions of Contract.
- **1.2.5** Basis of Design Documents are those documents specifically identified in the Phase 2 Proposal and GMP Amendment as being the "Basis of Design Documents" and shall include, but not be limited to, agreed upon modifications to the Owner's Initial Programming and Overview.
- **1.2.6** Change Order is defined or described in Section 9.1 of these General Conditions of Contract.
- **1.2.7** Claim is a demand or assertion by Design-Builder for itself or for the benefit of any Subcontractor or supplier of any tier seeking an adjustment of GMP or Contract Time, or both, or any other relief with respect to the terms of the Contract Documents.
- **1.2.8** Construction Documents are the documents, consisting of drawings and specifications, to be prepared and/or assembled by the Design-Builder consistent with the agreed Final Program unless an adjustment has been made and is specifically set forth in a Change Order executed by both the Owner and Design-Builder, as part of the design review process contemplated by Section 2.4 of these General Conditions of Contract.
- **1.2.9** Construction General Conditions Price is defined or described in Section 7.4 of the Contract for the performance of the Construction General Conditions Work.
- **1.2.10** Construction General Conditions Work includes all work set forth in **Exhibit E** to the Contract.
- **1.2.11** Contract refers to the Progressive Design-Build Contract between Owner and Design-Builder dated ______, (Modified DBIA 544), as negotiated.
- 1.2.12 Contract Documents are as defined in Article 3 of the Contract.

- **1.2.13** Contract Price is defined or described in Section 2.3.1.1 of the Contract.
- **1.2.14** Contract Time(s) are the dates for Substantial Completion and Final Completion as defined in Article 6 of the Contract.
- 1.2.15 Cost of the Phase 2 Work is defined or described in Section 7.6 of the Contract.
- **1.2.16** Day or Days shall mean calendar days unless otherwise specifically noted in the Contract Documents.
- **1.2.17** Design-Build Team is comprised of the Design-Builder, the Design Consultant (Engineer of Record), and Key Subcontractors (Key Firms) identified by the Design-Builder in its proposal in response to the Owner's Request for Proposals. The Key Firms are identified in Section 10.4 of the Contract.
- **1.2.18** Design-Builder is Lease Crutcher Lewis WA, LLC.
- 1.2.19 Design-Builder's Contingency is defined or described in Section 7.7.2 of the Contract.
- 1.2.20 Design-Build Fee is defined or described in Section 7.5 of the Contract.
- 1.2.21 Design-Builder's Representative is defined or described in Section 10.2.2 of the Contract.
- **1.2.22** Design-Builder's Principal-In-Charge is defined or described in Section 10.2.1 of the Contract.
- **1.2.23** Design Consultant and/or Engineer of Record is Key Team Member procured as part of the Design Builder's Team, a licensed design professional or employed or retained to furnish design services required under this Contract. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of the Design Consultant but is retained by the Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents. The Engineer of Record shall be a professional engineer licensed in the state of Washington.
- **1.2.24** *Differing Site Conditions* are defined or described in Section 4.2.1 of these General Conditions of Contract.
- **1.2.25** Electronic Data is defined or described in Section 12.1.1 of these General Conditions of Contract.
- **1.2.26** *Final Application for Payment* is defined or described in Section 6.7 of these General Conditions of Contract and 8.4 of the Contract.
- **1.2.27** Final Completion is the date on which all Work, except for warranties, is complete in accordance with the Contract Documents, including but not limited to, any items identified in the punch list and the submission of all documents set forth in Section 6.7.2 of these General Conditions of Contract.
- **1.2.28** Force Majeure Events are those unanticipated events that are beyond the control of both Design-Builder and Owner, including the events of war, floods, labor disputes (but not labor disputes involving Design-Builder), earthquakes, pandemics, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God. Force Majeure Events shall not include known events or conditions (and associated Legal Requirements) in existence at the time of execution of the GMP Amendment.

- **1.2.29** General Conditions of Contract refer to this Document.
- 1.2.30 GMP or Guaranteed Maximum Price is defined or described in Section 7.7 of the Contract
- **1.2.31** *GMP Amendment* is an amendment to the Contract contingent upon Owner's approval of the Phase 2 Proposal as defined or described in Section 2.3.2.2 of the Contract.
- **1.2.32** Hazardous Conditions are any materials, wastes, substances, and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.
- **1.2.33** Legal Requirements are all applicable federal, state, and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.
- **1.2.34** *Notice to Proceed* is a formal written notice from Owner to Design-Builder instructing it to commence with all or some portion of the Work.
- **1.2.35** Open-Book means that all costs and expenses of any kind chargeable to the Owner shall be open and transparent to Owner. Owner has the right, directly or through agents or representatives of its choosing, to access and audit all information used or obtained by Design-Builder in formulating the price in Article 7 of the Contract. Any adjustment to price throughout the Project shall be made on an Open-Book basis as well. Open-Book pricing and payment procedures will not apply to a Lump Sum payment structure.
- **1.2.36** *Owner* is the City of Redmond.
- **1.2.37** Owner's Initial Programming and Overview are developed by or for Owner to describe Owner's program opportunities and objectives for the Project, including use, space, price, time, site, and expandability requirements, as well as other expectations or wants that may be used to evaluate the Design-Builder's performance of the Work. Owner's Initial Programming and Overview are set forth in **Exhibit B** to the Contract.
- 1.2.38 Owner's Representative is defined or described in Section 10.1.2 of the Contract.
- 1.2.39 Owner's Project Manager is defined or described in Section 10.1.1 of the Contract.
- 1.2.40 Inclusion Plan is defined or described in Section 2.11.3 of these General Conditions of Contract.
- **1.2.41** Owner Provided Information are those documents itemized and linked in **Exhibit A** to the Contract.
- **1.2.42** Pass-Through Costs is defined or described in Section 7.6.3 of the Contract.
- **1.2.43** *Phase 1 Work* is that portion of the Work defined and described in **Exhibit D** (**Phase 1 Work**).
- 1.2.44 Phase 2 Work is that portion of the Work defined and described in the GMP Amendment.
- **1.2.45** *Phase 2 Proposal* is defined and described in Section 2.3 of the Contract.
- **1.2.46** *Project* is the Maintenance & Operation Center Project.
- 1.2.47 Scheduled Substantial Completion Date is the date set forth in the Contract, and the Master

Project Schedule, at Section 6.2.1 and is subject to adjustment in accordance with these General Conditions of Contract.

- **1.2.48** Site is the land or premises on which the Project is located.
- **1.2.49** Subcontractor is any person or entity retained by the Project (Designer or Builder) as an independent contractor, or service provider, to perform a portion of the Work at any tier and shall include materialmen and suppliers.
- **1.2.50** Sub-Subcontractor is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include materialmen and suppliers.
- 1.2.51 Substantial Completion or Substantially Complete means the Work, except for agreed punch list items, is sufficiently complete in accordance with the Contract Documents such that Owner can occupy and use the Project or a portion thereof for its intended purposes, and Design-Builder has provided all documentation and other information as is required by Section 6.6 of these General Conditions. The Work is not Substantially Complete unless the Owner can: reasonably judge that the Work can achieve Final Completion within sixty (60) days (or such other period of time as is specified in the Design-Build Documents); appropriate cleaning has occurred; all designated systems and portions thereof are usable, including the HVAC system; utilities are connected and operating normally; Owner training sessions have begun; all required permits and approvals have been issued by the authorities having jurisdiction; O&M manuals have been submitted for review; and the Work is accessible by normal vehicular and pedestrian traffic routes. The fact that the Owner may take beneficial occupancy of the Work or a designated portion thereof does not indicate that the Work is acceptable in whole or in part.
- **1.2.52** Validation Phase Work is that portion of the Work defined and described in **Exhibit C** (Validation Phase Work).
- **1.2.53** *Work* is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring, and furnishing all materials, equipment, services, and labor reasonably inferable from the Contract Documents.
- **1.2.54** Work Change Directive is defined and described in Section 9.2 of these General Conditions of Contract.
- **1.2.55** Work Product is defined and described in Section 5.1 of the Contract.

Article 2

Design-Builder's Work and Responsibilities

2.1 General Work.

2.1.1 Design-Builder's Representative shall be reasonably available to Owner and Owner's Project Manager and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Project Manager shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Project Manager, or any Key Staff, may be replaced only with the mutual agreement of Owner and Design-Builder. Design-Builder shall be lawfully licensed, bonded, and insured in the jurisdiction where the Project is located. The Design-Builder shall be and operate as an independent contractor in the performance of the Work and shall have complete control over and responsibility for all personnel

performing the Work. The Design-Builder is not authorized to enter into any agreements or undertakings for or on behalf of Owner or to act as or be an agent or employee of Owner.

- **2.1.2** Design-Builder shall provide Owner's Project Manager with a monthly status report detailing the progress of the Work, including (i) whether the Work is proceeding according to schedule, (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) whether health and safety issues exist in connection with the Work; (iv) status of all costs and expenses of the Project to the extent provided for in the Contract; and (v) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work, within the GMP, for the Contract Price and within the Contract Time(s).
- **2.1.3** Pursuant to Section 2.3.1.4 of the Contract, Design-Builder shall prepare and submit a schedule for the execution of the Phase 2 Work for Owner's review and response (Project Schedule). The Project Schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The Project Schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of, and response to, the Project Schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences, and techniques for executing the Work.
- **2.1.4** The parties will meet within seven (7) days after execution of the Contract to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

2.2 Design Professional Services.

2.2.1 Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

2.3 Standard of Care for Design Professional Services.

2.3.1 The standard of care for all design professional services performed to execute the Work shall be the (i) the care and skill necessary to comply with the requirements of this Contract and (ii) care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project, whichever is greater. Notwithstanding the preceding sentence, if Owner's Initial Programming and Overview contains specific performance standards for any aspect of the Work, the design professional services shall be performed to achieve such standards.

2.4 Design Development Services.

2.4.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams, and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through the design process set forth in this Section 2.4.1 hereof and Section 2.1.1 of the Contract. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer

about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3 hereof, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

- **2.4.2** Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meetings minutes. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.
- **2.4.3** Owner's review and approval of interim design submissions, meeting minutes, and the Construction Documents is for the purpose of mutually establishing a conformed set of Construction Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim design submissions, meeting minutes, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner.
- **2.4.4** To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

2.5 Legal Requirements.

2.5.1 Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

2.6 Government Approvals and Permits.

2.6.1 Except as otherwise agreed by the Parties in writing, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

2.7 Design-Builder's Phase 2 Work.

- **2.7.1** Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities, and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.
- **2.7.2** Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill, and competence to satisfy the requirements of the Contract Documents. Design-Builder shall always exercise complete and exclusive control over the means, methods, sequences, and techniques of construction.

- **2.7.3** Design-Builder shall employ only Subcontractors who are duly licensed in the state of Washington and qualified to perform the Work consistent with the Contract Documents. Owner approves Subcontractors identified in Section 10.3 of the Contract as Key Firms and Key Personnel. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance.
 - 2.7.3.1 The Design-Builder shall include the language of this sub-paragraph in each of its first-tier subcontracts and shall require each of its Subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. Upon request of Owner, Design-Builder shall promptly provide documentation to Owner demonstrating that the Subcontractor meets the subcontractor responsibility criteria below. The requirements of this subsection apply to all subcontractors regardless of tier. At the time of subcontract execution, Design-Builder shall verify that each of its first tier Subcontractors meets the following bidder responsibility criteria:
 - a) If applicable, have a current certificate of registration as a contractor in compliance with Chapter 18.27 RCW, which must have been in effect at the time of subcontract award; (RCW 39.04.350(1)(a)
 - b) Have a current Washington Unified Business Identifier (UBI) number (RCW 39.04.350(1)(b))
 - c) If applicable, have:
 - i. Industrial Insurance (workers' compensation) coverage for the subcontractor's employees working in Washington, as required in Title 51 RCW (RCW 39.04.350(1)(c);
 - ii. A Washington Employment Security Department number, as required in Title 50 RCW (RCW 39.04.350(1)(c);
 - iii. A Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW (RCW 39.04.350(1)(c);
 - iv. Not been found out of compliance by the Washington State Apprenticeship and Training Council under chapter 49.04 RCW for the one (1) year immediately prior to award (RCW 39.04.350(1)(e)
 - v. Receive training on the requirements related to public works and prevailing wages under Chapters 39.04 and 39.12 RCW (RCW 39.04.350(1)(f)
 - vi. For the 3-year period immediately preceding the date of award, it has not been determined by final and binding citation from Department of Labor and Industries to have willfully violated the provisions of RCW 49.48, 49.46, or 49.52. (RCW 39.04.350(1)(g)
 - d) No Serious safety violations in the last 3 years as posted under Washington State's Labor and Industry's Workplace Safety & Health OSHA.
 - e) Not be disqualified from bidding on any public works contract under RCW

- 39.06.010 or 39.12.065(3) (RCW 39.04.350(1)(d).
- f) If applicable hold an electrical contractor license, if required by Chapter 19.28 RCW;
- g) If applicable hold an elevator contractor license, if required by Chapter 70.87 RCW.
- h) If applicable hold a plumbing contractor license, if required by Chapter 18.106 RCW
- i) Evidence of holding the appropriate level of bonding and insurance required by the Design-Builder related to the work of the subcontract and naming Owner as an additional insured with waiver of subrogation.
- j) Attestation of no conflicts of interests with Owner or Owner staff.
- **2.7.4** Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.
- **2.7.5** Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.
- **2.7.6** Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery, and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.
- **2.7.7 Prevailing Wages:** The Design-Builder must comply with the provisions of Chapter 39.12 of the Revised Code of Washington, relative to the employment of Washington residents at or above the prevailing wages for the specific type of work involved as determined by the United States Department of Labor and will be required to certify to this effect prior to each and any payments made by Owner.

The prevailing rate of wages to be paid to all workers, laborers, or mechanics employed in the performance of any part of this Contract shall be in accordance with the provisions of chapter 39.12 RCW, and any amendments thereto. The rules and regulations of the Department of Labor and Industries and the Schedule of Prevailing Wage Rates for the locality or localities where this contract will be performed as determined by the Industrial Statistician of the Department of Labor and Industries are by reference made a part of this contract as though fully set forth herein.

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

The Design-Builder shall acquaint itself with all conditions affecting labor rates and impending negotiations for labor agreements. The Design-Builder shall pay new schedules, when and if required, without additional cost to Owner.

Forms may be obtained from the Department of Labor & Industries. The fees for each "Statement of Intent to Pay Prevailing Wages" and "Affidavit of Wages Paid" shall accompany each form submitted to the Department of Labor & Industries. The Design-Builder is responsible for payment of these fees and shall make all applications directly to the Department of Labor & Industries. Such application, and any supplemental statements which may be necessary, shall be filed in accordance with the practices and procedures required by the Department of Labor and Industries.

Prior to commencing work, each Design-Builder and each and every Subcontractor (subject to prevailing wage) shall file a sworn "Statement of Intent to Pay Prevailing Wages" (L&I Form #F700-029-000) with the Department of Labor and Industries certifying the rate of hourly wages to be paid each classification of laborers, workers, or mechanics employed upon the work by the Design-Builder or Subcontractor which shall be not less than the prevailing rate of wage. Fringe benefits for each job classification to be utilized shall also be included.

Prior to any payment, the Design-Builder and each Subcontractor shall submit to Owner a "Statement of Intent to Pay Prevailing Wages" approved by the Washington State Department of Labor & Industries.

Each voucher claim or invoice submitted by a Design-Builder for payment on a project shall state: "Prevailing wages have been paid in accordance with the pre-filed Statement of Intent to Pay Prevailing Wages on file with the public agency in accordance with RCW 39.12.04". Each invoice shall list sales tax as a separate line item.

For projects over \$10,000, the Design-Builder must post an approved copy of the Statement of Intent, (listing the labor classification and wages used on the project) at the job site. In the event the Statement of Intent has not been approved by the Department of Labor & Industries before work begins, the complete listing of prevailing wage rates for that Owner may be posted and distributed in lieu of the approved Statement of Intent.

The Design-Builder shall, within ten days after it receives a written request, file a certified copy of the payroll records with Owner.

Upon completion of work, the Design-Builder and each and every Subcontractor (subject to pay prevailing wage) shall file a sworn "AFFIDAVIT OF WAGES PAID" (L&I Form #F700-007-000) with the Department of Labor and Industries certifying the rate of hourly wages paid each classification of laborers, workers, or mechanics employed upon the work by the Design-Builder or subcontractor which shall be not less than the prevailing rate of wage. Fringe benefits for each job classification to be utilized shall also be included.

Upon completion of this contract, Owner must receive from the Design-Builder and each and every Subcontractor (subject to prevailing wage) a copy of the "Affidavit of Wages Paid" approved by the State Department of Labor & Industries. Retainage, or Bond, will be released upon receipt of all necessary documentation (including but not limited to releases from the Department of Labor & Industries, Department of Employment Security and, when applicable, Department of Revenue), the settlement of any liens, and in accordance with Chapter 60.28 of the Revised Code of Washington.

Owner is required by RCW 39.12.030 to include a provision stating the required prevailing rate(s) in the solicitation and contract documents. To comply with this requirement, Owner is providing the following applicable prevailing wage rate information:

A. State of Washington prevailing wage rates published by the Washington State Department of Labor and Industries (L&I) are obtainable from the L&I website address:

https://fortress.wa.gov/lni/wagelookup/prvWagelookup.aspx

B. The effective prevailing wage date is the same date as the Execution Date of the GMP Amendment.

A copy of the applicable prevailing wage rates are also available for viewing at Owner's office located at 15670 NE 85th St, Redmond, WA 98073.

Upon request, Owner will mail a hard copy of the applicable prevailing wage rates for this Project.

2.8 Design-Builder's Responsibility for Project Safety.

- 2.8.1 Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors, and others as applicable.
- **2.8.2** Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.
- **2.8.3** Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from their performance of the Work.
- **2.8.4** The Design-Builder shall enforce strict discipline and good order among the Design-Builder's employees and other persons carrying out the Work.
- **2.8.5** Pursuant to RCW 49.70, "Worker and Community Right to Know Act," and WAC 296-307-560 et seq., the Design-Builder shall provide Owner copies of and have available at the Project Site a workplace survey and material safety data sheets for all "hazardous" chemicals under the control or use of Design-Builder or any Subcontractor of any tier at the Project Site.

2.9 Warranties and Guaranty.

2.9.1 Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of

defects in materials and workmanship. Work, materials, or equipment not conforming to these requirements, including substitutions not properly approved and authorized, are considered defective. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Owner with greater warranty rights than set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Owner with all manufacturers' warranties upon Substantial Completion.

2.10 Correction of Defective Work.

- **2.10.1** Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents or otherwise unacceptable to Owner ("Defective Work"), including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Final Completion or within such longer period to the extent required by any specific warranty included in the Contract Documents.
- **2.10.2** Design-Builder shall, within seven (7) days of receipt of written notice from Owner that the Work is Defective, submit a corrective action plan that details steps to correct Defective Work, including the correction, removal or replacement of the defective Work and any damage caused to other parts of the Work affected by the Defective Work.

Owner will review and approve a corrective action plan and provide authorization to commence corrective action. If Design-Builder fails to start corrective action within seven (7) business days, or as otherwise approved by Owner, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder's Bonding Agent with written notice of defective work and Design-Builder corrective action plan. The conditions of the Performance Bond will be enforced.

If in the event Owner must correct the Defective Work, Design-Builder shall be responsible for all costs incurred by Owner in performing such correction. If the Defective Work creates an emergency requiring an immediate response, emergency response costs are also the responsibility of the Design-Builder.

2.10.3 The one-year period referenced in Section 2.10.1 above applies only to Design-Builder's obligation to correct Defective Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

2.11 Non-Discrimination.

- **2.11.1** Design-Builder shall not discriminate on the grounds of race, color, sex or national origin in the selection and retention of Subcontractors, including procurement of materials and leases of equipment. Design-Builder shall not participate either directly or indirectly in such discrimination, including discrimination in employment practices.
- 2.11.2 Design-Builder shall comply with all requirements of the federal Civil Rights Act.
- **2.11.3** Pursuant to the Design-Builder's proposed Subcontracting and Inclusion Plan, the Design-Builder shall actively and in good faith provide opportunities for underutilized, disadvantaged, and/or small businesses as subcontractors, subconsultants, and/or suppliers in the performance of the Work. As part of the Subcontracting and Inclusion Plan, the Design-Builder shall implement an outreach strategy, the Subcontracting and Inclusion Plan will be reviewed, and approved by Owner prior to the execution of this Contract. The Subcontracting and Inclusion Plan will outline the proactive strategies, resource commitments, and specific steps the Design-Builder will take to effectively engage these firms for utilization and performance on this Project. The Design-Builder

shall furnish evidence of its compliance with the Subcontracting and Inclusion Plan with the monthly project report.

As used in this section, these firms may include, but are not limited to, firms certified by the Office of Minority and Women Owned Enterprises (OMWBE), the US Government, registered with other relevant agencies, or those that are self-identified and accepted by Owner.

Article 3

Owner's Services and Responsibilities

3.1 Duty to Cooperate.

- **3.1.1** Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations, and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.
- **3.1.2** Owner shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in the Project Schedule.
- **3.1.3** Owner shall give Design-Builder timely notice of any Work that Owner notices to be defective or not in compliance with the Contract Documents.

3.2 Furnishing of Services and Information.

- **3.2.1. Owner Provided Information**. Owner has provided Design-Builder with access to Owner Provided Information (the "Owner Provided Information") listed in **Exhibit A** to the Contract. Owner provides such Owner Provided Information to Design-Builder for information only. Design-Builder understands and agrees that Owner shall not be responsible or liable in any respect for any loss, damage, injury, liability, cost or cause of action whatsoever suffered by Design-Builder by reason of any use of any information contained in the Owner Provided Information or any action or forbearance in reliance thereon. Design-Builder further acknowledges and agrees that (a) if and to the extent Design-Builder or anyone on Design-Builder's behalf uses any of the information in the Owner Provided Information in any way, such use is made on the basis that Design-Builder, not Owner, has approved and is responsible for such information, and (b) Design-Builder is capable of conducting and obligated hereunder to conduct any and all studies, analyses and investigations as it deems advisable to verify or supplement such information, and that any use of such information is entirely at Design Builder's own risk and at its own discretion.
- **3.2.2** Except as otherwise provided in the Contract Documents, Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

3.3 Owner's Representative.

3.3.1 Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions, or defects in the performance of the Work. Provided, however, that the failure of

Owner's Representative to provide such notice shall not relieve Design-Builder from the obligation to perform the Work and deliver the Project in a manner consistent with its obligations under the Contract Documents. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.

3.4 Government Approvals and Permits.

3.4.1 Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees for the Project, that are not required by law to be obtained by Owner.

3.5 Owner's Separate Contractors.

3.5.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with and coordinate their activities so as not to interfere with, Design-Builder to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

Article 4

Hazardous Conditions and Differing Conditions

4.1 Hazardous Conditions.

- **4.1.1** Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.
- **4.1.2** Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.
- **4.1.3** Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless; and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.
- **4.1.4** Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions.
- **4.1.5** To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including reasonable attorneys' fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable. To the fullest extent permitted by law, Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.1.7 Training and Reporting

- **4.1.7.1** All workers onsite who are involved in demolition, construction, installation, or excavation activities must have current Asbestos Awareness Training, as required by WAC 296-62-07722(6).
- **4.1.7.2** Prior to bringing onsite any chemicals listed in 6 CFR part 27, Appendix A, the Design-Builder shall submit for itself and for all Subcontractors a completed "Contractor Declaration and Reporting Form for Department of Homeland Security Chemicals of Interest."

4.1.8 General Requirements When Design-Builder Performs Hazardous Conditions Abatement

- **4.1.8.1** SUPERVISORY AUTHORITY: Design-Builder assumes all responsibilities and shall perform all required work under applicable regulations related to its supervisory authority over Subcontractors and personnel performing work related to hazardous materials.
- **4.1.8.2** ACCESS RESTRICTIONS: Work described in the Contract Documents includes restriction of access to work areas during hazardous materials activities. Access to various work areas by the general public, Subcontractors, and other individuals will not be possible during certain hazardous materials work sequences, as specified in the Contract Documents. Design-Builder shall coordinate the Work to facilitate access by Subcontractors while enforcing work area restrictions and shall minimize disruption to building occupants and services.
- **4.1.8.3** WORKING HOURS: No hazardous materials work shall occur when building users have access to work areas. Schedule all hazardous materials work to occur in accordance with schedule requirements outlined elsewhere in the Contract Documents, and when work areas have been vacated by building users.
- **4.1.8.4** EMERGENCY CONTACTS: Designated qualified representatives of the Design-Builder and specific hazardous materials Subcontractors are to be available on a 24-hour emergency basis for the duration of the Work. Provide contact information to Owner's Representative for inclusion in the Project emergency contact list.
- **4.1.8.5** GENERAL HAZARDOUS MATERIALS SUBMITTALS: Design-Builder shall review the scope of work and submittal requirements outlined in the Contract Documents. Design-Builder shall submit and require all subcontractors performing the work of handling or disposing of any hazardous materials to submit, pertinent information required by the Contract Documents. Examples of work and impact may include abatement, demolition, saw cutting, roto-hammering, welding, sanding, drilling, scraping or other remodeling and metals-related impact, impact of asbestos-containing joint compound or other material with <1% asbestos, PCB ballast removal or light tube removal and disposal.
- **4.1.8.6** REGULATIONS, LAWS, and ORDINANCES: Design-Builder shall comply with all applicable regulations, laws and ordinances concerning the impact, removal,

handling, storage, disposal, monitoring and protection against exposure or environmental pollution related to hazardous or regulated materials and conditions. Impacts to hazardous or regulated materials that may be required by the Work may include, but are not limited to: manual demolition, mechanical demolition, cutting, sawing, drilling, sanding, scraping, welding, power-washing or torch-cutting. Confirm required impacts with other applicable specification sections and drawing sheets. Design-Builder shall furnish all labor, materials, equipment, services, and insurance that is specified, shown, or reasonably implied for the removal and handling of hazardous materials as part of the Work.

4.2 Differing Site Conditions.

4.2.1 Differing Site Conditions. If Design Builder encounters conditions that were concealed physical conditions that could not have reasonably been discovered, which differ materially from those indicated in the Validation Report, Contract Documents, or unknown physical conditions of an unusual nature which differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Contract Documents (collectively, a "Differing Site Condition"), then Design Builder shall give written notice to Owner within 3 business days after becoming aware of or having encountered such condition. Design-Builder shall not perform any Work in connection therewith (except for an emergency) until receipt of written order to do so. After receipt of such written notice, Owner will promptly review the pertinent condition.

4.2.2 Possible GMP and Contract Time Adjustments

- **4.2.2.1** If Design-Builder seeks to have the GMP or the Contract Time, or both, adjusted due to the existence of a Differing Site Condition, Design-Builder shall comply with the provisions of Article 9 in addition to the requirements of this Section 4.2.
- **4.2.2.2** Design-Builder **shall not** be entitled to any adjustment in the Contract Price or Contract Time if:
 - a) Design-Builder knew of the existence of such conditions at the time Design-Builder and Owner negotiated this Contract; or
 - b) Design-Builder failed to give the written notice as required by Section 4.2 and/or comply with Article 9; or
 - c) Design-Builder knew, or should have known, of such conditions during Validation/Phase 1 of the Project but failed to identify such conditions, document such conditions in the Contract Documents, or otherwise take into account the conditions when designing the Project.
- **4.2.2.3** If Design-Builder complies with the provisions of Article 9 and this Section 4.2 and Owner and Design-Builder are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the GMP or Contract Time, or both, a Claim may be made by Design-Builder as provided in Article 10.

Article 5

Insurance and Bonds

5.1 Insurance. The Design-Builder shall provide insurance consistent with and in accordance with the requirements of Article 11 of the Contract.

5.2 Bonds. The Design-Builder shall provide performance and payment bonds consistent with and in accordance with the requirements of Article 11 of the Contract.

Article 6

Payment

6.1 Schedule of Values.

- **6.1.1** The Design-Builder shall submit a Schedule of Values at least 15 days prior to submitting its first Application for Payment. The Schedule of Values shall reasonably allocate the Contract Sum among the various portions of the Work; be complete; be organized to include detailed breakdown of each major unit of the Work; be organized to correspond to Design-Builder's schedule; break down the Contract Sum showing the value assigned to each part of the Work; be so organized as to facilitate assessment of work and payment of Subcontractors; and be balanced. To the greatest extent possible, the breakdown shall use the same tasks or units as the Design-Builder's Master Project Schedule. Design-Builder shall provide documentation substantiating the cost allocation if asked by Owner. Upon acceptance of the Schedule of Values by Owner, it shall be used as a basis for all requests for payment.
- **6.1.2** Owner will timely review and approve the Schedule of Values so as not to delay the submission of the Design-Builder's first application for payment. Owner and Design-Builder shall timely resolve any differences so as not to delay the Design-Builder's submission of its first application for payment.

6.2 Payments.

Owner shall make payments for Validation Work, Phase 1 Work, and Phase 2 Work in accordance with Section 8 of the Contract.

6.3 Withholding of Payments.

- **6.3.1** On or before the date established in the Contract, Owner shall pay Design-Builder all amounts properly due, less statutory retainage. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment because of Design-Builder's failure to meet its obligations hereunder, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, to resubmit disputed amounts.
- **6.3.2** Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Contract.

6.4 Design-Builder's Payment Obligations.

6.4.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

6.5 Substantial Completion.

- **6.5.1** Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is Substantially Complete. Within five (5) days of Owner's receipt of Design-Builder's notice (and all required documents and information), Owner and Design-Builder will jointly inspect such Work to verify that it is Substantially Complete in accordance with the requirements of the Contract Documents. If such Work is Substantially Complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.
- **6.5.2** Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion, and subject to the Retainage requirements of RCW 60.28 and Section 8.3 of the Contract.
- **6.5.3** Owner, at its option, may use a portion of the Work which has been determined to be Substantially Complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

6.6 Final Payment.

- **6.6.1** After receipt of a Final Application for Payment from Design-Builder, together with all information required by Section 6.6.2 below, Owner shall make final payment by the time required in the Contract if Design-Builder has achieved Final Completion.
- **6.6.2** At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:
 - **6.6.2.1** An affidavit certifying that there are no claims, obligations or liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests:
 - **6.6.2.2** A general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment;
 - **6.6.2.3** Consent of Design-Builder's surety, if any, to final payment;
 - **6.6.2.4** All reports, records, training and operating manuals, warranties and other deliverables required by the Contract Documents; and
 - **6.6.2.5** Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

- **6.6.2.6** All operating manuals, warranties, record documents and other deliverables required by the Contract Documents: and
- 6.6.2.7 A signed and stamped set of all calculations supporting the design of the Project.
- **6.6.3** Deficiencies in the Work discovered after Substantial Completion, whether such deficiencies would have been included on the Punch List if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder under Sections 2.9 and 2.10 herein and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the Final Payment the reasonable value of completion of such deficient work until such work is completed.

Article 7

Indemnification

7.1 Patent and Copyright Infringement.

- **7.1.1** Design-Builder shall defend, with counsel reasonably acceptable to Owner, any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information, and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses incurred by or awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.
- **7.1.2** If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.
- **7.1.3** Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after Substantial Completion. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.
- **7.1.4** The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement of violation of any patent or copyright.

7.2 Tax Claim Indemnification.

7.2.1 If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred

by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive. Owner shall furnish Design-Builder with any applicable tax exemption certificates necessary to obtain such exemption, upon which Design-Builder may rely.

7.3 Payment Claim Indemnification.

- **7.3.1** Provided that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.
- **7.4 Design-Builder's General Indemnification.** In addition to any other indemnification of defense obligation that Design-Builder may have under the Contract Documents, Design-Builder shall defend, indemnify, and hold Owner, its officers, officials, employees, and agents (the "Indemnified Parties") harmless from and against all claims, demands, losses, damages, or costs, including but not limited to damages arising out of bodily injury or death to persons and damage to property, caused by or resulting from:
 - **7.4.1** The sole negligence or willful misconduct of Design-Builder or any of its Design Consultants or Subcontractors or Suppliers of any tier, or the agents or employees of same (collectively, the "Design-Build Parties");
 - **7.4.2** The concurrent negligence of the Design-Build Parties, but only to the extent of the negligence of the Design-Build Parties;
 - **7.4.3** A breach of this Contract by the Design-Build Parties;
 - **7.4.4** The use of any design, process, or equipment which constitutes an infringement of any United States patent presently issued, or violates any other proprietary interest, including copyright, trademark, and trade secret.

In addition to a remedy authorized by law, Owner may retain so much of the money due the Design-Builder as deemed necessary by Owner to ensure the defense and indemnification obligations of this section until disposition has been made of such suits or claims.

Pursuant to RCW 4.24.115, claims, suits, or actions result from the concurrent negligence of (a) the Indemnified Parties and (b) the Design-Build Parties the indemnity provisions provided in the preceding paragraphs of this section shall be valid and enforceable only to the extent of the Design-Build Parties' negligence.

In any action against Owner and any other entity indemnified in accordance with this section, by any employee of Design-Builder, its consultants of any tier, Subcontractors, Sub-subcontractors, agents, or anyone directly or indirectly employed by any of them, the indemnification obligation of this section shall not be limited by a limit on the amount or type of damages, compensation, or benefits payable by or for Design-Builder or any consultant or Subcontractor under Title 51 RCW, the Industrial Insurance Act, or any other employee benefit acts. In addition, Design-Builder waives immunity as to Owner only, in accordance with Title 51 RCW. The Design-Builder intends to indemnify, defend and hold Owner harmless to the fullest extent allowed by applicable law. To the extent that applicable law invalidates any portion of this Section, the remainder shall be construed

to provide the broadest protection to Owner allowed by applicable law. The parties acknowledge that the foregoing waiver of Title 51 RCW immunity was mutually negotiated and that the provisions of this Section shall survive expiration or termination of this Contract by either party for any reason. The Design-Builder shall similarly require that each subcontractor it retains in connection with the project comply with the terms of this paragraph, waive any immunity granted under Title 51 RCW, and assume all liability for actions brought by employees of the subcontractor.

Article 8

Time

8.1 Obligation to Achieve the Contract Times.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 6 of the Contract. By executing the Contract, the Design-Builder confirms that the Contract Time is a reasonable period for performing the Work.

8.2 Delays to the Work.

- **8.2.1** If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order. Delays attributable to and within the control of a Subcontractor or supplier shall be deemed to be delays within the control of Design-Builder. By way of example, events that may entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, and Force Majeure Events. Design-Builder shall make all reasonable efforts to prevent and mitigate the effects of any delay, whether occasioned by an act of Force Majeure or otherwise.
- **8.2.2** Design-Builder is not entitled to a change in Contract Time unless the progress of the Work on the critical path is delayed and completion of the Work within Contract Time is delayed. A Request for a Change Order that includes a request for an adjustment in the Contract Time shall be delivered to Owner in accordance with Article 9 herein and, in addition to any requirements in Article 9, shall:
 - a. Include a clear explanation of how the event or conditions specifically impacted the critical path and overall construction schedule and the amount of the adjustment in Contract Time requested.
 - b. Demonstrate that the delay could not have been avoided by re-sequencing of the Work or other reasonable alternatives.
 - c. Be limited to the change in the critical path of a construction schedule, and any updates, attributable to the event or conditions which caused the request for adjustment.
- 8.3 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder may also be entitled to an appropriate adjustment of the GMP; except that the GMP shall not be adjusted for Force Majeure Events.

Article 9

Changes to the GMP and Contract Time

- 9.1 Authorized Changes in the Work
 - **9.1.1 General.** After execution of the Contract, Changes in the Work are effective solely by Change Order or Work Change Directive.
 - **9.1.2 Change Order.** A Change Order is a written instrument issued after execution of the Contract signed by Owner and Design-Builder, stating their agreement upon all of the following:
 - **9.1.2.1** The scope of the change in the Work;
 - 9.1.2.2 The amount of the adjustment to the GMP, if any; and
 - **9.1.2.3** The extent of the adjustment to the Contract Time(s), if any.

A Change Order shall constitute full payment and final settlement of all Claims for Contract Time adjustment and for direct, indirect, and consequential costs, including costs of delays, inconvenience, disruption of schedule, or loss of efficiency or productivity, related to any Work either recovered or affected by the Change Order, or related to the events giving rise to the request for equitable adjustment.

- **9.1.3 Design-Builder Request for Change Order.** Change Order requests may be initiated by Design-Builder in accordance with this subsection 9.1.3.
 - 9.1.3.1 If Design-Builder believes that it is entitled to relief for any event or condition arising out of or related to the Work or Project, Design-Builder shall provide to Owner a written Notice of Intent to Submit a Request for Change Order no later than seven (7) days after the event or condition giving rise to the claim for relief.
 - 9.1.3.2 Unless Owner's Representative issues written notice authorizing Design-Builder additional time to submit the Request for Change Order, Design-Builder shall provide a written Request for Change Order to Owner's Representative no later than 21 days after delivery of the Notice of Intent to Submit a Request for Change Order. The Request for Change Order must include (a) a description of the request, rationale, and specific provisions of the Contract Documents, (b) specific dollar amount of the requested change to GMP, covering all costs associated with the requested Change Order; (c) specific request for change in Contract Time (number of days); and (d) all documentation supporting the Request for a Change Order, including but not limited to all cost records, schedule analysis, and the documents identified in the Contract Documents, that are in any way relevant to the Design-Builder's Request for Change Order.
 - **9.1.3.3** Pending resolution of Design-Builder's Request for a Change Order, Design-Builder shall continue to perform all Work including, at the written request of Owner, the work associated with the pending Request for Change Order.
 - **9.1.3.4** A Request for Change order that is not accepted by Owner within 30 days after receipt by Owner is deemed denied.
 - **9.1.3.5** If Design-Builder disagrees with denial of a Request for Change Order, the Design-Builder's sole remedy shall be to file a fully documented Claim in accordance with

Article 10 within 30 days after Design-Builder's receipt of the denial or within thirty (30) days after the denial is deemed to have occurred under Section 9.1.3.4 above.

9.1.4 Owner Change Order Proposal. Change requests may be initiated by Owner through a Change Order Proposal submitted to Design-Builder. Such a request is for information and pricing only and is not an instruction to execute changes or to stop work in progress, unless issued as a Work Change Directive. Upon receipt of Owner Change Order Proposal, the Design-Builder shall promptly submit its proposed costs and pricing. If Owner and Design-Builder agree to the terms of the cost and pricing for the proposed change, they shall execute a mutually acceptable Change Order to authorize the change.

9.2 Work Change Directives.

- **9.2.1** A Work Change Directive is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).
- **9.2.2** Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

9.3 Minor Changes in the Work.

9.3.1 Minor changes in the Work do not involve an adjustment in the GMP and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance, and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

9.4 GMP Adjustments and Pricing.

- **9.4.1** Except as otherwise provided by Section 9.4.2 herein, the value of any changed Work or of any Claim for an increase or decrease in the GMP or Contract Sum shall be limited to the Cost of the Work and the Fee and markups set forth in the Contract. For Subcontractors of any tier, the total cost of any changed Work or of any other increase or decrease in the GMP or Contract Sum, including a Claim, shall be established based on lump sum quotations whenever possible. If the parties are unable to agree upon such lump sum costs, then reimbursable costs shall be limited to the following components:
 - **9.4.1.1 Direct labor costs:** Actual labor costs determined by the number of additional craft hours and the hourly costs necessary for the Subcontractor to perform the Change in the Work. The hourly cost shall be based upon the following:
 - .1 Basic wages and fringe benefits: The hourly wage (without markup or labor burden) and fringe benefits paid by the Subcontractor as established by the Washington Department of Labor and Industries or contributed to labor trust funds as itemized fringe benefits, whichever is applicable, not to exceed that specified in the applicable "Intent to Pay Prevailing Wage" for the laborers, apprentices, journeymen, and foremen performing and/or directly supervising the Change in the Work on the site. The premium portion of overtime wages is not included unless pre-approved in writing by the Owner. Costs paid or incurred by the Subcontractor for vacations, per diem, subsistence, housing,

- travel, bonuses, stock options, or discretionary payments to employees are not separately reimbursable. The Subcontractors shall provide to the Owner copies of payroll records, including certified payroll statements upon the Owner's request.
- **.2 Workers' insurances:** Direct contributions to the State of Washington as industrial insurance; medical aid; and supplemental pension by class and rates established by the Washington Department of Labor and Industries.
- **.3 Federal insurances:** Direct contributions required by the Federal Insurance Compensation Act (FICA); Federal Unemployment Tax Act (FUTA); and State Unemployment Compensation Act (SUCA).
- **9.4.1.2 Direct material costs:** This is an itemization, including material invoice, of the quantity and cost of additional materials reasonable and necessary to perform the Change in the Work. The unit cost shall be based upon the net cost after all discounts or rebates, freight costs, express charges, or special delivery costs, when applicable. No lump sum costs will be allowed except when approved by the Owner. Discounts and rebates based on prompt payment need not be included, however, if the Design-Builder offered but the Owner declined the opportunity to take advantage of such discount or rebate.
- 9.4.1.3 Construction equipment usage costs: This is an itemization of the actual length of time that construction equipment necessary and appropriate for the Work is used solely on the change at the site times the applicable rental cost as established in Exhibit F and if not established therein, then by the lower of the local prevailing rate published in The Rental Rate Blue Book by EquipmentWatch, Atlanta, Georgia, as modified by the latest edition of the AGC/WSDOT agreement, or the actual rate paid to an unrelated third party as evidenced by rental receipts. Actual, reasonable mobilization costs are permitted if the equipment is brought to the site solely for the change in the Work. Mobilization and standby costs shall not be charged for equipment already present on the site. If more than one rate is applicable, the lowest rate will be utilized. The rates in effect at the time of the performance of the change are the maximum rates allowable for equipment of modern design and in good working condition and include full compensation for providing all oil, lubrication, repairs, maintenance, and insurance. No gas surcharges shall be charged to Owner unless charged to Design-Builder by the vendor. Equipment not of modern design and/or not in good working condition will have lower rates. Hourly, weekly, and/or monthly rates, as appropriate, will be applied to yield the lowest total cost. The rate for equipment necessarily standing by for future use (and standing by for longer than one (1) week) on the changed Work shall be fifty percent (50%) of the rate established above. The total cost of rental allowed shall not exceed the cost of purchasing the equipment outright. If equipment is required for which a rental rate is not established by The Rental Rate Blue Book, an agreed rental rate shall be established for the equipment, which rate and use must be approved by the Owner prior to performing the Work.
- **9.4.1.4 Costs of Lower-Tier Subcontractors:** These are payments a Subcontractor makes to lower-tier Subcontractors for changed Work performed by such lower-tier Subcontractors. Such Subcontractors' cost of changed Work shall be determined in the same manner as prescribed in this Section.
- **9.4.1.5 Subcontractor's Fee:** This is the percentage amount for all combined overhead, profit and other costs, including all office, home office and site overhead (including project manager, project engineer, other engineers (except design engineers), estimator, and their vehicles and clerical assistants), taxes (except for sales tax), employee per diem, subsistence and travel costs, warranty, safety costs, printing and copying, layout and control, quality control/assurance, purchasing, small or hand tool (a tool that costs \$500 or less and is normally provided by the performing contractor) or expendable charges,

preparation of as-built drawings, impact on unchanged Work, Claim and Change preparation, and delay and impact costs of any kind (cumulative, ripple, or otherwise), added to the total cost to the Owner of any Change Order, Construction Change Directive, Claim or any other claim of any kind on this Project. No Fee shall be due, however, for direct settlements of Subcontractor claims by the Owner after Substantial Completion. The Fee shall be limited in all cases to the following schedule:

- **.1** A Subcontractor of any tier shall receive 12% of the cost of any materials supplied or work properly performed by that Subcontractor's own forces.
- **.2** A Subcontractor of any tier shall receive 8% of the amount owed (less fee) directly to a lower-tier Subcontractor or supplier for materials supplied or for work properly performed by that Subcontractor or supplier.
- .3 A Subcontractor of any tier shall receive no more than 5% of any amounts owed (less fee) to any remote, sub-tier subcontractors which are within the lines of contractual responsibility but not in privity of contract with such Subcontractor, for work performed by that remote, sub-tier subcontractor.
- .4 The cost to which this Fee is to be applied shall be determined in accordance with Sections 9.4.1.1 through Sections 9.4.1.4. None of the fee percentages authorized in this Section 9.4.1.5 may be compounded with any other fee percentage or percentages authorized in this paragraph.
- .5 The total summed Fee of the first-tier Subcontractor and all lower-tier Subcontractors shall not exceed 25%. If the Fee would otherwise exceed 25%, the Design-Builder shall proportionately reduce the Fee percentage for the Design-Builder and all Subcontractors except for the Subcontractor supplying material or performing work with its own forces. None of the fee percentages authorized in this Section 9.4.1.5 may be compounded with any other fee percentage or percentages authorized in this Section.

If a change in the Work involves both additive and deductive items, the appropriate Fee allowed will be added to the net difference of the items. If the net difference is negative, no Fee will be added to the negative figure as a further deduction. The parties acknowledge that the fees listed in this Section are higher than the fees and overhead normally included in determining the Subcontractor's subcontract price; that these higher percentages are a sufficient amount to compensate the Subcontractor for all effects and impacts of Changes in the Work; and that the resultant overcompensation of the Subcontractor for some Changes compensates the Subcontractor for any Changes for which the Subcontractor believes the percentage is otherwise insufficient.

9.4.1.6 Cost of change in insurance or bond premium: This is added to the sum of the amounts specified in Sections 9.4.1.1 through 9.4.1.5 and is defined as:

- .1 Subcontractors' liability insurance: The actual cost (expressed as a percentage submitted with the certificate of insurance, subject to audit, and not to exceed 1.25%) of any changes in the Subcontractor's liability insurance arising directly from the changed Work; and
- .2 Public works bond: The actual cost (expressed as a percentage submitted with evidence of bondability, subject to audit, and not to exceed 1.0%) of the change in the Subcontractor's premium for any statutorily or contractually

required performance and payment bond arising directly from the changed Work.

Upon request, the Subcontractor shall provide the Owner with supporting documentation from its insurer or surety of any claimed cost.

- **9.4.1.7** The costs reimbursable to Design-Builder and Subcontractors of any tier may not include consultant costs, attorneys' fees, or Claim preparation expenses as such matters are not recoverable from the Owner.
- **9.4.2** Tariffs. The GMP and/or Contract Sum may be adjusted for tariffs, duties and/or other taxes that are assessed (or removed) after execution of the GMP Amendment. The value of any such increase or decrease in the GMP and/or Contract Sum shall be calculated and substantiated as follows:

Price increase: In the event of a materials price INCREASE that is actually and demonstrably due to assessment of tariffs, duties and/or other taxes, the GMP and/or Contract Sum shall be reasonably adjusted to reconcile the materials price INCREASE. The Design-Builder shall not be entitled to an adjustment in the Design-Build Fee or the Contract Time.

Price decrease: In the event of a materials price DECREASE that is actually and demonstrably due to removal of previously-assessed tariffs, duties and/or other taxes, the GMP and/or Contract Sum shall be reasonably adjusted to reconcile the materials price DECREASE. The Design-Builder shall not be entitled to an adjustment in the Design-Build Fee or the Contract Time.

No adjustment for materials quantities: No adjustments will be made to changes in materials quantities. The intent of this document is to reconcile ONLY materials costs.

The Design-Builder shall in no event be entitled to an increase of the GMP and/or Contract Sum for any tariffs, duties and/or other taxes that were imposed or assessed prior to the date of the GMP Amendment.

The Owner shall have the right to conduct audits for the purpose of substantiating cost increases due to tariffs. These audits are intended to verify the validity and accuracy of the cost increase claims submitted by the Design-Builder and/or all other lower tier subcontractors (all referred to as "Design-Builder" in this section.) The Design-Builder shall provide the Owner or its designated auditors with access to all relevant records and documentation required for the audit. This includes providing timely access to records, responding to inquiries, and facilitating interviews with relevant personnel if needed.

The Design-Builder agrees to fully cooperate with the Owner or its designated auditors during the audit process. The Owner shall ensure that all information obtained during the audit is treated as confidential and used solely for the purpose of substantiating the cost increase due to tariffs. The Owner shall not disclose any confidential information to third parties without the Design-Builder's prior written consent, except as required by law.

Should the audit reveal any discrepancies or inaccuracies in the claimed cost increases, the Design-Builder shall bear the responsibility for any unsubstantiated costs and shall not be entitled to an adjustment in the contract price for those costs.

Any access needed shall be granted during normal business hours and upon reasonable notice. The audit shall include a review of all documentation and records related to the cost increases, including but not limited to:

- Official tariff notifications or announcements from relevant government authorities.
 The Design-Builder is required to provide copies of official tariff notifications or
 announcements issued by the relevant government authorities serving as
 verification that new tariffs have been implemented and are affecting material
 costs.
- Supplier price increase notices explicitly stating that the increase is due to tariffs.
 The Design-Builder must submit written documentation from suppliers indicating
 the new prices and explicitly stating that the increase is due to tariffs. Acceptable
 forms of documentation include letters, emails, or formal notices from suppliers.
- Contracts and agreements with suppliers that include price escalation clauses related to tariffs. The Design-Builder shall provide copies of contracts or agreements with suppliers that contain price escalation clauses related to tariffs outlining the conditions under which prices can be increased due to external factors like tariffs.
- Recent invoices and receipts showing the increased costs of materials. The
 Design-Builder is required to submit recent invoices and receipts that clearly show
 the increased costs of materials. The dates and amounts on these documents
 must reflect the impact of the tariff-related price increases.
- Receipts and Bills of Lading showing the actual costs incurred and the quantity of materials affected by the tariff increase.
- Historical Cost Data. Cost comparisons detailing specific material costs prior to the
 implementation of tariffs and after the tariff increase. Comparison detail shall
 include calculations showing the impact of the tariffs on the overall cost. These
 calculations shall be supported by material invoices of prior purchases, supplier
 increase notices, and purchase invoices detailed herein as justification of material
 price increase due to tariffs.
- Copies of proof of payment to suppliers for the materials at the increased cost.
 This includes but is not limited to canceled checks, receipts, and electronic payments involved in the purchasing of the materials.

9.5 Emergencies.

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury, or loss. Any change in the GMP and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10

Claims and Disputes

- **10.1 Condition Precedent to Filing a Claim.** The following actions are a mandatory condition precedent to filing a Claim: (a) a Request for Change Order is denied or deemed denied by Owner or (b) a Unilateral Change Order is issued by Owner.
- 10.2 Claim Deadline. Unless otherwise agreed to in writing by Owner, a fully documented Claim shall be received by Owner within thirty (30) days after the denial or deemed denial of a Request for Change Order, or, in the case of a Unilateral Change Order, Design-Builder's receipt of Owner's decision regarding Contract Time or GMP adjustments pursuant to the Unilateral Change Order. Failure to comply with the time requirements set for filing a Claim shall constitute acceptance by the Design-Builder, on behalf of itself and its Subcontractors and suppliers, of the Unilateral Change Order or Owner's denial or deemed denial of a Request for Change Order. Such acceptance shall be considered complete, full, and final settlement of all costs, damages, and Claims related to or arising from the Request for Change Order or Unilateral Change Order.
- **10.3 Design-Builder's Obligation to Continue Work.** Pending final decision of a Claim hereunder, the Design-Builder shall proceed diligently with the performance of the Work, including that work associated with the Claim, and maintain its progress with the Work. Failure to proceed as required herein shall constitute grounds for termination for cause under Article 11.
- **10.4** Information Required in a Fully Documented Claim. Every Claim must be submitted by Design-Builder, in writing and clearly designated by Design-Builder as a fully documented Claim. At a minimum, a fully documented Claim must contain the following information:
 - **10.4.1** A detailed factual statement of the Claim providing all necessary details, locations, and items of Work affected:
 - **10.4.2** The date on which facts arose that gave rise to the Claim;
 - **10.4.3** The name of each person employed or associated with Design-Builder, Subcontractors, suppliers, and/or Owner with knowledge about the event or condition which gave rise to the Claim;
 - **10.4.4** Copies of documents and a written description of the substance of any oral communications that concern or relate to the Claim;
 - **10.4.5** The specific provisions of the Contract Documents on which the Claim is based;
 - **10.4.6** If an adjustment in the GMP is sought, the exact amount sought, calculated in accordance with the Contract Document and accompanied by all records supporting the Claim;
 - **10.4.7** If an adjustment in the Contract Time is sought, the specific days and dates for which it is sought; the specific reason Design-Builder believes an adjustment in the Contract Time should be granted; and Design-Builder's analyses of its construction schedule, any specific schedule analysis as required by the Contract Documents, and all updates to demonstrate the reason for the adjustment in Contract Time; and,
 - **10.4.8** A statement certifying, under penalty of perjury, that after the exercise or reasonable diligence and investigation the Claim is made in good faith, that the supporting cost and pricing data are true and accurate to the best of the Design-Builder's knowledge and belief, that the Claim is fully supported by the accompanying data, and that the amount requested accurately reflects the adjustment in the GMP or Contract Time for which Design-Builder believes Owner is liable.
- 10.5 Cooperation/Claims Audit. Design-Builder shall cooperate with Owner or its designee in the evaluation of its Claim and provide all information and documentation requested by Owner or its designee. Claims filed against Owner shall be subject to audit at any time following the filing of the

Claim. Failure of Design-Builder, or Subcontractors of any tier, to maintain and retain reasonably sufficient records to allow Owner to verify all or a portion of the Claim or to permit Owner access to the books and records of Design-Builder, or Subcontractors of any tier, shall constitute a waiver of that part of the Claim and shall bar any recovery on that part of the Claim. Upon Owner's request, the Design-Builder shall provide at a minimum the following records electronically within a reasonable amount of time:

- **10.5.1** All documents itemized in Section 8.2.1.1 of the Contract.
- **10.5.2** Escrow bid documents, take off sheets, and calculations used to prepare the bid and/or quotes.
- **10.5.3** Take off sheets, calculations, purchase orders, vouchers quotes, other financial data to support Claims or any other request for damages or additional money.
- **10.5.4** Financial statements for all years during the Contract Time. In addition, the Owner may require, if it deems appropriate, additional financial statements for three (3) years preceding execution of the Contract and six (6) years following Final Acceptance of the Contract.
- **10.5.5** Depreciation records on all Design-Builder's and Subcontractor's equipment, whether these records are maintained by the Design-Builder and Subcontractor involved, its accountant, or others.
- **10.5.6** All documents establishing the actual cost of owning and operating equipment.
- **10.5.7** All documents which relate to each and every Claim together with all documents which support the amount of damages as to each Claim.
- **10.5.8** Worksheets or software used to prepare the Claim establishing the cost components for items of the Claim including but not limited to labor, benefits and insurance, materials, equipment, Subcontractor, all documents which establish time periods, individuals involved, the hours for the individuals, and the rates for the individuals.
- **10.5.9** Worksheets, software, and all other documents used by the Design-Builder (a) to prepare its GMP Proposal or schedule(s) and/or (b) to prepare quotes and bids to the Design-Builder.
- 10.5.10 All schedule documents, including electronic versions, planned resource codes, or schedules and summaries, including but not limited to those that support the Design-Builder's request for change in the Contract Time.
- 10.5.11 All submittals.
- 10.5.12 All other documents, including email, related to the Project, Claims, or Change Orders.
- 10.6 Owner Evaluation of Claim. After Design-Builder has submitted a fully documented Claim that complies with Article 10, Owner shall respond, in writing, to Design-Builder within sixty (60) days from the date the fully documented Claim is received with a decision regarding the Claim. The Claim shall be deemed denied upon the 61st day following receipt of the Claim by Owner. Any Claims not fully resolved must be submitted to Dispute Resolution in accordance with Section 10.7.
- 10.7 Dispute Avoidance and Resolution.

10.7.1 The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other through the life of the Project, to avoid or minimize disputes or disagreements.

If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional, and expeditious manner to avoid unnecessary losses, delays, and disruptions to the Work. If a matter cannot be resolved through the Design-Builder, Owner, and Owner's Owner Representative, Design-Builder's Principal-In-Charge/Signatory (PIC) and Owner's Signatory, upon the request of any party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve any issue.

10.7.2 If after meeting the Design-Builder's PIC and Owner's Signatory, determine that the dispute cannot be resolved on terms satisfactory to both parties, the parties shall submit within thirty (30) days of the conclusion of the meeting a formal Claim and request facilitated, non-binding mediation.

The mediation shall be conducted by a mutually agreeable impartial mediator. If the parties have not reached an agreement on a mediator within thirty (30) days of the request, either party may submit the unresolved claims or disputes to JAMS, Seattle, Washington, or such other alternative dispute resolution service to which the parties mutually agree, for appointment of a single mediator. The parties to the mediation shall share the mediator's fee and any filing fees equally. The mediation shall be held near the place where the Project is located unless another location is mutually agreed upon. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.

10.8 Litigation. Any Claims, disputes or controversies between the parties arising out of or relating to the Contract, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.7 above shall be decided by litigation, unless the parties mutually agree in writing otherwise. All unresolved Claims of Design-Builder shall be waived and released unless Design-Builder has complied with the time limits of the Contract Documents, and litigation is served and filed within the earlier of (a) 120 days after the Date of Substantial Completion of all the Work designated in writing by Owner or (b) 60 days after Final Completion. This requirement cannot be waived except by an explicit written waiver signed by Owner and Design-Builder. The pendency of mediation shall toll these deadlines until the earlier of the mediator providing written notice to the parties of impasse or 30 days after the last mediation session ended with no further sessions scheduled by the mediator.

10.9 CONSEQUENTIAL DAMAGES.

- 10.9.1 NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTION 10.9.2 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS, BUSINESS, REPUTATION OR FINANCING. Costs and damages for which Owner shall not be liable under any circumstances include but are not limited to: (a) borrowing or interest costs, charges, or expenses of Design-Builder; (b) alleged lost profit or overhead on any other project; and (c) Design-Builder's failure or inability to obtain other work.
- **10.9.2** The consequential damages limitation set forth in Section 10.9.1 does not waive and does not otherwise affect (1) any payment of liquidated damages that may be established by the parties, and which would be intended, in part, to reimburse Owner for some damages that might otherwise be deemed to be consequential; or (2) Owner's entitlement to actual direct damages arising out of or related to breach of this Contract by the Design-Builder.

Article 11

Stop Work and Termination for Cause

11.1 Owner's Right to Stop Work.

- **11.1.1** Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work.
- **11.1.2** Design-Builder is entitled to seek an adjustment of the GMP and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of the Work by Owner.

11.2 Owner's Right to Perform and Terminate for Cause.

- **11.2.1** If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.
- **11.2.2** Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Contract unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Contract terminated for default by providing written notice to Design-Builder of such declaration.
- **11.2.3** Upon declaring the Contract terminated pursuant to Section 11.2.2 above, Owner may enter the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items.

In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. If the Contract establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed under this Contract. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the re-procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Contract for cause, the termination for cause will be considered a termination for convenience in accordance with the provisions of Article 9 of the Contract.

11.3 Design-Builder's Right to Terminate for Cause.

- **11.3.1** Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Contract for cause for the following reasons:
 - **11.3.1.1** The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to Force Majeure Events, the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.
 - **11.3.1.2** Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.
 - **11.3.1.3** Owner has failed to pay Design-Builder for properly submitted and approved accurate Applications for Payment in accordance with Section 8.2 of the Contract for undisputed amounts due and owing.
- **11.3.2** Upon the occurrence of an event set forth in Section 11.3.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Contract unless the problem cited is cured, or commenced to be cured, within thirty (30) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Contract terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Contract for its convenience under Article 9 of the Contract.

11.4 Bankruptcy of Design-Builder.

- **11.4.1** If Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code, such event may impair or frustrate Owner's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:
 - **11.4.1.1** The Design-Builder, its trustee or other successor, shall furnish, upon request of Owner, adequate assurance of the ability of the Design-Builder to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and
 - **11.4.1.2** The Design-Builder shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Contract within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Design-Builder fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Contract, declare the Contract terminated and pursue any other recourse available to Owner under this Article 11.

11.4.2 The rights and remedies under Section 11.4.1 above shall not be deemed to limit the ability of Owner to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code.

Article 12

Electronic Data

12.1 Electronic Data.

12.1.1 The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

12.2 Transmission of Electronic Data.

- **12.2.1** Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.
- **12.2.2** Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Contract, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated, or interpreted.
- **12.2.3** By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 5 of the Contract. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

- **12.3.1** The parties acknowledge that Electronic Data may be altered or corrupted, intentionally, or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error. Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.
- **12.3.2** Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.
- **12.3.3** The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.
- **12.3.4** The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data

via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

Article 13

Miscellaneous

- Public Records. This Contract and all public records associated with this Contract shall be available from Owner for inspection and copying by the public where required by the Public Records Act. Chapter 42.56 RCW (the "Act"). To the extent that public records then in the custody of the Design-Builder are needed for Owner to respond to a request under the Act, as determined by Owner, the Design-Builder agrees to make them promptly available to Owner. If the Design-Builder considers any portion of any record provided to Owner under this Contract, whether in electronic or hard copy form, to be protected from disclosure under law, the Design-Builder shall clearly identify any specific information that it claims to be confidential or proprietary. If Owner receives a request under the Act to inspect or copy the information so identified by the Design-Builder and Owner determines that release of the information is required by the Act or otherwise appropriate, Owner's sole obligations shall be to notify the Design-Builder (a) of the request and (b) of the date that such information will be released to the requester unless the Design-Builder obtains a court order to enjoin that disclosure pursuant to RCW 42.56.540. If the Design-Builder fails to timely obtain a court order enjoining disclosure. Owner will release the requested information on the date specified. Owner has, and by this section assumes, no obligation on behalf of the Design-Builder to claim any exemption from disclosure under the Act. Owner shall not be liable to the Design-Builder for releasing records not clearly identified by the Design-Builder as confidential or proprietary. Owner shall not be liable to the Design-Builder for any records that Owner releases in compliance with this section or in compliance with an order of a court of competent jurisdiction.
- **13.2 Assignment.** Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.
- **13.3 Successorship.** Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors, and assigns.
- **13.4 Governing Law.** The Contract and all Contract Documents shall be governed by the laws of the State of Washington without giving effect to its conflict of law principles. Exclusive venue for any dispute arising out of this Contract shall be in King County Superior Court. Design-Builder shall include a "Stipulation of Venue in King County" in all subcontracts hereunder. Should the Design-Builder or any member of the Design-Build Team be a non-resident of Washington State, each shall designate a Washington resident as agent upon whom process may be served before commencing work under this Contract.
- **13.5 Severability.** If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.
- **13.6 No Waiver.** The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

- **13.7 Headings.** The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.
- **13.8 Notice.** Whenever the Contract Documents require that notice be provided to the other party, notice shall be provided consistent with Section 12.4 of the Contract.
- **13.9 Amendments.** The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

-END OF GENERAL CONDITIONS-