



# CITY OF MILES CITY

## Finance Committee Meeting Agenda

March 12, 2026 at 6:00 PM

City Council Chambers and online at zoom.us

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Zoom ID: 4062343462 | Passcode: 59301

### CALL TO ORDER

#### 1. REQUEST OF CITIZENS AND PUBLIC COMMENT

#### 2. UNFINISHED BUSINESS

**A.** Review and Discuss Business License Ordinances.

#### 3. NEW BUSINESS

**A.** Review & Recommend Approving Fee Waiver For Junior High and High School Rodeo Events.

**B.** Review and Recommend Concrete Alley and Paving Bids in Maintenance District 204.

#### 4. ADJOURNMENT

Public comment on any public matter that is not on the agenda of this meeting can be presented under Request of Citizens, provided it is within the jurisdiction of the City to address. Public comment will be entered into the minutes of this meeting. The Committee cannot take any action on a matter unless notice of the matter has been made on an agenda and an opportunity for public comment has been allowed on the matter. Public matter does not include contested cases and other adjudicative proceedings

## Notes from discussions and research (Brooke)

Previous business license discussion in 2025:

-\$85 flat fee, annually, due start of fiscal year, July 1, 3 month grace period

Banner incentive program by Treasurer Moua

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Current ordinance 1355:

Licenses are payable in advance -keep or remove?

- Brings up option of refunds if they are payable in advance

Penalty- 300 dollars first time, 500 dollars after (state statute limits)

Definition of home occupation and sec 6-248- refer to Melissa's outline

General permit and order of approval? Is it necessary to have council approve?

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### **Notes from discussion with Gabe:**

Gabe recommends \$150-200 to cover both administrative and inspector costs

Permit fee vs license fee? Do we need both?

- (If the license costs over \$100 we shouldn't need an application fee, worry about compliance if we tack on too many fees)

Inspection refusal? -home businesses don't necessarily need inspected

Inspection compliance-schedule with Gabe or FD or PD depending on type of business?

Main concern from Gabe: making sure contractors and businesses have proper insurance and workers comp policies

First time higher amount, renewal amount lower- fee of \$\_\_\_\_\_?

--next couple years get everything looked at, level out the playing field, obtaining safety in terms of 911 and police being updated on your business emergency numbers to call..etc, insurance being up to date for city and state levels, give you the right to do business wherever, it's a write off for taxes!! -Gabe

Recommended exemptions: under 18 & farmers market

Get list of businesses and info to police and dispatch

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-Livingston has “safety inspection certificate” - could we implement that or is it unnecessary

Discuss current process vs any changes needed

\* who all sets eyes on licenses now?

\* who enforces this policy?

\* what are the steps/efficient order for handling them?

example: clerks>Gabe/Ed>Melissa>committee>Sam

( Mark Winkley offered to help with this the enforcement of it, stating he already handles public nuisance citations, he could easily assist with licensure citations if businesses are non compliant)

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**Notes from discussion with Melissa:**

Incentive ideas

- Banquet held annually for business recognition
- Business catalog with list of resources and business (similar to chamber of commerce)

No exemptions recommended because our licensure pricing is well below most other cities our size

Committee of 2 council members to help with administrative process-looking over applicants, dealing with any requests to waive or exempt, have another set of eyes so council can stay informed

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**Notes from discussion with Sam:**

Change wording to discard word “temporary”, just label all vendors as vendors whether seasonal or other

Resolution 4617-vendors currently pay \$50 for 6 months of vending

City's cloud permit system could use more description when business license info is being put in

PD needs to have list of vendors

Vendors need to also provide a map of the areas they plan to sell in so both city and PD know in advance

Vendors are already using city property, hence the need for the additional "vendor permit"

Cottage licenses should be being double checked

Sanitation officer needs to be involved with inspections

**ORDINANCE NO. 1355**

**AN ORDINANCE AMENDING CERTAIN SECTIONS OF THE CODE OF ORDINANCES OF THE CITY OF MILES CITY ESTABLISHING REVISED LICENSE/PERMIT FEES.**

WHEREAS, the City of Miles City has determined that the existing license/permit fees in the City of Miles City require revision;

**THEREFORE, BE IT ORDAINED**, by the City Council of the City of Miles City, Montana, as follows:

**Section 1.** Section 6-29, 6-37, 6-248, 6-249, & 6-294 of the Code of Ordinances of the City of Miles City are hereby revised to read as follows:

**“Sec. 6-29. – Payment of Fees; Refunds**

(1) All license fees are payable in advance. Nothing in this article shall be construed so as to entitle a licensee to a refund of any portion of the license fee in the event of the discontinuance of the licensed business or the suspension or revocation of the license prior to the expiration of the period for which the fee has been paid. The license fee for conducting business under the provisions of this article shall be \$85 per annum.

**“Sec. 6-37. – Penalty for violation of article.**

(1) Any person who violates the provisions of this article shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine of \$500.00 or by imprisonment for a term not to exceed six months, or both for operating without a license. municipal infraction and shall have imposed a civil penalty of not more than three hundred dollars (\$300.00) for a first infraction, and not more than five hundred dollars (\$500) for any repeat infraction.

(2) City licenses that are not renewed by September 1<sup>st</sup> annually shall incur a late fee of twice the license fee required in each provision of this article.

(3) Each day of failure to comply with the provisions of this division shall may constitute a separate offense.

**“Sec. 6-246. - Definition.**

Home occupation means an income-producing activity within a home where there is no sign or display or other visible indication that would indicate from the exterior that the residence is being used in whole or in part for any other purpose than that of a dwelling, and which does not require the employment of any person outside the immediate family. Businesses which do not meet the foregoing criteria shall be required to

obtain a proper zoning designation in order to carry on business at their home location.

**“Sec. 6-248. – Permit Generally.**

Applications for a home occupation permit shall be submitted to the city council on forms provided by the office of the city clerk, and the following procedure is hereby adopted:

(1) The city council shall conditionally approve or disapprove a citizen's request based on all of the following four criteria:

- a. Community customs.
- b. Type of occupation and equipment needed.
- c. Traffic generation.
- d. Impact on the neighborhood.

(2) The City Council must be petitioned at a regularly scheduled meeting by the petitioner for a home occupation prior to the establishment of a home occupation.

(3) Fifty-one percent of the resident property owners within 250 feet must sign a petition stating that they approve of the planned home occupation activity before a permit will be considered by the City Council.

(4) Permittees whose home occupation creates a greater demand than a normal residence on the City’s water and sewer system, as determined by the Utilities Department, will upon issuance of this permit, pay the minimum commercial rate for sewer and water.

**“Sec. 6-249. – Permit Fee.**

The application and processing fee shall be \$85.00 per annum so long as the business continues to operate.

**“Sec. 6-294. – License fee; separate license required for each type of business.**

(1) The license fee for the privilege of conducting the business of a pawnbroker or secondhand junk dealer under the provisions of this article shall be \$50.00 per annum.

(2) Each of the three businesses specified in this article requires a separate city license.

**Section 2.** This Ordinance shall become effective thirty (30) days after its final passage.

Said Ordinance read and put on its passage this 10<sup>th</sup> day of May, 2022.

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John Hollowell, Mayor

ATTEST:

Towns across Montana, similar in population to Miles City (8,438)

- Havre (9,330)
- Whitefish (9,163)
- Livingston (8,908)
- Laurel (7,193)
- Lewistown (6,149)
- Sidney (6,112)

\*indicates cities I called and spoke with people within city government

SUMMARY:

Both Livingston and Whitefish base the business license or registration fee on the square footage of said business. (fees not stated in codes)

\*Laurel has a flat fee of \$100 across the board. (fee not stated in codes)

\*Lewistown has a sliding scale based on the type of business, with \$60 being the lowest for home businesses all the way up to \$300 for beer and wine licenses. They also offer no exemptions. (fees not stated in codes)

\*Sidney does not require additional registrations or licenses as all business licenses go through the state of MT anyway. They do require solicitors licenses. (fees not stated in codes)

\*Havre has the lowest fee of \$23.50, and only for new businesses. In order to raise compliance, existing businesses are exempt from the fee, however all businesses had to complete the forms and inspections for the matter of public safety, dispatch/fire/police effectiveness. The license is only granted after inspections have taken place.

**Whitefish:**

In accordance with Section 3-1-3 of Whitefish City Codes contractors, general businesses, home occupations, and short-term rentals are required to register with the city. Business registration promotes public safety through the provision of emergency contact information, regularly scheduled fire inspections, and confirmation of liability insurance, if applicable. Business registration also assists the city to ensure compliance with other regulations or ordinances. Failure to register a business prior to operating a business in the corporate limits of the city constitutes a violation of the Whitefish City Code. Please complete and return the appropriate application with payment to the Finance Department, Customer Service Clerk. The approval process for a business registration could take up to four weeks. To ensure correct zoning for the business location please contact the Planning Department at 863-2410

**Havre:**

**5-4-1: BUSINESS REGISTRATION:**

For the general well-being and protection of the inhabitants of the city, no person or entity shall engage in state-filed business without first receiving a business registration, and obtaining a certificate of occupancy from the city, as set forth in title 11, chapter 1, section 18 of the Havre City Code. (Ord. 930, 4-1-2024)

**5-4-2: ISSUANCE OF REGISTRATION:**

This registration requirement is intended to apply to all state-filed businesses, whether individually operated or operated through an entity, conducting business in the City of Havre.

(A) The City shall be charged with the collection of all business registration applications. The city shall provide a business registration application to any person or entity seeking to obtain a business registration.

(B) The city shall issue a registration for each business upon presentation of a properly completed business registration application together with the appropriate license fee, after the issuance of a certificate of occupancy. If upon any review or inspection required by the city, when inspection occurs by any city employee or agent, such business is found to be in violation of any city ordinance or code existing at the place of business sought to be licensed, such employee or agent shall submit a written description of the violation,

specifying the steps necessary to qualify the premises or business for a business registration. A copy of the written description of the violation shall be furnished to the applicant. Registration shall not be issued until the business has taken the required steps to no longer be in violation. (Ord. 930, 4-1-2024)

**5-4-3: REGISTRATION FEE:**

The registration fee shall be twenty-three dollars and fifty cents (\$23.50). (Ord. 930, 4-1-2024)

**5-4-4: REGISTRATION EXPIRATION:**

The registration shall not expire. The registration is not transferable. A new registration shall be required for any transfer or change to the business, including but not limited to ownership, applicant, business location, or business name. (Ord. 930, 4-1-2024)

**5-4-5: VIOLATION AND PENALTIES:**

It shall be unlawful for any new state-filed business to operate without first registering with the city. Any person found operating such a business, whether individually or through an entity, without first registering said business, shall be deemed guilty of a misdemeanor, and each such person shall be deemed guilty of a separate offense for each and every day, or part thereof, during which said business is operation without registration as per section 1-3-1 . (Ord. 930, 4-1-2024)

**Laurel:**

**Chapter 5.04 - BUSINESS LICENSES IN GENERAL**

**Sections:**

**5.04.010 - Scope.**

The provisions of this chapter apply to the issuance of every kind of license or permit authorized by the city. Whenever a provision of a particular licensing ordinance shall be deemed in conflict with any phrase or section of this chapter, the provision of the particular licensing ordinance shall prevail. The city council shall establish reasonable fees and/or charges for all licenses and permits issued within the jurisdiction of the city by annual resolution after a public hearing.

(Ord. 06-04 (part), 2006: prior code § 5.04.010)

5.04.020 - Unlawful activities not licensed.

No provision contained in this title shall be construed so as to license any trade, business, occupation, vocation, pursuit, profession, or entertainment prohibited by any law of the state of Montana, or prohibited by the provisions of this code or other ordinance of the city.

(Prior code § 5.04.020)

(Ord. No. O11-02, 2-1-2011)

5.04.030 - Valid license required.

No person shall conduct any activity for which a license is required by the city without first procuring a valid license therefor.

(Prior code § 5.04.030)

5.04.040 - Application requirements.

Every person desiring to conduct any business or other activity in the city for which a license is required must file with the city clerk-treasurer, on a form to be provided by the city clerk-treasurer, an application for license in writing. The fee for such license must accompany the application. The application shall be subscribed and sworn to by the applicant before an officer authorized to take oaths, and shall set forth:

A.The name of the applicant;B.His place of permanent residence;C.His local business address, if any;D.Date of his arrival in the city;E.City or county from which last license, if any, received;F.Description of the activity to be licensed, and its location;G.Whether the applicant shall act as principal or agent;H.If acting as agent, the name and place of business of the principal or employer;I.If the applicant is an agent, the principal's acknowledgment of such agency must accompany the application.

(Ord. 97-2 § 4 (part), 1997; prior code § 5.04.040)

5.04.060 - Examination of applicant.

A.Nothing contained in this title shall be construed to create any vested right in any person, to the assignment, renewal, reissuance or continuance of any license; the right thereto shall be always vested in the city council. B.The city council may notify or cause to be notified, in writing, the applicant to appear before the council for the purpose of further inquiry into the facts and circumstances of the application and the fitness of the applicant

to be licensed. C. The council may direct the chief of police or other city officer to investigate the facts stated in each license application, the qualifications and character of the applicant and the officers and owners of the firm to be licensed.

(Ord. 1041, 1992: Prior code § 5.04.060)

5.04.061 - Fire inspection for businesses.

Licenses being applied for require a fire inspection. The fire inspector's report will be returned within ten days, and the license applied for may then be issued.

A fee for the fire inspection shall be collected at the time the business application is filed with the city. The amount of the fee shall be established by resolution of the city council, and may be increased from time to time by further resolution as the council may deem appropriate.

**Livingston:**

Sec. 17-1. - Safety inspection certificate and business license.

All buildings, office spaces or premises with fixed street address in which are located businesses or organizations which are or may be accessible to the public, employees, or members are hereby required to obtain a safety inspection certificate and/or a business license from the City of Livingston.

(Ord. No. 2026, § 1(A), 10/19/10; Ord. No. 3011, § 1, 8/3/21)

Sec. 17-2. - Special business license.

All business or organization which engage in providing services or selling food or merchandise away from a fixed street address within the City, such as sidewalk vendors, non-resident vendors, non-resident merchants, and resident and non-resident service providers are hereby required to register with the City by obtaining a special business license from the City of Livingston.

(Ord. No. 2026, § 1(B), 10/19/10)

Sec. 17-3. - Alcohol beverage license.

All persons or business to whom a retail alcohol license has been issued by the State of Montana also must obtain a city alcoholic beverage license in addition to the safety inspection certificate or any other permit or license required hereunder.

(Ord. No. 2026, § 1(C), 10/19/10)

Sec. 17-4. - Definitions.

The following words and phrases when used in this Chapter shall have the following meaning:

1."Amusement device" means a machine which requires some form of payment for its operation and which provides some form of entertainment, i.e. a game, music or video. Gambling games, such as video poker and keno, are specifically excluded from this definition.2."Buildings, office or retail space or premises" means all buildings, structures, rooms, offices, or portions thereof which are situated on a permanent structural foundation and permanently connected to City water and sewer service wherein a business or organization is located and which is or may be accessible to the public, employees, or members or located in such close proximity to other buildings, structures, rooms, offices, or portions thereof so as to constitute a public threat in the event of a uniform safety code violation.3."Business or organization" means any occupation, trade, profession, commercial activity, social activity, fraternal activity, or religious activity located in or meeting regularly in buildings, offices or premises whether sole proprietorships, partnerships, corporations, nonprofit corporations, religious organizations, or social and fraternal organizations.4."Home occupation" means a lawful business carried on by a resident of a dwelling as an accessory use within the same dwelling or an accessory building which will not infringe upon the rights of neighboring residents to enjoy the peaceful occupancy of their home. See City of Livingston Zoning Code, Section 30.55, Home occupation, for further requirements.5."Non-resident vendor" means any person engaged or employed in the business of selling to consumers by going from consumer to consumer, either on the streets or to their places of residence or employment and soliciting, selling or taking orders for future delivery of any goods, wares or merchandise.6."Sidewalk vendor" means any person vending food or other merchandise from the sidewalk with no street address or from push carts, vehicles, trailers, or other readily mobile sources to customers within the city limits. No vendor shall park a vehicle or any other moveable or temporary entity on any public street, alley or private lot for more than four (4) hours in any eight-hour period at one (1) location. The parking of a vehicle or other movable entity within three hundred (300) feet of the original location is considered one (1) location.7."Safety inspection certificate" or "certificate" as used herein is issued to a business at a specific building, office or premise which has passed an inspection pursuant to the uniform codes or other ordinances and regulations enacted for the purpose of protecting health, safety, and welfare of the public. The certificate is not intended, and shall not be used in any manner to regulate the manner in which any commercial,

professional, fraternal, or religious enterprise is conducted.8."Square footage" means the total number of square feet contained within the exterior walls of a building, suite or office used in the business operation and open to the public, employees or members.9."Temporary premises" means any structure, vehicles, or other mobile device without a foundation and not permanently connected to City water and sewer service which is temporarily occupied for business. A temporary premise can exist for no more than ninety (90) calendar days in any twelve-month period. Temporary premise does not include sales booths, concession stands etc., which are operated in conjunction with a community sponsored event authorized by the City Commission.10.A "Non-resident merchant" means any person who brings into temporary premises, a stock of goods, wares or articles of merchandise or notions or other articles of trade, and who solicits, sells or offers to sell, or exhibits for sale, such stock of goods, wares or articles of merchandise or notions or other articles of trade. A non-resident merchant can operate out of temporary premises for a period of ninety (90) calendar days in any twelve-month period.11."Non-resident service contractor" means any person or business not residing within the city limits of Livingston engaged or employed in providing services for hire and includes persons or businesses engaged in contract construction, painting and drywall, landscape installation and maintenance, janitorial, and service contractors of all kinds including computer technicians and copier maintenance.12."Resident service contractor" means any person or business residing within the city limits of Livingston and engaged or employed in providing services for hire which does operate out of a building, office space or premise in the City and includes persons and businesses engaged in contract construction, painting and drywall, landscape installation and maintenance, janitorial, and service contractors of all kinds including computer technicians and copier maintenance.13."Uniform Safety Codes" as used herein means the most recent version of the following codes adopted by the City of Livingston:a.Uniform Fire Code.b.International Building Code.c.International Residential Code.d.International Existing Building Code.e.International Mechanical Code.f.International Fuel Gas Code.g.Uniform Plumbing Code.14."Special business license" or license, means a license issued to a business or organization which engages in providing services or selling food or merchandise away from a fixed street address within the City, such as sidewalk vendors, non-resident vendors, non-resident merchants, resident and non-resident service providers. The mere fact that a space is used adjacent to or near a fixed street address on a regular basis does not qualify as a street address. The license is not intended, and shall not be used in any manner to regulate the manner in which any commercial, professional, fraternal, or religious enterprise is conducted.

(Ord. No. 2026, § 1(D), 10/19/10; Ord. No. 3011, § 1, 8/3/21)

Sec. 17-5. - Application of regulations.

A.A safety inspection certificate or special business license shall be obtained in the manner prescribed herein for each business and branch establishment, including off-site warehouses and distributing plants or location of the business as if each such branch establishment or location were a separate business. However, on-site warehouses and distributing plants used in connection with, and incidental to an approved business shall not be deemed to be separate places of business or branch establishment.B.No safety inspection certificate or special business license shall be required of any person for mere delivery into the City of any property purchased or acquired in good faith from such person at the regular place of business outside the City where no intent by such person is shown to evade the provisions of this Chapter.

(Ord. No. 2026, § 1(E), 10/19/10)

Sec. 17-6. - Authority.

The City Manager, or designee, shall have the authority to establish the necessary procedures to carry out and enforce the intent of this title.

(Ord. No. 2026, § 1(F), 10/19/10)

Sec. 17-7. - Procedure for issuance of certificate or license.

A.Prior to commencing a business or organization in the City of Livingston, the applicant shall apply for a safety inspection certificate and/or a special business license. To receive a certificate or license, the applicant shall:1.Be in compliance with all zoning, building and fire codes.2.Submit a completed application accompanied by the full amount of the applicable fee which shall include the nature of the business or organization, a site plan and in the case of a home occupation a site plan indicating the portion of the dwelling which will be used for the business. In addition, the applicant will provide information concerning the location of any hazardous chemicals or flammable products which may be located upon the premises.B.The applicant may change location provided:1.The applicant complies with all zoning, building and fire codes.2.The applicant obtains a new safety inspection certificate or business license for the change of location.C.The applicant may transfer the safety inspection certificate or business license to another person in accordance with established procedures.

(Ord. No. 2026, § 1(G), 10/19/10; Ord. No. 3011, § 1, 8/3/21)

Sec. 17-8. - Safety inspection certificate and/or special business license fees.

A.All safety inspection certificate and special business license fees shall be established by resolution adopted by the City Commission and paid to the City Finance Office. Such fees shall be reasonably related to the cost of issuing the certificate or special license and the cost of inspections and registration.B.No refund of any safety inspection certificate or special business license fee, or part thereof, shall be made.

(Ord. No. 2026, § 1(H), 10/19/10; Ord. No. 3011, § 1, 8/3/21)

**Lewistown:**

**5-1-2: LICENSE REQUIRED:**

No person shall conduct, operate, transact, engage in or carry on any business within the city without first applying for and obtaining a license therefor from the city, as herein provided, and if such application is granted, shall pay therefor as hereinafter provided. Except that the requirements of this section shall not apply to persons or entities with no base of operations in Fergus County who exclusively deal with and contact licensed businesses only by salesmen, telephone or mail. (Ord. 1700, 12-6-2004)

**5-1-3: UNLAWFUL ACTIVITIES:**

No provision herein contained shall be construed as to license any business prohibited by any law of the United States or of the state, or by any ordinance of this city. (Ord. 1479, 12-21-1981)

**5-1-4: INTERSTATE COMMERCE:**

Nothing in this title shall operate so as to interfere with the power of the congress of the United States to regulate commerce between the states, as such power is defined by the supreme court of the United States. (Ord. 1479, 12-21-1981)

**5-1-5: HOME OCCUPATIONS:**

(Rep. by Ord. 1700, 12-6-2004)

**5-1-6: FARM TO MARKET:**

No business license shall be required of persons marketing farm produce raised in Fergus County to individuals or businesses within the city. (Ord. 1479, 12-21-1981)

**5-1-7: APPLICATIONS:**

To apply for a business license, the applicant shall file a completed business license application form with the city clerk. Blank forms shall be available at the office of the city clerk. The license fee shall accompany the license application. The information stated in the application shall be true to the best of the applicant's knowledge, and the applicant shall swear and subscribe to this fact before the city clerk, or any officer authorized to take oaths. The application shall state:

- (A) The name of the applicant.
- (B) The applicant's place of permanent residence.
- (C) The applicant's local business address, if any.
- (D) Date of applicant's arrival in the city.
- (E) City or county from which last license held, if any.
- (F) Description of the business or businesses to be licensed, it or their location and the services.
- (G) Whether the applicant shall act as principal or agent.
- (H) If acting as agent, the name and place of business of the principal.
- (I) Number of amusement games required to be licensed on the premises. If the applicant shall be acting as an agent, the principal's acknowledgment of the agency must accompany the application. (Ord. 1700, 12-6-2004)

#### 5-1-8: GRANTING OF LICENSES:

License applications, together with the license fees, shall be filed with the city clerk. In the city clerk's discretion, or in the discretion of the city manager, such applications may be approved, or may be held until the next regular meeting of the city commission, when they shall be submitted to the city commission for consideration. The city commission may decline to issue a requested license if its issuance would be detrimental to the public health, welfare or safety. (Ord. 1700, 12-6-2004)

#### 5-1-9: MULTIPLE BUSINESSES:

(A) When a person is carrying on two (2) or more different classifications of business at a single place of business, they shall obtain licenses most applicable, not to exceed three (3), however, the combined fee for all such licenses shall be equivalent to the highest license fee applicable for any of the individual licenses sought. The combined fee shall not apply to license fees for beer, wine, liquor or gambling. When a person is carrying on two (2)

or more different businesses at different places, he/she shall obtain a separate license, and pay a separate fee for each business.

(B) When a person is carrying on two (2) or more different classifications of business at a single place of business which require obtaining both a city business license and city registration certificate, the person shall be required to obtain both a city business license and registration certificate, however the combined fee for all such licenses/registration certificates shall be equivalent to the highest single license fee or registration certificate fee applicable. (Ord. 1700, 12-6-2004)

#### 5-1-10: APPEALS:

Any decision regarding the issuance of a license, the classification of the business to be licensed, or the license fee to be paid, may be appealed by the applicant. Upon notice of the appeal, the city clerk shall refer the matter to the city manager, who shall decide the matter. The applicant may appeal the decision of the city manager to the city commission. The city commission shall consider the appeal at its next regular meeting or at a meeting called especially for considering the appeal. If an appeal is made to the city commission, the applicant shall pay such license fee, if any as is set by the city manager. Should the city commission approve a lesser license fee, the applicant shall be entitled to a refund. No appeal or refund shall be allowed unless it is requested within thirty (30) days from the date of the city manager's decision. (Ord. 1479, 12-21-1981)

#### 5-1-11: INSPECTION AND REGULATION:

Every person licensed under the provisions of this title shall be subject to regulation, inspection, control and supervision under the general police power of the city, and under all of the ordinances now in force or which may be adopted in aid of such police power and regulation. (Ord. 1479, 12-21-1981)

#### 5-1-12: SUSPENSION AND REVOCATION:

Whenever the city manager shall determine that any licensee under this title is conducting business in a manner detrimental to the public health, safety or welfare, the manager may suspend the license issued by the city by serving notice of the suspension on the licensee, or on the person in charge at the licensee's place of business. At the next regular meeting of the city commission, or at any special meeting called to consider the suspended license, the city manager shall report the suspension, and the reasons for the suspension, to the city commission. Notice of the meeting shall be served on licensee with the notice of suspension. The city commission may then continue the suspension for a period not to exceed sixty (60) days, or may revoke the license issued by the city. The city commission's order concerning the license shall be recorded in the minutes of the city commission, and

if the license is suspended or revoked, notice of the city commission's order shall be served on the licensee, or on the person in charge of the licensee's place of business. (Ord. 1700, 12-6-2004)

**5-1-13: LICENSE FEES:**

Effective for calendar year 2005 and thereafter, all businesses licensed pursuant to this chapter shall pay an annual business license fee as set by resolution of the city commission. (Ord. 1700, 12-6-2004)

**5-1-14: TERM OF LICENSES:**

All licenses issued on a yearly basis shall begin on January 1 and shall expire on December 31. No license shall be issued for a period of less than one year. (Ord. 1641, 11-17-1997, eff. 1-1-1998)

Sidney:

**5-1-1: APPLICATIONS:**

Applications for all licenses and permits required by this code shall be made in writing to the clerk, unless otherwise specifically provided by law. Each application shall state the name of the applicant, the permit or license desired, the location to be used, if any, the time covered and the fee to be paid; and each application shall contain such additional information as may be required by the issuing official. (1960 Code)

**5-1-2: PERSON SUBJECT TO LICENSE:**

Whenever in this code a license is required for the maintenance, operation or conduct of any business or establishment, or for doing business or engaging in any activity or occupation, any person or corporation shall be subject to the requirement if by himself or through an agent, employee or partner, he holds himself forth as being engaged in the business or occupation; or solicits patronage therefor, actively or passively; or performs or attempts to perform any part of such business or occupation in the municipality. (1960 Code)

**5-1-3: FORMS:**

Forms for all licenses and permits, and applications therefor, shall be prepared and kept on file by the clerk. (1960 Code)

**5-1-4: SIGNATURES:**

Each license or permit issued shall bear the signatures of the mayor and the clerk in the absence of any provision to the contrary. (1960 Code)

**5-1-5: INVESTIGATIONS:**

Upon the receipt of an application for a license or permit where the laws of the municipality necessitate an inspection or investigation before the issuance of such permit or license, the clerk shall refer such application to the proper officer for making such investigation within forty eight (48) hours of the time of such receipt. The officer charged with the duty of making the investigation or inspection shall make a report thereon, favorable or otherwise, within ten (10) days after receiving the application or a copy thereof. The health officer shall make or cause to be made an inspection in regard to such licenses in the connection of the care and handling of food and the preventing of nuisances and the spread of disease. For the protection of health, the building inspector shall make or cause to be made any such inspections relative to the construction of buildings or other structures. All other investigations, except where otherwise provided, shall be made by the chief of police or by some other officer designated by the mayor. (1960 Code)

**5-1-6: TERMINATION OF LICENSE:**

All annual licenses shall terminate on the last day of the fiscal year of the municipality where no provision to the contrary is made.

The clerk shall mail to all licensees of the municipality a statement of the time of expiration of the license held by the licensee, if an annual, three (3) weeks prior to the date of such expiration. Provided, that failure to send out such notice, or failure of the licensee to receive it shall not excuse the licensee from failure to obtain a new license, or a renewal thereof, nor shall it be a defense in an action for operation without a license. (1960 Code)

**5-1-7: BUILDING AND PREMISES:**

No license shall be issued for the conduct of any business, and no permit shall be issued for any thing, or act, if the premises and building to be used for the purpose do not fully comply with the requirements of the municipality. No such license or permit shall be issued for the conduct of any business or performance of any act which would involve a violation of the zoning act of the municipality. (1960 Code)

**5-1-8: CHANGE OF LOCATION:**

In the absence of any provision to the contrary, the location of any licensed business or occupation, or of any permitted act, may be changed provided ten (10) days' notice thereof is given to the clerk; provided, the building, zoning and frontage consent requirements of this code are complied with. (1960 Code)

**5-1-9: FRONTAGE CONSENTS:**

Whenever the consent of the adjoining or neighboring owners is required as a prerequisite to the conduct of any business or occupation, or the location of any establishment, such consent must be obtained by securing the necessary signatures to a written consent petition. Such petition shall be filed with the clerk when signed.

Consents once given and filed shall not be withdrawn; and such petitions need not be renewed for the continuous conduct of the same business, whether by the same proprietor or not.

It shall be unlawful to forge any name to such a petition or to represent falsely that the names thereon have been properly placed thereon if such is not the fact.

Each consent when filed shall be accompanied by the affidavit of the person securing the signatures that each signature appearing therein was properly secured and written on; and that the petition contains the necessary number of signatures required by this chapter.

The frontage consent requirements contained in this chapter shall not be construed to amend or change any zoning provisions of the municipality; and no such provision shall be construed as permitting the erection of a structure or building, or the conduct of a business or the commission of any act in any location where such structure, building, business or act is or are prohibited by any zoning regulations of the municipality. (1960 Code)

**5-1-10: NUISANCES:**

No business, licensed or not, shall be so conducted or operated as to amount to a nuisance in fact. (1960 Code)

**5-1-11: INSPECTIONS:**

Whenever inspections of the premises used for or in connection with the operation of a licensed business or occupation are provided for or required by this code, or are reasonably necessary to secure compliance with any code provision or to detect violations thereof, it shall be the duty of the licensee, or the person in charge of the premises to be inspected, to admit thereto for the purpose of making the inspection any officer or employee of the municipality who is authorized or directed to make such inspection at any reasonable time that admission is requested.

Whenever an analysis of any commodity or material is reasonably necessary to secure conformance with any provision of this code or to detect violations thereof, it shall be the duty of the licensee of the municipality whose business is governed by such provision to

give to any authorized officer or employee of the municipality requesting the same sufficient samples of such material or commodity for such analysis upon request.

In addition to any other penalty which may be provided, the mayor may revoke the license of any licensed proprietor of any licensed business in the municipality who refuses to permit any such officer or employee who is authorized to make such inspection or take such sample to make the inspection, or take an adequate sample of the said commodity, or who interferes with such officer or employee while in the performance of his duty in making such inspection. Provided, that no license shall be revoked for such cause unless written demand is made upon the licensee or person in charge of the premises, in the name of the municipality, stating that such inspection or sample is desired at the time it is sought to make the inspection or obtain the sample. (1960 Code)

**5-1-12: REVOCATION:**

Any license or permit for a limited time may be revoked by the mayor at any time during the life of such license or permit for any violation by the licensee or permittee of the provisions of this code relating to the license or permit, the subject matter of the license or permit, or to the premises occupied; such revocation may be in addition to any fine imposed. (1960 Code)

**5-1-13: POSTING OF LICENSE:**

It shall be the duty of any person conducting a licensed business in the municipality to keep his license posted in a prominent place on the premises used for such business at all times. (1960 Code)

**5-1-14: FEES:**

In the absence of specific provisions to the contrary, all fees and charges for licenses or permits shall be paid in advance at the time application therefor is made to the clerk. When an applicant has not engaged in the business until after the expiration of more than six (6) months of the current year the license fee shall be in the sum of one-half (1/2) of the fee specified for the entire year. All license fees shall be deposited to the general fund. (1960 Code)

**NOTE: THIS IS NOT AN OFFICIAL DOCUMENT NOTHING IN THIS DOCUMENT IS SET IN STONE AND SHOULD BE TREATED AS A TEMPLATE ONLY.**

**ORDINANCE NO. \_\_\_\_\_**

**AN ORDINANCE ESTABLISHING BUSINESS LICENSING REQUIREMENTS IN THE CITY OF MILES CITY**

**Section 1. Purpose and Authority**

**A. Purpose.**

The purpose of this chapter is to:

1. Provide for the orderly regulation of businesses operating within the City of Miles City.
2. Maintain an accurate registry of businesses.
3. Promote public health, safety, and welfare; and
4. Recover reasonable administrative costs associated with business oversight.

**B. Authority.**

This chapter is adopted pursuant to the City of Miles City’s powers under Montana Code Annotated Title 7.

**Section 2. Definitions**

For the purposes of this chapter:

**A. Business**

“Business” means any person or entity engaging in or carrying on any trade, occupation, profession, service, or commercial activity within the City of Miles City for the purpose of financial gain, livelihood, or profit, whether conducted full-time, part-time, temporary, or from a residence.

**B. Person**

“Person” includes any individual, partnership, firm, corporation, limited liability company, association, or other legal entity.

**C. ~~Temporary~~ Vendor**

“Temporary vendor” means any person selling goods or services within the City of Miles City at a farmers’ market, festival, fair, seasonal event, or other temporary location.

**D. Multi-Vendor Retail Establishment**

1. Operates under a separate business name;
2. Controls pricing or inventory independently;
3. Receives payment directly from customers; or
4. Otherwise operates as an independent business.

**C. Consignment exception.**

Vendors operating solely under a true consignment arrangement where the host business controls sales transactions are not required to obtain a separate license.

**Section 6. Temporary Vendors and Farmers Market Sellers**

**A. Permit required.**

Temporary vendors shall obtain a temporary vendor permit unless exempt.

**B. Agricultural producers.**

The City of Miles City may establish a reduced fee or exemption for vendors selling agricultural products they personally produced.

**C. Cottage food vendors.**

Vendors operating under Montana cottage food laws must comply with all applicable state requirements.

**Section 7. License Fee (Tiered)**

**A. Annual fees.**

The following annual license fees are established:

**Tier 1 — Home-Based and Very Small Businesses**

Annual fee: **\$50**

Includes:

- Home occupations
- Independent contractors without employees
- In-home childcare providers (family/group homes)
- Online businesses operated from a residence

**Tier 2 — Standard Commercial Businesses**

Annual fee: **\$85**

Includes:

**B. Renewal required.**

All licenses must be renewed annually.

**C. Renewal notice.**

The City shall make reasonable efforts to provide renewal notice, but failure to receive notice does not relieve the licensee of responsibility to renew.

**D. Proration.**

The City may prorate fees for new businesses beginning after July 1.

**Section 10. Late Fees**

**A. Late renewal penalty.**

If not renewed by **Sep 30th**, the following applies:

- October 1 – October 31st: **\$25 late fee**
- After October 31st: **\$50 late fee**

**B. Continued noncompliance.**

Operating after October 31st without renewal constitutes operating without a license.

**Section 11. Violations and Penalties**

**A. Unlawful operation.**

Operating a business without a required license is a violation of this chapter.

**B. Civil penalties.**

1. First violation: license fee plus civil penalty not to exceed **\$250**
2. Subsequent violations: civil penalty not to exceed **\$500**

**C. Continuing violation.**

Each day of continued operation after written notice may constitute a separate offense.

**D. Other remedies.**

The City of Miles City may pursue any lawful remedy, including municipal court action.

**Section 12. Grace Period and Compliance**

The City of Miles City may provide written notice and a reasonable opportunity to comply prior to issuing a citation, except in cases involving immediate health or safety concerns.

**Section 13. Appeals Process**

**A. Right to appeal.**

Any applicant or licensee aggrieved by:

# Miles City Public Service Committee Proposal Subject: Business License Incentive Program – Banner Advertising and Grant Writing Course Opportunities

**Prepared by:** Melissa Moua / City Treasurer

**Date:** August 06, 2025

## Objective

To promote civic engagement and support local enterprise, this initiative proposes that licensed businesses in Miles City receive one free promotional banner displayed (Proposed Area: Tire-Rama fence) , a highly visible location at one of the main entry points into the city, and the opportunity to attend up to two grant-writing courses per year. **Note: Permission for this space will need to be obtained. If permission cannot be obtained other locations will need to be discussed.**

## Program Highlights

**Eligibility:** Open to any business holding a valid Miles City business license. Businesses must carry a current insurance policy to be eligible.

### Fee Structure:

- Proposed Basic license fee of \$85, inclusive of:
  - Business license registration
  - Fire inspection
  - Annual police walk-through and routine monitoring.
- Bundled License fee of \$175, inclusive of everything included in the Basic license, plus:
  - Admission for one of our Grant-writing courses for business owners, held quarterly (Up to 2 Courses per year).
  - One printed promotional banner *→ SEND C*
    - Banner Specs:
      - Size: 2.5 ft x 4 ft (horizontal)
      - Content: Logo, tagline, contact info
      - Design: Subject to city approval for visual standards
      - Location: Exclusively on the proposed area – a high-traffic area offering premier visibility

## Community Impact

- Encourages license compliance through added value
- Increases business visibility for new and existing enterprises
- Beautifies a key entrance to the city with professional, curated banners
- Fosters local pride and economic development

## Additional Options

- Participation in the banner display is voluntary but strongly encouraged

## Recommendation

- Implement the banner incentive for the upcoming license cycle as a pilot program.
- Evaluate effectiveness via business engagement metrics, public feedback, and beautification outcomes.
- Implement a no replacement clause if the banner is destroyed by natural disasters or vandalism.

**Sec. 13-424. - Tax schedule.**

The following tax schedule shall be applied to all persons or entities subject to this division:

*Tax Schedule*

*Category by Gross Revenue*

<i>Billings</i>	I	II	III	IV
	I 0 to 100,000	II Over 100,000 to 2,000,000	III Over 2,000,000 to 3,000,000	IV Over 3,000,000
<i>Basic Tax:</i>				
General	\$55.00	\$90.00	\$140.00	\$215.00
Home occupation	20.00	20.00	20.00	20.00
<i>Additions to Basic Tax:</i>				
Over 5 full time equivalent employees or independent contractors per employee or contractor	6.00	6.00	6.00	6.00
<i>Additional Fees When Applicable:</i>				
Health inspection	50.00	50.00	50.00	50.00
Health reinspection	50.00	50.00	50.00	50.00
<i>Liquor license fee:</i>				
Beer	200.00	200.00	200.00	200.00
Wine	200.00	200.00	200.00	200.00

## Butte Business License Fees

**Type of License:** Price (Bond, if applicable)

Ambulance: \$500.00  
 Amusement Machine Operator (per machine): \$40.00  
 Auction: \$50.00 (\$1,000.00)  
 Banks (0-9 Million Dollars): \$300.00  
 Banks (10-40 Million Dollars): \$500.00  
 Banks (41-80 Million Dollars): \$800.00  
 Banks (81-120 Million Dollars): \$1,000.00  
 Banks (121-200 Million Dollars): \$1,200.00  
 Banks (over 201 Million Dollars): \$1,500.00  
 Billboards Fee: \$150.00  
 Breeding and Grooming Kennel: \$35.00  
 Breeding Kennels: \$25.00  
 Broadcasting Stations: \$200.00  
 Building, Finance, Loan Broker: \$300.00  
 Business, General (0-2 employees): \$35.00  
 Business, General (3-5 employees): \$50.00  
 Business, General (6-20 employees): \$100.00  
 Business, General (21-35 employees): \$150.00  
 Business, General (over 35 employees): \$200.00  
 Carnival (daily): \$50.00 (\$1,000.00)  
 Circus (10 days): \$450.00 (\$1,000.00)  
 Circus (extra days, per day): \$35.00  
 Distributor, Amusement Machines: \$500.00  
 Gambling/Raffle: \$1,000.00  
 Inter-Vendor, Produce: \$150.00  
 Itinerant Vendor: \$300.00 (\$5,000.00)  
 Junk Yard: \$200.00 (\$2,500.00)  
 Liquor, Beer Only: \$100.00  
 Liquor, Beer and/or Wine Only: \$200.00  
 Liquor, All Beverages: \$400.00  
 Mining Company (under \$5 million): \$1,500.00  
 Mining Company (over \$5 million): \$2,000.00  
 Newspaper: \$300.00  
 Newspaper, Weekly: \$35.00  
 Out-of-Business License: \$50.00  
 Pawn Shop: \$200.00 (\$5,000.00)  
 Private Detective, Investigator, Security Service: \$50.00  
 Railroad: \$900.00  
 Secondhand Store: \$200.00 (\$2,500.00)  
 Theater, Drive-In: \$150.00  
 Trailer Courts: \$25.00  
 Transient Business, Extra Week: \$50.00  
 Transient Vendor: \$200.00  
 Utility Company: \$1,500.00  
 Water Company: \$400.00

**Business Licensing Fee Schedule**

Effective January 1, 2025

**New Business or Change of Location**

**Current Fees 2025**

**General/Contractor**

Commercial Location
General Home Base
Home Based Daycare
Cable Company

FTE Fee	Minimum Fee (4 FTE)	Maximum Fee (85 FTE)
\$ 49	\$ 196	\$ 4,165
\$ 32	\$ 128	\$ 2,720
\$ 49	\$ 196	\$ 4,165
\$ 29	\$ 116	\$ 2,465

**Retail Beer/Wine/Liquor Sales**

Beer or Wine--Flat fee of \$200 plus
Beer & Wine--Flat fee of \$400 plus
All Beverage--Flat fee of \$500 plus
Veteran & Non Profit -- Flat fee of \$434.00

\$ 81	\$ 324	\$ 6,885
\$ 81	\$ 324	\$ 6,885
\$ 81	\$ 324	\$ 6,885
Flat Fee \$406.25		

**Renewals**

General/Contractor
<b>Retail Beer/Wine/Liquor Sales</b>
Beer or Wine--Flat fee of \$200 plus:
Beer & Wine--Flat fee of \$400 plus
All Beverage--Flat fee of \$500 plus
Veteran & Non profit org.-- Flat fee of \$406.25

\$ 26	\$ 104	\$ 2,210
\$ 72	\$ 288	\$ 6,120
\$ 72	\$ 288	\$ 6,120
\$ 72	\$ 288	\$ 6,120
Flat Fee of \$406.25		

**Itinerant Vendors**

**New Business**

1 week
90 Days
Full Year

	Fee
	\$ 112
	\$ 140
	\$ 168

**Renewals**

Full Year License Renewal
---------------------------

	\$ 85
--	-------

**Rental of Retail, Wholesale and Warehouse Space**

**New Ownership or New Rental Properties**

Square Footage
<b>Rental – Retail/Office</b>
0 – 4,999
5,000 – 9,999
10,000 – 19,999
20,000 – 49,999
50,000 – 99,999
100,000 +
<b>Rental – Wholesale/Warehouse</b>
0 – 9,999
10,000 – 24,999
25,000 – 49,999
50,000 – 99,999
100,000 – 199,999
200,000 +

Cost/SF	Minimum Fee	Maximum Fee
\$ 0.1079	\$ 270	\$ 4,240
\$ 0.0628	\$ 314	\$ 4,240
\$ 0.0406	\$ 404	\$ 4,240
\$ 0.0290	\$ 579	\$ 4,240
\$ 0.0198	\$ 983	\$ 4,240
\$ 0.0179	\$ 1,780	\$ 4,240
\$ 0.0538	\$ 269	\$ 4,240
\$ 0.0313	\$ 313	\$ 4,240
\$ 0.0178	\$ 303	\$ 4,240
\$ 0.0180	\$ 898	\$ 4,240
\$ 0.0149	\$ 1,467	\$ 4,240
\$ 0.0143	\$ 2,819	\$ 4,240

**Renewals**

Rental—Retail/Office
Rental— Wholesale/Warehouse

\$ 0.0144	\$ 73	\$ 2,006
\$ 0.0121	\$ 73	\$ 2,006

**Market Events**

New Markets
Renewals

Per Booth/Table	Minimum Fee (4 Tables)	Maximum Fee (50 Tables)
\$ 100	\$ 400	\$ 5,000
\$ 26	\$ 104	\$ 1,300

**Boiler Room Operations**

**New Operations**

First 26 consecutive weeks
Annual rate
Background investigations

Fee	
1 to 4 Phones (Fee is per week or portion thereof)	\$ 269
Each additional phone over 4 (Fee is per phone per week)	\$ 35
1 to 7 Phones	\$ 2,819
8 or more phones	\$ 5,277
Per Person	\$ 67

**Other Fees & Endorsements**



# CITY OF MILES CITY VENDOR PERMIT



**Company Name:** \_\_\_\_\_

**Company Contact:** \_\_\_\_\_

**Contact Phone Number:** \_\_\_\_\_

**Purpose of Use** What are you selling: \_\_\_\_\_

- **Have you been approved by the sanitation officer?** \_\_\_\_\_
- **Proof of insurance?** \_\_\_\_\_
- **Do you have a City Business License?** \_\_\_\_\_

**Area of Use:** \_\_\_\_\_

Provide specific location

**Date(s) and Time of Use:** \_\_\_\_\_

Permit is good for six months from date of approval. A \$50 non-refundable fee is required before permit can be approved. A map of the approximate locations where the vending trailer will be located is required and must be approved.

The undersigned, as representative for the above named company, agrees to the following: The company will provide for cleanup of the area after the activities; will not allow the use or presence of any hazardous material upon City premises; will not construct improvements, either permanent or temporary, without express written permission from the City; agrees to abide by all applicable federal, state, and local laws, ordinances, and regulations; agrees to pay for damage to any facilities (if used) above normal wear and tear; will comply with the American with Disabilities Act as applicable; agrees not to discriminate any person on the basis of race, creed, color, religion, national origin, marital status, mental or physical handicap. The Permittee agrees to indemnify, defend and hold harmless the City from any and all loss, damages, claims and liability, occasioned by, arising out of, or resulting from any tortious or negligent act of the Permittee, its officers, directors, employees, agents guests, customers, participants, spectators, or invitees.

\_\_\_\_\_  
Applicant Signature on behalf of the Company

\_\_\_\_\_  
Date

Approved By:

\_\_\_\_\_  
City of Miles City-Public Works Director

\_\_\_\_\_  
Date

*MUST MAP ON WHERE YOU SETUP?*

- e. If damaged have not been corrected or contracted to be corrected within 14 days of the event, the full deposit will be forfeited.

#### E. Field Preparation

1. Field preparation and infield maintenance on all athletic fields is the responsibility of the renter. This includes weed pulling, dragging, base placement, striping, etc. Only water based paint is approved by the Parks & Recreation Department is allowed on all fields. Chalk is prohibited.
2. Renter is responsible for the removal and spraying of weeds in all batting cages, along fences, nets and perimeter of fields.

#### F. Non-Programmed Park Space

1. In order to support the demand for field space for a variety of organized field sports, certain non-programmed park areas may be reserved for practices. The field areas are not meant to have official legal games or sports events. Non-programmed park space may also be reserved for camps and fitness classes through a user group agreement.

#### G. Tennis and Pickleball Courts

1. Reservations for general public, single court use are not accepted. Use is on a first come, first served basis. A 1-hour of play for singles and 1.5 hour for doubles rule is in place on all tennis and pickle ball courts when others are waiting. Court reservations are only available for schools sponsored and special events and camps.

#### H. Facilities

1. All facilities are the property of the City of Miles City. The City uses some facilities as storage during the winter for their equipment. Renters may use these facilities during sport season, if available, but must have all equipment out within 14 days after end of season. Any equipment left behind will be forfeited to the City.

#### I. Vendors

1. Vendors that are selling in relation to an event will need to identify the event and contact person on a separate permit for the event to ensure that the event holder consents to a permit being issued. Vendors cannot be at parks/fields that have been approved for an event without prior consent and approval from the event holder. Failure to receive consent from the event holder can result in removal from the event. Consistent warnings and removals could result in loss of use of public parks/fields.

### Section 2 Recreation Facilities Reservation Policies & Fees

#### A. There are 5 (amenities) facilities available for reservation through the Parks:

1. Riverside Park Gazebo\*
2. Riverside Park Lions Covered Shelter\*
3. Riverside Park Ryno Amphitheater\*
4. Spotted Eagle Covered Canopy area
5. Wibaux Park Covered Shelter

For fees associated with these amenities refer to Special Event Permit Fees, Figure 1.

\* Riverside Park is the only park where alcohol is allowed with a variance. There is a \$50 fee for the variance before mayor approval.

#### B. Recreation Facility Reservation Polices:

proof of liability insurance as stated in Miles City Ordinance# 1393 Chapter 26. Alcohol variances are only allowed within parks which have been designated by the City as alcohol variance permitted parks. Alcohol variances may be approved for sporting/special events within fields and courts pending Mayor approval, this does not include excluded parks.

**Section: Vending Policies**

Vending of any kind in or around public parks on public property and in recreation facilities is prohibited without approval by the Public Works Director. With Director approval, vending is only allowed when attached to a user group agreement, special event, or reservation. A waiver to sell good form must be submitted a minimum of two weeks prior to the event.

**ALL PARKS AND FIELDS BELONG TO THE CITY OF MILES CITY. ALL POLICIES APPLY TO ALL FIELDS, PARKS, AMENITY AND OTHER CITY PROPERTY. PLEASE REMEMBER THESE PARKS ARE FOR EVERYONE, LETS TAKE CARE OF THEM.**

**RESOLUTION NO. 4617**

**A RESOLUTION ADOPTING FEES FOR ROAD CLOSURES AND PARK VENDORS, AND PROVIDING FOR A HEARING THEREON.**

**Whereas**, the City of Miles City allows citizens and businesses to request road closure permits, along with provision of City owned barricades related to said request; and

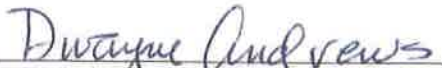
**Whereas**, the City of Miles City allows vendors to apply for approval to conduct business on City owned property and parks; and

**Whereas**, the City of Miles City finds it in the best interests of the community to establish fees for such services and approvals, which are being provided by or approved by the City;

**NOW THEREFORE, IT IS RESOLVED BY THE CITY COUNCIL OF THE CITY OF MILES CITY, MONTANA AS FOLLOWS:**

1. The City of Miles City hereby adopts the following fee schedule for road closures and vendor permits, and authorizes the Public Works Department to create and update appropriate application documents to accomplish the same:
  - a. Road Closure Fees: The fee for a road closure permit including six (6) standard barricades is \$25, plus \$5 per additional barricade requested. "Road Closed, Type III" barricades are available and may be added for \$10 each. The foregoing fees are "per-day" (per 24-hour period)
  - b. Vendor Fees: A vendor may use city parks/property when pre-approved by the Public Works Director for six months at a cost of \$50.00
2. A public hearing shall be held on the establishment of the above fees on the 10th day of June, 2025 at 6:00 p.m. in the City Council Chambers at City Hall, Miles City, Montana. The City Clerk shall cause notice of such hearing to be published in the Miles City Star, in accordance with §7-1-4127 MCA, at least 2 times prior to such hearing with at least 6 days separating each publication.

**SAID RESOLUTION READ AND PUT UPON ITS FINAL PASSAGE THIS 27<sup>th</sup> DAY OF MAY, 2025.**

  
Dwayne Andrews, Mayor

ATTEST:

  
Mary Rowe, City Clerk

Portion of park policy that will go before council at 3/24 council meeting regarding vendors in parks.

E. Vendors

3.1. Vendors that are selling in relation to an event will need to identify the event and contact person on a separate permit for the event to ensure that the event holder consents to a permit being issued. Vendors cannot be at parks/fields that have been approved for an event without prior consent and approval from the event holder. Failure to receive consent from the event holder can result in removal from the event. Consistent warnings and removals could result in loss of use of public parks/fields.

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**SAID RESOLUTION READ AND PUT UPON ITS FINAL PASSAGE THIS 27<sup>th</sup> DAY OF MAY, 2025.**

  
Dwayne Andrews, Mayor

ATTEST:

  
Mary Rowe, City Clerk

**SAID RESOLUTION FINALLY PASSED AND ADOPTED BY A DULY  
CONSTITUTED QUORUM OF THE CITY COUNCIL OF THE CITY OF MILES CITY,  
MONTANA, THIS 10<sup>th</sup> DAY OF JUNE, 2025.**

  
\_\_\_\_\_  
Dwayne Andrews, Mayor

ATTEST:

  
\_\_\_\_\_  
Mary Rowe, City Clerk



# CITY OF MILES CITY VENDOR PERMIT



**Company Name:** \_\_\_\_\_

**Company Contact:** \_\_\_\_\_

**Contact Phone Number:** \_\_\_\_\_

**Purpose of Use** What are you selling: \_\_\_\_\_

- **Have you been approved by the sanitation officer?** \_\_\_\_\_
- **Proof of insurance?** \_\_\_\_\_
- **Do you have a City Business License?** \_\_\_\_\_

**Area of Use:** \_\_\_\_\_

Provide specific location

**Date(s) and Time of Use:** \_\_\_\_\_

Permit is good for six months from date of approval. A \$50 non-refundable fee is required before permit can be approved. A map of the approximate locations where the vending trailer will be located is required and must be approved.

The undersigned, as representative for the above named company, agrees to the following: The company will provide for cleanup of the area after the activities; will not allow the use or presence of any hazardous material upon City premises; will not construct improvements, either permanent or temporary, without express written permission from the City; agrees to abide by all applicable federal, state, and locals laws, ordinances, and regulations; agrees to pay for damage to any facilities (if used) above normal wear and tear; will comply with the American with Disabilities Act as applicable; agrees not to discriminate any person on the basis of race, creed, color, religion, national origin, marital status, mental or physical handicap. The Permittee agrees to indemnify, defend and hold harmless the City from any and all loss, damages, claims and liability, occasioned by, arising out of, or resulting from any tortious or negligent act of the Permittee, its officers, directors, employees, agents guests, customers, participants, spectators, or invitees.

\_\_\_\_\_  
Applicant Signature on behalf of the Company

\_\_\_\_\_  
Date

Approved By:

\_\_\_\_\_  
City of Miles City-Public Works Director

\_\_\_\_\_  
Date

RECEIVED  
MAY 10 2026  
2:57 pm  
MC

City of Miles City  
Attn: Public Works Director  
17 South 8th Street  
PO Box 910  
Miles City, MT 59301

Bid for concrete Alley Replacement in Maintenance District 7DH

BID SHEET

MAINTENANCE DISTRICT #204

CONCRETE ALLEY REPLACEMENT  
CITY OF MILES CITY

PROPOSAL BID

ITEM NO.	ESTIMATED QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1.	~123 yd <sup>3</sup> OR ~3,300 ft <sup>3</sup>	REMOVAL AND REPLACEMENT OF CONCRETE ALLEY	<u>1,138.50</u>	<u>140,035.50</u>

TOTAL BID: \$ 140,035.50

**PROPOSAL**

The undersigned bidder, having examined the plans, specifications and other proposed contract documents will furnish all manpower and equipment necessary to complete the project in accordance with the attached plans and specifications for the following amount:

one hundred forty thousand thirty five dollars and fifty cents  
PRICE IN WORDS

\$ 140,035.50  
NUMBER AMOUNT

DATE THIS 10<sup>th</sup> DAY OF MARCH, 2026.

John Mugali contracting  
FIRM NAME

BY: Jennifer Meidinger

TITLE: office manager

ADDRESS: po Box 67

Miles city, MT 59301



**406-444-7734**  
**mtcontractor.mt.gov**

JOHN MUGGLI CONTRACTING LLC  
PO BOX 67  
MILES CITY, MT 59301

REGISTRATION NO. 10361  
EXPIRATION DATE 06/19/2027

Employer



# CERTIFICATE OF LIABILITY INSURANCE

Section 3, Item B.

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(les) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> Billings Office Marsh McLennan Agency LLC P.O. Box 30638 Billings, MT 59107-0638	<b>CONTACT NAME:</b> Barbara Von Hagen <b>PHONE (A/C, No, Ext):</b> (406) 238-1951 <b>E-MAIL ADDRESS:</b> barbara.vonhagen@marshmma.com <b>FAX (A/C, No):</b>
	<b>INSURER(S) AFFORDING COVERAGE</b>
<b>INSURED</b>  John Muggli Contracting LLC P.O. Box 67 Miles City, MT 59301	<b>INSURER A :</b> Berkley North Pacific
	<b>INSURER B :</b>
	<b>INSURER C :</b>
	<b>INSURER D :</b>
	<b>INSURER E :</b>
	<b>INSURER F :</b>

**COVERAGES**                      **CERTIFICATE NUMBER:**                      **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A X	<b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			CPA607146720	1/16/2026	1/16/2027	EACH OCCURRENCE	\$ 1,000,000
							DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
							MED EXP (Any one person)	\$ 10,000
							PERSONAL & ADV INJURY	\$ 1,000,000
							GENERAL AGGREGATE	\$ 2,000,000
							PRODUCTS - COMP/OP AGG	\$ 2,000,000
								\$
A	<b>AUTOMOBILE LIABILITY</b> <input checked="" type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			CPA607146720	1/16/2026	1/16/2027	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
							BODILY INJURY (Per person)	\$
							BODILY INJURY (Per accident)	\$
							PROPERTY DAMAGE (Per accident)	\$
								\$
A X	<b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$			CPA607146720	1/16/2026	1/16/2027	EACH OCCURRENCE	\$ 2,000,000
							AGGREGATE	\$
							<b>Aggregate</b>	\$ 2,000,000
							PER STATUTE	
							OTH-ER	
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A			E.I. EACH ACCIDENT	\$
							E.I. DISEASE - EA EMPLOYEE	\$
							E.I. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
Project Kircher Creek Rod over T&Y Canal Bridge Repairs

### CERTIFICATE HOLDER

Great West Engineering  
6780 Trade Center Avenue  
Billings, MT 59101

### CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

*Barbara Vonhagen*

7214  
99-624/923

Pay to the Order of City of Miles city 3/10/26 Date \$ 14100

for teen thousand one hundred 900/100 Dollars

**Muggli Contracting**  
PO Box 67 1450 US Highway 12  
Miles City, MT 59301-0067

**Stockman Bank**  
700 Main St. PO Box 250,  
Miles City, MT 59301  
406-234-8424

Check good for 30 days

Concrete Alley replacement  
For in maintenance District 204

Michael S. Muggli

⑆092905249⑆1010002538⑆7214

HAYNES ENTERPRISES LLC  
86 AGATE DRIVE  
MILES CITY, MT 59301  
406-234-5296

RECEIVED  
MAR 10 2020  
3:54 PM TVE

CITY OF MILES CITY

ATTN: PUBLIC WORKS DIRECTOR

17 S. 8<sup>TH</sup> STREET.

PO BOX 910. MILES CITY MT 59301

BID FOR CONCRETE ALLEY REPLACEMENT IN MAINTENANCE DISTRICT 204

**BID SHEET**

**MAINTENANCE DISTRICT #204**

**CONCRETE ALLEY REPLACEMENT  
CITY OF MILES CITY**

**PROPOSAL BID**

<b>ITEM NO.</b>	<b>ESTIMATED QUANTITY</b>	<b>DESCRIPTION</b>	<b>UNIT PRICE</b>	<b>TOTAL PRICE</b>
1.	~123 yd <sup>3</sup> OR ~3,300 ft <sup>3</sup>	REMOVAL AND REPLACEMENT OF CONCRETE ALLEY	<u>\$892<sup>00</sup></u>	<u>109,716</u>
			<b><u>TOTAL BID: \$</u></b>	<u>109,716</u>

**PROPOSAL**

The undersigned bidder, having examined the plans, specifications and other proposed contract documents will furnish all manpower and equipment necessary to complete the project in accordance with the attached plans and specifications for the following amount:

ONE HUNDRED NINE THOUSAND SEVEN HUNDRED SIXTYEEN  
PRICE IN WORDS

\$ 109,716<sup>00</sup>  
NUMBER AMOUNT

DATE THIS 10<sup>TH</sup> DAY OF MARCH, 2026.

PROPOSAL  
HAYNES ENTERPRISES LLC  
FIRM NAME

BY: SPENCER L. HAYNES

TITLE: Managing MEMBER

ADDRESS: 86 Agate Drive

Miles CITY, MT 59301



# Western Surety Company

## CONTINUATION CERTIFICATE

Western Surety Company hereby continues in force Bond No. 61329912 briefly described as EXCAVATION CITY OF MILES CITY for HAYNES ENTERPRISES, LLC, as Principal, in the sum of \$ TEN THOUSAND AND NO/100 Dollars, for the term beginning April 16, 2025, and ending April 16, 2026, subject to all the covenants and conditions of the original bond referred to above.

This continuation is issued upon the express condition that the liability of Western Surety Company under said Bond and this and all continuations thereof shall not be cumulative and shall in no event exceed the total sum above written.

Dated this 2nd day of April, 2025.

WESTERN SURETY COMPANY

By *Larry Kasten*  
Larry Kasten, Vice President



**THIS "Continuation Certificate" MUST BE FILED WITH THE ABOVE BOND.**

# Western Surety Company

Section 3, Item B.

## POWER OF ATTORNEY

### KNOW ALL MEN BY THESE PRESENTS:

That WESTERN SURETY COMPANY, a corporation organized and existing under the laws of the State of South Dakota, and authorized and licensed to do business in the States of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming, and the United States of America, does hereby make, constitute and appoint

Larry Kasten of Sioux Falls,  
State of South Dakota, its regularly elected Vice President,  
as Attorney-in-Fact, with full power and authority hereby conferred upon him to sign, execute, acknowledge and deliver for and on its behalf as Surety and as its act and deed, the following bond:

One EXCAVATION CITY OF MILES CITY  
bond with bond number 61329912  
for HAYNES ENTERPRISES, LLC  
as Principal in the penalty amount not to exceed: \$10,000.00

Western Surety Company further certifies that the following is a true and exact copy of Section 7 of the by-laws of Western Surety Company duly adopted and now in force, to-wit:

Section 7. All bonds, policies, undertakings, Powers of Attorney, or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys-in-Fact or agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile.

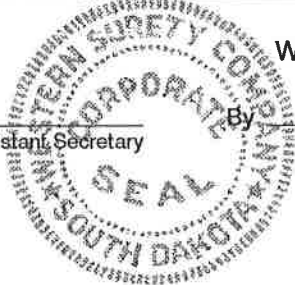
This Power of Attorney may be signed by digital signature and sealed by a digital or otherwise electronic-formatted corporate seal under and by the authority of the following Resolution adopted by the Board of Directors of the Company by unanimous written consent dated the 27th day of April, 2022:

"RESOLVED: That it is in the best interest of the Company to periodically ratify and confirm any corporate documents signed by digital signatures and to ratify and confirm the use of a digital or otherwise electronic-formatted corporate seal, each to be considered the act and deed of the Company."

In Witness Whereof, the said WESTERN SURETY COMPANY has caused these presents to be executed by its Vice President with the corporate seal affixed this 2nd day of April, 2025.

ATTEST

L. Bauder  
L. Bauder, Assistant Secretary



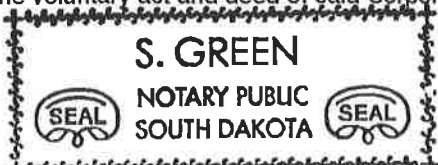
WESTERN SURETY COMPANY

Larry Kasten  
Larry Kasten, Vice President

STATE OF SOUTH DAKOTA }  
COUNTY OF MINNEHAHA } ss

On this 2nd day of April, 2025, before me, a Notary Public, personally appeared Larry Kasten and L. Bauder

who, being by me duly sworn, acknowledged that they signed the above Power of Attorney as Vice President and Assistant Secretary, respectively, of the said WESTERN SURETY COMPANY, and acknowledged said instrument to be the voluntary act and deed of said Corporation.



S. Green  
Notary Public

My Commission Expires February 12, 2027

To validate bond authenticity, go to [www.cnasurety.com](http://www.cnasurety.com) > Owner/Obligee Services > Validate Bond Coverage.

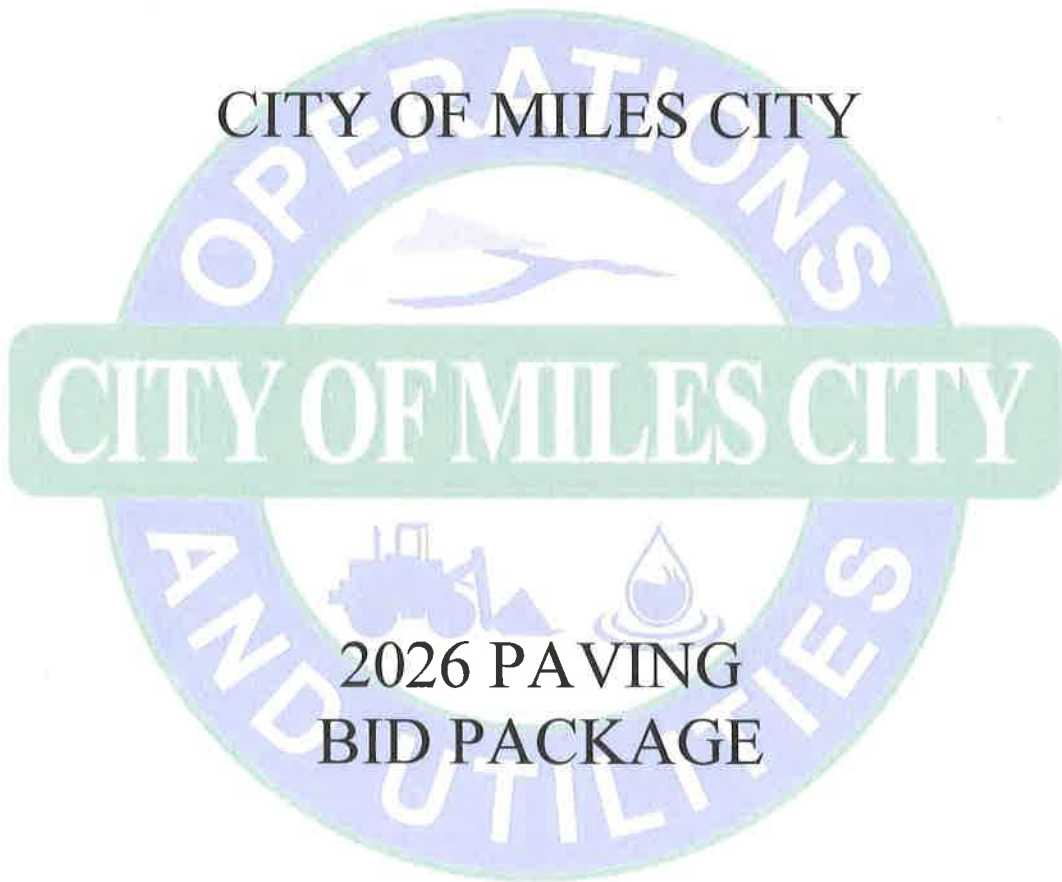


Century Companies, Inc.  
PO Box 579  
Lewistown, MT 59457  
MT Reg: 7531

RECEIVED  
MAR 10 2026  
2:00pm

CITY OF MILES CITY  
ATTN: PUBLIC WORKS DIRECTOR  
17 SOUTH 8<sup>TH</sup> STREET  
MILES CITY, MT 59301

BID FOR PAVING MAINTENANCE DISTRICT #204  
BID DATE: 03/10/26 @ 4:00PM ✓ *DW*  
ADDENDA: N/A



CITY OF MILES CITY

CITY OF MILES CITY

2026 PAVING  
BID PACKAGE

## TABLE OF CONTENTS

- I. Invitation to bid
- II. Information for Bidder
- III. General Specifications
- IV. General Conditions
- V. Montana Prevailing Wage Rates
- VI. Project Description
- VII. Bid Sheet
- VIII. Proposal
- IX. Contract
- X. Performance & Payment Bond
- XI. Notice of Award

## NOTICE

### INVITATION TO BID

The City of Miles City will receive sealed bids until 4:00 p.m. on Tuesday, March 10, 2026 for the purpose of milling, mixing, paving, overlaying, rolling, blading, compacting, hauling and the doing of all other necessary and incidental to the performance of said work.

Bid tender forms, bid instructions and technical specifications may be obtained from the City Engineers office, City Hall, 17 South 8<sup>th</sup> Street, PO Box 910, Miles City, MT, 59301 (phone 406-234-3493).

Sealed envelopes containing bids must be plainly marked in the lower left corner and marked **“BID FOR PAVING MAINTENANCE DISTRICT #204.”** Bids should be addressed to: City of Miles City, ATTN: Public Works Director, 17 South 8<sup>th</sup> Street, PO Box 910, Miles City, MT 59301.

The City reserves the right to waive informalities which are not inconsistent with law and to reject any or all bids. Bids must be on the forms and according to the bid instructions provided by the City. Bids cannot be withdrawn for 45 days after the actual date of the opening.

The City also reserves the right to negotiate with the lowest responsible bidder in the event all bids exceed the project budget and to award a negotiated contract to the lowest responsive bidder without further competitive bidding.

All bidders shall abide by State and Federal laws pertaining to wage rates and insurance requirements.

#### **BID SECURITY**

Bid security in the amount of ten percent (10%) of the bid must accompany each bid in accordance with the Instructions to Bidders. The Contractor shall comply with all fair labor practices and the state statutes. No bidder may withdraw his bid for at least 45 days after the scheduled time for receipt of bids.

Bid security shall be made payable to the CITY OF MILES CITY in an amount of not less than ten percent of the Bidders Maximum bid price for each Bid schedule and in the form of one of the Following: (1) lawful monies of the United States, (2) a cashiers check, certified check, bank money order, or bank draft drawn and issued by a national banking association located in the State of Montana, or by any banking corporation incorporated under the laws of the State of Montana, or (3) a bid bond or bonds executed by the surety corporation authorized to do business in the State of Montana.

The Bid Security of the Successful Bidder will be retained until such Bidder has executed the Agreement, whereupon the Successful Bidder will be required to furnish Owner a contract. If the Successful Bidder fails to execute and deliver the Agreement within 15 days of the Notice of Award, OWNER may annul the Notice of Award and the Bid Security of that Bidder will be forfeited.

Award may then be made to the next lowest responsible and qualified bidder or may be re-advertised, as the OWNER may decide. The Bid Security of any Bidder whom OWNER believes to have a reasonable chance of receiving the award may be retained by OWNER until the Seventh day after the “effective date of the Agreement” or the forty-first day after the Bid opening whichever occurs first. Bid Security of other Bidders will be returned within fourteen days of the Bid opening. After contract is awarded, the successful bidder will be required to furnish a performance bond in the amount of one hundred percent (100%) of the contract.

Samantha Malcnovsky  
Public Works Director  
Engineering & Operations



## INFORMATION FOR BIDDERS

### 1. PROPOSALS

a. **FORM.** Each proposal shall be made on a form prepared by the Public Works Department and included as one of the contract documents. Proposals shall be submitted in a sealed envelope bearing the title of the work, and name and address of the bidder.

The proposal forms are included in this bound volume of contract documents. Neither the proposal nor any other papers bound therein or attached hereto shall be detached.

The blank spaces in the form must be filled in correctly for each item and the bidder must state the prices (written both in words and numerals) for which be proposed to do each item of work contemplated. All proposals must be totaled and in cases of errors or discrepancies, the unit prices or lump sum prices written in words shall govern.

Each proposal must be signed in ink and display the name and address of the Bidder in the blank spaces provided. If the proposal is made by a firm or partnership, the name and address of the firm or partnership shall be shown, together with the names and addresses of the members. If the proposal is made by a corporation, it must be signed in the name of such corporation by an official who is authorized to bind the bidder.

Any bid not displaying the above mentioned information will be considered incomplete and will not be read.

b. **MODIFICATIONS.** No alteration in the proposals or in the printed forms will be permitted by erasures or interlineations. Alternate proposals will not be considered unless called for. Oral proposals or modifications will not be considered. Proposals carrying riders or qualifications may be rejected as irregular.

c. **EXAMINATION OF CONTRACT DOCUMENTS AND VISIT TO SITE.** Before submitting a proposals, bidders shall carefully examine the drawings, read the specifications and the other contract documents, shall visit the site work, and shall fully inform themselves as to all existing conditions and limitations, and shall include in his/her bid as set forth on the proposal and sum to cover the cost of all work covered by the contract documents.

d. **DELIVERY OF PROPOSALS.** Proposals shall be delivered by the time and to the place stipulated in the "Advertisement for Bids". It is the sole responsibility of the Bidder to see that this proposal is received in proper time. Any proposal received after the scheduled closing time for receipt of proposals shall be returned to Bidder unopened.

e. **WITHDRAWAL.** Any Bidder may withdraw his proposal, either personally or by telegraphic or written request, at any time prior to the scheduled closing time for receipt of proposals.

f. OPENING. Proposals will be opened and publicly read aloud at the time and place set forth in the "Advertisement for Bids".

g. AWARD OR REJECTION. The contract will be awarded to the lowest and/or best qualified responsible Bidder complying with these instructions and with the Advertisement for Bids. The Owner reserves the right to reject any or all proposals or to waive any formality or technicality in any proposal in the interest of the Owner. No Bidder may withdraw his proposal for a period of 45 days after the date of opening thereof.

## 2. INTERPRETATION OF DOCUMENTS.

If any person contemplating submitting a proposal is in doubt as to the true meaning of any part of the drawings, specifications or other contract documents, or finds discrepancies in or omissions from the drawings or specifications, he may submit to the Public Works Department a written request for an interpretation or correction thereof. The person submitting the request will be responsible for its prompt delivery. Any interpretation or correction of the documents will be made only by addendum duly issued and copy of the addendum will be mailed or delivered to each person receiving a set of the contract documents.

## 3. ADDENDA.

Any addenda issued during the time of bidding, or forming a part of the contract documents loaned to the Bidder for the preparation of his/her proposal, shall be covered in the proposal and shall be made a part of the contract. Receipt of each addendum shall be acknowledged in the proposal. Any bid in which all issued addenda are not acknowledged will be considered incomplete and will not be read.

## 4. BIDDERS INTERESTED IN MORE THAN ONE PROPOSAL.

No person, firm or corporation shall be allowed to make, file or to be interested in more than one proposal for the same work, unless alternate proposals are called for. A person, firm or corporation who has submitted a subproposal to a Bidder, or who has quoted prices on materials to a Bidder, is not hereby disqualified from submitting a subproposal for quoting prices to other bidders.

## 5. PROPOSAL GUARANTY.

Each proposal shall be accompanied by a proposal guarantee acceptable to the Owner, in the amount and form specified in the "Advertisement for Bids" payable without conditions to the Owner as a guaranty that the Bidder, if awarded the contract, will promptly execute the agreement in accordance with the proposal and the other contract documents, and will furnish good and sufficient bond for the faithful performance of the same and for the payment to all persons supplying labor and material for the work. The proposal guarantees of all Bidders, except the three lowest, will be returned promptly after the canvass of proposals.

6. PERFORMANCE AND PAYMENT BOND.

The successful Bidder, simultaneously with the execution of the contract, will be required to furnish a faithful Performance and Payment Bond or separate Performance and Payment Bond in an amount specified in the Advertisement to Bids. Said bond or bonds shall be secured from a surety company satisfactory to the Owner. The form of the bonds the successful bidder will be required to execute are included in the contract documents. The executed bond shall be accompanied by a "Power of Attorney".

7. QUALIFICATION OF BIDDERS.

Bidders will be required to submit satisfactory evidence that they have practical knowledge of the particular work bid upon, and that they have the necessary financial resources to complete the proposed work. In awarding the contract, due consideration will be given to the present ability, reliability, and general reputation of each of the bidders.

Each bidder must show that former work performed by him has been handled in such a manner that there are no just or proper claims against such work.

No bidder will be acceptable if he is engaged on any other work which impairs his ability to finance this contract or provide proper equipment for the proper execution of the same.

8. PRE-AWARD CONFERENCE.

The bidder submitting what appears to be the best bid will be required to meet with the Owner and the Public Works Department prior to the award of the contract for the purpose of discussing pertinent details pertaining to the proposed work. The following points will be considered in particular:

- a. The Contractor's organization and equipment available for the work.
- b. The Contractor's proposed schedule of operations.
- c. The interpretation of the specifications.
- d. The Contractor's previous experience in work of this type.

Should the conference indicate that the Contractor does not appear to be in a position to properly undertake the work, or that he has not properly familiarized himself with the plans and specifications, the Owner reserves the right to reject the bid of this Contractor, and to consider the next bidder.

9. FEE REQUIREMENTS.

The Bidder's attention is also directed to House Bill No. 530, Chapter No. 195, Montana Session Laws of 1967, enacted by the Fortieth Session of the Legislative Assembly of the State of Montana. Under the provisions of this law, each public contractor shall pay to the state, in addition to license application fees, a sum equal to one percent (1%) of the gross receipts from all public contracts in excess of one thousand dollars (\$1000). A public contractor within the

meaning of this act shall include any individual, firm, co-partnership, association, corporation, or other group or combination acting as a unit, who submits a proposal to or enters into a contract for performing public construction work in the state, with the Federal Government, State of Montana, or with any Board, Commission or Department thereof, or with any Board of County Commissioners, City or Town Council, or with any agency thereof, or with any other public Board, Body, Commission or Agency, authorized to let or award contracts for any public work. The term "Public Contractor" also include subcontractors.

The Owner shall withhold, in addition to other amounts provided in the specifications, one percent (1%) of all moneys due to the Contractor and shall transmit such moneys to the State Board of Equalization. Prime contractors shall be responsible for withholding one percent (1%) of all monies due to subcontractors for work performed under contracts for public work, and shall transmit such monies to the State Board of Equalization.

Additional information pertaining to license requirements and license fees may be obtained from the Montana State Board of Equalization, State Capitol Building, Helena, Montana.

10. INDUSTRIAL ACCIDENT INSURANCE.

The Contractor's attention is called to the Industrial Accident Insurance laws in force in Montana and to the responsibility of the Owner for the collection of premiums thereunder. His compliance with said laws is required, and shall relieve the Owner of any responsibility for the payment of premiums thereunder, and shall furnish the Owner with satisfactory evidence showing that all premiums arising from this contract have been paid before payment is made on the final estimate.

11. PREFERENCE OF MONTANA LABOR AND WAGE RATES.

In accordance with Montana law on contracts for state, county, municipal, school construction, heavy highway or municipal construction, repair or maintenance work under any of the laws of the state, the Contractor shall give preference to the employment bona fide Montana residents in the performance of said contract, and shall further pay the standard prevailing rate of wages in effect as paid in the county in which the work is being performed. On all contracts for work on heavy highway or municipal construction other than building construction, and on all projects with Federal funds, the minimum wage rates shall be as listed elsewhere in the contract documents.

12. PREFERENCE FOR MONTANA CONTRACTORS, PRODUCTS AND MATERIALS.

In accordance with the provisions of Montana Law (Section 82-1924, RCM 1947), a preference of three percent (3%) will be given to the lowest responsible bidder who is a resident of the State of Montana over a non-resident bidder. This preference applies to Federal Aid projects unless specifically prohibited by Federal Laws and Regulations.

Products manufactured or produced in this State by Montana industry and labor shall be preferred for use in all projects and in all materials, supplies and equipment, if such products,

materials and equipment are comparable in price and quality. Further, wherever possible, products manufactured and produced in this state which are suitable substitutes for products manufactured or produced outside the state and comparable in price, quality and performance shall be preferred for use in this project.

13. NONDISCRIMINATION IN EMPLOYMENT - FEDERAL AID PROJECTS.

In accordance with Federal laws, contracts for work under this proposal will obligate the Contractors and subcontractors not to discriminate in employment practices.

Bidders must complete the signed statement in the proposal as to whether they have previously performed work subject to the President's Executive Order No. 10925 as amended by Executive Order No. 11114 or Executive Order No. 11246.

## SPECIFICATIONS

This contract consists of the following:

- 1) Overlaying portions of S. Montana Ave. and Roosevelt in Maintenance District 204 and compacting in place an average of 2" thickness of bituminous plant mix surfacing.
- 2) Milling will be required along the sides of the streets, next to the curb and any valley pans or ADA aprons. Millings will be approximately 6 feet from curb line and 20 feet from valley pans or tie in to existing asphalt.
- 3) Leveling Course may be required if street allows to prepare street correctly for smooth paving.
- 4) Cleaning, Sweeping and any additional prep work may need to be performed by Contractor, depending on availability of City personnel.
- 3) Work cannot start on Roosevelt until June 1<sup>st</sup>, 2026.
- 4) Asphalt shall be pg 58-28 or pg 64-22 penetration, 5 ½ to 6.0% oil or asphalt similar to or otherwise approved by the City Public Works Office.
- 5) All overlay areas shall be sprayed with SS-1 emulsified asphalt tack oil prior to overlaying.
- 6) Aggregate gradation shall meet the Dept. of Highways grade B requirements unless otherwise approved by the City Public Works Office.
- 7) Traffic control and street cleaning prior to paving shall be the responsibility of the City of Miles City.
- 8) It is highly recommended the equipment be equipped with automatic screed controls with sensors capable of sensing grade from an outside reference line, sensing the transverse slope of the screed and providing the automatic signals that operate the screed to maintain grade and transverse slope.
- 9) It shall be understood by the Contractor, that the total QUANTITIES called for HEREIN ARE approximate and the Contractor will be paid BASED ON tons of asphalt in place.

All construction under this project including lying, rolling, compacting, etc., shall conform to the standard specifications for road and bridge construction adopted by the Montana Dept. of Highways and the Montana Highway Commission. Any deviation from these standards must be approved by the CITY PUBLIC WORKS OFFICE. All contractors are required to use only tax paid fuel on this project. If dyed fuel is used on the project the contractor is required to complete a Fuel Declaration Form available from the Montana Department of Transportation.

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the controlling Laws and Regulations.

**STANDARD GENERAL CONDITIONS  
OF THE CONSTRUCTION CONTRACT**

Prepared By



Endorsed By



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## **GUIDELINES FOR USE OF EJCDC® C-700, STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT**

### **1.0 PURPOSE AND INTENDED USE OF THE DOCUMENT**

EJCDC® C-700, Standard General Conditions of the Construction Contract (2018), is the foundation document for the EJCDC Construction Series. The General Conditions define the basic rights, responsibilities, risk allocations, and contractual relationship of the Owner and Contractor, and establish how the Contract is to be administered.

### **2.0 OTHER DOCUMENTS**

EJCDC documents are intended to be used as a system and changes in one EJCDC document may require a corresponding change in other documents. Other EJCDC documents may also serve as a reference to provide insight or guidance for the preparation of this document.

These General Conditions have been prepared for use with either EJCDC® C-520, Agreement Between Owner and Contractor for Construction Contract (Stipulated Price), or EJCDC® C-525, Agreement Between Owner and Contractor for Construction Contract (Cost-Plus-Fee) (2018 Editions). The provisions of the General Conditions and the Agreement are interrelated, and a change in one may necessitate a change in the other.

To prepare supplementary conditions that are coordinated with the General Conditions, use EJCDC® C-800, Supplementary Conditions of the Construction Contract (2018).

The full EJCDC Construction series of documents is discussed in the EJCDC® C-001, Commentary on the 2018 EJCDC Construction Documents (2018).

### **3.0 ORGANIZATION OF INFORMATION**

All parties involved in a construction project benefit significantly from a standardized approach in the location of subject matter throughout the documents. Experience confirms the danger of addressing the same subject matter in more than one location; doing so frequently leads to confusion and unanticipated legal consequences. Careful attention should be given to the guidance provided in EJCDC® N-122/AIA® A521, Uniform Location of Subject Matter (2012 Edition) when preparing documents. EJCDC® N-122/AIA® A521 is available at no charge from the EJCDC website, [www.ejcdc.org](http://www.ejcdc.org), and from the websites of EJCDC's sponsoring organizations.

If CSI MasterFormat™ is used for organizing the Project Manual, consult CSI MasterFormat™ for the appropriate document number (e.g., under 00 11 00, Advertisements and Invitations), and accordingly number the document and its pages.

### **4.0 EDITING THIS DOCUMENT**

Remove these Guidelines for Use. Some users may also prefer to remove the two cover pages.

Although it is permissible to revise the Standard EJCDC Text of C-700 (the content beginning at page 1 and continuing to the end), it is common practice to leave the Standard EJCDC Text of C-700 intact and unaltered, with modifications and supplementation of C-700's provisions set forth in EJCDC® C-800, Supplementary Conditions of the Construction Contract (2018). If the Standard Text itself is revised, the

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EJCDC® C-700, Standard General Conditions of the Construction Contract.

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Guidelines Page 1 of 2

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# STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

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## STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT

### ARTICLE 1—DEFINITIONS AND TERMINOLOGY

#### 1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents, a term printed with initial capital letters, including the term's singular and plural forms, will have the meaning indicated in the definitions below. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda*—Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
  2. *Agreement*—The written instrument, executed by Owner and Contractor, that sets forth the Contract Price and Contract Times, identifies the parties and the Engineer, and designates the specific items that are Contract Documents.
  3. *Application for Payment*—The document prepared by Contractor, in a form acceptable to Engineer, to request progress or final payments, and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
  4. *Bid*—The offer of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
  5. *Bidder*—An individual or entity that submits a Bid to Owner.
  6. *Bidding Documents*—The Bidding Requirements, the proposed Contract Documents, and all Addenda.
  7. *Bidding Requirements*—The Advertisement or invitation to bid, Instructions to Bidders, Bid Bond or other Bid security, if any, the Bid Form, and the Bid with any attachments.
  8. *Change Order*—A document which is signed by Contractor and Owner and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, or other revision to the Contract, issued on or after the Effective Date of the Contract.
  9. *Change Proposal*—A written request by Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment in Contract Price or Contract Times; contesting an initial decision by Engineer concerning the requirements of the Contract Documents or the acceptability of Work under the Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Contract.
  10. *Claim*
    - a. A demand or assertion by Owner directly to Contractor, duly submitted in compliance with the procedural requirements set forth herein, seeking an adjustment of Contract Price or Contract Times; contesting an initial decision by Engineer concerning the

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requirements of the Contract Documents or the acceptability of Work under the Contract Documents; contesting Engineer's decision regarding a Change Proposal; seeking resolution of a contractual issue that Engineer has declined to address; or seeking other relief with respect to the terms of the Contract.

- b. A demand or assertion by Contractor directly to Owner, duly submitted in compliance with the procedural requirements set forth herein, contesting Engineer's decision regarding a Change Proposal, or seeking resolution of a contractual issue that Engineer has declined to address.
  - c. A demand or assertion by Owner or Contractor, duly submitted in compliance with the procedural requirements set forth herein, made pursuant to Paragraph 12.01.A.4, concerning disputes arising after Engineer has issued a recommendation of final payment.
  - d. A demand for money or services by a third party is not a Claim.
11. *Constituent of Concern*—Asbestos, petroleum, radioactive materials, polychlorinated biphenyls (PCBs), lead-based paint (as defined by the HUD/EPA standard), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to Laws and Regulations regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.
  12. *Contract*—The entire and integrated written contract between Owner and Contractor concerning the Work.
  13. *Contract Documents*—Those items so designated in the Agreement, and which together comprise the Contract.
  14. *Contract Price*—The money that Owner has agreed to pay Contractor for completion of the Work in accordance with the Contract Documents.
  15. *Contract Times*—The number of days or the dates by which Contractor shall: (a) achieve Milestones, if any; (b) achieve Substantial Completion; and (c) complete the Work.
  16. *Contractor*—The individual or entity with which Owner has contracted for performance of the Work.
  17. *Cost of the Work*—See Paragraph 13.01 for definition.
  18. *Drawings*—The part of the Contract that graphically shows the scope, extent, and character of the Work to be performed by Contractor.
  19. *Effective Date of the Contract*—The date, indicated in the Agreement, on which the Contract becomes effective.
  20. *Electronic Document*—Any Project-related correspondence, attachments to correspondence, data, documents, drawings, information, or graphics, including but not limited to Shop Drawings and other Submittals, that are in an electronic or digital format.
  21. *Electronic Means*—Electronic mail (email), upload/download from a secure Project website, or other communications methods that allow: (a) the transmission or communication of Electronic Documents; (b) the documentation of transmissions, including sending and receipt; (c) printing of the transmitted Electronic Document by the

recipient; (d) the storage and archiving of the Electronic Document by sender and recipient; and (e) the use by recipient of the Electronic Document for purposes permitted by this Contract. Electronic Means does not include the use of text messaging, or of Facebook, Twitter, Instagram, or similar social media services for transmission of Electronic Documents.

22. *Engineer*—The individual or entity named as such in the Agreement.
23. *Field Order*—A written order issued by Engineer which requires minor changes in the Work but does not change the Contract Price or the Contract Times.
24. *Hazardous Environmental Condition*—The presence at the Site of Constituents of Concern in such quantities or circumstances that may present a danger to persons or property exposed thereto.
  - a. The presence at the Site of materials that are necessary for the execution of the Work, or that are to be incorporated into the Work, and that are controlled and contained pursuant to industry practices, Laws and Regulations, and the requirements of the Contract, is not a Hazardous Environmental Condition.
  - b. The presence of Constituents of Concern that are to be removed or remediated as part of the Work is not a Hazardous Environmental Condition.
  - c. The presence of Constituents of Concern as part of the routine, anticipated, and obvious working conditions at the Site, is not a Hazardous Environmental Condition.
25. *Laws and Regulations; Laws or Regulations*—Any and all applicable laws, statutes, rules, regulations, ordinances, codes, and binding decrees, resolutions, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
26. *Liens*—Charges, security interests, or encumbrances upon Contract-related funds, real property, or personal property.
27. *Milestone*—A principal event in the performance of the Work that the Contract requires Contractor to achieve by an intermediate completion date, or by a time prior to Substantial Completion of all the Work.
28. *Notice of Award*—The written notice by Owner to a Bidder of Owner's acceptance of the Bid.
29. *Notice to Proceed*—A written notice by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work.
30. *Owner*—The individual or entity with which Contractor has contracted regarding the Work, and which has agreed to pay Contractor for the performance of the Work, pursuant to the terms of the Contract.
31. *Progress Schedule*—A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising Contractor's plan to accomplish the Work within the Contract Times.
  - a. Critical Path- a path that connects the interdependent tasks in a project which are required to be completed for subsequent work to start and for a project to be completed

or a path which connects the tasks which take the greatest amount of time for completion, and which provides an estimate of the duration of the entire project.

32. *Project*—The total undertaking to be accomplished for Owner by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the Work to be performed under the Contract Documents is a part.
33. *Resident Project Representative*—The authorized representative of Engineer assigned to assist Engineer at the Site. As used herein, the term Resident Project Representative (RPR) includes any assistants or field staff of Resident Project Representative.
34. *Samples*—Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and that establish the standards by which such portion of the Work will be judged.
35. *Schedule of Submittals*—A schedule, prepared and maintained by Contractor, of required submittals and the time requirements for Engineer's review of the submittals.
36. *Schedule of Values*—A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor's Applications for Payment.
37. *Shop Drawings*—All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Contract Documents.
38. *Site*—Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements, and such other lands or areas furnished by Owner which are designated for the use of Contractor.
39. *Specifications*—The part of the Contract that consists of written requirements for materials, equipment, systems, standards, and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable to the Work.
40. *Subcontractor*—An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work.
41. *Submittal*—A written or graphic document, prepared by or for Contractor, which the Contract Documents require Contractor to submit to Engineer, or that is indicated as a Submittal in the Schedule of Submittals accepted by Engineer. Submittals may include Shop Drawings and Samples; schedules; product data; Owner-delegated designs; sustainable design information; information on special procedures; testing plans; results of tests and evaluations, source quality-control testing and inspections, and field or Site quality-control testing and inspections; warranties and certifications; Suppliers' instructions and reports; records of delivery of spare parts and tools; operations and maintenance data; Project photographic documentation; record documents; and other such documents required by the Contract Documents. Submittals, whether or not approved or accepted by Engineer, are not Contract Documents. Change Proposals, Change Orders, Claims, notices, Applications for Payment, and requests for interpretation or clarification are not Submittals.

42. *Substantial Completion*—The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion of such Work.
43. *Successful Bidder*—The Bidder to which the Owner makes an award of contract.
44. *Supplementary Conditions*—The part of the Contract that amends or supplements these General Conditions.
45. *Supplier*—A manufacturer, fabricator, supplier, distributor, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or a Subcontractor.
46. *Technical Data*
- a. Those items expressly identified as Technical Data in the Supplementary Conditions, with respect to either (1) existing subsurface conditions at or adjacent to the Site, or existing physical conditions at or adjacent to the Site including existing surface or subsurface structures (except Underground Facilities) or (2) Hazardous Environmental Conditions at the Site.
  - b. If no such express identifications of Technical Data have been made with respect to conditions at the Site, then Technical Data is defined, with respect to conditions at the Site under Paragraphs 5.03, 5.04, and 5.06, as the data contained in boring logs, recorded measurements of subsurface water levels, assessments of the condition of subsurface facilities, laboratory test results, and other factual, objective information regarding conditions at the Site that are set forth in any geotechnical, environmental, or other Site or facilities conditions report prepared for the Project and made available to Contractor.
  - c. Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as Technical Data, and instead Underground Facilities are shown or indicated on the Drawings.
47. *Underground Facilities*—All active or not-in-service underground lines, pipelines, conduits, ducts, encasements, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or systems at the Site, including but not limited to those facilities or systems that produce, transmit, distribute, or convey telephone or other communications, cable television, fiber optic transmissions, power, electricity, light, heat, gases, oil, crude oil products, liquid petroleum products, water, steam, waste, wastewater, storm water, other liquids or chemicals, or traffic or other control systems. An abandoned facility or system is not an Underground Facility.
48. *Unit Price Work*—Work to be paid for on the basis of unit prices.
49. *Work*—The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment

into such construction; and may include related parts, connections, utilities, and services such as testing, start-up, and commissioning, all as required by the Contract Documents.

50. *Work Change Directive*—A written directive to Contractor issued on or after the Effective Date of the Contract, signed by Owner and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

## 1.02 Terminology

- A. The words and terms discussed in Paragraphs 1.02.B, C, D, and E are not defined terms that require initial capital letters, but, when used in the Bidding Requirements or Contract Documents, have the indicated meaning.
- B. *Intent of Certain Terms or Adjectives*: The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action, or determination will be solely to evaluate, in general, the Work for compliance with the information in the Contract Documents and with the design concept of the Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility contrary to the provisions of Article 10 or any other provision of the Contract Documents.
- C. *Day*: The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.
- D. *Defective*: The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
1. does not conform to the Contract Documents;
  2. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents; or
  3. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 15.03 or Paragraph 15.04).
- E. *Furnish, Install, Perform, Provide*
1. The word “furnish,” when used in connection with services, materials, or equipment, means to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
  2. The word “install,” when used in connection with services, materials, or equipment, means to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
  3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, means to furnish and install said services, materials, or equipment complete and ready for intended use.

4. If the Contract Documents establish an obligation of Contractor with respect to specific services, materials, or equipment, but do not expressly use any of the four words “furnish,” “install,” “perform,” or “provide,” then Contractor shall furnish and install said services, materials, or equipment complete and ready for intended use.
- F. *Contract Price or Contract Times*: References to a change in “Contract Price or Contract Times” or “Contract Times or Contract Price” or similar, indicate that such change applies to (1) Contract Price, (2) Contract Times, or (3) both Contract Price and Contract Times, as warranted, even if the term “or both” is not expressed.
- G. Unless stated otherwise in the Contract Documents, words or phrases that have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

## ARTICLE 2—PRELIMINARY MATTERS

### 2.01 *Delivery of Performance and Payment Bonds; Evidence of Insurance*

- A. *Performance and Payment Bonds*: When Contractor delivers the signed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner the performance bond and payment bond (if the Contract requires Contractor to furnish such bonds).
- B. *Evidence of Contractor’s Insurance*: When Contractor delivers the signed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner, with copies to each additional insured (as identified in the Contract), the certificates, endorsements, and other evidence of insurance required to be provided by Contractor in accordance with Article 6, except to the extent the Supplementary Conditions expressly establish other dates for delivery of specific insurance policies.
- C. *Evidence of Owner’s Insurance*: After receipt of the signed counterparts of the Agreement and all required bonds and insurance documentation, Owner shall promptly deliver to Contractor, with copies to each additional insured (as identified in the Contract), the certificates and other evidence of insurance required to be provided by Owner under Article 6.

### 2.02 *Copies of Documents*

- A. Owner shall furnish to Contractor four printed copies of the Contract (including one fully signed counterpart of the Agreement), and one copy in electronic portable document format (PDF). Additional printed copies will be furnished upon request at the cost of reproduction.
- B. Owner shall maintain and safeguard at least one original printed record version of the Contract, including Drawings and Specifications signed and sealed by Engineer and other design professionals. Owner shall make such original printed record version of the Contract available to Contractor for review. Owner may delegate the responsibilities under this provision to Engineer.

### 2.03 *Before Starting Construction*

- A. *Preliminary Schedules:* Within 10 days after the Effective Date of the Contract (or as otherwise required by the Contract Documents) and prior to Notice To Proceed, Contractor shall submit to Engineer for timely review:
1. a preliminary Progress Schedule indicating the times (numbers of days or dates) for starting and completing the various stages of the Work, including any Milestones specified in the Contract, and the related Critical Path;
  2. a preliminary Schedule of Submittals; and
  3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

### 2.04 *Preconstruction Conference; Designation of Authorized Representatives*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, and others as appropriate will be held to establish a working understanding among the parties as to the Work, and to discuss the schedules referred to in Paragraph 2.03.A, procedures for handling Shop Drawings, Samples, and other Submittals, processing Applications for Payment, electronic or digital transmittals, and maintaining required records.
- B. At this conference Owner and Contractor each shall designate, in writing, a specific individual to act as its authorized representative with respect to the services and responsibilities under the Contract. Such individuals shall have the authority to transmit and receive information, render decisions relative to the Contract, and otherwise act on behalf of each respective party.

### 2.05 *Acceptance of Schedules*

- A. At least 10 days before submission of the first and every following Application for Payment a conference, attended by Contractor, Engineer, and others as appropriate, will be held to review the schedules submitted in accordance with Paragraph 2.03.A. No progress payment will be made to Contractor until acceptable schedules are submitted to Engineer.
1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times and denoting the Critical Path. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work, nor interfere with or relieve Contractor from Contractor's full responsibility therefor.
  2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
  3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to the component parts of the Work.
  4. If a schedule is not acceptable, Contractor will have an additional 10 days to revise and resubmit the schedule.

2.06 *Electronic Transmittals*

- A. Except as otherwise stated elsewhere in the Contract, the Owner, Engineer, and Contractor may send, and shall accept, Electronic Documents transmitted by Electronic Means.
- B. If the Contract does not establish protocols for Electronic Means, then Owner, Engineer, and Contractor shall jointly develop such protocols.
- C. Subject to any governing protocols for Electronic Means, when transmitting Electronic Documents by Electronic Means, the transmitting party makes no representations as to long-term compatibility, usability, or readability of the Electronic Documents resulting from the recipient's use of software application packages, operating systems, or computer hardware differing from those used in the drafting or transmittal of the Electronic Documents.

**ARTICLE 3—CONTRACT DOCUMENTS: INTENT, REQUIREMENTS, REUSE**

3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one Contract Document is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents.
- C. Unless otherwise stated in the Contract Documents, if there is a discrepancy between the electronic versions of the Contract Documents (including any printed copies derived from such electronic versions) and the printed record version, the printed record version will govern.
- D. The Contract supersedes prior negotiations, representations, and agreements, whether written or oral.
- E. Engineer will issue clarifications and interpretations of the Contract Documents as provided herein.
- F. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation will be deemed stricken, and all remaining provisions will continue to be valid and binding upon Owner and Contractor, which agree that the Contract Documents will be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- G. Nothing in the Contract Documents creates:
  - 1. any contractual relationship between Owner or Engineer and any Subcontractor, Supplier, or other individual or entity performing or furnishing any of the Work, for the benefit of such Subcontractor, Supplier, or other individual or entity; or
  - 2. any obligation on the part of Owner or Engineer to pay or to see to the payment of any money due any such Subcontractor, Supplier, or other individual or entity, except as may otherwise be required by Laws and Regulations.

### 3.02 *Reference Standards*

#### A. *Standards Specifications, Codes, Laws and Regulations*

1. Reference in the Contract Documents to standard specifications, manuals, reference standards, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, means the standard specification, manual, reference standard, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Contract if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
2. No provision of any such standard specification, manual, reference standard, or code, and no instruction of a Supplier, will be effective to change the duties or responsibilities of Owner, Contractor, or Engineer from those set forth in the part of the Contract Documents prepared by or for Engineer. No such provision or instruction shall be effective to assign to Owner or Engineer any duty or authority to supervise or direct the performance of the Work, or any duty or authority to undertake responsibility inconsistent with the provisions of the part of the Contract Documents prepared by or for Engineer.

### 3.03 *Reporting and Resolving Discrepancies*

#### A. *Reporting Discrepancies*

1. *Contractor's Verification of Figures and Field Measurements:* Before undertaking each part of the Work, Contractor shall carefully study the Contract Documents, and check and verify pertinent figures and dimensions therein, particularly with respect to applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy that Contractor discovers, or has actual knowledge of, and shall not proceed with any Work affected thereby until the conflict, error, ambiguity, or discrepancy is resolved by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.
2. *Contractor's Review of Contract Documents:* If, before or during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents, or between the Contract Documents and (a) any applicable Law or Regulation, (b) actual field conditions, (c) any standard specification, manual, reference standard, or code, or (d) any instruction of any Supplier, then Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 7.15) until the conflict, error, ambiguity, or discrepancy is resolved, by a clarification or interpretation by Engineer, or by an amendment or supplement to the Contract issued pursuant to Paragraph 11.01.
3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor had actual knowledge thereof.

#### B. *Resolving Discrepancies*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the part of the Contract Documents prepared by or for Engineer take precedence in

resolving any conflict, error, ambiguity, or discrepancy between such provisions of the Contract Documents and:

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

#### 3.04 *Requirements of the Contract Documents*

- A. During the performance of the Work and until final payment, Contractor and Owner shall submit to the Engineer in writing all matters in question concerning the requirements of the Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Contract Documents, as soon as possible after such matters arise. Engineer will be the initial interpreter of the requirements of the Contract Documents, and judge of the acceptability of the Work.
- B. Engineer will, with reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or initiate an amendment or supplement to the Contract Documents. Engineer's written clarification, interpretation, or decision will be final and binding on Contractor, unless it appeals by submitting a Change Proposal, and on Owner, unless it appeals by filing a Claim.
- C. If a submitted matter in question concerns terms and conditions of the Contract Documents that do not involve (1) the performance or acceptability of the Work under the Contract Documents, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, then Engineer will promptly notify Owner and Contractor in writing that Engineer is unable to provide a decision or interpretation. If Owner and Contractor are unable to agree on resolution of such a matter in question, either party may pursue resolution as provided in Article 12.

#### 3.05 *Reuse of Documents*

- A. Contractor and its Subcontractors and Suppliers shall not:
  1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or its consultants, including electronic media versions, or reuse any such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer; or
  2. have or acquire any title or ownership rights in any other Contract Documents, reuse any such Contract Documents for any purpose without Owner's express written consent, or violate any copyrights pertaining to such Contract Documents.
- B. The prohibitions of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein precludes Contractor from retaining copies of the Contract Documents for record purposes.

**ARTICLE 4—COMMENCEMENT AND PROGRESS OF THE WORK**4.01 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the 30th day after the Effective Date of the Contract or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Contract. In no event will the Contract Times commence to run later than the 60th day after the day of Bid opening or the 30th day after the Effective Date of the Contract, whichever date is earlier.

4.02 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work may be done at the Site prior to such date.

4.03 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

4.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.05 as it may be adjusted from time to time as provided below.
1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.05) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times.
  2. Proposed adjustments in the Progress Schedule that will change the Contract Times must be submitted in accordance with the requirements of Article 11.
- B. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work will be delayed or postponed pending resolution of any disputes or disagreements, or during any appeal process, except as permitted by Paragraph 16.04, or as Owner and Contractor may otherwise agree in writing.

4.05 *Delays in Contractor's Progress*

- A. If Owner, Engineer, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, as approved by Engineer and Owner.
- B. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delay, disruption, or interference caused by or within the control of Contractor. Delay, disruption,

and interference attributable to and within the control of a Subcontractor or Supplier shall be deemed to be within the control of Contractor.

- C. If Contractor's performance or progress is delayed, disrupted, or interfered with by unanticipated causes not the fault of and beyond the control of Owner, Contractor, and those for which they are responsible, then Contractor shall be entitled to an equitable adjustment in Contract Times. Such an adjustment will be Contractor's sole and exclusive remedy for the delays, disruption, and interference described in this paragraph. Causes of delay, disruption, or interference that may give rise to an adjustment in Contract Times under this paragraph include but are not limited to the following:
1. Severe and unavoidable natural catastrophes such as fires, floods, epidemics, and earthquakes;
  2. Abnormal weather conditions;
  3. Acts or failures to act of third-party utility owners or other third-party entities (other than those third-party utility owners or other third-party entities performing other work at or adjacent to the Site as arranged by or under contract with Owner, as contemplated in Article 8); and
  4. Acts of war or terrorism.
- D. Contractor's entitlement to an adjustment of Contract Times or Contract Price is limited as follows:
1. Contractor's entitlement to an adjustment of the Contract Times is conditioned only on the delay, disruption, or interference adversely affecting an activity on the Critical Path to completion of the Work, as of the time of the delay, disruption, or interference.
  2. Contractor shall not be entitled to an adjustment in Contract Price for any delay, disruption, or interference if such delay is concurrent with a delay, disruption, or interference caused by or within the control of Contractor. Such a concurrent delay by Contractor shall not preclude an adjustment of Contract Times to which Contractor is otherwise entitled.
  3. Adjustments of Contract Times or Contract Price are subject to the provisions of Article 11.
- E. Each Contractor request or Change Proposal seeking an increase in Contract Times or Contract Price must be supplemented by supporting data that sets forth in detail the following:
1. The circumstances that form the basis for the requested adjustment;
  2. The date upon which each cause of delay, disruption, or interference began to affect the progress of the Work;
  3. The date upon which each cause of delay, disruption, or interference ceased to affect the progress of the Work;
  4. The number of days' increase in Contract Times claimed as a consequence of each such cause of delay, disruption, or interference; and
  5. The impact on Contract Price, in accordance with the provisions of Paragraph 11.07.

Contractor shall also furnish such additional supporting documentation as Owner or Engineer may require including, where appropriate, a revised Critical Path progress schedule indicating all the activities affected by the delay, disruption, or interference, and an explanation of the effect of the delay, disruption, or interference on the Critical Path to completion of the Work.

- F. Delays, disruption, and interference to the performance or progress of the Work resulting from the existence of a differing subsurface or physical condition, an Underground Facility that was not shown or indicated by the Contract Documents, or not shown or indicated with reasonable accuracy, and those resulting from Hazardous Environmental Conditions, are governed by Article 5, together with the provisions of Paragraphs 4.05.D and 4.05.E.
- G. Paragraph 8.03 addresses delays, disruption, and interference to the performance or progress of the Work resulting from the performance of certain other work at or adjacent to the Site.

## **ARTICLE 5—SITE; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS**

### *5.01 Availability of Lands*

- A. Owner shall furnish the Site. Owner shall notify Contractor in writing of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work.
- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which permanent improvements are to be made and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

### *5.02 Use of Site and Other Areas*

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

1. Contractor shall confine construction equipment, temporary construction facilities, the storage of materials and equipment, and the operations of workers to the Site, adjacent areas that Contractor has arranged to use through construction easements or otherwise, and other adjacent areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and such other adjacent areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for (a) damage to the Site; (b) damage to any such other adjacent areas used for Contractor's operations; (c) damage to any other adjacent land or areas, or to improvements, structures, utilities, or similar facilities located at such adjacent lands or areas; and (d) for injuries and losses sustained by the owners or occupants of any such land or areas; provided that such damage or injuries result from the performance of the Work or from other actions or conduct of the Contractor or those for which Contractor is responsible.
2. If a damage or injury claim is made by the owner or occupant of any such land or area because of the performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible, Contractor shall (a) take immediate corrective or remedial action as required by Paragraph 7.13, or otherwise; (b) promptly attempt to settle the claim as to all parties through negotiations with such

owner or occupant, or otherwise resolve the claim by arbitration or other dispute resolution proceeding, or in a court of competent jurisdiction; and (c) to the fullest extent permitted by Laws and Regulations, indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from and against any such claim, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused directly or indirectly, in whole or in part by, or based upon, Contractor's performance of the Work, or because of other actions or conduct of the Contractor or those for which Contractor is responsible.

- B. *Removal of Debris During Performance of the Work:* During the progress of the Work the Contractor shall keep the Site and other adjacent areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris will conform to applicable Laws and Regulations.
- C. *Cleaning:* Prior to Substantial Completion of the Work Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site and adjacent areas all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.
- D. *Loading of Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent structures or land to stresses or pressures that will endanger them.

#### 5.03 *Subsurface and Physical Conditions*

- A. *Reports and Drawings:* The Supplementary Conditions identify:
  1. Those reports of explorations and tests of subsurface conditions at or adjacent to the Site that contain Technical Data;
  2. Those drawings of existing physical conditions at or adjacent to the Site, including those drawings depicting existing surface or subsurface structures at or adjacent to the Site (except Underground Facilities), that contain Technical Data; and
  3. Technical Data contained in such reports and drawings.
- B. *Underground Facilities:* Underground Facilities are shown or indicated on the Drawings, pursuant to Paragraph 5.05, and not in the drawings referred to in Paragraph 5.03.A. Information and data regarding the presence or location of Underground Facilities are not intended to be categorized, identified, or defined as Technical Data.
- C. *Reliance by Contractor on Technical Data:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely upon the accuracy of the Technical Data as defined in Paragraph 1.01.A.46.b.
- D. *Limitations of Other Data and Documents:* Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their

officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:

1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto;
2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings;
3. the contents of other Site-related documents made available to Contractor, such as record drawings from other projects at or adjacent to the Site, or Owner's archival documents concerning the Site; or
4. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions, or information.

5.04 *Differing Subsurface or Physical Conditions*

- A. *Notice by Contractor:* If Contractor believes that any subsurface or physical condition that is uncovered or revealed at the Site:
1. is of such a nature as to establish that any Technical Data on which Contractor is entitled to rely as provided in Paragraph 5.03 is materially inaccurate;
  2. is of such a nature as to require a change in the Drawings or Specifications;
  3. differs materially from that shown or indicated in the Contract Documents; or
  4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except with respect to an emergency) until receipt of a written statement permitting Contractor to do so.

- B. *Engineer's Review:* After receipt of written notice as required by the preceding paragraph, Engineer will promptly review the subsurface or physical condition in question; determine whether it is necessary for Owner to obtain additional exploration or tests with respect to the condition; conclude whether the condition falls within any one or more of the differing site condition categories in Paragraph 5.04.A; obtain any pertinent cost or schedule information from Contractor; prepare recommendations to Owner regarding the Contractor's resumption of Work in connection with the subsurface or physical condition in question and the need for any change in the Drawings or Specifications; and advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- C. *Owner's Statement to Contractor Regarding Site Condition:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the subsurface or physical condition in question, addressing the resumption of Work in connection with such condition, indicating

whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations, in whole or in part.

- D. *Early Resumption of Work:* If at any time Engineer determines that Work in connection with the subsurface or physical condition in question may resume prior to completion of Engineer's review or Owner's issuance of its statement to Contractor, because the condition in question has been adequately documented, and analyzed on a preliminary basis, then the Engineer may at its discretion instruct Contractor to resume such Work.
- E. *Possible Price and Times Adjustments*
1. Contractor shall be entitled to an equitable adjustment in Contract Price or Contract Times, to the extent that the existence of a differing subsurface or physical condition, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
    - a. Such condition must fall within any one or more of the categories described in Paragraph 5.04.A;
    - b. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03; and,
    - c. Contractor's entitlement to an adjustment of the Contract Times is subject to the provisions of Paragraphs 4.05.D and 4.05.E.
  2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times with respect to a subsurface or physical condition if:
    - a. Contractor knew of the existence of such condition at the time Contractor made a commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract, or otherwise;
    - b. The existence of such condition reasonably could have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas expressly required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor's making such commitment; or
    - c. Contractor failed to give the written notice required by Paragraph 5.04.A.
  3. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, then any such adjustment will be set forth in a Change Order.
  4. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the subsurface or physical condition in question.
- F. *Underground Facilities; Hazardous Environmental Conditions:* Paragraph 5.05 governs rights and responsibilities regarding the presence or location of Underground Facilities. Paragraph 5.06 governs rights and responsibilities regarding Hazardous Environmental Conditions. The provisions of Paragraphs 5.03 and 5.04 are not applicable to the presence or location of Underground Facilities, or to Hazardous Environmental Conditions.

## 5.05 *Underground Facilities*

- A. *Contractor's Responsibilities:* Unless it is otherwise expressly provided in the Supplementary Conditions, the cost of all of the following are included in the Contract Price, and Contractor shall have full responsibility for:
1. reviewing and checking all information and data regarding existing Underground Facilities at the Site;
  2. complying with applicable state and local utility damage prevention Laws and Regulations;
  3. verifying the actual location of those Underground Facilities shown or indicated in the Contract Documents as being within the area affected by the Work, by exposing such Underground Facilities during the course of construction;
  4. coordination of the Work with the owners (including Owner) of such Underground Facilities, during construction; and
  5. the safety and protection of all existing Underground Facilities at the Site, and repairing any damage thereto resulting from the Work.
- B. *Notice by Contractor:* If Contractor believes that an Underground Facility that is uncovered or revealed at the Site was not shown or indicated on the Drawings, or was not shown or indicated on the Drawings with reasonable accuracy, then Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 7.15), notify Owner and Engineer in writing regarding such Underground Facility.
- C. *Engineer's Review:* Engineer will:
1. promptly review the Underground Facility and conclude whether such Underground Facility was not shown or indicated on the Drawings, or was not shown or indicated with reasonable accuracy;
  2. identify and communicate with the owner of the Underground Facility; prepare recommendations to Owner (and if necessary issue any preliminary instructions to Contractor) regarding the Contractor's resumption of Work in connection with the Underground Facility in question;
  3. obtain any pertinent cost or schedule information from Contractor; determine the extent, if any, to which a change is required in the Drawings or Specifications to reflect and document the consequences of the existence or location of the Underground Facility; and
  4. advise Owner in writing of Engineer's findings, conclusions, and recommendations.
- During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.
- D. *Owner's Statement to Contractor Regarding Underground Facility:* After receipt of Engineer's written findings, conclusions, and recommendations, Owner shall issue a written statement to Contractor (with a copy to Engineer) regarding the Underground Facility in question addressing the resumption of Work in connection with such Underground Facility, indicating whether any change in the Drawings or Specifications will be made, and adopting or rejecting Engineer's written findings, conclusions, and recommendations in whole or in part.

E. *Early Resumption of Work*: If at any time Engineer determines that Work in connection with the Underground Facility may resume prior to completion of Engineer's review or Owner's issuance of its statement to Contractor, because the Underground Facility in question and conditions affected by its presence have been adequately documented, and analyzed on a preliminary basis, then the Engineer may at its discretion instruct Contractor to resume such Work.

F. *Possible Price and Times Adjustments*

1. Contractor shall be entitled to an equitable adjustment in the Contract Price or Contract Times, to the extent that any existing Underground Facility at the Site that was not shown or indicated on the Drawings, or was not shown or indicated with reasonable accuracy, or any related delay, disruption, or interference, causes an increase or decrease in Contractor's cost of, or time required for, performance of the Work; subject, however, to the following:
  - a. With respect to Work that is paid for on a unit price basis, any adjustment in Contract Price will be subject to the provisions of Paragraph 13.03;
  - b. Contractor's entitlement to an adjustment of the Contract Times is subject to the provisions of Paragraphs 4.05.D and 4.05.E; and
  - c. Contractor gave the notice required in Paragraph 5.05.B.
2. If Owner and Contractor agree regarding Contractor's entitlement to and the amount or extent of any adjustment in the Contract Price or Contract Times, then any such adjustment will be set forth in a Change Order.
3. Contractor may submit a Change Proposal regarding its entitlement to or the amount or extent of any adjustment in the Contract Price or Contract Times, no later than 30 days after Owner's issuance of the Owner's written statement to Contractor regarding the Underground Facility in question.
4. The information and data shown or indicated on the Drawings with respect to existing Underground Facilities at the Site is based on information and data (a) furnished by the owners of such Underground Facilities, or by others, (b) obtained from available records, or (c) gathered in an investigation conducted in accordance with the current edition of ASCE 38, Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data, by the American Society of Civil Engineers. If such information or data is incorrect or incomplete, Contractor's remedies are limited to those set forth in this Paragraph 5.05.F.

5.06 *Hazardous Environmental Conditions at Site*

A. *Reports and Drawings*: The Supplementary Conditions identify:

1. those reports known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site;
2. drawings known to Owner relating to Hazardous Environmental Conditions that have been identified at or adjacent to the Site; and
3. Technical Data contained in such reports and drawings.

- B. *Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the accuracy of the Technical Data expressly identified in the Supplementary Conditions with respect to such reports and drawings, but such reports and drawings are not Contract Documents. If no such express identification has been made, then Contractor may rely on the accuracy of the Technical Data as defined in Paragraph 1.01.A.46.b. Except for such reliance on Technical Data, Contractor may not rely upon or make any claim against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, with respect to:
1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto;
  2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
  3. any Contractor interpretation of or conclusion drawn from any Technical Data or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for removing or remediating any Hazardous Environmental Condition encountered, uncovered, or revealed at the Site unless such removal or remediation is expressly identified in the Contract Documents to be within the scope of the Work.
- D. Contractor shall be responsible for controlling, containing, and duly removing all Constituents of Concern brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible, and for any associated costs; and for the costs of removing and remediating any Hazardous Environmental Condition created by the presence of any such Constituents of Concern.
- E. If Contractor encounters, uncovers, or reveals a Hazardous Environmental Condition whose removal or remediation is not expressly identified in the Contract Documents as being within the scope of the Work, or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, then Contractor shall immediately: (1) secure or otherwise isolate such condition; (2) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 7.15); and (3) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any. Promptly after consulting with Engineer, Owner shall take such actions as are necessary to permit Owner to timely obtain required permits and provide Contractor the written notice required by Paragraph 5.06.F. If Contractor or anyone for whom Contractor is responsible created the Hazardous Environmental Condition in question, then Owner may remove and remediate the Hazardous Environmental Condition, and impose a set-off against payments to account for the associated costs.
- F. Contractor shall not resume Work in connection with such Hazardous Environmental Condition or in any affected area until after Owner has obtained any required permits related thereto, and delivered written notice to Contractor either (1) specifying that such condition

and any affected area is or has been rendered safe for the resumption of Work, or (2) specifying any special conditions under which such Work may be resumed safely.

- G. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, as a result of such Work stoppage, such special conditions under which Work is agreed to be resumed by Contractor, or any costs or expenses incurred in response to the Hazardous Environmental Condition, then within 30 days of Owner's written notice regarding the resumption of Work, Contractor may submit a Change Proposal, or Owner may impose a set-off. Entitlement to any such adjustment is subject to the provisions of Paragraphs 4.05.D, 4.05.E, 11.07, and 11.08.
- H. If, after receipt of such written notice, Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work, following the contractual change procedures in Article 11. Owner may have such deleted portion of the Work performed by Owner's own forces or others in accordance with Article 8.
- I. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court, arbitration, or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition (1) was not shown or indicated in the Drawings, Specifications, or other Contract Documents, identified as Technical Data entitled to limited reliance pursuant to Paragraph 5.06.B, or identified in the Contract Documents to be included within the scope of the Work, and (2) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.I obligates Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- J. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the failure to control, contain, or remove a Constituent of Concern brought to the Site by Contractor or by anyone for whom Contractor is responsible, or to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 5.06.J obligates Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- K. The provisions of Paragraphs 5.03, 5.04, and 5.05 do not apply to the presence of Constituents of Concern or to a Hazardous Environmental Condition uncovered or revealed at the Site.

## ARTICLE 6—BONDS AND INSURANCE

### 6.01 *Performance, Payment, and Other Bonds*

- A. Contractor shall furnish a performance bond and a payment bond, each in an amount at least equal to the Contract Price, as security for the faithful performance and payment of Contractor's obligations under the Contract. These bonds must remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 15.08, whichever is later, except as provided otherwise by Laws or Regulations, the terms of a prescribed bond form, the Supplementary Conditions, or other provisions of the Contract.
- B. Contractor shall also furnish such other bonds (if any) as are required by the Supplementary Conditions or other provisions of the Contract.
- C. All bonds must be in the form included in the Bidding Documents or otherwise specified by Owner prior to execution of the Contract, except as provided otherwise by Laws or Regulations, and must be issued and signed by a surety named in "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Department Circular 570 (as amended and supplemented) by the Bureau of the Fiscal Service, U.S. Department of the Treasury. A bond 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 must show that it is effective on the date the agent or attorney-in-fact signed the accompanying bond.
- D. Contractor shall obtain the required bonds from surety companies that are duly licensed or authorized, in the state or jurisdiction in which the Project is located, to issue bonds in the required amounts.
- E. If the surety on a bond furnished by Contractor is declared bankrupt or becomes insolvent, or the surety ceases to meet the requirements above, then Contractor shall promptly notify Owner and Engineer in writing and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which must comply with the bond and surety requirements above.
- F. If Contractor has failed to obtain a required bond, Owner may exclude the Contractor from the Site and exercise Owner's termination rights under Article 16.
- G. Upon request to Owner from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Owner shall provide a copy of the payment bond to such person or entity.
- H. Upon request to Contractor from any Subcontractor, Supplier, or other person or entity claiming to have furnished labor, services, materials, or equipment used in the performance of the Work, Contractor shall provide a copy of the payment bond to such person or entity.

### 6.02 *Insurance—General Provisions*

- A. Owner and Contractor shall obtain and maintain insurance as required in this article and in the Supplementary Conditions.
- B. All insurance required by the Contract to be purchased and maintained by Owner or Contractor shall be obtained from insurance companies that are duly licensed or authorized in the state or jurisdiction in which the Project is located to issue insurance policies for the

required limits and coverages. Unless a different standard is indicated in the Supplementary Conditions, all companies that provide insurance policies required under this Contract shall have an A.M. Best rating of A-VII or better.

- C. Alternative forms of insurance coverage, including but not limited to self-insurance and "Occupational Accident and Excess Employer's Indemnity Policies," are not sufficient to meet the insurance requirements of this Contract, unless expressly allowed in the Supplementary Conditions.
- D. Contractor shall deliver to Owner, with copies to each additional insured identified in the Contract, certificates of insurance and endorsements establishing that Contractor has obtained and is maintaining the policies and coverages required by the Contract. Upon request by Owner or any other insured, Contractor shall also furnish other evidence of such required insurance, including but not limited to copies of policies, documentation of applicable self-insured retentions (if allowed) and deductibles, full disclosure of all relevant exclusions, and evidence of insurance required to be purchased and maintained by Subcontractors or Suppliers. In any documentation furnished under this provision, Contractor, Subcontractors, and Suppliers may block out (redact) (1) any confidential premium or pricing information and (2) any wording specific to a project or jurisdiction other than those applicable to this Contract.
- E. Owner shall deliver to Contractor, with copies to each additional insured identified in the Contract, certificates of insurance and endorsements establishing that Owner has obtained and is maintaining the policies and coverages required of Owner by the Contract (if any). Upon request by Contractor or any other insured, Owner shall also provide other evidence of such required insurance (if any), including but not limited to copies of policies, documentation of applicable self-insured retentions (if allowed) and deductibles, and full disclosure of all relevant exclusions. In any documentation furnished under this provision, Owner may block out (redact) (1) any confidential premium or pricing information and (2) any wording specific to a project or jurisdiction other than those relevant to this Contract.
- F. Failure of Owner or Contractor to demand such certificates or other evidence of the other party's full compliance with these insurance requirements, or failure of Owner or Contractor to identify a deficiency in compliance from the evidence provided, will not be construed as a waiver of the other party's obligation to obtain and maintain such insurance.
- G. In addition to the liability insurance required to be provided by Contractor, the Owner, at Owner's option, may purchase and maintain Owner's own liability insurance. Owner's liability policies, if any, operate separately and independently from policies required to be provided by Contractor, and Contractor cannot rely upon Owner's liability policies for any of Contractor's obligations to the Owner, Engineer, or third parties.
- H. Contractor shall require:
  - 1. Subcontractors to purchase and maintain worker's compensation, commercial general liability, and other insurance that is appropriate for their participation in the Project, and to name as additional insureds Owner and Engineer (and any other individuals or entities identified in the Supplementary Conditions as additional insureds on Contractor's liability policies) on each Subcontractor's commercial general liability insurance policy; and
  - 2. Suppliers to purchase and maintain insurance that is appropriate for their participation in the Project.

- I. If either party does not purchase or maintain the insurance required of such party by the Contract, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage.
- J. If Contractor has failed to obtain and maintain required insurance, Contractor's entitlement to enter or remain at the Site will end immediately, and Owner may impose an appropriate set-off against payment for any associated costs (including but not limited to the cost of purchasing necessary insurance coverage), and exercise Owner's termination rights under Article 16.
- K. Without prejudice to any other right or remedy, if a party has failed to obtain required insurance, the other party may elect (but is in no way obligated) to obtain equivalent insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and the Contract Price will be adjusted accordingly.
- L. Owner does not represent that insurance coverage and limits established in this Contract necessarily will be adequate to protect Contractor or Contractor's interests. Contractor is responsible for determining whether such coverage and limits are adequate to protect its interests, and for obtaining and maintaining any additional insurance that Contractor deems necessary.
- M. The insurance and insurance limits required herein will not be deemed as a limitation on Contractor's liability, or that of its Subcontractors or Suppliers, under the indemnities granted to Owner and other individuals and entities in the Contract or otherwise.
- N. All the policies of insurance required to be purchased and maintained under this Contract will contain a provision or endorsement that the coverage afforded will not be canceled, or renewal refused, until at least 10 days prior written notice has been given to the purchasing policyholder. Within three days of receipt of any such written notice, the purchasing policyholder shall provide a copy of the notice to each other insured and Engineer.

#### 6.03 Contractor's Insurance

- A. *Required Insurance:* Contractor shall purchase and maintain Worker's Compensation, Commercial General Liability, and other insurance pursuant to the specific requirements of the Supplementary Conditions.
- B. *General Provisions:* The policies of insurance required by this Paragraph 6.03 as supplemented must:
  - 1. include at least the specific coverages required;
  - 2. be written for not less than the limits provided, or those required by Laws or Regulations, whichever is greater;
  - 3. remain in effect at least until the Work is complete (as set forth in Paragraph 15.06.D), and longer if expressly required elsewhere in this Contract, and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work as a warranty or correction obligation, or otherwise, or returning to the Site to conduct other tasks arising from the Contract;
  - 4. apply with respect to the performance of the Work, whether such performance is by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed

by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable; and

5. include all necessary endorsements to support the stated requirements.
- C. *Additional Insureds*: The Contractor's commercial general liability, automobile liability, employer's liability, umbrella or excess, pollution liability, and unmanned aerial vehicle liability policies, if required by this Contract, must:
1. include and list as additional insureds Owner and Engineer, and any individuals or entities identified as additional insureds in the Supplementary Conditions;
  2. include coverage for the respective officers, directors, members, partners, employees, and consultants of all such additional insureds;
  3. afford primary coverage to these additional insureds for all claims covered thereby (including as applicable those arising from both ongoing and completed operations);
  4. not seek contribution from insurance maintained by the additional insured; and
  5. as to commercial general liability insurance, apply to additional insureds with respect to liability caused in whole or in part by Contractor's acts or omissions, or the acts and omissions of those working on Contractor's behalf, in the performance of Contractor's operations.

#### 6.04 *Builder's Risk and Other Property Insurance*

- A. *Builder's Risk*: Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain builder's risk insurance upon the Work on a completed value basis, in the amount of the Work's full insurable replacement cost (subject to such deductible amounts as may be provided in the Supplementary Conditions or required by Laws and Regulations). The specific requirements applicable to the builder's risk insurance are set forth in the Supplementary Conditions.
- B. *Property Insurance for Facilities of Owner Where Work Will Occur*: Owner is responsible for obtaining and maintaining property insurance covering each existing structure, building, or facility in which any part of the Work will occur, or to which any part of the Work will attach or be adjoined. Such property insurance will be written on a special perils (all-risk) form, on a replacement cost basis, providing coverage consistent with that required for the builder's risk insurance, and will be maintained until the Work is complete, as set forth in Paragraph 15.06.D.
- C. *Property Insurance for Substantially Complete Facilities*: Promptly after Substantial Completion, and before actual occupancy or use of the substantially completed Work, Owner will obtain property insurance for such substantially completed Work, and maintain such property insurance at least until the Work is complete, as set forth in Paragraph 15.06.D. Such property insurance will be written on a special perils (all-risk) form, on a replacement cost basis, and provide coverage consistent with that required for the builder's risk insurance. The builder's risk insurance may terminate upon written confirmation of Owner's procurement of such property insurance.
- D. *Partial Occupancy or Use by Owner*: If Owner will occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work, as provided in Paragraph 15.04, then Owner (directly, if it is the purchaser of the builder's risk policy, or through Contractor) will

provide advance notice of such occupancy or use to the builder's risk insurer, and obtain an endorsement consenting to the continuation of coverage prior to commencing such partial occupancy or use.

- E. *Insurance of Other Property; Additional Insurance:* If the express insurance provisions of the Contract do not require or address the insurance of a property item or interest, then the entity or individual owning such property item will be responsible for insuring it. If Contractor elects to obtain other special insurance to be included in or supplement the builder's risk or property insurance policies provided under this Paragraph 6.04, it may do so at Contractor's expense.

#### 6.05 *Property Losses; Subrogation*

- A. The builder's risk insurance policy purchased and maintained in accordance with Paragraph 6.04 (or an installation floater policy if authorized by the Supplementary Conditions), will contain provisions to the effect that in the event of payment of any loss or damage the insurer will have no rights of recovery against any insureds thereunder, or against Engineer or its consultants, or their officers, directors, members, partners, employees, agents, consultants, or subcontractors.
1. Owner and Contractor waive all rights against each other and the respective officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from any of the perils, risks, or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Engineer, its consultants, all individuals or entities identified in the Supplementary Conditions as builder's risk or installation floater insureds, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, under such policies for losses and damages so caused.
  2. None of the above waivers extends to the rights that any party making such waiver may have to the proceeds of insurance held by Owner or Contractor as trustee or fiduciary, or otherwise payable under any policy so issued.
- B. Any property insurance policy maintained by Owner covering any loss, damage, or consequential loss to Owner's existing structures, buildings, or facilities in which any part of the Work will occur, or to which any part of the Work will attach or adjoin; to adjacent structures, buildings, or facilities of Owner; or to part or all of the completed or substantially completed Work, during partial occupancy or use pursuant to Paragraph 15.04, after Substantial Completion pursuant to Paragraph 15.03, or after final payment pursuant to Paragraph 15.06, will contain provisions to the effect that in the event of payment of any loss or damage the insurer will have no rights of recovery against any insureds thereunder, or against Contractor, Subcontractors, or Engineer, or the officers, directors, members, partners, employees, agents, consultants, or subcontractors of each and any of them, and that the insured is allowed to waive the insurer's rights of subrogation in a written contract executed prior to the loss, damage, or consequential loss.
1. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, for all losses and damages caused by, arising out of, or resulting from fire or any of the perils, risks, or causes of loss covered by such policies.

- C. The waivers in this Paragraph 6.05 include the waiver of rights due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other insured peril, risk, or cause of loss.
- D. Contractor shall be responsible for assuring that each Subcontract contains provisions whereby the Subcontractor waives all rights against Owner, Contractor, all individuals or entities identified in the Supplementary Conditions as insureds, the Engineer and its consultants, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, for all losses and damages caused by, arising out of, relating to, or resulting from fire or other peril, risk, or cause of loss covered by builder's risk insurance, installation floater, and any other property insurance applicable to the Work.

6.06 *Receipt and Application of Property Insurance Proceeds*

- A. Any insured loss under the builder's risk and other policies of property insurance required by Paragraph 6.04 will be adjusted and settled with the named insured that purchased the policy. Such named insured shall act as fiduciary for the other insureds, and give notice to such other insureds that adjustment and settlement of a claim is in progress. Any other insured may state its position regarding a claim for insured loss in writing within 15 days after notice of such claim.
- B. Proceeds for such insured losses may be made payable by the insurer either jointly to multiple insureds, or to the named insured that purchased the policy in its own right and as fiduciary for other insureds, subject to the requirements of any applicable mortgage clause. A named insured receiving insurance proceeds under the builder's risk and other policies of insurance required by Paragraph 6.04 shall maintain such proceeds in a segregated account, and distribute such proceeds in accordance with such agreement as the parties in interest may reach, or as otherwise required under the dispute resolution provisions of this Contract or applicable Laws and Regulations.
- C. If no other special agreement is reached, Contractor shall repair or replace the damaged Work, using allocated insurance proceeds.

**ARTICLE 7—CONTRACTOR'S RESPONSIBILITIES**

7.01 *Contractor's Means and Methods of Construction*

- A. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction.
- B. If the Contract Documents note, or Contractor determines, that professional engineering or other design services are needed to carry out Contractor's responsibilities for construction means, methods, techniques, sequences, and procedures, or for Site safety, then Contractor shall cause such services to be provided by a properly licensed design professional, at Contractor's expense. Such services are not Owner-delegated professional design services under this Contract, and neither Owner nor Engineer has any responsibility with respect to (1) Contractor's determination of the need for such services, (2) the qualifications or licensing of the design professionals retained or employed by Contractor, (3) the performance of such services, or (4) any errors, omissions, or defects in such services.

- C. Contractor shall, before starting each portion of the Work, carefully study and compare the various Contract Documents relative to that portion of the Work, as well as the information furnished by the Owner, shall take field measurements of any existing conditions related to that portion of the Work, and shall observe any conditions at the site affecting it. These obligations are for the purpose of facilitating construction by the Contractor and are not for the purpose of discovering errors, omissions, or inconsistencies in the Contract Documents; however, the Contractor shall promptly report to the Engineer, as a Request For Information, any errors, inconsistencies, or omissions discovered by or made known to the Contractor. It is recognized that the Contractor's review is made in the Contractor's capacity as a contractor and not as a licensed design professional, unless otherwise specifically noted in the Contract Documents. The Contractor shall reasonably satisfy himself or herself as to the accuracy of all visible grades, elevations, dimensions, materials, connections, conditions, and locations, but shall also be entitled to rely on the reports, specifications provided to Contractor as part of the Contract Documents. In all cases of interconnection of its Work with existing or other work or conditions, Contractor shall review at the site all dimensions relating to such existing or other work and report same to the Owner and Engineer; provided however Contractor shall not be responsible or liable for the work of others. Any errors due to the Contractors' failure to so review all such grades, elevations, dimensions, materials, connections, conditions, or locations shall be promptly rectified by the Contractor without any additional cost to the Owner.

#### 7.02 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents.
- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent to the project site and who will not be replaced without written notice to Owner and Engineer except under extraordinary circumstances.

#### 7.03 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall maintain good discipline and order at the Site.
- B. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of Contractor's employees; of Suppliers and Subcontractors, and their employees; and of any other individuals or entities performing or furnishing any of the Work, just as Contractor is responsible for Contractor's own acts and omissions.
- C. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site will be performed during regular working hours, Monday through Friday. Contractor will not perform Work on a Saturday, Sunday, or any legal holiday. Contractor may perform Work outside regular working hours or on Saturdays, Sundays, or legal holidays only with Owner's written consent, which will not be unreasonably withheld.

#### 7.04 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction

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equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start up, and completion of the Work, whether or not such items are specifically called for in the Contract Documents.

- B. All materials and equipment incorporated into the Work must be new and of good quality, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications will expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment must be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

#### 7.05 "Or Equals"

- A. *Contractor's Request; Governing Criteria:* Whenever an item of equipment or material is specified or described in the Contract Documents by using the names of one or more proprietary items or specific Suppliers, the Contract Price has been based upon Contractor furnishing such item as specified. The specification or description of such an item is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or equal" item is permitted, Contractor may request that Engineer authorize the use of other items of equipment or material, or items from other proposed Suppliers, under the circumstances described below.
  - 1. If Engineer in its sole discretion determines that an item of equipment or material proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, Engineer will deem it an "or equal" item. For the purposes of this paragraph, a proposed item of equipment or material will be considered functionally equal to an item so named if:
    - a. in the exercise of reasonable judgment Engineer determines that the proposed item:
      - 1) is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;
      - 2) will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;
      - 3) has a proven record of performance and availability of responsive service; and
      - 4) is not objectionable to Owner.
    - b. Contractor certifies that, if the proposed item is approved and incorporated into the Work:
      - 1) there will be no increase in cost to the Owner or increase in Contract Times; and
      - 2) the item will conform substantially to the detailed requirements of the item named in the Contract Documents.
- B. *Contractor's Expense:* Contractor shall provide all data in support of any proposed "or equal" item at Contractor's expense.

- C. *Engineer's Evaluation and Determination:* Engineer will be allowed a reasonable time to evaluate each "or-equal" request. Engineer may require Contractor to furnish additional data about the proposed "or-equal" item. Engineer will be the sole judge of acceptability. No "or-equal" item will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an "or-equal," which will be evidenced by an approved Shop Drawing or other written communication. Engineer will advise Contractor in writing of any negative determination.
- D. *Effect of Engineer's Determination:* Neither approval nor denial of an "or-equal" request will result in any change in Contract Price. The Engineer's denial of an "or-equal" request will be final and binding, and may not be reversed through an appeal under any provision of the Contract.
- E. *Treatment as a Substitution Request:* If Engineer determines that an item of equipment or material proposed by Contractor does not qualify as an "or-equal" item, Contractor may request that Engineer consider the item a proposed substitute pursuant to Paragraph 7.06.

#### 7.06 Substitutes

- A. *Contractor's Request; Governing Criteria:* Unless the specification or description of an item of equipment or material required to be furnished under the Contract Documents contains or is followed by words reading that no substitution is permitted, Contractor may request that Engineer authorize the use of other items of equipment or material under the circumstances described below. To the extent possible such requests must be made before commencement of related construction at the Site.
  1. Contractor shall submit sufficient information as provided below to allow Engineer to determine if the item of material or equipment proposed is functionally equivalent to that named and an acceptable substitute therefor. Engineer will not accept requests for review of proposed substitute items of equipment or material from anyone other than Contractor.
  2. The requirements for review by Engineer will be as set forth in Paragraph 7.06.B, as supplemented by the Specifications, and as Engineer may decide is appropriate under the circumstances.
  3. Contractor shall make written application to Engineer for review of a proposed substitute item of equipment or material that Contractor seeks to furnish or use. The application:
    - a. will certify that the proposed substitute item will:
      - 1) perform adequately the functions and achieve the results called for by the general design;
      - 2) be similar in substance to the item specified; and
      - 3) be suited to the same use as the item specified.
    - b. will state:
      - 1) the extent, if any, to which the use of the proposed substitute item will necessitate a change in Contract Times;
      - 2) whether use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract

with Owner for other work on the Project) to adapt the design to the proposed substitute item; and

- 3) whether incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty.
- c. will identify:
    - 1) all variations of the proposed substitute item from the item specified; and
    - 2) available engineering, sales, maintenance, repair, and replacement services.
  - d. will contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including but not limited to changes in Contract Price, shared savings, costs of redesign, and claims of other contractors affected by any resulting change.
- B. *Engineer's Evaluation and Determination:* Engineer will be allowed a reasonable time to evaluate each substitute request, and to obtain comments and direction from Owner. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No substitute will be ordered, furnished, installed, or utilized until Engineer's review is complete and Engineer determines that the proposed item is an acceptable substitute. Engineer's determination will be evidenced by a Field Order or a proposed Change Order accounting for the substitution itself and all related impacts, including changes in Contract Price or Contract Times. Engineer will advise Contractor in writing of any negative determination.
- C. *Special Guarantee:* Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- D. *Reimbursement of Engineer's Cost:* Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor. Whether or not Engineer approves a substitute so proposed or submitted by Contractor, Contractor shall reimburse Owner for the reasonable charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the reasonable charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.
- E. *Contractor's Expense:* Contractor shall provide all data in support of any proposed substitute at Contractor's expense.
- F. *Effect of Engineer's Determination:* If Engineer approves the substitution request, Contractor shall execute the proposed Change Order and proceed with the substitution. The Engineer's denial of a substitution request will be final and binding, and may not be reversed through an appeal under any provision of the Contract. Contractor may challenge the scope of reimbursement costs imposed under Paragraph 7.06.D, by timely submittal of a Change Proposal.

#### 7.07 Concerning Subcontractors and Suppliers

- A. Contractor may retain Subcontractors and Suppliers for the performance of parts of the Work. Such Subcontractors and Suppliers must be acceptable to Owner. The Contractor's retention of a Subcontractor or Supplier for the performance of parts of the Work will not relieve

Contractor's obligation to Owner to perform and complete the Work in accordance with the Contract Documents.

- B. Contractor shall retain specific Subcontractors and Suppliers for the performance of designated parts of the Work if required by the Contract to do so.
- C. Subsequent to the submittal of Contractor's Bid or final negotiation of the terms of the Contract, Owner may not require Contractor to retain any Subcontractor or Supplier to furnish or perform any of the Work against which Contractor has reasonable objection.
- D. Prior to entry into any binding subcontract or purchase order, Contractor shall submit to Owner the identity of the proposed Subcontractor or Supplier (unless Owner has already deemed such proposed Subcontractor or Supplier acceptable during the bidding process or otherwise). Such proposed Subcontractor or Supplier shall be deemed acceptable to Owner unless Owner raises a substantive, reasonable objection within 5 days.
- E. Owner may require the replacement of any Subcontractor or Supplier. Owner also may require Contractor to retain specific replacements; provided, however, that Owner may not require a replacement to which Contractor has a reasonable objection. If Contractor has submitted the identity of certain Subcontractors or Suppliers for acceptance by Owner, and Owner has accepted it (either in writing or by failing to make written objection thereto), then Owner may subsequently revoke the acceptance of any such Subcontractor or Supplier so identified solely on the basis of substantive, reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor or Supplier.
- F. If Owner requires the replacement of any Subcontractor or Supplier retained by Contractor to perform any part of the Work, then Contractor shall be entitled to an adjustment in Contract Price or Contract Times, with respect to the replacement; and Contractor shall initiate a Change Proposal for such adjustment within 30 days of Owner's requirement of replacement.
- G. No acceptance by Owner of any such Subcontractor or Supplier, whether initially or as a replacement, will constitute a waiver of the right of Owner to the completion of the Work in accordance with the Contract Documents.
- H. On a monthly basis, Contractor shall submit to Engineer a complete list of all Subcontractors and Suppliers having a direct contract with Contractor, and of all other Subcontractors and Suppliers known to Contractor at the time of submittal.
- I. Contractor shall be solely responsible for scheduling and coordinating the work of Subcontractors and Suppliers.
- J. The divisions and sections of the Specifications and the identifications of any Drawings do not control Contractor in dividing the Work among Subcontractors or Suppliers, or in delineating the Work to be performed by any specific trade.
- K. All Work performed for Contractor by a Subcontractor or Supplier must be pursuant to an appropriate contractual agreement that specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract for the benefit of Owner and Engineer.
- L. Owner may furnish to any Subcontractor or Supplier, to the extent practicable, information about amounts paid to Contractor for Work performed for Contractor by the Subcontractor or Supplier.

- M. Contractor shall restrict all Subcontractors and Suppliers from communicating with Engineer or Owner, except through Contractor or in case of an emergency, or as otherwise expressly allowed in this Contract.

7.08 *Patent Fees and Royalties*

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

7.09 *Permits*

- A. Unless otherwise provided in the Contract Documents, Contractor shall obtain and pay for all construction permits, licenses, and certificates of occupancy. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of the submission of Contractor's Bid (or when Contractor became bound under a negotiated contract). Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.

7.10 *Taxes*

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

### 7.11 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work or takes any other action knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all resulting costs and losses, and shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants, and subcontractors of each and any of them, from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work or other action. It is not Contractor's responsibility to make certain that the Work described in the Contract Documents is in accordance with Laws and Regulations, but this does not relieve Contractor of its obligations under Paragraph 3.03.
- C. Owner or Contractor may give written notice to the other party of any changes after the submission of Contractor's Bid (or after the date when Contractor became bound under a negotiated contract) in Laws or Regulations having an effect on the cost or time of performance of the Work, including but not limited to changes in Laws or Regulations having an effect on procuring permits and on sales, use, value-added, consumption, and other similar taxes. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times resulting from such changes, then within 30 days of such written notice Contractor may submit a Change Proposal, or Owner may initiate a Claim.

### 7.12 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one printed record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, Schedules, Logs, written interpretations and clarifications, and approved Shop Drawings. Contractor shall keep such record documents in good order and annotate them to show changes made during construction. These record documents, together with all approved Samples, will be available to Engineer for reference. Upon completion of the Work, Contractor shall deliver these record documents to Engineer.

### 7.13 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the Work. Such responsibility does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with applicable safety Laws and Regulations.
- B. Contractor shall designate a qualified and experienced safety representative whose duties and responsibilities are the prevention of Work-related accidents and the maintenance and supervision of safety precautions and programs.
- C. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:
  - 1. all persons on the Site or who may be affected by the Work;

2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
  3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, other work in progress, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
  4. traffic and private property on adjacent streets, roadways, parking lots, and private and public areas. Contractor shall submit a site specific traffic control plan to the Engineer and the Owner, within ten (10) days after the Contract effective date.
- D. All damage, injury, or loss to any property referred to in Paragraph 7.13.C.2 or 7.13.C.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor at its expense (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- E. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection.
- F. Contractor shall notify Owner; the owners of adjacent property; the owners of Underground Facilities and other utilities (if the identity of such owners is known to Contractor); and other contractors and utility owners performing work at or adjacent to the Site, in writing, when Contractor knows that prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property or work in progress.
- G. Contractor shall comply with the applicable requirements of Owner's safety programs, if any. Any Owner's safety programs that are applicable to the Work are identified or included in the Supplementary Conditions or Specifications.
- H. Contractor shall inform Owner and Engineer of the specific requirements of Contractor's safety program with which Owner's and Engineer's employees and representatives must comply while at the Site.
- I. Contractor's duties and responsibilities for safety and protection will continue until all the Work is completed, Engineer has issued a written notice to Owner and Contractor in accordance with Paragraph 15.06.C that the Work is acceptable, and Contractor has left the Site (except as otherwise expressly provided in connection with Substantial Completion).
- J. Contractor's duties and responsibilities for safety and protection will resume whenever Contractor or any Subcontractor or Supplier returns to the Site to fulfill warranty or correction obligations, or to conduct other tasks arising from the Contract Documents.

#### 7.14 Hazard Communication Programs

- A. Contractor shall be responsible for coordinating any exchange of safety data sheets (formerly known as material safety data sheets) or other hazard communication information required

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to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

#### 7.15 *Emergencies*

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

#### 7.16 *Submittals*

##### A. *Shop Drawing and Sample Requirements*

1. Before submitting a Shop Drawing or Sample, Contractor shall:
  - a. review and coordinate the Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents;
  - b. determine and verify:
    - 1) all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect to the Submittal;
    - 2) the suitability of all materials and equipment offered with respect to the indicated application, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work; and
    - 3) all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto;
  - c. confirm that the Submittal is complete with respect to all related data included in the Submittal.
2. Each Shop Drawing or Sample must bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review of that Submittal, and that Contractor approves the Submittal.
3. With each Shop Drawing or Sample, Contractor shall give Engineer specific written notice of any variations that the Submittal may have from the requirements of the Contract Documents. This notice must be set forth in a written communication separate from the Submittal; and, in addition, in the case of a Shop Drawing by a specific notation made on the Shop Drawing itself.

- B. *Submittal Procedures for Shop Drawings and Samples:* Contractor shall label and submit Shop Drawings and Samples timely to Engineer for review and approval in accordance with the accepted Schedule of Submittals.

1. *Shop Drawings*
    - a. Contractor shall submit the number of copies required in the Specifications.
    - b. Data shown on the Shop Drawings must be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide, and to enable Engineer to review the information for the limited purposes required by Paragraph 7.16.C.
  2. *Samples*
    - a. Contractor shall submit the number of Samples required in the Specifications.
    - b. Contractor shall clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the Submittal for the limited purposes required by Paragraph 7.16.C.
  3. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.
- C. *Engineer's Review of Shop Drawings and Samples*
1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the accepted Schedule of Submittals. Engineer's review and approval will be only to determine if the items covered by the Submittals will, after installation or incorporation in the Work, comply with the requirements of the Contract Documents, and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
  2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction, or to safety precautions or programs incident thereto.
  3. Engineer's review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
  4. Engineer's review and approval of a Shop Drawing or Sample will not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 7.16.A.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer will document any such approved variation from the requirements of the Contract Documents in a Field Order or other appropriate Contract modification.
  5. Engineer's review and approval of a Shop Drawing or Sample will not relieve Contractor from responsibility for complying with the requirements of Paragraphs 7.16.A and B.
  6. Engineer's review and approval of a Shop Drawing or Sample, or of a variation from the requirements of the Contract Documents, will not, under any circumstances, change the Contract Times or Contract Price, unless such changes are included in a Change Order.

7. Neither Engineer's receipt, review, acceptance, or approval of a Shop Drawing or Sample will result in such item becoming a Contract Document.
8. Contractor shall perform the Work in compliance with the requirements and commitments set forth in approved Shop Drawings and Samples, subject to the provisions of Paragraph 7.16.C.4.

D. *Resubmittal Procedures for Shop Drawings and Samples*

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous Submittals.
2. Contractor shall furnish required Shop Drawing and Sample submittals with sufficient information and accuracy to obtain required approval of an item with no more than two resubmittals. Engineer will record Engineer's time for reviewing a third or subsequent resubmittal of a Shop Drawing or Sample, and Contractor shall be responsible for Engineer's charges to Owner for such time. Owner may impose a set-off against payments due Contractor to secure reimbursement for such charges.
3. If Contractor requests a change of a previously approved Shop Drawing or Sample, Contractor shall be responsible for Engineer's charges to Owner for its review time, and Owner may impose a set-off against payments due Contractor to secure reimbursement for such charges, unless the need for such change is beyond the control of Contractor.

E. *Submittals Other than Shop Drawings, Samples, and Owner-Delegated Designs*

1. The following provisions apply to all Submittals other than Shop Drawings, Samples, and Owner-delegated designs:
    - a. Contractor shall submit all such Submittals to the Engineer in accordance with the Schedule of Submittals and pursuant to the applicable terms of the Contract Documents.
    - b. Engineer will provide timely review of all such Submittals in accordance with the Schedule of Submittals and return such Submittals with a notation of either Accepted or Not Accepted. Any such Submittal that is not returned within the time established in the Schedule of Submittals will be deemed accepted.
    - c. Engineer's review will be only to determine if the Submittal is acceptable under the requirements of the Contract Documents as to general form and content of the Submittal.
    - d. If any such Submittal is not accepted, Contractor shall confer with Engineer regarding the reason for the non-acceptance, and resubmit an acceptable document.
  2. Procedures for the submittal and acceptance of the Progress Schedule, the Schedule of Submittals, and the Schedule of Values are set forth in Paragraphs 2.03, 2.04, and 2.05.
- F. Owner-delegated Designs: Submittals pursuant to Owner-delegated designs are governed by the provisions of Paragraph 7.19.

### 7.17 Contractor's General Warranty and Guarantee

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer is entitled to rely on Contractor's warranty and guarantee.
- B. Owner's rights under this warranty and guarantee are in addition to, and are not limited by, Owner's rights under the correction period provisions of Paragraph 15.08. The time in which Owner may enforce its warranty and guarantee rights under this Paragraph 7.17 is limited only by applicable Laws and Regulations restricting actions to enforce such rights; provided, however, that after the end of the correction period under Paragraph 15.08:
1. Owner shall give Contractor written notice of any defective Work within 60 days of the discovery that such Work is defective; and
  2. Such notice will be deemed the start of an event giving rise to a Claim under Paragraph 12.01.B, such that any related Claim must be brought within 30 days of the notice.
- C. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
1. abuse, or improper modification, maintenance, or operation, by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
  2. normal wear and tear under normal usage.
- D. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents is absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents, a release of Contractor's obligation to perform the Work in accordance with the Contract Documents, or a release of Owner's warranty and guarantee rights under this Paragraph 7.17:
1. Observations by Engineer;
  2. Recommendation by Engineer or payment by Owner of any progress or final payment;
  3. The issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
  4. Use or occupancy of the Work or any part thereof by Owner;
  5. Any review and approval of a Shop Drawing or Sample submittal;
  6. The issuance of a notice of acceptability by Engineer;
  7. The end of the correction period established in Paragraph 15.08;
  8. Any inspection, test, or approval by others; or
  9. Any correction of defective Work by Owner.
- E. If the Contract requires the Contractor to accept the assignment of a contract entered into by Owner, then the specific warranties, guarantees, and correction obligations contained in the assigned contract will govern with respect to Contractor's performance obligations to Owner for the Work described in the assigned contract.

### 7.18 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, and in addition to any other obligations of Contractor under the Contract or otherwise, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them, from losses, damages, costs, and judgments (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals, and all court or arbitration or other dispute resolution costs) arising from third-party claims or actions relating to or resulting from the performance or furnishing of the Work, provided that any such claim, action, loss, cost, judgment or damage is attributable to bodily injury, sickness, disease, or death, or to damage to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom, but only to the extent caused by any negligent act or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable.
- B. In any and all claims against Owner or Engineer, or any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 7.18.A will not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.

### 7.19 *Delegation of Professional Design Services*

- A. Owner may require Contractor to provide professional design services for a portion of the Work by express delegation in the Contract Documents. Such delegation will specify the performance and design criteria that such services must satisfy, and the Submittals that Contractor must furnish to Engineer with respect to the Owner-delegated design.
- B. Contractor shall cause such Owner-delegated professional design services to be provided pursuant to the professional standard of care by a properly licensed design professional, whose signature and seal must appear on all drawings, calculations, specifications, certifications, and Submittals prepared by such design professional. Such design professional must issue all certifications of design required by Laws and Regulations.
- C. If a Shop Drawing or other Submittal related to the Owner-delegated design is prepared by Contractor, a Subcontractor, or others for submittal to Engineer, then such Shop Drawing or other Submittal must bear the written approval of Contractor's design professional when submitted by Contractor to Engineer.
- D. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy, and completeness of the services, certifications, and approvals performed or provided by the design professionals retained or employed by Contractor under an Owner-delegated design, subject to the professional standard of care and the performance and design criteria stated in the Contract Documents.

- E. Pursuant to this Paragraph 7.19, Engineer's review, approval, and other determinations regarding design drawings, calculations, specifications, certifications, and other Submittals furnished by Contractor pursuant to an Owner-delegated design will be only for the following limited purposes:
1. Checking for conformance with the requirements of this Paragraph 7.19;
  2. Confirming that Contractor (through its design professionals) has used the performance and design criteria specified in the Contract Documents; and
  3. Establishing that the design furnished by Contractor is consistent with the design concept expressed in the Contract Documents.
- F. Contractor shall not be responsible for the adequacy of performance or design criteria specified by Owner or Engineer.
- G. Contractor is not required to provide professional services in violation of applicable Laws and Regulations.

#### ARTICLE 8—OTHER WORK AT THE SITE

##### 8.01 *Other Work*

- A. In addition to and apart from the Work under the Contract Documents, the Owner may perform other work at or adjacent to the Site. Such other work may be performed by Owner's employees, or through contracts between the Owner and third parties. Owner may also arrange to have third-party utility owners perform work on their utilities and facilities at or adjacent to the Site.
- B. If Owner performs other work at or adjacent to the Site with Owner's employees, or through contracts for such other work, then Owner shall give Contractor written notice thereof prior to starting any such other work. If Owner has advance information regarding the start of any third-party utility work that Owner has arranged to take place at or adjacent to the Site, Owner shall provide such information to Contractor.
- C. Contractor shall afford proper and safe access to the Site to each contractor that performs such other work, each utility owner performing other work, and Owner, if Owner is performing other work with Owner's employees, and provide a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work.
- D. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering such work; provided, however, that Contractor may cut or alter others' work with the written consent of Engineer and the others whose work will be affected.
- E. If the proper execution or results of any part of Contractor's Work depends upon work performed by others, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and

proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

- F. The provisions of this article are not applicable to work that is performed by third-party utilities or other third-party entities without a contract with Owner, or that is performed without having been arranged by Owner. If such work occurs, then any related delay, disruption, or interference incurred by Contractor is governed by the provisions of Paragraph 4.05.C.3.

#### 8.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work at or adjacent to the Site, to perform other work at or adjacent to the Site with Owner's employees, or to arrange to have utility owners perform work at or adjacent to the Site, the following will be set forth in the Supplementary Conditions or provided to Contractor prior to the start of any such other work:
  - 1. The identity of the individual or entity that will have authority and responsibility for coordination of the activities among the various contractors;
  - 2. An itemization of the specific matters to be covered by such authority and responsibility; and
  - 3. The extent of such authority and responsibilities.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

#### 8.03 *Legal Relationships*

- A. If, in the course of performing other work for Owner at or adjacent to the Site, the Owner's employees, any other contractor working for Owner, or any utility owner that Owner has arranged to perform work, causes damage to the Work or to the property of Contractor or its Subcontractors, or delays, disrupts, interferes with, or increases the scope or cost of the performance of the Work, through actions or inaction, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times. Contractor must submit any Change Proposal seeking an equitable adjustment in the Contract Price or the Contract Times under this paragraph within 30 days of the damaging, delaying, disrupting, or interfering event. The entitlement to, and extent of, any such equitable adjustment will take into account information (if any) regarding such other work that was provided to Contractor in the Contract Documents prior to the submittal of the Bid or the final negotiation of the terms of the Contract, and any remedies available to Contractor under Laws or Regulations concerning utility action or inaction. When applicable, any such equitable adjustment in Contract Price will be conditioned on Contractor assigning to Owner all Contractor's rights against such other contractor or utility owner with respect to the damage, delay, disruption, or interference that is the subject of the adjustment. Contractor's entitlement to an adjustment of the Contract Times or Contract Price is subject to the provisions of Paragraphs 4.05.D and 4.05.E.
- B. Contractor shall take reasonable and customary measures to avoid damaging, delaying, disrupting, or interfering with the work of Owner, any other contractor, or any utility owner performing other work at or adjacent to the Site.
  - 1. If Contractor fails to take such measures and as a result damages, delays, disrupts, or interferes with the work of any such other contractor or utility owner, then Owner may

impose a set-off against payments due Contractor, and assign to such other contractor or utility owner the Owner's contractual rights against Contractor with respect to the breach of the obligations set forth in this Paragraph 8.03.B.

2. When Owner is performing other work at or adjacent to the Site with Owner's employees, Contractor shall be liable to Owner for damage to such other work, and for the reasonable direct delay, disruption, and interference costs incurred by Owner as a result of Contractor's failure to take reasonable and customary measures with respect to Owner's other work. In response to such damage, delay, disruption, or interference, Owner may impose a set-off against payments due Contractor.
- C. If Contractor damages, delays, disrupts, or interferes with the work of any other contractor, or any utility owner performing other work at or adjacent to the Site, through Contractor's failure to take reasonable and customary measures to avoid such impacts, or if any claim arising out of Contractor's actions, inactions, or negligence in performance of the Work at or adjacent to the Site is made by any such other contractor or utility owner against Contractor, Owner, or Engineer, then Contractor shall (1) promptly attempt to settle the claim as to all parties through negotiations with such other contractor or utility owner, or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law, and (2) indemnify and hold harmless Owner and Engineer, and the officers, directors, members, partners, employees, agents, consultants and subcontractors of each and any of them from and against any such claims, and against all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such damage, delay, disruption, or interference.

## ARTICLE 9—OWNER'S RESPONSIBILITIES

### 9.01 *Communications to Contractor*

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer or through Owner's designated representative or Inspector.

### 9.02 *Replacement of Engineer*

- A. Owner may at its discretion appoint an engineer to replace Engineer, provided Contractor makes no reasonable objection to the replacement engineer. The replacement engineer's status under the Contract Documents will be that of the former Engineer.

### 9.03 *Furnish Data*

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

### 9.04 *Pay When Due*

- A. Owner shall make payments to Contractor when they are due as provided in the Agreement and per local and State requirements.

### 9.05 *Lands and Easements; Reports, Tests, and Drawings*

- A. Owner's duties with respect to providing lands and easements are set forth in Paragraph 5.01.

- B. Owner's duties with respect to providing engineering surveys to establish reference points are set forth in Paragraph 4.03.
- C. Article 5 refers to Owner's identifying and making available to Contractor copies of reports of explorations and tests of conditions at the Site, and drawings of physical conditions relating to existing surface or subsurface structures at the Site.

9.06 *Insurance*

- A. Owner's responsibilities, if any, with respect to purchasing and maintaining liability and property insurance are set forth in Article 6.

9.07 *Change Orders*

- A. Owner's responsibilities with respect to Change Orders are set forth in Article 11.

9.08 *Inspections, Tests, and Approvals*

- A. Owner's responsibility with respect to certain inspections, tests, and approvals is set forth in Paragraph 14.02.B.

9.09 *Limitations on Owner's Responsibilities*

- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.

9.10 *Undisclosed Hazardous Environmental Condition*

- A. Owner's responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 5.06.

9.11 *Evidence of Financial Arrangements*

- A. Upon request of Contractor, Owner shall furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract (including obligations under proposed changes in the Work).

9.12 *Safety Programs*

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

**ARTICLE 10—ENGINEER'S STATUS DURING CONSTRUCTION**

10.01 *Owner's Representative*

- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract.

#### 10.02 *Visits to Site*

- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe, as an experienced and qualified design professional, the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.
- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 10.07. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work, Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

#### 10.03 *Resident Project Representative*

- A. If Owner and Engineer have agreed that Engineer will furnish a Resident Project Representative to represent Engineer at the Site and assist Engineer in observing the progress and quality of the Work, then the authority and responsibilities of any such Resident Project Representative will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in the Supplementary Conditions and in Paragraph 10.07.
- B. If Owner designates an individual or entity who is not Engineer's consultant, agent, or employee to represent Owner at the Site, then the responsibilities and authority of such individual or entity will be as provided in the Supplementary Conditions.

#### 10.04 *Engineer's and Owner's Inspector's Authority*

- A. Engineer and Inspector have the authority to reject Work in accordance with Article 14.
- B. Engineer's authority as to Submittals is set forth in Paragraph 7.16.
- C. Engineer's authority as to design drawings, calculations, specifications, certifications and other Submittals from Contractor in response to Owner's delegation (if any) to Contractor of professional design services, is set forth in Paragraph 7.19.
- D. Engineer's authority as to changes in the Work is set forth in Article 11.
- E. Engineer's and Inspector's authority as to Applications for Payment is set forth in Article 15.

#### 10.05 *Determinations for Unit Price Work*

- A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor as set forth in Paragraph 13.03.

10.06 *Decisions on Requirements of Contract Documents and Acceptability of Work*

- A. Engineer will render decisions regarding the requirements of the Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth herein for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to Owner or Contractor, and will not be liable to Owner, Contractor, or others in connection with any proceedings, interpretations, decisions, or judgments conducted or rendered in good faith.

10.07 *Limitations on Engineer's Authority and Responsibilities*

- A. Neither Engineer's authority or responsibility under this Article 10 or under any other provision of the Contract, nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer, will create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.
- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of the final Application for Payment and accompanying documentation, and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Contractor under Paragraph 15.06.A, will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals, that the results certified indicate compliance with the Contract Documents.
- E. The limitations upon authority and responsibility set forth in this Paragraph 10.07 also apply to the Resident Project Representative, if any.

10.08 *Compliance with Safety Program*

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

**ARTICLE 11—CHANGES TO THE CONTRACT**

11.01 *Amending and Supplementing the Contract*

- A. The Contract may be amended or supplemented by a Change Order, a Work Change Directive, or a Field Order.
- B. If an amendment or supplement to the Contract includes a change in the Contract Price or the Contract Times, such amendment or supplement must be set forth in a Change Order.

- C. All changes to the Contract that involve (1) the performance or acceptability of the Work, (2) the design (as set forth in the Drawings, Specifications, or otherwise), or (3) other engineering or technical matters, must be supported by Engineer's recommendation. Owner and Contractor may amend other terms and conditions of the Contract without the recommendation of the Engineer.

#### 11.02 *Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders covering:
  1. Changes in Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive;
  2. Changes in Contract Price resulting from an Owner set-off, unless Contractor has duly contested such set-off;
  3. Changes in the Work which are: (a) ordered by Owner pursuant to Paragraph 11.05, (b) required because of Owner's acceptance of defective Work under Paragraph 14.04 or Owner's correction of defective Work under Paragraph 14.07, or (c) agreed to by the parties, subject to the need for Engineer's recommendation if the change in the Work involves the design (as set forth in the Drawings, Specifications, or otherwise) or other engineering or technical matters; and
  4. Changes that embody the substance of any final and binding results under: Paragraph 11.03.B, resolving the impact of a Work Change Directive; Paragraph 11.09, concerning Change Proposals; Article 12, Claims; Paragraph 13.02.D, final adjustments resulting from allowances; Paragraph 13.03.D, final adjustments relating to determination of quantities for Unit Price Work; and similar provisions.
- B. If Owner or Contractor refuses to execute a Change Order that is required to be executed under the terms of Paragraph 11.02.A, it will be deemed to be of full force and effect, as if fully executed.

#### 11.03 *Work Change Directives*

- A. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the modification ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order, following negotiations by the parties as to the Work Change Directive's effect, if any, on the Contract Price and Contract Times; or, if negotiations are unsuccessful, by a determination under the terms of the Contract Documents governing adjustments, expressly including Paragraph 11.07 regarding change of Contract Price.
- B. If Owner has issued a Work Change Directive and:
  1. Contractor believes that an adjustment in Contract Times or Contract Price is necessary, then Contractor shall submit any Change Proposal seeking such an adjustment no later than 30 days after the completion of the Work set out in the Work Change Directive.
  2. Owner believes that an adjustment in Contract Times or Contract Price is necessary, then Owner shall submit any Claim seeking such an adjustment no later than 60 days after issuance of the Work Change Directive.

#### 11.04 *Field Orders*

- A. Engineer may authorize minor changes in the Work if the changes do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Such changes will be accomplished by a Field Order and will be binding on Owner and also on Contractor, which shall perform the Work involved promptly.
- B. If Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, then before proceeding with the Work at issue, Contractor shall submit a Change Proposal as provided herein.

#### 11.05 *Owner-Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, at any time or from time to time, order additions, deletions, or revisions in the Work. Changes involving the design (as set forth in the Drawings, Specifications, or otherwise) or other engineering or technical matters will be supported by Engineer's recommendation.
- B. Such changes in the Work may be accomplished by a Change Order, if Owner and Contractor have agreed as to the effect, if any, of the changes on Contract Times or Contract Price; or by a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved; or, in the case of a deletion in the Work, promptly cease construction activities with respect to such deleted Work. Added or revised Work must be performed under the applicable conditions of the Contract Documents.
- C. Nothing in this Paragraph 11.05 obligates Contractor to undertake work that Contractor reasonably concludes cannot be performed in a manner consistent with Contractor's safety obligations under the Contract Documents or Laws and Regulations.

#### 11.06 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents, as amended, modified, or supplemented, except in the case of an emergency as provided in Paragraph 7.15 or in the case of uncovering Work as provided in Paragraph 14.05.C.2.

#### 11.07 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Price must comply with the provisions of Paragraph 11.09. Any Claim for an adjustment of Contract Price must comply with the provisions of Article 12.
- B. An adjustment in the Contract Price will be determined as follows:
  - 1. Where the Work involved is covered by unit prices contained in the Contract Documents, then by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 13.03);
  - 2. Where the Work involved is not covered by unit prices contained in the Contract Documents, then by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 11.07.C.2); or

3. Where the Work involved is not covered by unit prices contained in the Contract Documents and the parties do not reach mutual agreement to a lump sum, then on the basis of the Cost of the Work (determined as provided in Paragraph 13.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 11.07.C).
- C. *Contractor's Fee*: When applicable, the Contractor's fee for overhead and profit will be determined as follows:
1. A mutually acceptable fixed fee; or
  2. If a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
    - a. For costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2, the Contractor's fee will be 15 percent;
    - b. For costs incurred under Paragraph 13.01.B.3, the Contractor's fee will be 5 percent;
    - c. Where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraphs 11.07.C.2.a and 11.07.C.2.b is that the Contractor's fee will be based on: (1) a fee of 15 percent of the costs incurred under Paragraphs 13.01.B.1 and 13.01.B.2 by the Subcontractor that actually performs the Work, at whatever tier, and (2) with respect to Contractor itself and to any Subcontractors of a tier higher than that of the Subcontractor that actually performs the Work, a fee of 5 percent of the amount (fee plus underlying costs incurred) attributable to the next lower tier Subcontractor; provided, however, that for any such subcontracted Work the maximum total fee to be paid by Owner will be no greater than 27 percent of the costs incurred by the Subcontractor that actually performs the Work;
    - d. No fee will be payable on the basis of costs itemized under Paragraphs 13.01.B.4, 13.01.B.5, and 13.01.C;
    - e. The amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in Cost of the Work will be the amount of the actual net decrease in Cost of the Work and a deduction of an additional amount equal to 5 percent of such actual net decrease in Cost of the Work; and
    - f. When both additions and credits are involved in any one change or Change Proposal, the adjustment in Contractor's fee will be computed by determining the sum of the costs in each of the cost categories in Paragraph 13.01.B (specifically, payroll costs, Paragraph 13.01.B.1; incorporated materials and equipment costs, Paragraph 13.01.B.2; Subcontract costs, Paragraph 13.01.B.3; special consultants costs, Paragraph 13.01.B.4; and other costs, Paragraph 13.01.B.5) and applying to each such cost category sum the appropriate fee from Paragraphs 11.07.C.2.a through 11.07.C.2.e, inclusive.

#### 11.08 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Change Proposal for an adjustment in the Contract Times must comply with the provisions of Paragraph 11.09. Any Claim for an adjustment in the Contract Times must comply with the provisions of Article 12.

- B. Delay, disruption, and interference in the Work, and any related changes in Contract Times, are addressed in and governed by Paragraph 4.05.

#### 11.09 Change Proposals

- A. *Purpose and Content:* Contractor shall submit a Change Proposal to Engineer to request an adjustment in the Contract Times or Contract Price; contest an initial decision by Engineer concerning the requirements of the Contract Documents or relating to the acceptability of the Work under the Contract Documents; challenge a set-off against payment due; or seek other relief under the Contract. The Change Proposal will specify any proposed change in Contract Times or Contract Price, or other proposed relief, and explain the reason for the proposed change, with citations to any governing or applicable provisions of the Contract Documents. Each Change Proposal will address only one issue, or a set of closely related issues.

#### B. Change Proposal Procedures

1. *Submittal:* Contractor shall submit each Change Proposal to Engineer within 30 days after the start of the event giving rise thereto, or after such initial decision.
2. *Supporting Data:* The Contractor shall submit supporting data, including the proposed change in Contract Price or Contract Time (if any), to the Engineer and Owner within 15 days after the submittal of the Change Proposal.
  - a. Change Proposals based on or related to delay, interruption, or interference must comply with the provisions of Paragraphs 4.05.D and 4.05.E.
  - b. Change proposals related to a change of Contract Price must include full and detailed accounts of materials incorporated into the Work and labor and equipment used for the subject Work.

The supporting data must be accompanied by a written statement that the supporting data are accurate and complete, and that any requested time or price adjustment is the entire adjustment to which Contractor believes it is entitled as a result of said event.

3. *Engineer's Initial Review:* Engineer will advise Owner regarding the Change Proposal, and consider any comments or response from Owner regarding the Change Proposal. If in its discretion Engineer concludes that additional supporting data is needed before conducting a full review and making a decision regarding the Change Proposal, then Engineer may request that Contractor submit such additional supporting data by a date specified by Engineer, prior to Engineer beginning its full review of the Change Proposal.
4. *Engineer's Full Review and Action on the Change Proposal:* Upon receipt of Contractor's supporting data (including any additional data requested by Engineer), Engineer will conduct a full review of each Change Proposal and, within 30 days after such receipt of the Contractor's supporting data, either approve the Change Proposal in whole, deny it in whole, or approve it in part and deny it in part. Such actions must be in writing, with a copy provided to Owner and Contractor. If Engineer does not take action on the Change Proposal within 30 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of Engineer's inaction the Change Proposal is deemed denied, thereby commencing the time for appeal of the denial under Article 12.

5. *Binding Decision*: Engineer's decision is final and binding upon Owner and Contractor, unless Owner or Contractor appeals the decision by filing a Claim under Article 12.
- C. *Resolution of Certain Change Proposals*: If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties in writing that the Engineer is unable to resolve the Change Proposal. For purposes of further resolution of such a Change Proposal, such notice will be deemed a denial, and Contractor may choose to seek resolution under the terms of Article 12.
- D. *Post-Completion*: Contractor shall not submit any Change Proposals after Engineer issues a written recommendation of final payment pursuant to Paragraph 15.06.B.

#### 11.10 Notification to Surety

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

### ARTICLE 12—CLAIMS

#### 12.01 Claims

- A. *Claims Process*: The following disputes between Owner and Contractor are subject to the Claims process set forth in this article:
1. Appeals by Owner or Contractor of Engineer's decisions regarding Change Proposals;
  2. Owner demands for adjustments in the Contract Price or Contract Times, or other relief under the Contract Documents;
  3. Disputes that Engineer has been unable to address because they do not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters; and
  4. Subject to the waiver provisions of Paragraph 15.07, any dispute arising after Engineer has issued a written recommendation of final payment pursuant to Paragraph 15.06.B.
- B. *Submittal of Claim*: The party submitting a Claim shall deliver it directly to the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto; in the case of appeals regarding Change Proposals within 30 days of the decision under appeal. The party submitting the Claim shall also furnish a copy to the Engineer, for its information only. The responsibility to substantiate a Claim rests with the party making the Claim. In the case of a Claim by Contractor seeking an increase in the Contract Times or Contract Price, Contractor shall certify that the Claim is made in good faith, that the supporting data are accurate and complete, and that to the best of Contractor's knowledge and belief the amount of time or money requested accurately reflects the full amount to which Contractor is entitled.
- C. *Review and Resolution*: The party receiving a Claim shall review it thoroughly, giving full consideration to its merits. The two parties shall seek to resolve the Claim through the exchange of information and direct negotiations. The parties may extend the time for

resolving the Claim by mutual agreement. All actions taken on a Claim will be stated in writing and submitted to the other party, with a copy to Engineer.

D. *Mediation*

1. At any time after initiation of a Claim, Owner and Contractor may mutually agree to mediation of the underlying dispute. The agreement to mediate will stay the Claim submittal and response process.
2. If Owner and Contractor agree to mediation, then after 60 days from such agreement, either Owner or Contractor may unilaterally terminate the mediation process, and the Claim submittal and decision process will resume as of the date of the termination. If the mediation proceeds but is unsuccessful in resolving the dispute, the Claim submittal and decision process will resume as of the date of the conclusion of the mediation, as determined by the mediator.
3. Owner and Contractor shall each pay one-half of the mediator's fees and costs.

E. *Partial Approval*: If the party receiving a Claim approves the Claim in part and denies it in part, such action will be final and binding unless within 30 days of such action the other party invokes the procedure set forth in Article 17 for final resolution of disputes.

F. *Denial of Claim*: If efforts to resolve a Claim are not successful, the party receiving the Claim may deny it by giving written notice of denial to the other party. If the receiving party does not take action on the Claim within 90 days, then either Owner or Contractor may at any time thereafter submit a letter to the other party indicating that as a result of the inaction, the Claim is deemed denied, thereby commencing the time for appeal of the denial. A denial of the Claim will be final and binding unless within 30 days of the denial the other party invokes the procedure set forth in Article 17 for the final resolution of disputes.

G. *Final and Binding Results*: If the parties reach a mutual agreement regarding a Claim, whether through approval of the Claim, direct negotiations, mediation, or otherwise; or if a Claim is approved in part and denied in part, or denied in full, and such actions become final and binding; then the results of the agreement or action on the Claim will be incorporated in a Change Order or other written document to the extent they affect the Contract, including the Work, the Contract Times, or the Contract Price.

## ARTICLE 13—COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK

### 13.01 *Cost of the Work*

- A. *Purposes for Determination of Cost of the Work*: The term Cost of the Work means the sum of all costs necessary for the proper performance of the Work at issue, as further defined below. The provisions of this Paragraph 13.01 are used for two distinct purposes:
1. To determine Cost of the Work when Cost of the Work is a component of the Contract Price, under cost-plus-fee, time-and-materials, or other cost-based terms; or
  2. When needed to determine the value of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price. When the value of any such adjustment is determined on the basis of Cost of the Work, Contractor is entitled only to those additional or incremental costs required because of the change in the Work or because of the event giving rise to the adjustment.

- B. *Costs Included:* Except as otherwise may be agreed to in writing by Owner, costs included in the Cost of the Work will be in amounts no higher than those commonly incurred in the locality of the Project, will not include any of the costs itemized in Paragraph 13.01.C, and will include only the following items:
1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor in advance of the subject Work. Such employees include, without limitation, superintendents, foremen, safety managers, safety representatives, and other personnel employed full time on the Work. Payroll costs for employees not employed full time on the Work will be apportioned on the basis of their time spent on the Work. Payroll costs include, but are not limited to, salaries and wages plus the cost of fringe benefits, which include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, sick leave, and vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, will be included in the above to the extent authorized by Owner.
  2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts will accrue to Owner. All trade discounts, rebates, and refunds and returns from sale of surplus materials and equipment will accrue to Owner, and Contractor shall make provisions so that they may be obtained.
  3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, which will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee will be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 13.01.
  4. Costs of special consultants (including but not limited to engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed or retained for services specifically related to the Work.
  5. Other costs consisting of the following:
    - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
    - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
      - 1) In establishing included costs for materials such as scaffolding, plating, or sheeting, consideration will be given to the actual or the estimated life of the material for use on other projects; or rental rates may be established on the basis of purchase or salvage value of such items, whichever is less. Contractor will not

be eligible for compensation for such items in an amount that exceeds the purchase cost of such item.

c. *Construction Equipment Rental*

- 1) Rentals of all construction equipment and machinery, and the parts thereof, in accordance with rental agreements approved by Owner as to price (including any surcharge or special rates applicable to overtime use of the construction equipment or machinery), and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs will be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts must cease when the use thereof is no longer necessary for the Work.
  - 2) Costs for equipment and machinery owned by Contractor or a Contractor-related entity will be paid at a rate shown for such equipment in the equipment rental rate book specified in the Supplementary Conditions. An hourly rate will be computed by dividing the monthly rates by 176. These computed rates will include all operating costs.
  - 3) With respect to Work that is the result of a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price ("changed Work"), included costs will be based on the time the equipment or machinery is in use on the changed Work and the costs of transportation, loading, unloading, assembly, dismantling, and removal when directly attributable to the changed Work. The cost of any such equipment or machinery, or parts thereof, must cease to accrue when the use thereof is no longer necessary for the changed Work.
- d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, as imposed by Laws and Regulations.
  - e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
  - f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of builder's risk or other property insurance established in accordance with Paragraph 6.04), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses will be included in the Cost of the Work for the purpose of determining Contractor's fee.
  - g. The cost of utilities, fuel, and sanitary facilities at the Site.
  - h. Minor expenses such as communication service at the Site, express and courier services, and similar petty cash items in connection with the Work.
  - i. The costs of premiums for all bonds and insurance that Contractor is required by the Contract Documents to purchase and maintain.

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

1. Payroll costs and other compensation of Contractor's officers, executives, principals, general managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 13.01.B.1 or specifically covered by Paragraph 13.01.B.4. The payroll costs and other compensation excluded here are to be considered administrative costs covered by the Contractor's fee.
2. The cost of purchasing, renting, or furnishing small tools and hand tools.
3. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
4. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
5. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
6. Expenses incurred in preparing and advancing Claims.
7. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraph 13.01.B.

D. *Contractor's Fee*

1. When the Work as a whole is performed on the basis of cost-plus-a-fee, then:
  - a. Contractor's fee for the Work set forth in the Contract Documents as of the Effective Date of the Contract will be determined as set forth in the Agreement.
  - b. for any Work covered by a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price on the basis of Cost of the Work, Contractor's fee will be determined as follows:
    - 1) When the fee for the Work as a whole is a percentage of the Cost of the Work, the fee will automatically adjust as the Cost of the Work changes.
    - 2) When the fee for the Work as a whole is a fixed fee, the fee for any additions or deletions will be determined in accordance with Paragraph 11.07.C.2.
2. When the Work as a whole is performed on the basis of a stipulated sum, or any other basis other than cost-plus-a-fee, then Contractor's fee for any Work covered by a Change Order, Change Proposal, Claim, set-off, or other adjustment in Contract Price on the basis of Cost of the Work will be determined in accordance with Paragraph 11.07.C.2.

E. *Documentation and Audit:* Whenever the Cost of the Work for any purpose is to be determined pursuant to this Article 13, Contractor and pertinent Subcontractors will establish and maintain records of the costs in accordance with generally accepted accounting practices. Subject to prior written notice, Owner will be afforded reasonable access, during normal business hours, to all Contractor's accounts, records, books, correspondence, instructions,

drawings, receipts, vouchers, memoranda, and similar data relating to the Cost of the Work and Contractor's fee. Contractor shall preserve all such documents for a period of three years after the final payment by Owner. Pertinent Subcontractors will afford such access to Owner, and preserve such documents, to the same extent required of Contractor.

### 13.02 Allowances

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

### 13.03 Unit Price Work

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Payments to Contractor for Unit Price Work will be based on actual quantities.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, and the final adjustment of Contract Price will be set forth in a Change Order, subject to the provisions of the following paragraph.

E. *Adjustments in Unit Price*

1. Contractor or Owner shall be entitled to an adjustment in the unit price with respect to an item of Unit Price Work if:
  - a. the quantity of the item of Unit Price Work performed by Contractor differs materially and significantly from the estimated quantity of such item indicated in the Agreement; and
  - b. Contractor's unit costs to perform the item of Unit Price Work have changed materially and significantly as a result of the quantity change.
2. The adjustment in unit price will account for and be coordinated with any related changes in quantities of other items of Work, and in Contractor's costs to perform such other Work, such that the resulting overall change in Contract Price is equitable to Owner and Contractor.
3. Adjusted unit prices will apply to all units of that item.

**ARTICLE 14—TESTS AND INSPECTIONS; CORRECTION, REMOVAL, OR ACCEPTANCE OF DEFECTIVE WORK**

14.01 *Access to Work*

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

14.02 *Tests, Inspections, and Approvals*

- A. Contractor shall give Engineer and Owner's Inspector timely notice of readiness of the Work (or specific parts thereof), at a minimum 48 hours, for all required inspections and tests, and shall cooperate with inspection and testing personnel to facilitate required inspections and tests.
- B. Owner shall retain and pay for the services of an independent inspector, testing laboratory, or other qualified individual or entity to perform all inspections and tests expressly required by the Contract Documents to be furnished and paid for by Owner, except that costs incurred in connection with tests or inspections of covered Work will be governed by the provisions of Paragraph 14.05.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging, obtaining, and paying for all inspections and tests required:
  1. by the Contract Documents, unless the Contract Documents expressly allocate responsibility for a specific inspection or test to Owner;

2. to attain Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work;
3. by manufacturers of equipment furnished under the Contract Documents;
4. for testing, adjusting, and balancing of mechanical, electrical, and other equipment to be incorporated into the Work; and
5. for acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work.

Such inspections and tests will be performed by independent inspectors, testing laboratories, or other qualified individuals or entities acceptable to Owner and Engineer.

- E. If the Contract Documents require the Work (or part thereof) to be approved by Owner, Engineer, or another designated individual or entity, then Contractor shall assume full responsibility for arranging and obtaining such approvals.
- F. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, Contractor shall, if requested by Engineer, uncover such Work for observation. Such uncovering will be at Contractor's expense unless Contractor had given Engineer timely notice of Contractor's intention to cover the same and Engineer had not acted with reasonable promptness in response to such notice.

#### 14.03 Defective Work

- A. *Contractor's Obligation:* It is Contractor's obligation to assure that the Work is not defective.
- B. *Engineer's or Owner's Inspector's Authority:* Engineer or Owner's Inspector has the authority to determine whether Work is defective, and to reject defective Work.
- C. *Notice of Defects:* Prompt written notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor.
- D. *Correction, or Removal and Replacement:* Promptly after receipt of written notice of defective Work, Contractor shall correct all such defective Work, whether or not fabricated, installed, or completed, or, if Engineer or Owner's Inspector has rejected the defective Work, remove it from the Project and replace it with Work that is not defective.
- E. *Preservation of Warranties:* When correcting defective Work, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.
- F. *Costs and Damages:* In addition to its correction, removal, and replacement obligations with respect to defective Work, Contractor shall pay all claims, costs, losses, and damages arising out of or relating to defective Work, including but not limited to the cost of the inspection, testing, correction, removal, replacement, or reconstruction of such defective Work, fines levied against Owner by governmental authorities because the Work is defective, and the costs of repair or replacement of work of others resulting from defective Work. Prior to final payment, if Owner and Contractor are unable to agree as to the measure of such claims, costs, losses, and damages resulting from defective Work, then Owner may impose a reasonable set-off against payments due under Article 15.

#### 14.04 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner prefers to accept it, Owner may do so (subject, if such acceptance occurs prior to final payment, to Engineer's confirmation that such acceptance is in general accord with the design intent and applicable engineering principles, and will not endanger public safety). Contractor shall pay all claims, costs, losses, and damages attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness), and for the diminished value of the Work to the extent not otherwise paid by Contractor. If any such acceptance occurs prior to final payment, the necessary revisions in the Contract Documents with respect to the Work will be incorporated in a Change Order. If the parties are unable to agree as to the decrease in the Contract Price, reflecting the diminished value of Work so accepted, then Owner may impose a reasonable set-off against payments due under Article 15. If the acceptance of defective Work occurs after final payment, Contractor shall pay an appropriate amount to Owner.

#### 14.05 *Uncovering Work*

- A. Engineer or Owner's Inspector has the authority to require additional inspection or testing of the Work, whether or not the Work is fabricated, installed, or completed.
- B. If any Work is covered contrary to the written request of Engineer, then Contractor shall, if requested by Engineer or Owner's Inspector, uncover such Work for Engineer's observation, and then replace the covering, all at Contractor's expense.
- C. If Engineer or Owner's Inspector considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, then Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, and provide all necessary labor, material, and equipment.
1. If it is found that the uncovered Work is defective, Contractor shall be responsible for all claims, costs, losses, and damages arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and pending Contractor's full discharge of this responsibility the Owner shall be entitled to impose a reasonable set-off against payments due under Article 15.
  2. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, then Contractor may submit a Change Proposal within 30 days of the determination that the Work is not defective.

#### 14.06 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, then Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work will not give rise to any duty on the part of Owner to exercise this

right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

**14.07 Owner May Correct Defective Work**

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work, or to remove and replace defective Work as required by Engineer, then Owner may, after 7 days' written notice to Contractor, correct or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 14.07, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this paragraph.
- C. All claims, costs, losses, and damages incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 14.07 will be charged against Contractor as set-offs against payments due under Article 15. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.
- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 14.07.

**ARTICLE 15—PAYMENTS TO CONTRACTOR; SET-OFFS; COMPLETION; CORRECTION PERIOD**

**15.01 Progress Payments**

- A. *Basis for Progress Payments:* The Schedule of Values established as provided in Article 2 will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer and Owner. Progress payments for Unit Price Work will be based on the number of units completed during the pay period, as determined under the provisions of Paragraph 13.03. Progress payments for cost-based Work will be based on Cost of the Work completed by Contractor during the pay period.
- B. *Applications for Payments*
  1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer and Owner's Inspector for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents, including an updated CPM project schedule, evidence of as-built notations in the Construction Documents, and all updated logs.
  2. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably and securely stored at the Site or at another location agreed to in writing, the Application for Payment must also be accompanied by: (a) a bill of sale, invoice, copies of subcontract or purchase order payments, or other

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documentation establishing full payment by Contractor for the materials and equipment; (b) at Owner's request, documentation warranting that Owner has received the materials and equipment free and clear of all Liens; and (c) evidence that the materials and equipment are covered by appropriate property insurance, a warehouse bond, or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner. Owner shall pay 80% of the value of the materials and equipment until installed, at which time, Owner shall pay 100%, minus retained amounts.

3. Beginning with the second Application for Payment, each Application must include an affidavit of Contractor stating that all previous progress payments received by Contractor have been applied to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
4. The amount of retainage with respect to progress payments will be as stipulated in the Agreement and set at 5%

*C. Review of Applications*

1. Engineer will, within 10 days after receipt of each Application for Payment, including each resubmittal, either indicate in writing a recommendation of payment and present the Application to Owner, or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations of the executed Work as an experienced and qualified design professional, and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:
  - a. the Work has progressed to the point indicated;
  - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, the results of any subsequent tests called for in the Contract Documents, a final determination of quantities and classifications for Unit Price Work under Paragraph 13.03, and any other qualifications stated in the recommendation); and
  - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.
3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
  - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract; or
  - b. there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.

4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
  - a. to supervise, direct, or control the Work;
  - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto;
  - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work;
  - d. to make any examination to ascertain how or for what purposes Contractor has used the money paid by Owner; or
  - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 15.01.C.2.
6. Engineer will recommend reductions in payment (set-offs) necessary in Engineer's opinion to protect Owner from loss because:
  - a. the Work is defective, requiring correction or replacement;
  - b. the Contract Price has been reduced by Change Orders;
  - c. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
  - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible; or
  - e. Engineer has actual knowledge of the occurrence of any of the events that would constitute a default by Contractor and therefore justify termination for cause under the Contract Documents.

*D. Payment Becomes Due*

1. Thirty days after approval of the Application for Payment by Owner with Engineer's recommendation, the amount recommended (subject to any Owner set-offs) will become due, and when due will be paid by Owner to Contractor.

*E. Reductions in Payment by Owner*

1. In addition to any reductions in payment (set-offs) recommended by Engineer, Owner is entitled to impose a set-off against payment based on any of the following:
  - a. Claims have been made against Owner based on Contractor's conduct in the performance or furnishing of the Work, or Owner has incurred costs, losses, or damages resulting from Contractor's conduct in the performance or furnishing of the Work, including but not limited to claims, costs, losses, or damages from workplace injuries, adjacent property damage, non-compliance with Laws and Regulations, and patent infringement;

- b. Contractor has failed to take reasonable and customary measures to avoid damage, delay, disruption, and interference with other work at or adjacent to the Site;
  - c. Contractor has failed to provide and maintain required bonds or insurance;
  - d. Owner has been required to remove or remediate a Hazardous Environmental Condition for which Contractor is responsible;
  - e. Owner has incurred extra charges or engineering costs related to submittal reviews, evaluations of proposed substitutes, tests and inspections, or return visits to manufacturing or assembly facilities;
  - f. The Work is defective, requiring correction or replacement;
  - g. Owner has been required to correct defective Work in accordance with Paragraph 14.07, or has accepted defective Work pursuant to Paragraph 14.04;
  - h. The Contract Price has been reduced by Change Orders;
  - i. An event has occurred that would constitute a default by Contractor and therefore justify a termination for cause;
  - j. Liquidated or other damages have accrued as a result of Contractor's failure to achieve Milestones, Substantial Completion, or final completion of the Work;
  - k. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens; or
  - l. Other items entitle Owner to a set-off against the amount recommended.
2. If Owner imposes any set-off against payment, whether based on its own knowledge or on the written recommendations of Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and the specific amount of the reduction, and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, if Contractor remedies the reasons for such action. The reduction imposed will be binding on Contractor unless it duly submits a Change Proposal contesting the reduction.
  3. Upon a subsequent determination that Owner's refusal of payment was not justified, the amount wrongfully withheld will be treated as an amount due as determined by Paragraph 15.01.D.1 and subject to interest as provided in the Agreement.

#### 15.02 *Contractor's Warranty of Title*

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment furnished under the Contract will pass to Owner free and clear of (1) all Liens and other title defects, and (2) all patent, licensing, copyright, or royalty obligations, no later than 7 days after the time of payment by Owner.

#### 15.03 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use and substantially complete per the Contract Documents, Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete and request that Engineer and Owner issue a

certificate of Substantial Completion. Contractor shall at the same time submit to Owner and Engineer an initial draft of punch list items to be completed or corrected before final payment.

- B. Promptly after Contractor's notification, Owner, Contractor, and Engineer shall make an inspection of the Work to determine the status of completion. If Engineer or Owner does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer and Owner's Inspector considers the Work substantially complete, Engineer will deliver to Owner a preliminary certificate of Substantial Completion which will fix the date of Substantial Completion. Engineer shall attach to the certificate a punch list of items to be completed or corrected before final payment. Owner shall have 7 days after receipt of the preliminary certificate during which to make written objection to Engineer as to any provisions of the certificate or attached punch list. If, after considering the objections to the provisions of the preliminary certificate, Engineer concludes that the Work is not substantially complete, Engineer will, within 14 days after submission of the preliminary certificate to Owner, notify Contractor in writing that the Work is not substantially complete, stating the reasons therefor. If Owner does not object to the provisions of the certificate, then Engineer will, within said 14 days, execute and deliver to Owner and Contractor a final certificate of Substantial Completion (with a revised punch list of items to be completed or corrected) reflecting such changes from the preliminary certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of receipt of the preliminary certificate of Substantial Completion, Owner and Contractor will confer regarding Owner's use or occupancy of the Work following Substantial Completion, review the builder's risk insurance policy with respect to the end of the builder's risk coverage, and confirm the transition to coverage of the Work under a permanent property insurance policy held by Owner. Unless Owner and Contractor agree otherwise in writing, Owner shall bear responsibility for security, operation, protection of the Work, property insurance, maintenance, heat, and utilities upon Owner's use or occupancy of the Work.
- E. After Substantial Completion the Contractor shall promptly begin work on the punch list of items to be completed or corrected within 30 calendar days and prior to final payment..
- F. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to remove its property and complete or correct items on the punch list.

#### 15.04 *Partial Use or Occupancy*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions:
  - 1. At any time, Owner may request in writing that Contractor permit Owner to use or occupy any such part of the Work that Owner believes to be substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor,

Owner, and Engineer will follow the procedures of Paragraph 15.03.A through 15.03.E for that part of the Work.

2. At any time, Contractor may notify Owner and Engineer in writing that Contractor considers any such part of the Work substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 15.03 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 6.04 regarding builder's risk or other property insurance.

#### 15.05 *Final Inspection*

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

#### 15.06 *Final Payment*

##### A. *Application for Payment*

1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance, certificates of inspection, annotated record documents (as provided in Paragraph 7.12), and other documents, Contractor may make application for final payment.
2. The final Application for Payment must be accompanied (except as previously delivered) by:
  - a. all documentation called for in the Contract Documents;
  - b. consent of the surety, if any, to final payment;
  - c. satisfactory evidence that all title issues have been resolved such that title to all Work, materials, and equipment has passed to Owner free and clear of any Liens or other title defects, or will so pass upon final payment.
  - d. a list of all duly pending Change Proposals and Claims; and
  - e. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of the Work, and of Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 15.06.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor

that: (a) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (b) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner might in any way be responsible, or which might in any way result in liens or other burdens on Owner's property, have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien, or Owner at its option may issue joint checks payable to Contractor and specified Subcontractors and Suppliers.

- B. *Engineer's Review of Final Application and Recommendation of Payment:* If, on the basis of Engineer's and Owner's Inspector's observation of the Work during construction and final inspection, and Engineer's and Owner's Inspector's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer and Owner's Inspector is satisfied that the Work has been completed and Contractor's other obligations under the Contract have been fulfilled, Engineer will, within 10 days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of final payment and present the final Application for Payment to Owner for payment. Such recommendation will account for any set-offs against payment that are necessary in Engineer's opinion to protect Owner from loss for the reasons stated above with respect to progress payments. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.
- C. *Notice of Acceptability:* In support of its recommendation of payment of the final Application for Payment, Engineer will also give written notice to Owner and Contractor that the Work is acceptable, subject to stated limitations in the notice and to the provisions of Paragraph 15.07.
- D. *Completion of Work:* The Work is complete (subject to surviving obligations) when it is ready for final payment as established by the Engineer's written recommendation of final payment and issuance of notice of the acceptability of the Work.
- E. *Final Payment Becomes Due:* Upon receipt from Engineer of the final Application for Payment and accompanying documentation, Owner shall set off against the amount recommended by Engineer for final payment any further sum to which Owner is entitled, including but not limited to set-offs for liquidated damages and set-offs allowed under the provisions of this Contract with respect to progress payments. Owner shall pay the resulting balance due to Contractor within 30 days of Owner's approval of the final Application for Payment from Engineer.

#### 15.07 *Waiver of Claims*

- A. By making final payment, Owner waives its claim or right to liquidated damages or other damages for late completion by Contractor, except as set forth in an outstanding Claim, appeal under the provisions of Article 17, set-off, or express reservation of rights by Owner. Owner reserves all other claims or rights after final payment.
- B. The acceptance of final payment by Contractor will constitute a waiver by Contractor of all claims and rights against Owner other than those pending matters that have been duly submitted as a Claim, or appealed under the provisions of Article 17.

15.08 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the Supplementary Conditions or the terms of any applicable special guarantee required by the Contract Documents or material manufacturer), Owner gives Contractor written notice that any Work has been found to be defective, or that Contractor's repair of any damages to the Site or adjacent areas has been found to be defective, then after receipt of such notice of defect Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
1. correct the defective repairs to the Site or such adjacent areas;
  2. correct such defective Work;
  3. remove the defective Work from the Project and replace it with Work that is not defective, if the defective Work has been rejected by Owner, and
  4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others, or to other land or areas resulting from the corrective measures.
- B. Owner shall give any such notice of defect within 60 days of the discovery that such Work or repairs is defective. If such notice is given within such 60 days but after the end of the correction period, the notice will be deemed a notice of defective Work under Paragraph 7.17.B.
- C. If, after receipt of a notice of defect within 60 days and within the correction period, Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. Contractor shall pay all costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others). Contractor's failure to pay such costs, losses, and damages within 10 days of invoice from Owner will be deemed the start of an event giving rise to a Claim under Paragraph 12.01.B, such that any related Claim must be brought within 30 days of the failure to pay.
- D. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- E. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this paragraph, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- F. Contractor's obligations under this paragraph are in addition to all other obligations and warranties. The provisions of this paragraph are not to be construed as a substitute for, or a waiver of, the provisions of any applicable statute of limitation or repose.

**ARTICLE 16—SUSPENSION OF WORK AND TERMINATION****16.01 *Owner May Suspend Work***

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by written notice to Contractor and Engineer. Such notice will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be entitled to an adjustment in the Contract Price or an extension of the Contract Times directly attributable to any such suspension. Any Change Proposal seeking such adjustments must be submitted no later than 30 days after the date fixed for resumption of Work.

**16.02 *Owner May Terminate for Cause***

- A. The occurrence of any one or more of the following events will constitute a default by Contractor and justify termination for cause:
1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment, or failure to adhere to the Progress Schedule);
  2. Failure of Contractor to perform or otherwise to comply with a material term of the Contract Documents;
  3. Contractor's disregard of Laws or Regulations of any public body having jurisdiction; or
  4. Contractor's repeated disregard of the authority of Owner or Engineer.
  5. Contractor's absence from the site for more than two (2) weeks without Owner's consent or Contractor's absence from the site for more than thirty (30) days without justifiable cause.
- B. If one or more of the events identified in Paragraph 16.02.A occurs, then after giving Contractor (and any surety) 10 days' written notice that Owner is considering a declaration that Contractor is in default and termination of the Contract, Owner may proceed to:
1. declare Contractor to be in default, and give Contractor (and any surety) written notice that the Contract is terminated; and
  2. enforce the rights available to Owner under any applicable performance bond.
- C. Subject to the terms and operation of any applicable performance bond, if Owner has terminated the Contract for cause, Owner may exclude Contractor from the Site, take possession of the Work, incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and complete the Work as Owner may deem expedient.
- D. Owner may not proceed with termination of the Contract under Paragraph 16.02.B if Contractor within 7 days of receipt of notice of intent to terminate begins to correct its failure to perform and proceeds diligently to cure such failure.
- E. If Owner proceeds as provided in Paragraph 16.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds the cost to complete the Work, including all related claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects,

attorneys, and other professionals) sustained by Owner, such excess will be paid to Contractor. If the cost to complete the Work including such related claims, costs, losses, and damages exceeds such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this paragraph, Owner shall not be required to obtain the lowest price for the Work performed.

- F. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue, or any rights or remedies of Owner against Contractor or any surety under any payment bond or performance bond. Any retention or payment of money due Contractor by Owner will not release Contractor from liability.
- G. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 6.01.A, the provisions of that bond will govern over any inconsistent provisions of Paragraphs 16.02.B and 16.02.D.

#### 16.03 *Owner May Terminate for Convenience*

- A. Upon 7 days' written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
  1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
  2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses; and
  3. other reasonable expenses directly attributable to termination, including costs incurred to prepare a termination for convenience cost proposal.
- B. Contractor shall not be paid for any loss of anticipated profits or revenue, post-termination overhead costs, or other economic loss arising out of or resulting from such termination.

#### 16.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (1) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (2) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (3) Owner fails for 45 days to pay Contractor any sum finally determined to be due, then Contractor may, upon 7 days' written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the contract and recover from Owner payment on the same terms as provided in Paragraph 16.03.
- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 45 days to pay Contractor any sum finally determined to be due, Contractor may, 7 days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The

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provisions of this paragraph are not intended to preclude Contractor from submitting a Change Proposal for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this paragraph.

## ARTICLE 17—FINAL RESOLUTION OF DISPUTES

### 17.01 *Methods and Procedures*

- A. *Disputes Subject to Final Resolution:* The following disputed matters are subject to final resolution under the provisions of this article:
1. A timely appeal of an approval in part and denial in part of a Claim, or of a denial in full, pursuant to Article 12; and
  2. Disputes between Owner and Contractor concerning the Work, or obligations under the Contract Documents, that arise after final payment has been made.
- B. *Final Resolution of Disputes:* For any dispute subject to resolution under this article, Owner or Contractor may:
1. elect in writing to invoke the dispute resolution process provided for in the Supplementary Conditions;
  2. agree with the other party to submit the dispute to another dispute resolution process; or
  3. if no dispute resolution process is provided for in the Supplementary Conditions or mutually agreed to, give written notice to the other party of the intent to submit the dispute to a court of competent jurisdiction.

## ARTICLE 18—MISCELLANEOUS

### 18.01 *Giving Notice*

- A. Whenever any provision of the Contract requires the giving of written notice to Owner, Engineer, or Contractor, it will be deemed to have been validly given only if delivered:
1. in person, by a commercial courier service or otherwise, to the recipient's place of business;
  2. by registered or certified mail, postage prepaid, to the recipient's place of business; or
  3. by e-mail to the recipient, with the words "Formal Notice" or similar in the e-mail's subject line.

### 18.02 *Computation of Times*

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

18.03 *Cumulative Remedies*

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

18.04 *Limitation of Damages*

- A. With respect to any and all Change Proposals, Claims, disputes subject to final resolution, and other matters at issue, neither Owner nor Engineer, nor any of their officers, directors, members, partners, employees, agents, consultants, or subcontractors, shall be liable to Contractor for any claims, costs, losses, or damages sustained by Contractor on or in connection with any other project or anticipated project.

18.05 *No Waiver*

- A. A party's non-enforcement of any provision will not constitute a waiver of that provision, nor will it affect the enforceability of that provision or of the remainder of this Contract.

18.06 *Survival of Obligations*

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

18.07 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

18.08 *Assignment of Contract*

- A. Unless expressly agreed to elsewhere in the Contract, no assignment by a party to this Contract of any rights under or interests in the Contract will be binding on the other party without the written consent of the party sought to be bound; and, specifically but without limitation, money that may become due and money that is due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract.

18.09 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its successors, assigns, and legal representatives to the other party hereto, its successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

18.10 *Headings*

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

**MONTANA  
PREVAILING WAGERATES FOR HIGHWAYCONSTRUCTION SERVICES 2025**

**Effective: *January 11, 2025***

***Greg Gianforte, Governor  
State of Montana***

***Sarah Swanson, Commissioner  
Department of Labor & Industry***

To obtain copies of prevailing wage rate schedules, or for information relating to public works projects and payment of prevailing wage rates, visit ESD at [erd.dli.mt.gov/labor-standards](http://erd.dli.mt.gov/labor-standards) or contact:

Employment **Standards** Division  
Montana Department of Labor and Industry  
P. O. Box 8011  
Helena, MT 59604  
Phone 406-444-6543

**The department welcomes questions, comments, and suggestions from the public. In addition, we'll do our best to provide information in an accessible format, upon request, in compliance with the Americans with Disabilities Act.**

**MONTANA PREVAILING WAGE REQUIREMENTS**

The Commissioner of the Department of Labor and Industry, in accordance with Sections 18-2-401 and 18-2-402 of the Montana Code Annotated (MCA), has determined the standard prevailing rate of wages for the occupations listed in this publication.

The wages specified herein control the prevailing rate of wages for the purposes of Section 18-2-401, et seq., MCA. It is required each employer pay (as a minimum) the rate of wages, including fringe benefits, travel allowance, zone pay and per diem applicable to the district in which the work is being performed as provided in the attached wage determinations.

All Montana Prevailing Wage Rates are available on the internet at [erd.dli.mt.gov/labor-standards](http://erd.dli.mt.gov/labor-standards) or by contacting the department at (406) 444-6543.

In addition, this publication provides general information concerning compliance with Montana's Prevailing Wage Law and the payment of prevailing wages. For detailed compliance information relating to public works contracts and payment of prevailing wage rates, please consult the regulations on the internet at [erd.dli.mt.gov/labor-standards](http://erd.dli.mt.gov/labor-standards) or contact the department at (406) 444-6543.

SARAH SWANSON  
Commissioner  
Department of Labor and Industry  
State of Montana

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**A. Date of Publication January 13, 2025****B. Definition of Highway Construction**

The Administrative Rules of Montana (ARM), 24.17.501(3) – (3)(b), states “Highway construction projects include, but are not limited to, the construction, alteration, or repair of roads, streets, highways, runways, taxiways, alleys, trails, paths, and parking areas, bridges constructed or repaired in conjunction with highway work, and other similar projects not incidental to building construction or heavy construction.

*Highway construction projects include, but are not limited to, alleys, base courses, bituminous treatments, bridle paths, concrete pavement, curbs, excavation and embankment (for road construction), fencing (highway), grade crossing elimination (overpasses or underpasses), guard rails on highways, highway signs, highway bridges (overpasses, underpasses, grade separation), medians, parking lots, parkways, resurfacing streets and highways, roadbeds, roadways, runways, shoulders, stabilizing courses, storm sewers incidental to road construction, street paving, surface courses, taxiways, and trails.”*

**C. Definition of Public Works Contract**

Section 18-2-401(11)(a), MCA defines “public works contract” as “...a contract for construction services let by the state, county, municipality, school district, or political subdivision or for nonconstruction services let by the state, county, municipality, or political subdivision in which the total cost of the contract is in excess of \$25,000...”.

**D. Prevailing Wage Schedule**

This publication covers only Highway Construction occupations and rates in the specific localities mentioned herein. These rates will remain in effect until superseded by a more current publication. Current prevailing wage rate schedules for Building Construction, Heavy Construction and Nonconstruction Services occupations can be found on the internet at <https://erd.dli.mt.gov/labor-standards/state-prevailing-wage-rates/> or by contacting the department at (406) 444-6543.

**E. Rates to Use for Projects**

ARM, 24.17.127(1)(c), states “The wage rates applicable to a particular public works project are those in effect at the time the bid specifications are advertised.”

**F. Wage Rate Adjustments for Multiyear Contracts**

Section 18-2-417, MCA states:

- “(1) Any public works contract that by the terms of the original contract calls for more than 30 months to fully perform must include a provision to adjust, as provided in subsection (2), the standard prevailing rate of wages to be paid to the workers performing the contract.
- (2) The standard prevailing rate of wages paid to workers under a contract subject to this section must be adjusted 12 months after the date of the award of the public works contract. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.
- (3) Any increase in the standard rate of prevailing wages for workers under this section is the sole responsibility of the contractor and any subcontractors and not the contracting agency.”

**G. Fringe Benefits**

Section 18-2-412, MCA states:

*“(1) To fulfill the obligation...a contractor or subcontractor may:*

*(a) pay the amount of fringe benefits and the basic hourly rate of pay that is part of the standard prevailing rate of wages directly to the worker or employee in cash;*

*(b) make an irrevocable contribution to a trustee or a third person pursuant to a fringe benefit fund, plan, or program that meets the requirements of the Employee Retirement Income Security Act of 1974 or that is a bona fide program approved by the U. S. department of labor; or*

*(c) make payments using any combination of methods set forth in subsections (1)(a) and (1)(b) so that the aggregate of payments and contributions is not less than the standard prevailing rate of wages, including fringe benefits and travel allowances, applicable to the district for the particular type of work being performed.*

*(2) The fringe benefit fund, plan, or program described in subsection (1)(b) must provide benefits to workers or employees for health care, pensions on retirement or death, life insurance, disability and sickness insurance, or bona fide programs that meet the requirements of the Employee Retirement Income Security Act of 1974 or that are approved by the U. S. department of labor.”*

Fringe benefits are paid for all hours worked (straight time and overtime hours). However, fringe benefits are not to be considered a part of the hourly rate of pay for calculating overtime, unless there is a collectively bargained agreement in effect that specifies otherwise.

**H. Dispatch City**

ARM, 24.17.103(11), defines dispatch city as *“...the courthouse in the city from the following list which is closest to the center of the job: Billings, Bozeman, Butte, Great Falls, Helena, Kalispell, Miles City, Missoula and Sidney.”*

**I. Zone Pay**

Zone pay is not travel pay. ARM, 24.17.103(25), defines zone pay as *“...an amount added to the base pay; the combined sum then becomes the new base wage rate to be paid for all hours worked on the project. Zone pay must be determined by measuring the road miles one way over the shortest practical maintained route from the dispatch city to the center of the job.”* See section H above for a list of dispatch cities.

**J. Computing Travel Benefits**

ARM, 24.17.103(23), states *“ ‘Travel pay,’ also referred to as ‘travel allowance,’ is and must be paid for travel both to and from the job site, except those with special provisions listed under the classification. The rate is determined by measuring the road miles one direction over the shortest practical maintained route from the dispatch city or the employee’s home, whichever is closer, to the center of the job.”* See section H above for a list of dispatch cities.

**K. Per Diem**

ARM, 24.17.103(19), states *“ ‘Per diem’ typically covers costs associated with board and lodging expenses. Per diem is paid when an employee is required to work at a location outside the daily commuting distance and is required to stay at that location overnight or longer.”*

**L. Apprentices**

Wage rates for apprentices registered in approved federal or state apprenticeship programs are contained in those programs. Additionally, Section 18-2-416(2), MCA states *“...The full amount of any applicable fringe benefits must be paid to the apprentice while the apprentice is working on the public works contract.”* Apprentices not registered in approved federal or state apprenticeship programs will be paid the appropriate journey level prevailing wage rate when working on a public works contract.

**M. Posting Notice of Prevailing Wages**

Section 18-2-406, MCA, provides that contractors, subcontractors, and employers who are "...performing work or providing construction services under public works contracts, as provided in this part, shall post in a prominent and accessible site on the project or staging area, not later than the first day of work and continuing for the entire duration of the project, a legible statement of all wages and fringe benefits to be paid to the employees."

**N. Employment Preference**

Sections 18-2-403 and 18-2-409, MCA require contractors to give preference to the employment of bona fide Montana residents in the performance of work on public works contracts.

**O. Projects of a Mixed Nature**

Section 18-2-418, MCA states:

*"(1) The contracting agency shall determine, based on the preponderance of labor hours to be worked, whether the public works construction services project is classified as a highway construction project, a heavy construction project, or a building construction project.*

*(2) Once the project has been classified, employees in each trade classification who are working on that project must be paid at the rate for that project classification"*

**P. Occupations Definitions**

You can find definitions for these occupations on the following Bureau of Labor Statistics website:

[http://www.bls.gov/oes/current/oes\\_stru.htm](http://www.bls.gov/oes/current/oes_stru.htm)

**Q. Welder Rates**

Welders receive the rate prescribed for the craft performing an operation to which welding is incidental.

**R. Foreman Rates**

Rates are no longer set for foremen. However, if a foreman performs journey level work, the foreman must be paid at least the journey level rate.

## WAGE RATES

### BRICK, BLOCK, AND STONE MASONS

No Rate Established

**Travel:**

**Travel:**

**All Districts**

0-70 mi. free zone

>70-90 mi. \$60.00/day

>90 mi. \$80.00/day

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### CARPENTERS

**Wage**  
\$36.49

**Benefit**  
\$14.33

**Zone Pay:**

0-30 mi. free zone

>30-60 mi. base pay + \$4.00/hr.

>60 mi. base pay + \$6.00/hr.

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### CEMENT MASONS AND CONCRETE FINISHERS

**Wage**  
\$33.41

**Benefit**  
\$16.51

**Zone Pay:**

0-30 mi free zone

30-60 mi base pay+2.95/hr.

>60 mi base pay+4.75/hr

**Duties Include:**

Smooth and finish surfaces of poured concrete, such as floors, walks, sidewalks, or curbs. Align forms for sidewalks, curbs, or gutters.

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 1

**Wage**  
\$32.47

**Benefit**  
\$12.77

**Zone Pay:**

No zone pay established.

**This group includes but is not limited to:**

Air Compressor; Auto Fine Grader; Belt Finishing; Boring Machine (Small); Cement Silo; Crane, A-Frame Truck Crane; Crusher Conveyor; DW-10, 15, and 20 Tractor Roller; Farm Tractor; Forklift; Form Grader; Front-End Loader, under 1 cu. yd; Oiler, Heavy Duty Drills; Herman Nelson Heater; Mucking Machine; Oiler, All Except Cranes/Shovels; Pumpman.

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 2

<b>Wage</b>	<b>Benefit</b>
\$35.70	\$12.77

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**

Air Doctor; Backhoe\Excavator\Shovel, up to and incl. 3 cu. yds; Bit Grinder; Bituminous Paving Travel Plant; Boring Machine, Large; Broom, Self-Propelled; Concrete Travel Batcher; Concrete Float & Spreader; Concrete Bucket Dispatcher; Concrete Finish Machine; Concrete Conveyor; Distributor; Dozer, Rubber-Tired, Push, & Side Boom; Elevating Grader\Gradall; Field Equipment Serviceman; Front-End Loader, 1 cu. yd up to and incl. 5 cu. yds; Grade Setter; Heavy Duty Drills, All Types; Hoist\Tugger, All; Hydralift Forklifts & Similar; Industrial Locomotive; Motor Patrol (except finish); Mountain Skidder; Oiler, Cranes\Shovels; Pavement Breaker, EMSCO; Power Saw, Self-Propelled; Pugmill; Pumpcrete\Grout Machine; Punch Truck; Roller, other than Asphalt; Roller, Sheepfoot (Self-Propelled); Roller, 25 tons and over; Ross Carrier; Rotomill, under 6 ft; Trenching Machine; Washing /Screening Plant

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 3

<b>Wage</b>	<b>Benefit</b>
\$35.70	\$12.77

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**

Asphalt Paving Machine; Asphalt Screed; Backhoe\Excavator\Shovel, over 3 cu. yds; Cableway Highline; Concrete Batch Plant; Concrete Curing Machine; Concrete Pump; Cranes, Creter; Cranes, Electric Overhead; Cranes, 24 tons and under; Curb Machine\Slip Form Paver; Finish Dozer; Front-End Loader, over 5 cu. yds; Mechanic\Welder; Pioneer Dozer; Roller Asphalt (Breakdown & Finish); Rotomill, over 6 ft; Scraper, Single, Twin, or Pulling Belly-Dump; YO-YO Cat Haul Truck, Articulating Trucks, Vac Truck.

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 4

Wage	Benefit
\$36.91	\$12.77

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**  
Asphalt\Hot Plant Operator; Cranes, 25 tons up to and incl. 44 tons; Crusher Operator; Finish Motor Patrol; Finish Scraper.

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 5

Wage	Benefit
\$38.05	\$12.77

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**  
Cranes, 45 tons up to and incl. 74 tons.

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 6

Wage	Benefit
\$39.27	\$12.77

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**  
Cranes, 75 tons up to and incl. 149 tons; Cranes, Whirley (All).

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### CONSTRUCTION EQUIPMENT OPERATORS GROUP 7

Wage	Benefit
\$41.95	\$12.77

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**  
Cranes, 150 tons up to and incl. 250 tons; Cranes, over 250 tons—add \$1.00 for every 100 tons over 250 tons; Crane, Tower (All); Crane Stiff-Leg or Derrick; Helicopter Hoist.

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**CONSTRUCTION LABORERS GROUP 1/FLAG PERSON FOR TRAFFIC CONTROL**

<b>Wage</b>	<b>Benefit</b>
\$27.71	\$12.80

**Zone Pay:**  
No zone pay established.

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**CONSTRUCTION LABORERS GROUP 2**

<b>Wage</b>	<b>Benefit</b>
\$30.87	\$12.36

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**  
General Labor; Asbestos Removal; Burning Bar; Bucket Man; Carpenter Tender; Caisson Worker; Cement Mason Tender; Cement Handler (dry); Chuck Tender; Choker Setter; Concrete Worker; Curb Machine-lay Down; Crusher and Batch Worker; Heater Tender; Fence Erector; Landscape Laborer; Landscaper; Lawn Sprinkler Installer; Pipe Wrapper; Pot Tender; Powderman Tender; Rail and Truck Loaders and Unloaders; Riprapper; Sign Erection; Guardrail and Jersey Rail; Spike Driver; Stake Jumper; Signalman; Tail Hoseman; Tool Checker and Houseman and Traffic Control Worker.

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**CONSTRUCTION LABORERS GROUP 3**

<b>Wage</b>	<b>Benefit</b>
\$31.10	\$12.36

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**  
Concrete Vibrator; Dumpman (Grademan); Equipment Handler; Geotextile and Liners; High-Pressure Nozzleman; Jackhammer (Pavement Breaker) Non-Riding Rollers; Pipelayer; Posthole Digger (Power); Power Driven Wheelbarrow; Rigger; Sandblaster; Sod Cutter-Power and Tamper.

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**CONSTRUCTION LABORERS GROUP 4**

Wage	Benefit
\$32.12	\$12.36

**Zone Pay:**  
No zone pay established.

**This group includes but is not limited to:**

Hod Carrier\*\*\*; Water Well Laborer; Blaster; Wagon Driller; Asphalt Raker; Cutting Torch; Grade Setter; High-Scaler; Power Saws (Faller & Concrete); Powderman; Rock & Core Drill; Track or Truck Mounted Wagon Drill and Welder incl. Air Arc.

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**DIVERS**

	Wage	Benefit
Stand-By	\$46.33	\$18.38
Diving	\$92.66	\$18.38

**Zone Pay:**  
0-30 mi. free zone  
>30-60 mi. base pay + \$4.00/hr.  
>60 mi. base pay + \$6.00/hr.

Depth Pay (Surface Diving)  
0-20 ft. free zone  
>20-100 ft. \$2.00 per ft.  
>100-150 ft. \$3.00 per ft.  
>150-220 ft. \$4.00 per ft.  
>220 ft. \$5.00 per ft.

Diving In Enclosures  
0-25 ft. free zone  
>25-300 ft. \$1.00 per ft.

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**DIVER TENDERS**

Wage	Benefit
\$45.30	\$18.38

**Zone Pay:**  
0-30 mi. free zone  
>30-60 mi. base pay + \$4.00/hr.  
>60 mi. base pay + \$6.00/hr.

The tender shall receive 2 hours at the straight time pay rate per shift for dressing and/or undressing a Diver when work is done under hyperbaric conditions.

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### ELECTRICIANS

<b>Wage</b>	<b>Benefit</b>
\$39.08	\$20.00

**Travel:**

No mileage due when traveling in employer's vehicle.

The following travel allowance is applicable when traveling in employee's vehicle:

- 0-18 mi. free zone
- >18-60 mi. federal mileage rate/mi.

**Per Diem**

**District 4**

>60 mi. \$80.00/day

Per Diem in Big Sky and West Yellowstone \$125/day.

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### IRONWORKERS – REINFORCING IRON AND REBAR WORKERS

<b>Wage</b>	<b>Benefit</b>
\$34.83	\$25.37

**Duties Include:**

Structural steel erection; assemble prefabricated metal buildings; cut, bend, tie, and place rebar; energy producing windmill type towers; metal bleacher seating; handrail fabrication and ornamental steel.

**Travel:**

**All Districts**

- 0-45 mi. free zone
- >45-85 mi. \$100.00/day
- >85 mi. \$150.00/day

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### IRONWORKERS – STRUCTURAL IRON AND STEEL WORKERS

<b>Wage</b>	<b>Benefit</b>
\$30.43	\$25.22

**Duties Include:**

Structural steel erection; assemble prefabricated metal buildings; cut, bend, tie, and place rebar; energy producing windmill type towers; metal bleacher seating; handrail fabrication and ornamental steel.

**Travel:**

**All Districts**

- 0-45 mi. free zone
- >45-85 mi. \$100.00/day
- >85 mi. \$150.00/day

### LINE CONSTRUCTION – EQUIPMENT OPERATORS

<b>Wage</b>	<b>Benefit</b>
\$38.38	\$18.60

**Duties Include:**

All work on substations

**Travel:**

No Free Zone  
\$60.00/day

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### LINE CONSTRUCTION – GROUNDMAN

<b>Wage</b>	<b>Benefit</b>
\$29.96	\$17.64

**Travel:**  
No Free Zone  
\$60.00/day

**Duties Include:**  
All work on substations

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### LINE CONSTRUCTION – LINEMAN

<b>Wage</b>	<b>Benefit</b>
\$50.11	\$19.88

**Travel:**  
No Free Zone  
\$60.00/day

**Duties Include:**  
All work on substations

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### MILLWRIGHTS

<b>Wage</b>	<b>Benefit</b>
\$40.45	\$21.25

**Zone Pay:**  
0-30 mi. free zone  
>30-60 mi. base pay + \$4.00/hr.  
>60 mi. base pay + \$6.00/hr.

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### PAINTERS

<b>Wage</b>	<b>Benefit</b>
\$36.00	\$12.84

**Zone Pay:**  
No zone pay established.

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### PILE BUCKS

<b>Wage</b>	<b>Benefit</b>
\$36.49	\$14.33

**Zone Pay:**  
0-30 mi. free zone  
>30-60 mi. base pay + \$4.00/hr.  
>60 mi. base pay + \$6.00/hr.

**Duties Include:**  
Set up crane; set up hammer; weld tips on piles; set leads; insure piles are driven straight with the use of level or plum bob. Give direction to crane operator as to speed, and direction of swing. Cut piles to grade.

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**TRUCK DRIVERS**

	<b>Wage</b>	<b>Benefit</b>
Pilot Car Driver	\$28.21	\$12.57
Truck Driver	\$35.74	\$12.57

**Zone Pay:**  
No zone pay established.

**Truck drivers include but are not limited to:**  
Combination Truck and Concrete Mixer and Transit Mixer;  
Dry Batch Trucks; Distributor Driver; Dumpman; Dump  
Trucks and similar equipment; Dumpster; Flat Trucks;  
Lumber Carriers; Lowboys; Pickup; Powder Truck Driver;  
Power Boom; Serviceman; Service Truck/Fuel  
Truck/Tireperson; Truck Mechanic; Trucks with Power  
Equipment; Warehouseman, Partsman, Cardex and  
Warehouse Expeditor; Water Trucks.

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## PROJECT DESCRIPTION

### MAINTENANCE DISTRICT #204

#### Cleaning and Sweeping Prep for Overlay

1. S. Montana Ave. from Tompy to Stower totaling 70,000 square feet
2. Roosevelt from N. Prairie to Woodbury totaling 80,000 square feet

#### Milling for MD 204:

1. S. Montana Ave. from Tompy to Stower totaling approximately 1,250 linear feet with a width of 56 feet. Milling approximately 6 feet out from curb line and 20 feet out from any valley pans.
2. Roosevelt from N. Prairie to Woodbury totaling approximately 1,420 linear feet with a width of 56 feet. Millings approximately 6 feet out from curb line and 20 feet out from any valley pans.

#### Leveling from MD 204:

1. S. Montana Ave. from Tompy to Stower totaling approximately 1,250 linear feet, width of 56 feet and ½" depth leveling course.
2. Roosevelt from N. Prairie to Woodbury totaling approximately 1,420 linear feet, width of 56 feet and ½" depth leveling course.

#### 2" Overlay for MD 204:

3. S. Montana Ave. from Tompy to Stower totaling approximately 1,250 linear feet with a width of 56 feet.
4. Roosevelt from N. Prairie to Woodbury totaling approximately 1,420 linear feet with a width of 56 feet.

**BID SHEET**

**MAINTENANCE DISTRICT #204**

**ASPHALT PAVING AND OVERLAY  
CITY OF MILES CITY**

**PROPOSAL BID**

<b>ITEM NO.</b>	<b>ESTIMATED QUANTITY</b>	<b>DESCRIPTION</b>	<b>UNIT PRICE</b>	<b>TOTAL PRICE</b>
1.	150,000	Sq. FT. CLEANING AND SWEEPING	<u>\$ 0.10</u>	<u>15,000.00</u>
2.	25,000 Sq. Ft.	MD 204 MILLING AT 1/2' DEPTH ALONG CURB AND VALLEYS	<u>\$1.00</u> PER SQ. FT	<u>\$ 25,000.00</u>
3.	500 TONS	MD 204 LEVELING	<u>\$ 228.00</u> PER TON	<u>\$ 114,000.00</u>
4.	1,900 TONS	MD 204 OVERLAY 2" COMPACTED DEPT OF ASHALT	<u>\$ 190.00</u> PER TON	<u>\$ 361,000.00</u>
<b>TOTAL BID: \$</b>				<u>\$ 515,000.00</u>



**PROPOSAL**

The undersigned bidder, having examined the plans, specifications and other proposed contract documents will furnish all manpower and equipment necessary to complete the project in accordance with the attached plans and specifications for the following amount:

Five-Hundred-Fifteen-Thousand-Dollars + Zero Cents  
PRICE IN WORDS

\$ 515,000.00  
NUMBER AMOUNT

DATE THIS 10 DAY OF March, 2026.

Century Companies, Inc.  
FIRM NAME

BY: 

TITLE: Sr. Estimator/PM

ADDRESS: PO Box 5679

Lewistown, MT 59457



**CONTRACT**

**THIS CONTRACT**, made as of the \_\_\_\_\_ of \_\_\_\_\_ 2026, by and between the **CITY OF MILES CITY, MONTANA**, hereinafter called the **OWNER** and \_\_\_\_\_, hereinafter called **CONTRACTOR**, that said **CONTRACTOR**, if a corporation organized under the laws of any state or other jurisdiction other than the State of Montana, represents that it is licensed and registered to do business in the State of Montana.

**WHEREAS**, the **OWNER** desires to have the following work completed by **CONTRACTOR**: cleaning, sweeping, mill, mix, pave, overlay, roll, blade, compact, haul, and the doing of all other work necessary and incidental to the performance of all in maintenance district 204. hereinafter called the **PROJECT**, in accordance with the Drawings, Specifications and other Contract Documents prepared by the City Public Works Office, City of Miles City, Miles City, Montana, 59301, hereinafter called **PUBLIC WORKS**;

**AND WHEREAS**, the **CONTRACTOR** desires to complete said **PROJECT**;

**NOW, THEREFORE, THE OWNER** and **CONTRACTOR** for the considerations herein set forth, agree as follows:

**THE CONTRACTOR AGREES** to furnish all the necessary labor, materials, equipment, tools and services necessary to perform and complete in a workmanlike manner all work required for the construction of the **PROJECT** described herein, in strict compliance with the **CONTRACT DOCUMENTS**, which are hereby made a part of the Contract. Contractor has examined and carefully studied the **CONTRACT DOCUMENTS**, has visited the

**PROJECT** site, and is familiar with and satisfied as to all federal, state and local laws and regulations that may affect cost, progress or performance of its obligations hereunder, and agrees that the **CONTRACT DOCUMENTS** are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of work necessary to complete the **PROJECT**.

**A. CONTRACT TIME:** Work under this Contract shall be commenced upon written notice to proceed and shall be completed within **45** working days of the commencement of the Contract Time as defined in the General Conditions. All time limits in this **CONTRACT**, including but not limited to milestones, substantial completion, and completion, are material requirements under this **CONTRACT**. Actual completion date can be flexible depending upon certain conditions.

**B. LIQUIDATED DAMAGES:** Subject to the provisions of the General Conditions, the **OWNER** shall be entitled to liquidate damages in the amount of **FIVE HUNDRED DOLLARS (\$500.00)**, for each working day delay in the completion of the **CONTRACT**.

**C. SUB-CONTRACTORS:** **THE CONTRACTOR** agrees to bind every sub-contractor by the terms of the **CONTRACT DOCUMENTS**. The **CONTRACT DOCUMENTS** shall not be construed as creating any contractual relation between any sub-contractor and the **OWNER**.

**THE OWNER AGREES** to pay and the **CONTRACTOR** agrees to accept, in full payment for the performance of this **CONTRACT**, the **CONTRACT** amount of \_\_\_\_\_, (\$ \_\_\_\_\_) based on the prices stipulated in the **PROPOSAL**, and in accordance with the provisions of the

**CONTRACT DOCUMENTS.**

**D. PROGRESS PAYMENTS** will be made in accordance with the **GENERAL CONDITIONS.**

**E. "CONTRACT DOCUMENTS":** The term "**CONTRACT DOCUMENTS**" as used herein shall mean and include the following:

- a. (This Instrument)
- b. Performance and Payment Bond
- c. Addenda to **CONTRACT DOCUMENTS** (if any)
- d. Legal and Procedural Documents:
  - 1. Proposal
  - 2. Information for Bidders
  - 3. Advertisement for Bids
- e. Special Provisions
  - 1. Montana Public Works Standard Specification, Sixth Edition  
Available for review in the Engineering Department at City Hall
- f. Drawings
- g. Detailed Specification Requirements
- h. General Conditions
  - 1. EJCDC C-700 Standard General Conditions of the  
Construction Contract, as may be revised from time to time
- i. Information for Bidders

**F. AUTHORITY AND RESPONSIBILITY OF PUBLIC WORKS:** All work shall be done under the general surveillance of **PUBLIC WOKS. PUBLIC WORKS** shall decide any and all questions which may arise as to the quality and acceptability of materials furnished,

work performed, rate of progress of work, interpretation of DRAWINGS and SPECIFICATIONS and all questions as to the acceptable fulfillment of the CONTRACT on the part of CONTRACTOR. In acting in this capacity under this CONTRACT, PUBLIC WORKS is acting as the agent of the OWNER to protect the interests of the OWNER and to insure that the CONTRACTOR'S work is done in full compliance with the terms of this CONTRACT and this service does not include direction or supervision of the CONTRACTOR'S employees, agents or subcontractors, or the inspection of any of the equipment, installations, temporary storing, or any other of the CONTRACTOR'S operations or those of his subcontractors, to safeguard their agents or employees, or the general public, or to prevent damage to public or private property, this being the sole responsibility of the CONTRACTOR.

**G. SUCCESSORS AND ASSIGNS:** THIS CONTRACT and all of the covenants hereof shall insure to the benefit of, be binding upon the OWNER and CONTRACTOR respectively, and his partners, successors, assigns and legal representatives. NEITHER THE OWNER nor the CONTRACTOR shall have the right to assign or transfer his interests or obligations hereunder without written consent of the other party.

**H. PREFERENCE FOR EMPLOYMENT OF MONTANA RESIDENTS AND PAYMENT OF PREVAILING WAGES:** Pursuant to 18-2-403 MCA the CONTRACTOR is required to give preference to the employment of bona fide Montana residents in the performance of the work. The CONTRACTOR is required to pay:

- a. the travel allowance that is in effect and applicable to the district in which the work is being performed; and
- b. the standard prevailing rate of wages, including fringe benefits, that is in effect

and applicable to the district in which the work is being performed.

Each **CONTRACTOR** and employer are required to maintain payroll records in a manner readily capable of being certified for submission under 18-2-423 MCA, for not less than 3 years after the **CONTRACTOR'S** or employer's completion of work on the project.

Each **CONTRACTOR** is required to post a statement of all wages and fringe benefits in compliance with 18-2-423 MCA.

**Attached hereto as Exhibit "A", and made a part hereof, is a statement, for each job classification, the standard prevailing wage rate, including fringe benefits, that the CONTRACTOR and employers shall pay during construction of the project;**

**I. NON-DISCRIMINATION:** All hiring by **CONTRACTOR** must be on the basis of merit and qualifications and there shall not be discrimination on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing this **CONTRACT**.

**IN WITNESS WHEREOF**, the parties have made and executed this **CONTRACT** the day and year first above written.

City of Miles City  
**OWNER**

\_\_\_\_\_  
**CONTRACTOR**

**BY:** \_\_\_\_\_  
Chris Grenz

**BY:** \_\_\_\_\_

**TITLE:** Mayor

**TITLE:** \_\_\_\_\_

City of Miles City

**BUSINESS ADDRESS**

**BUSINESS ADDRESS**

P.O. Box 910

\_\_\_\_\_

Miles City, MT 59301  
**CITY STATE**

\_\_\_\_\_  
**CITY STATE**



### PERFORMANCE BOND

CONTRACTOR (name and address):

SURETY (name and address of principal place of business):

OWNER (name and address):

#### CONSTRUCTION CONTRACT

Effective Date of the Agreement:

Amount:

Description (name and location):

#### BOND

Bond Number:

Date (not earlier than the Effective Date of the Agreement of the Construction Contract):

Amount:

Modifications to this Bond Form:  None  See Paragraph 16

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.

#### CONTRACTOR AS PRINCIPAL

#### SURETY

\_\_\_\_\_  
Contractor's Name and Corporate Seal

\_\_\_\_\_  
Surety's Name and Corporate Seal

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature (attach power of attorney)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Signature

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.**

1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner for the performance of the Construction Contract, which is incorporated herein by reference.

2. If the Contractor performs the Construction Contract, the Surety and the Contractor shall have no obligation under this Bond, except when applicable to participate in a conference as provided in Paragraph 3.

3. If there is no Owner Default under the Construction Contract, the Surety's obligation under this Bond shall arise after:

3.1 The Owner first provides notice to the Contractor and the Surety that the Owner is considering declaring a Contractor Default. Such notice shall indicate whether the Owner is requesting a conference among the Owner, Contractor, and Surety to discuss the Contractor's performance. If the Owner does not request a conference, the Surety may, within five (5) business days after receipt of the Owner's notice, request such a conference. If the Surety timely requests a conference, the Owner shall attend. Unless the Owner agrees otherwise, any conference requested under this Paragraph 3.1 shall be held within ten (10) business days of the Surety's receipt of the Owner's notice. If the Owner, the Contractor, and the Surety agree, the Contractor shall be allowed a reasonable time to perform the Construction Contract, but such an agreement shall not waive the Owner's right, if any, subsequently to declare a Contractor Default;

3.2 The Owner declares a Contractor Default, terminates the Construction Contract and notifies the Surety; and

3.3 The Owner has agreed to pay the Balance of the Contract Price in accordance with the terms of the Construction Contract to the Surety or to a contractor selected to perform the Construction Contract.

4. Failure on the part of the Owner to comply with the notice requirement in Paragraph 3.1 shall not constitute a failure to comply with a condition precedent to the Surety's obligations, or release the Surety from its obligations, except to the extent the Surety demonstrates actual prejudice.

5. When the Owner has satisfied the conditions of Paragraph 3, the Surety shall promptly and at the Surety's expense take one of the following actions:

5.1 Arrange for the Contractor, with the consent of the Owner, to perform and complete the Construction Contract;

5.2 Undertake to perform and complete the Construction Contract itself, through its agents or independent contractors;

5.3 Obtain bids or negotiated proposals from qualified contractors acceptable to the Owner for a contract for performance and completion of the Construction Contract, arrange for a contract to be prepared for execution by the Owner and a contractor selected with the Owners concurrence, to be secured with performance and payment bonds executed by a

qualified surety equivalent to the bonds issued on the Construction Contract, and pay to the Owner the amount of damages as described in Paragraph 7 in excess of the Balance of the Contract Price incurred by the Owner as a result of the Contractor Default; or

5.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:

5.4.1 After investigation, determine the amount for which it may be liable to the Owner and, as soon as practicable after the amount is determined, make payment to the Owner; or

5.4.2 Deny liability in whole or in part and notify the Owner, citing the reasons for denial.

6. If the Surety does not proceed as provided in Paragraph 5 with reasonable promptness, the Surety shall be deemed to be in default on this Bond seven days after receipt of an additional written notice from the Owner to the Surety demanding that the Surety perform its obligations under this Bond, and the Owner shall be entitled to enforce any remedy available to the Owner. If the Surety proceeds as provided in Paragraph 5.4, and the Owner refuses the payment or the Surety has denied liability, in whole or in part, without further notice the Owner shall be entitled to enforce any remedy available to the Owner.

7. If the Surety elects to act under Paragraph 5.1, 5.2, or 5.3, then the responsibilities of the Surety to the Owner shall not be greater than those of the Contractor under the Construction Contract, and the responsibilities of the Owner to the Surety shall not be greater than those of the Owner under the Construction Contract. Subject to the commitment by the Owner to pay the Balance of the Contract Price, the Surety is obligated, without duplication for:

7.1 the responsibilities of the Contractor for correction of defective work and completion of the Construction Contract;

7.2 additional legal, design professional, and delay costs resulting from the Contractor's Default, and resulting from the actions or failure to act of the Surety under Paragraph 5; and

7.3 liquidated damages, or if no liquidated damages are specified in the Construction Contract, actual damages caused by delayed performance or non-performance of the Contractor.

8. If the Surety elects to act under Paragraph 5.1, 5.3, or 5.4, the Surety's liability is limited to the amount of this Bond.

9. The Surety shall not be liable to the Owner or others for obligations of the Contractor that are unrelated to the Construction Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than the Owner or its heirs, executors, administrators, successors, and assigns.

10. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.

11. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the work or part of the work is located and shall be instituted within two years after a declaration of Contractor Default or within two years after the Contractor ceased working or within two years after the Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum periods of limitations available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears.

13. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

14. Definitions

14.1 Balance of the Contract Price: The total amount payable by the Owner to the Contractor under the Construction Contract after all proper adjustments have been made including allowance for the Contractor for any amounts received or to be received by the Owner in settlement of insurance or other claims for damages to which the Contractor is entitled, reduced by all valid and proper

payments made to or on behalf of the Contractor under the Construction Contract.

14.2 Construction Contract: The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and changes made to the agreement and the Contract Documents.

14.3 Contractor Default: Failure of the Contractor, which has not been remedied or waived, to perform or otherwise to comply with a material term of the Construction Contract.

14.4 Owner Default: Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.

14.5 Contract Documents: All the documents that comprise the agreement between the Owner and Contractor.

15. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.

16. Modifications to this Bond are as follows:



### PAYMENT BOND

CONTRACTOR (name and address):

SURETY (name and address of principal place of business):

OWNER (name and address):

#### CONSTRUCTION CONTRACT

Effective Date of the Agreement:  
Amount:  
Description (name and location):

#### BOND

Bond Number:  
Date (not earlier than the Effective Date of the Agreement of the Construction Contract):  
Amount:  
Modifications to this Bond Form:  None  See Paragraph 18

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

#### CONTRACTOR AS PRINCIPAL

#### SURETY

\_\_\_\_\_  
(seal)  
Contractor's Name and Corporate Seal

\_\_\_\_\_  
(seal)  
Surety's Name and Corporate Seal

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature (attach power of attorney)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Signature

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

**Notes: (1) Provide supplemental execution by any additional parties, such as joint venturers. (2) Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.**

1. The Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to the Owner to pay for labor, materials, and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference, subject to the following terms.
2. If the Contractor promptly makes payment of all sums due to Claimants, and defends, indemnifies, and holds harmless the Owner from claims, demands, liens, or suits by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, then the Surety and the Contractor shall have no obligation under this Bond.
3. If there is no Owner Default under the Construction Contract, the Surety's obligation to the Owner under this Bond shall arise after the Owner has promptly notified the Contractor and the Surety (at the address described in Paragraph 13) of claims, demands, liens, or suits against the Owner or the Owner's property by any person or entity seeking payment for labor, materials, or equipment furnished for use in the performance of the Construction Contract, and tendered defense of such claims, demands, liens, or suits to the Contractor and the Surety.
4. When the Owner has satisfied the conditions in Paragraph 3, the Surety shall promptly and at the Surety's expense defend, indemnify, and hold harmless the Owner against a duly tendered claim, demand, lien, or suit.
5. The Surety's obligations to a Claimant under this Bond shall arise after the following:
  - 5.1 Claimants who do not have a direct contract with the Contractor,
    - 5.1.1 have furnished a written notice of non-payment to the Contractor, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were, or equipment was, furnished or supplied or for whom the labor was done or performed, within ninety (90) days after having last performed labor or last furnished materials or equipment included in the Claim; and
    - 5.1.2 have sent a Claim to the Surety (at the address described in Paragraph 13).
  - 5.2 Claimants who are employed by or have a direct contract with the Contractor have sent a Claim to the Surety (at the address described in Paragraph 13).
6. If a notice of non-payment required by Paragraph 5.1.1 is given by the Owner to the Contractor, that is sufficient to satisfy a Claimant's obligation to furnish a written notice of non-payment under Paragraph 5.1.1.
7. When a Claimant has satisfied the conditions of Paragraph 5.1 or 5.2, whichever is applicable, the Surety shall promptly and at the Surety's expense take the following actions:
  - 7.1 Send an answer to the Claimant, with a copy to the Owner, within sixty (60) days after receipt of the Claim, stating the amounts that are undisputed and the basis for challenging any amounts that are disputed; and
  - 7.2 Pay or arrange for payment of any undisputed amounts.
  - 7.3 The Surety's failure to discharge its obligations under Paragraph 7.1 or 7.2 shall not be deemed to constitute a waiver of defenses the Surety or Contractor may have or acquire as to a Claim, except as to undisputed amounts for which the Surety and Claimant have reached agreement. If, however, the Surety fails to discharge its obligations under Paragraph 7.1 or 7.2, the Surety shall indemnify the Claimant for the reasonable attorney's fees the Claimant incurs thereafter to recover any sums found to be due and owing to the Claimant.
8. The Surety's total obligation shall not exceed the amount of this Bond, plus the amount of reasonable attorney's fees provided under Paragraph 7.3, and the amount of this Bond shall be credited for any payments made in good faith by the Surety.
9. Amounts owed by the Owner to the Contractor under the Construction Contract shall be used for the performance of the Construction Contract and to satisfy claims, if any, under any construction performance bond. By the Contractor furnishing and the Owner accepting this Bond, they agree that all funds earned by the Contractor in the performance of the Construction Contract are dedicated to satisfy obligations of the Contractor and Surety under this Bond, subject to the Owner's priority to use the funds for the completion of the work.
10. The Surety shall not be liable to the Owner, Claimants, or others for obligations of the Contractor that are unrelated to the Construction Contract. The Owner shall not be liable for the payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligation to make payments to or give notice on behalf of Claimants, or otherwise have any obligations to Claimants under this Bond.
11. The Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders, and other obligations.

12. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the state in which the project that is the subject of the Construction Contract is located or after the expiration of one year from the date (1) on which the Claimant sent a Claim to the Surety pursuant to Paragraph 5.1.2 or 5.2, or (2) on which the last labor or service was performed by anyone or the last materials or equipment were furnished by anyone under the Construction Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.
13. Notice and Claims to the Surety, the Owner, or the Contractor shall be mailed or delivered to the address shown on the page on which their signature appears. Actual receipt of notice or Claims, however accomplished, shall be sufficient compliance as of the date received.
14. When this Bond has been furnished to comply with a statutory or other legal requirement in the location where the construction was to be performed, any provision in this Bond conflicting with said statutory or legal requirement shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirement shall be deemed incorporated herein. When so furnished, the intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
15. Upon requests by any person or entity appearing to be a potential beneficiary of this Bond, the Contractor and Owner shall promptly furnish a copy of this Bond or shall permit a copy to be made.
16. **Definitions**
- 16.1 **Claim:** A written statement by the Claimant including at a minimum:
1. The name of the Claimant;
  2. The name of the person for whom the labor was done, or materials or equipment furnished;
  3. A copy of the agreement or purchase order pursuant to which labor, materials, or equipment was furnished for use in the performance of the Construction Contract;
  4. A brief description of the labor, materials, or equipment furnished;
  5. The date on which the Claimant last performed labor or last furnished materials or equipment for use in the performance of the Construction Contract;
  6. The total amount earned by the Claimant for labor, materials, or equipment furnished as of the date of the Claim;
  7. The total amount of previous payments received by the Claimant; and
8. The total amount due and unpaid to the Claimant for labor, materials, or equipment furnished as of the date of the Claim.
- 16.2 **Claimant:** An individual or entity having a direct contract with the Contractor or with a subcontractor of the Contractor to furnish labor, materials, or equipment for use in the performance of the Construction Contract. The term Claimant also includes any individual or entity that has rightfully asserted a claim under an applicable mechanic's lien or similar statute against the real property upon which the Project is located. The intent of this Bond shall be to include without limitation in the terms of "labor, materials, or equipment" that part of the water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of the Contractor and the Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.
- 16.3 **Construction Contract:** The agreement between the Owner and Contractor identified on the cover page, including all Contract Documents and all changes made to the agreement and the Contract Documents.
- 16.4 **Owner Default:** Failure of the Owner, which has not been remedied or waived, to pay the Contractor as required under the Construction Contract or to perform and complete or comply with the other material terms of the Construction Contract.
- 16.5 **Contract Documents:** All the documents that comprise the agreement between the Owner and Contractor.
17. If this Bond is issued for an agreement between a contractor and subcontractor, the term Contractor in this Bond shall be deemed to be Subcontractor and the term Owner shall be deemed to be Contractor.
18. Modifications to this Bond are as follows:

## BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

BIDDER (*Name and Address*):

SURETY (*Name, and Address of Principal Place of Business*):

OWNER (*Name and Address*):

**BID**

Bid Due Date:

Description (*Project Name— Include Location*):

**BOND**

Bond Number:

Date:

Penal sum \_\_\_\_\_ \$ \_\_\_\_\_  
(Words) (Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

**BIDDER**

**SURETY**

\_\_\_\_\_  
(Seal) (Seal)  
Bidder's Name and Corporate Seal      Surety's Name and Corporate Seal

By: \_\_\_\_\_  
Signature

By: \_\_\_\_\_  
Signature (Attach Power of Attorney)

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_  
Signature

Attest: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

*Note: Addresses are to be used for giving any required notice.  
Provide execution by any additional parties, such as joint venturers, if necessary.*

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.
2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.
3. This obligation shall be null and void if:
  - 3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or
  - 3.2 All Bids are rejected by Owner, or
  - 3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).
4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.
5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.
6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after the Bid due date.
7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.
10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.
11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

NOTICE OF AWARD

TO: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**PROJECT DESCRIPTION:** *Milling, leveling, paving and overlaying certain streets in M.D. #204 with a 2" overlay.*

**THE OWNER** has considered the **BID** submitted by you for the above described **WORK** in response to its **ADVERTISEMENT FOR BIDS** dated **February 11<sup>th</sup>, February 18<sup>th</sup> and March 4<sup>th</sup>, 2026** and **INFORMATION FOR BIDDERS**.

You are hereby notified that your **BID** has been accepted for the items in the amount of \$ \_\_\_\_\_

You are required by the **INFORMATION FOR BIDDERS** to execute the **CONTRACT** with **fifteen (15)** calendar days from the date of this **NOTICE** to you.

If you fail to execute said **CONTRACT** with fifteen (15) days from the date of this **NOTICE**, said **OWNER** will be entitled to consider all your rights arising out of the **OWNER'S** acceptance of your **BID** as abandoned and as a forfeiture of your **BID BOND**. The **OWNER** will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this **NOTICE OF AWARD** to the **OWNER**.

Dated this \_\_\_<sup>th</sup> day \_\_\_\_\_ of , 2026.

\_\_\_\_\_  
City of Miles City  
**Owner**

By: \_\_\_\_\_  
**Chris Grenz**

Title: Mayor

**ACCEPTANCE OF NOTICE**

Receipt of the above **NOTICE OF AWARD** is hereby acknowledged by: \_\_\_\_\_

This the \_\_\_\_\_ day of \_\_\_\_\_, 2026.

By: \_\_\_\_\_

Title: \_\_\_\_\_



*(Bidders will be required to submit satisfactory evidence that they have practical knowledge of the particular work bid upon, and that they have the necessary financial resources to complete the proposed work. In awarding the contract, due consideration will be given to the present ability, reliability, and general reputation of each of the bidders. Each bidder must show that former work performed by him has been handled in such a manner that there are no just or proper claims against such work. No bidder will be acceptable if he is engaged on any other work which impairs his ability to finance this contract or provide proper equipment for the proper execution of the same.)*

## **Century Qualifications**

Century Companies Inc. is pleased to provide this Statement of Qualifications (SOQ) for the 2026 City Street Paving Project for Miles City, Montana. Century understands that project currently consists of services for asphalt milling and overlay for the Miles City Department of Public Works in Miles City, Montana.

Century Companies' staff have reviewed preliminary plans for the project and company representatives have visited the project locations and met with Public Works staff. Century recognizes and understands how important this project is to the community and is looking forward to helping to make it a positive and successful process for the city.

Century has a long history of working with Miles City. The company has worked side by side with public works staff to complete many projects and has great working relationships with many subcontractors in the area. Quality, integrity and cost predictability are the hallmarks of every project completed by Century. Because Century regularly works with local, state, federal, and tribal governments, our staff is well trained to provide timely reports, submittals, and project documentation to owners and owners representatives.

For this project, Century has developed a seasoned internal paving team to develop a comprehensive and logical critical path schedule to complete the scope of work improvements within the seasonal timeframe outlined for the project. The team is experienced in managing schedules dependent on approval of multiple design component submittals, timely review, coordination of subcontractors, agency approvals, and construction procedures. Successful adherence to the schedules or the ability to improve the actual project completion date will be dependent on weather, timely reviews, and other unforeseen factors. Century employs eleven (11) experienced graduate construction engineers. These individuals have a huge amount of cumulative prior experience with engineering firms, testing laboratories, and the Montana Department of Transportation, as well as various other major contractors. Century's professionals are active in the Montana Contractors' Association, Wyoming Contractors' Association, National Asphalt Pavement Association, U.S. Green Building Council, and various city and government associations. In all, Century employs over one hundred and sixty (160) professional and skilled workers and owns over six hundred (700) pieces of rolling equipment. With that capacity, the company has the ability to add personnel and equipment resources when needed in order to accelerate work and complete projects concurrently.

Century Companies, inc. specializes in managing and self-performing projects that include the construction and improvement of public facilities, roads, streets and sidewalks, airport runways and infrastructure. Century utilizes computerized machine controls and state of the art equipment to assure paving quality that meets those higher specifications. The success of the company is directly reflective of the more than 160 employees that remain extremely loyal to the company. Employee turnover is far below the industry average thanks to an outstanding company culture and an unrivaled wage/benefit program. While some work year-round managing and planning for projects, others return each season to take on the new challenges. Most live in communities in Montana, but some travel from distant states to return each season to work with their Century crews.

The company manages a wide variety of civil-construction projects and performs road building and improvement, aggregate crushing and surfacing, asphalt paving, concrete production and paving, underground pipe and site work of all types. The company also owns and operates, in the most remote and unforgiving locations, seven portable asphalt plants, a large aggregate crushing operation as well as a regional ready-mix operation. Producing high-specification material for a wide range of uses in difficult places is Century's expertise.

### **Financial / Professional Integrity- Providing Fiscal Security to Our Clients for Over 40 Years**

Century Companies, Inc. stands among the most financially respected organizations in the civil-construction industry. Through sound fiscal management and policy, the company has enjoyed a high level of financial stability that enables it's management team to focus on customer satisfaction, business development and growth. In the construction bonding industry, the common means of defining a company's level of integrity can be found in "The Three Cs": Character – Capital – Capacity. Century has been bonded by Travelers Bond and Specialty Insurance for over 40 years and has its complete support for short- and long-term business plans.

Century has a history of more than 35 years of formal audited financials. Auditing and tax services are provided to Century by Moss Adams LLP./Bakertilly, Spokane, WA. For financial services and lending, Century has developed and maintains a long-standing relationship with First Bank of Montana, a Division of Glacier Bank, and enjoys financial support far in excess of its needs. Century has never, and will never, fail to financially support its construction operations and growth initiatives.

In 50 years of work, Century has never forfeited a bond or "had its bond called" for any reason. The company has **never failed to perform a project or defaulted on any project.** In addition, the company has never entered into litigation with a client. It is a testament to our record of developing and maintaining outstanding relationships with our clients and doing what's right when project conditions get tough.

Financial/Bonding Contacts:

Marsh McLennan Agency Northwest- Tyler McIntyre, Missoula 406-327-6580

Travelers Bond and Specialty Insurance – Todd Holman- Construction Service, (509) 835-7555, [trholman@travelers.com](mailto:trholman@travelers.com)

### **Project / Work-Zone Safety – A Safety Culture**

Century Companies, Inc. and its employees have a proven commitment to ensuring a safe and productive work place. Safety is not an empty promise or a handbook that is reviewed on rare occasions. Safety is a cultural norm and a concerted effort by all persons in the company and is supported by and driven throughout the company by its employees at all levels. The company believes that even one on-the-job accident is not acceptable, and that every employee has a right to return home after work in the same healthy state as the day before.

Century's success has been based on four principles: Safety, Quality, Experience, and Integrity. Safety is not only our goal, but an attitude that is required in everything we do. Perhaps most importantly, Century's leaders have embraced a "report everything for improvement" policy. Unlike others in the industry, Century does not tolerate hiding of unsafe activities or "unreportable" incidents. All HSE incidents are promptly reported, regardless of size or outcome, and employees are involved in developing work plans to both react to the incidents and prevent future incidents. While such a policy may be more costly to Century in real dollars and reportable incident rates in the short term, the long-term effects are both measurable and rewarding. Century is part of a self-insured "captive" insurance provider for Workers Compensation, and thus directly carries financial and operational responsibility for its actions. Safety, once again, is part of the Century culture in real terms.

Century works hard to ensure that its safety and compliance procedures comply with federal, state, and local regulations, with emphasis on all OSHA, MSHA, EPA, DEQ, and DOT requirements that apply. The company's safety team regularly reviews these procedures for necessary changes.

The Century safety program includes regular meetings and on-going training. Safety Director Keith Colclough meets monthly with the company safety committee to discuss the most current policies, review injury and prevention methods, develop new safety procedures and coordinate new safety objectives. Also, every crew is required to meet weekly for "Toolbox Safety Talks" to discuss various pertinent topics. Daily Job Safety Hazard Analysis meetings and reviews are held, and employees at all levels both conduct and participate in these reviews.

In an effort to stay ahead of the industry in safety culture development, Century has held an Annual Safety Week for all of its employees each spring for the past 25+ years. All employees converge on Lewistown for a week-long review of safe work practices, with hands-on training and job-specific safety training that ensures a fresh and positive safety culture at the beginning of every season.

Century Safety Director – Keith Colclough, (406) 366-4184,  
[keith.colclough@centuryci.com](mailto:keith.colclough@centuryci.com)

CENTURY PUBLIC ENTITY CUSTOMERS IN EASTERN MONTANA

Fort Peck and Assiniboine Tribes  
Fort Belknap Tribes  
Chippewa Cree Tribe  
Northern Cheyenne Tribe  
Crow Tribe  
Roosevelt County  
City of Wolf Point  
Wolf Point School District  
Town of Frazer  
Town of Poplar  
Poplar School District  
Fort Peck Community College  
Dry Prairie Rural Water District  
Phillips County  
City of Malta  
Malta School District  
Town of Saco  
Saco School District  
Blaine County  
Town of Harlem  
Valley County  
City of Glasgow  
Glasgow School District  
Town of Hinsdale  
Town of Nashua  
Nashua School District  
Town of Opheim  
Town of Fort Peck  
Fort Peck School District  
McCone County  
Town of Circle  
Town of Brockway  
Garfield County  
Town of Jordan  
Jordan School District  
Dawson County  
City of Glendive  
Glendive School District  
Custer County

City of Miles City  
Miles City School District  
Miles Community College  
Prairie County  
Town of Terry  
Terry School District  
Fallon County  
City of Baker  
Baker School District  
Richland County  
City of Sidney  
Sidney School District  
Rosebud County  
City of Forsyth  
Montana Department of Transportation  
Montana Department of Fish, Wildlife, and Parks  
Montana Department of Natural Resources and Conservation  
United States Corps of Engineers  
United States Fish and Wildlife Service  
Western Federal Lands Highway Division  
United States Bureau of Land Management  
United State Department of Agriculture  
United States Border Patrol  
United State Department of Homeland Security  
United States Forest Service  
Federal Aviation Administration  
United States Bureau of Indian Affairs  
BNSF



### BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

**BIDDER (Name and Address):**

Century Companies, Inc.  
P.O. Box 579, Lewistown, MT 59457

**SURETY (Name, and Address of Principal Place of Business):**

Travelers Casualty and Surety Company of America  
One Tower Square, Hartford, CT 06183

**OWNER (Name and Address):**

City of Miles City  
17 South 8th Street, Miles City, MT 59301

**BID**

Bid Due Date: March 10, 2026  
Description (Project Name— Include Location): Paving Maintenance District #204, Miles City, MT

**BOND**

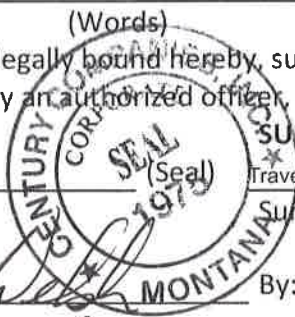
Bond Number: Bid Bond  
Date: March 4, 2026  
Penal sum Ten Percent of Amount Bid \$ 10%

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

**BIDDER**

Century Companies, Inc.

Bidder's Name and Corporate Seal



By:

Signature

*Douglas A. Welsh*

Print Name

*Senior Estimator / PM*

Title

Attest:

Signature

*Witness*

Title

**SURETY**

Travelers Casualty and Surety Company of America

Surety's Name and Corporate Seal



By:

Signature (Attach Power of Attorney)

*Brandi Davis*

Brandi Davis

Print Name

Attorney-in-Fact

Title

Attest:

Signature Sami Benson

Title Witness

Note: Addresses are to be used for giving any required notice.  
Provide execution by any additional parties, such as joint venturers, if necessary.



1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.
2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.
3. This obligation shall be null and void if:
  - 3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or
  - 3.2 All Bids are rejected by Owner, or
  - 3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).
4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.
5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from the Bid due date without Surety's written consent.
6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after the Bid due date.
7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.
10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.
11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.





Travelers Casualty and Surety Company of America  
 Travelers Casualty and Surety Company  
 St. Paul Fire and Marine Insurance Company  
 Farmington Casualty Company

Section 3, Item B.

**POWER OF ATTORNEY**

Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, St. Paul Fire and Marine Insurance Company, and Farmington Casualty Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and the Companies do hereby make, constitute and appoint Brandi Davis of Missoula, MT, their true and lawful Attorney(s)-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this 4th day of March, 2024.



State of Connecticut

By: *Bryce Grissom*  
 Bryce Grissom, Senior Vice President

City of Hartford ss.

On this the 4th day of March, 2024, before me personally appeared Bryce Grissom, who acknowledged himself to be the Senior Vice President of each of the Companies, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of said Companies by himself as a duly authorized officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission expires the 30th day of June, 2026



*Anna P. Nowik*  
 Anna P. Nowik, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of each of the Companies, which resolutions are now in full force and effect, reading as follows:

**RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

**FURTHER RESOLVED**, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

**FURTHER RESOLVED**, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

**FURTHER RESOLVED**, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, Kevin E. Hughes, the undersigned, Assistant Secretary of each of the Companies, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this March 4, 2026



*Kevin E. Hughes*  
 Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.  
 Please refer to the above-named Attorney(s)-in-Fact and the details of the bond to which this Power of Attorney is attached.

