



Board of Commissioners Agenda

Town of Swansboro

Tuesday, May 26, 2026

Board Members

William Justice, Mayor | Jeffrey Conaway, Mayor Pro Tem | Douglas Eckendorf, Commissioner
Tamara Pieratti, Commissioner | Wayne Herbert, Commissioner | Timothy Vannoy, Commissioner

I. Call to Order/Opening Prayer/Pledge

II. Public Comment

Citizens have an opportunity to address the Board for no more than three minutes per speaker regarding items listed on the agenda. There is a second opportunity at the end of the agenda for the public to address the Board on items not listed on the agenda.

III. Adoption of Agenda and Consent Items

The Town Clerk respectfully submits to the Board, the Regular Agenda and the below consent items, which are considered to be of general agreement and little or no controversy. These items may be voted on as a single group without Board discussion "or" if so desired, the Board may request to remove any item(s) from the consent agenda and placed for consideration separately.

III. Consent Items:

- a. March 24, 2026, Regular Meeting Minutes
- b. Resolution 2026-R7 Authorizing Withdrawl from ECC
- c. Tax Refund Request

The Onslow County Tax Collector recommends refunds of the below listed taxes totaling \$161.71

Vehicle Tax

Duncan, Jeffrey L	\$24.01	Sold/Traded
Newcomb, Roger D & Mary E	\$137.70	Tag Surrender

IV. Appointments/Recognitions/Presentations

- a. **Gigi's Farm**
Presenter: Helen Gross
- b. **Bucket Brigade Program**
Presenter: Laura Hagerman – Salvation Army Social Serivces Program Manager

V. Public Hearing – None

VI. Business Non-Consent

a. Emergency Operations Center/Public Safety Building Design Contract Award to Bobbitt Construction, Inc.

Presenter: Jon Barlow – Town Manager

To award a contract to Bobbitt Construction, Inc. for the design phase of the Emergency Operations Center/ Public Safety Building in the amount of \$952,741

Recommended Action: Approve the contract for design services to Bobbitt Construction, Inc. in the amount of \$952,741.

b. Emergency Operations Center/Public Safety Building Project Management Services

Presenter: Jon Barlow – Town Manager

To award a contract to MPB to provide Project Management Services for the Emergency Operations Center and Public Safety Building

Recommended Action: Approve the contract for EOC/PSB Project Advisory Services to MPB in the amount of \$254,345.

c. Audit Contract-Anderson Smith & Wike, PLLC

Presenter: Sonia Johnson – Finance Director

To award a audit contract to Anderson Smith & Wike, PPLC for audit services.

Recommended Action: Approve the Audit Contract to Anderson Smith & Wike, PLLC for period July 1, 2025 thru June 30, 2026 in the amount of \$26,500 not to exceed \$29,000.

d. Monthly Financial Report as of April 30, 2026

Presenter: Sonia Johnson – Finance Director

e. Future Agenda Topics

Presenter: Alissa Fender – Town Clerk

Future agenda items are shared for visibility and comment. In addition, an opportunity is provided for the Board to introduce items of interest and subsequent direction for placement on future agendas.

Recommended Action: Discuss and provide any guidance.

VII. Items Moved from Consent

VIII. Public Comment

Citizens have an opportunity to address the Board for no more than five minutes regarding items not listed on the Agenda.

IX. Manager's Comments

a. Projects Brief

b. Department Reports

X. Board Comments

XI. Closed Session

XII. Adjournment

Town of Swansboro
Board of Commissioners
March 24, 2026, Regular Meeting Minutes

In attendance: Mayor William Justice, Mayor Pro Tem Jeffrey Conaway, Commissioner Douglas Eckendorf, Commissioner Tamara Pieratti, Commissioner Tim Vannoy, and Commissioner Wayne Herbert.

Call to Order

The meeting was called to order at 6:00 pm and Mayor Justice led the Pledge of Allegiance.

Public Comment

Citizens were offered an opportunity to address the Board regarding items listed on the agenda. No comments were given.

Adoption of Agenda and Consent Items

On a motion by Mayor Pro Tem Conaway, seconded by Commissioner Vannoy, the agenda as prepared and the following consent item was unanimously approved.

- Budget Ordinance Amendment #2026-5
- Tax Refund Requests totaling \$94.65

Appointments/Recognitions/Presentations

WithersRavenel - Stormwater Master Plan Project Update

Planner Rebecca Brehmer introduced Amanda Hollingsworth and Emily Pettrunoy of WithersRavenel, who presented an update on the Town's Stormwater Master Plan. Planner Brehmer reviewed that the project was funded by a \$400,000 grant from the NC Department of Environmental Quality's Local Assistance for Stormwater Infrastructure Investment Program, awarded in 2023. This was the first comprehensive stormwater master plan for the Town of Swansboro.

The project involved surveying and digitally mapping the town's entire stormwater pipe network, which had not previously been documented in a usable format. That data was incorporated into the town's ArcGIS system and includes pipe sizes, materials, depths, and drainage basin delineations. The data was then used to build an engineering model to test how the system performs during a 10-year, 24-hour storm event. The modeling focused on the Halls Creek area and the downtown historic district. Many pipes throughout the system were found to be undersized.

Based on the modeling results and input from town staff, three concept improvement areas were identified:

Concept 1 – Forest Brook Neighborhood: Existing 15- and 18-inch pipes were undersized, causing road flooding. The proposal was to replace them with larger and dual-barrel pipes. Estimated cost: \$935,000.

Concept 2 – Holly Lane / Old Hammock Road Area: Undersized pipes and an open drainage channel between Dogwood Lane and Phillips Drive were causing road flooding. The proposal was to extend the trunk line along Holly Lane to a new outfall and redirect some flow to a new system on Dogwood Lane. Estimated cost: \$2,474,000.

Concept 3 – Downtown Historic District: The pipe network was undersized and also experiences backwater from the White Oak River and Hawkins Creek during storms, which pushes water back into the system and causes persistent flooding. The proposal includes upsizing pipes along Waterfront and Church Streets and installing intentionally flooding structures near the water's edge to relieve pressure on the system. CAMA permitting restrictions prevent upsizing the outfall pipes closest to the water. This concept also incorporates the previously designed Water Street Drainage Improvement Project. Estimated cost not fully detailed due to the CAMA constraints. Concept 3 was ranked the top priority using a scoring matrix that weighed infrastructure condition, project cost, flooding severity, and drainage area served.

Additional recommendations in the report included maintaining the stormwater asset inventory over time, developing a pre-approved emergency pumping plan for major storm events, continuing to pursue the water quality goals from the 2017 Nine Element Plan and the Resilient Coastal Communities Program, investigating backflow prevention devices for downtown outfall pipes, formalizing a capital improvement plan for stormwater projects, and continuing to seek grant funding. The PowerPoint slides reviewed are attached to the minutes herein.

In response to inquiries from the Board, Ms. Hollingsworth and/or Ms. Pettruny clarified the following details:

- Project implementation would likely occur in phases beginning with the highest priority areas. The overall timeline was expected to span several years.
- Consultant assistance with grant applications depended on the funding source. Smaller grants may be completed by Town staff, while larger or federal grants typically require outside support due to increased complexity and documentation requirements.
- This effort represented the Town's first comprehensive stormwater master plan. Previous work had addressed specific elements, such as water quality initiatives or individual project designs, rather than a system-wide plan.
- The final draft of the stormwater master plan was anticipated to be submitted to the Division of Water Infrastructure around April 10, following any remaining input. Then the Board would be asked to formally adopt the plan, with overall completion anticipated by the end of the calendar year.

- Stormwater structures included all junction components within the system, such as manholes and inlets. For planning-level cost estimates, it was generally assumed that these structures would require replacement along the identified pipe segments.
- Regulatory limitations prevented upsizing outfall pipes near waterfront areas. As an alternative, proposed designs included placing structures outside regulated buffer areas to allow controlled surface release of excess stormwater in designated locations, minimizing impacts to buildings and parking areas.
- Identified priority areas were consistent with known system issues and field observations. The next step would be to determine which project to advance and pursue funding opportunities.
- Flooding caused by storm surge and tidal backflow could not be addressed through pipe improvements alone. Recommended approaches included development of emergency pumping plans and consideration of temporary flood protection measures.

Board discussion included recommendations, such as establishing a formal capital improvement plan, and fall under Board direction, while other items may be implemented administratively by staff. Consideration was also given to public education on property-level mitigation strategies and available funding resources.

Town Manager Barlow shared that the Town had initiated an asset management program and had existing GIS capabilities to support ongoing system tracking. While the proposed concepts were not construction-ready, they were sufficiently developed to support grant applications.

Fire Department 2025 Annual Report

Fire Chief Jacob Randall's 2025 report emphasized departmental improvements and transparency. Out of 1,493 incidents, medical calls were predominant, totaling 999 with 527 for illness and 327 for trauma, about 60-70% of the total. Fire incidents numbered at 111, alarm activations at 125, rescues at 114, and hazardous situations at 23. Response time averages were reduced to 8 minutes and 9 seconds, a 2-minute improvement through enhancements like dispatch software and data tracking. Challenges include overlapping incident delays and station location issues affecting nighttime response. The department conducted 351 inspections and began the Hammocks Beach trail marker program and ICW mapping. Staff accomplishments included Fire Academy, EMT, and Fire Rescue Management Institute training, partnering with Camp Lejeune. The PowerPoint slides reviewed are attached to the minutes herein.

In response to inquiries from the board, Fire Chief Randall or Town Manager Barlow clarified the following details:

- Main Street dock, currently under repair, cannot accommodate a boat lift for water rescues due to legal limitations, although other town access points might could be considered.
- Around 60 to 70 percent of the department's calls were medical rather than fire related.
- Improved response times were attributed to the department's commitment to training and certification.
- Challenges with missed calls occurred when engaged in other incidents, relying on mutual aid which affects response coverage.
- Increasing staffing was the intended long-term solution. Staff retention remained positive following a salary increase, with active recruitment for vacancies, though one position was lost to a larger agency's competitive offer.

The Board acknowledged and expressed appreciation for the efforts of Fire Chief Randall and the Fire Department in carrying out their duties and serving the community.

Business Non-Consent

Monthly Financial Report as of February 2026

Finance Director Sonia Johnson presented the February 2026 financial report. She highlighted the following points:

- Revenues over expenditures were \$819,519 with encumbrances and \$956,482 without encumbrances
- Overall expenditures were at 55.39% of the budget, which was 11.25% below the projected pace of 66.64%
- The emergency management department was at 87.1% expended due to costs from Winter Storm Gianna, necessitating a minimal budget amendment
- The stormwater enterprise fund had revenues over expenditures of \$71,678
- The solid waste enterprise fund had revenues over expenditures of \$6,859
- There were no changes in the debt summary; however, changes were anticipated in March
- The TD Bank interest rate had gradually declined

In response to an inquiry from the board, Finance Director Johnson clarified that she had not yet contacted other banks to compare interest rates but could, noting the process of switching institutions was lengthy.

Future Agenda Topics

Future agenda items were shared for visibility and comments. In addition, an opportunity was provided for the board to introduce items of interest and subsequent direction for placement on future agendas. The following items were addressed:

- Town Clerk Fender confirmed that a service ticket had been submitted to the state regarding four traffic signals at intersections and was awaiting a response. JUMPO was also reviewing the matter.

- Town Clerk Fender shared that scheduling a workshop on the stormwater master plan would take place after the plan was submitted and accepted by the state sometime after April.
- Town Manager Barlow explained that the board cannot dispose of the skatepark equipment until the original grant agency gives consent for its removal, at which point the Board would need to formally decide on a disposal method.

Public Comment

Citizens were offered an opportunity to address the Board for no more than five minutes regarding items not listed on the agenda. No comments were made.

Manager's Comments

Town Manager Barlow addressed Mayor Justice's earlier question about a fire department boat lift, clarifying that he had only examined Main Street dock possibilities due to riparian rights and buffer constraints. He noted they could explore other water access points at Moore Street or Church Street or consider leasing arrangements with private owners.

Town Manager Barlow additionally updated the board on the following:

- EOC/public safety building contract negotiations were ongoing, with the town attorney reviewing the draft. He recommended project advisory services and said the RFQ would be posted, with responses due April 15 and recommendations by April 28.
- The Town had submitted applications to Onslow County TDA for \$21,000 and to Swansboro TDA for the Visitor's Center Renovations. Swansboro TDA was scheduled to meet April 9 to consider applications, including requests for visitor center funding and a new Christmas tree to replace the aging current tree. Manager Barlow noted that the Onslow County TDA operated differently, meeting once annually during its budget cycle, so results might not have been known until June. Because they could not enter renovation contracts without full funding, Barlow said the board could consider allocating the additional \$21,000 from fund balance if needed, with reimbursement if county funding came through.

In response to inquiries from the Board, Town Manager Barlow clarified the following:

- The timeline for renovation and when the Visitor's Center would be operational was dependent on Swansboro TDA's decision, then potentially asking the board to advance funds for the county portion to proceed further. He would confirm with Onslow County whether advancing funds would affect the Town's application to the Onslow County TDA.
- Approximately 20–30 towns and/or nonprofits organizations had received similar State Capital and Infrastructure Fund (SCIF) funds with the same expiration date,

and many had not fully used their funds, resulting in statewide extension requests that were incorporated into a legislative bill that had not yet been brought forward for a vote.

Board Comments

All expressed appreciation for staff, departments, and members of the public for their attendance, support, responsiveness, and ongoing work on behalf of the community.

Commissioner Herbert reported that wastewater line work from Swansboro to Piney Green remained on schedule for mid-summer completion, noted that ONWASA received a \$175,000 FEMA grant for the Mount Pleasant pump station relocation, and announced the April 26 Historic Homes Tour while encouraging volunteer participation.

Mayor Pro Tem Conaway reported that the recent JUMBO meeting approved a pedestrian crossing at Front Street and Highway 24, explained that DOT would conduct warmer-weather surveys before moving forward with a HAWK system, estimated a 1–2-year timeline after evaluations, and noted the upcoming April 1st budget meeting.

Mayor Justice reported on several items to include, continued coordination with JUMBO on traffic issues including discussions on improving traffic-light connectivity, summarized information from the elected officials' lunch regarding the base's community impact and partnerships, noted updates from the chamber breakfast with the school superintendent regarding future school planning, and reported on a recent lunch meeting with county officials regarding EMS, fire strategy, and visitor center coordination.

Adjournment

On a motion by Mayor Pro Tem Conaway, seconded by Commissioner Herbert, the meeting adjourned at 7:40 pm.

RESOLUTION #2026-R7: A RESOLUTION AUTHORIZING WITHDRAWAL FROM THE NEUSE RIVER COUNCIL OF GOVERNMENTS D/B/A EASTERN CAROLINA COUNCIL AND AUTHORIZING THE MANAGER TO SEND A NOTICE OF SUCH WITHDRAWAL

WHEREAS, the Town of Swansboro is a member of the Neuse River Council of Governments d/b/a Eastern Carolina Council ("ECC") pursuant to the authority granted in Article 20, Part 2 of Chapter 160A of the North Carolina General Statutes; and

WHEREAS, pursuant to N.C. Gen. Stat. § 160A-474 and Article II, Section 4. of the ECC's Amended and Restated Charter and Bylaws ("Bylaws"), any member may withdraw from ECC at the end of any fiscal year by giving at least 60 days' written notice to each of the other members; and

WHEREAS, the Town of Swansboro now wishes to withdraw from membership in the ECC; and

WHEREAS, the Town of Swansboro Board of Commissioners wish to authorize the Town Manager to prepare and give notice of such withdrawal to the other members of ECC in accordance with applicable law and the Bylaws.

NOW, THEREFORE BE IT RESOLVED, that the Town of Swansboro Board of Commissioners hereby approves the withdrawal of the Town from membership in the ECC and authorizes the Town Manager to prepare, execute, and send notice of such withdrawal to all other members of ECC in accordance with N.C. Gen. Stat. § 160A-474 and Article II, Section 4 of the Bylaws and to sign any other relevant and necessary documents to effectuate such withdrawal.

Adopted this the 26th day of May, 2026.

Mayor William Justice

ATTEST:

Alissa Fender, Town Clerk



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Tax Refund Request**

Board Meeting Date: **May 26, 2026**

Prepared By: **Sonia Johnson, Finance Director**

Overview: The Onslow County Tax Collector recommends refunds of the below listed taxes totaling \$161.71

Vehicle Tax

Duncan, Jeffrey L	\$24.01	Sold/Traded
Newcomb, Roger D & Mary E	\$137.70	Tag Surrender

Background Attachment(s): None

Recommended Action: Motion to approve refunds as recommended by Onslow County

Action: _____



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Emergency Operations Center/Public Safety Building Design Contract Award to Bobbitt Construction, Inc.**

Board Meeting Date: **May 26, 2026**

Prepared By: **Jon Barlow – Town Manager**

Overview: To award a contract to Bobbitt Construction, Inc. for the design phase of the Emergency Operations Center/ Public Safety Building in the amount of \$952,741

On January 27, 2026 the Board authorized staff to enter contract negotiations with Bobbitt Construction, Inc. for the Design-Build of the Emergency Operations Center/ Public Safety Center. The total budget for the design and construction of the facility is approximately \$8,500,000. The actual amount could change depending on the interest earned prior to incurring additional project expenditures. The actual cost of construction of the facility will not be known until final construction plans are formalized. The first step in the process is to complete all the pre-construction tasks (design phase). The cost of the Design Phase (which is the purpose of this contract) is \$952,741 (see contract Article 2). Step 2, the Construction Phase, starts once a design is complete. The final cost (Grand Maximum Price) will be determined by Bobbitt and an amendment to this contract will be executed to authorize the expenditure of the remaining funds for the construction of the EOC/PSB. The estimated timeline of the project is approximately 2-years from the initiation of the design phase through construction.

Funding for this project is from 2 separate State grants totaling \$9 million. There are not any additional funds including debt financing planned for this project.

Background Attachment(s): Contract for Design – Build services between the Town of Swansboro and Bobbitt Construction, Inc.

Recommended Action: Approve the contract for design services to Bobbitt Construction, Inc. in the amount of \$952,741.

Action: _____

AIA[®] Document A141[®] – 2024

Standard Form of Agreement Between Owner and Design-Builder for a Traditional Design-Build Project

AGREEMENT made as of the Sixteenth day of February in the year Two Thousand Twenty Six.

(In words, indicate day, month, and year.)

BETWEEN the Owner:

(Name, legal status, address, and other information)

Town of Swansboro

601 W. Corbett Avenue

Swansboro, NC 28584

and the Design-Builder:

(Name, legal status, address, and other information)

Bobbitt Construction, Inc., a North Carolina corporation

2400 Weston Pkwy

Cary, NC 27513

North Carolina General Contractors License Number 3673

for the following Project:

(Name, location, and detailed description)

Swansboro Public Safety Building

Parcel Pin: 536405191852

Swansboro, NC 28584

The Owner and Design-Builder agree as follows.

ADDITIONS AND DELETIONS:

The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

Consultation with an attorney is also encouraged with respect to professional licensing requirements in the jurisdiction where the Project is located.

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ARTICLE 1 GENERAL PROVISIONS

§ 1.1 Owner’s Criteria

This Agreement is based on the Owner’s Criteria set forth in this Section 1.1. The Owner’s Criteria is fixed as of the date of this Agreement.

(For each item in Section 1.1.1 through 1.1.10, insert the information or a statement such as “not applicable” or “unknown at the time of execution.”)

§ 1.1.1 The Owner's program for the Project:

(Identify below, or in an attached exhibit, the documentation in which the program is set forth, or state the manner in which the program will be developed.)

The Owner seeks a new Public Safety Building with Police, Fire and an Emergency Operations Center on an undeveloped site of approximately 4.93 acres. The new facility shall sustain all Emergency Operations for the Town during all disasters up to Category 4 storms.

§ 1.1.2 The Owner's design requirements for the Project:

(Identify below, or in an attached exhibit, the documentation that contains the Owner's design requirements, including any performance specifications for the Project.)

The Design-Builder shall design and construct a facility that provides the following:

- I) Houses the Fire and Police Departments.
- II) Complete the project in a timely and fiscally responsible manner.
- III) Incorporate high-performance systems in design and construction that will allow personnel to work in a safe, comfortable, and operational facility.
- IV) Minimize operating and maintenance costs; maximize energy efficiency.
- V) Prioritize workplace safety and reduce job related exposure to carcinogens and other substances in Emergency Management Services Environment.
- VI) Provide a facility that promotes resilience in planning, responding and mitigating or recovering from disasters.
- VII) As a Team, work with the Town to plan and implement processes to maximize efficiency, quality, and cost savings.

§ 1.1.3 The Project's physical characteristics:

(Identify or describe below, or in an attached exhibit, if appropriate, size, location, dimensions, or other pertinent information, such as geotechnical or environmental reports; site, boundary, topographic, or existing building surveys; traffic and utility studies; availability of public and private utilities and services; legal description of the site; Project and site requirements; etc.)

The project will be located on Parcel ID 1783-81-0000. The Owner has provided a Boundary/Topographic Map dated 8/30/2021 by Tidewater Associates, Inc.

§ 1.1.4 The Owner's anticipated Sustainable Objective for the Project, if any:

(Identify below, or in an attached exhibit, the Owner's Sustainable Objective for the Project, such as Sustainability Certification, benefit to the environment, enhancement to the health and well-being of building occupants, or improvement of energy efficiency. If the Owner identifies a Sustainable Objective, incorporate AIA Document A141®–2024, Standard Form of Agreement between Owner and Design-Builder for a Traditional Design-Build Project, Exhibit C, Sustainable Projects Exhibit, into this Agreement to define the terms, conditions, and Work related to the Owner's Sustainable Objective.)

Not applicable.

§ 1.1.5 The Owner's building information modeling requirements for the Project, if any:

(Identify below, or in an attached exhibit, the Owner's building information modeling requirements for the Project, such as the requirement that the Design-Builder provide a model for subsequent use by the Owner or share models with the Owner's Consultants and Separate Contractors. If the parties agree upon protocols for transmission of, use of, and reliance on information or documentation in digital form, then identify and attach that document.)

Not applicable.

§ 1.1.6 The Owner's budget for the Work to be provided by the Design-Builder is set forth below. This is a non-binding budget:

(Provide the Owner's total budget for the Design Services, Construction Work, related services, and reasonable contingencies, required to fulfill the Design-Builder's obligations under the Design-Build Documents following execution of the Design Build Amendment. If known, include a line-item breakdown of costs.)

The Owner’s Budget for this project is Eight Million Five Hundred Thousand Dollars (\$8,500,000.00) for Design, Procurement, and Construction.

§ 1.1.7 The Owner’s anticipated design and construction milestones:

- .1 Design Builder’s Proposal submission date:

The Design-Build Amendment is anticipated to be submitted in June 2027

- .2 Construction commencement date:

Construction is anticipated to commence in August 2027

- .3 Substantial Completion date or dates:

Substantial Completion is anticipated to occur in October 2028

- .4 Other milestone dates:

(Include other dates, such as milestones for Evaluation of the Owner’s Criteria, Preliminary Design, the anticipated start of construction, or phased completion dates.)

To be coordinated with the Owner in ongoing manner throughout the project lifecycle.

§ 1.1.8 In the event the Owner requires the Design-Builder to retain a specific person or entity to perform a portion of the Work, such as an architect, consultant, or subcontractor, those persons or entities shall be identified below:

(List name, legal status, address and other information.)

N/A

§ 1.1.9 Additional Owner’s Criteria upon which this Agreement is based:

(Identify below, or in an attached exhibit, special characteristics or needs of the Project not identified elsewhere.)

N/A

§ 1.1.10 The Owner’s requirements for accelerated or fast-track design and construction, multiple bid packages, or phased construction are set forth below:

(Identify any requirements for fast-track scheduling, multiple bid packages, or phased construction.)

N/A

§ 1.2 Project Team

§ 1.2.1 The Owner identifies the following representative in accordance with Section 7.1.1:

(List name, address, and other information.)

Jonathan Barlow	Town’s Owner’s Rep
Swansboro Town Manager	Andy Miller
601 W. Corbett Avenue	McDonough Bolyard Peck
Swansboro, NC 28584	4700 Falls of Neuse Road, Suite 370
(910) 326-4428	Raleigh, NC
tnmrg@ci.swansboro.nc.us	919-875-0124
	amiller@mbpce.com

§ 1.2.2 The Owner will retain the following consultants and Separate Contractors:

(List name, address, and other information.)

.1 Land Surveyor:

N/A

.2 Geotechnical Engineer:

N/A

.3 Other consultants:

(List any other consultants, e.g., Cost Consultant, Scheduling Consultant, to be retained by the Owner.)

The Town will need to hire a Testing Consultant for Special Inspections.

.4 Separate Contractors:

(List any Separate Contractors to be retained by the Owner.)

None at this time.

§ 1.2.3 The Design-Builder identifies the following representative in accordance with Section 3.1.2: (List name, address and other information.)

Andrew Speck
Sr. Integrated Project Developer
Bobbitt Construction
2400 Weston Parkway
Cary, NC 27513
(910) 852-9268
Andy.speck@Bobbitt.com

§ 1.2.4 In addition to those persons or entities identified in Section 1.1.8, the Design-Builder shall retain the Architect, Consultants, Subcontractors, and suppliers, identified below: (List name, discipline, address, and other information.)

Bailey Allred Les Parker
Principal Architect Project Architect
Bobbitt A&E, PLLC Bobbitt A & E, PLLC
2400 Weston Parkway 2400 Weston Parkway
Cary, NC 27513 Cary, NC 27513

Cape Fear Engineering SKA Consulting Engineers Optima Engineering
Civil Eng/Surveyor/Geotech Eng/Mtls Testing Structural Engineer of Record PM&E+FA Eng of Record
151 Poole Road, 3100 7900 Triad Center Drive, #200 434 Fayetteville Street, #2450
Leland, NC 28451 Greensboro, NC 27409 Raleigh, NC 27601

§ 1.2.5 Neither the Owner's nor the Design-Builder's representative shall be changed without ten days' notice to the other party.

§ 1.3 Dispute Resolution

§ 1.3.1 **Initial Resolution of Claims.** Claims, excluding those where the condition giving rise to the Claim is first discovered after expiration of the period for correction of the Construction Work set forth in Section 12.2.2, or arising under Sections 10.3 and 10.4, shall be:

(Check the appropriate box.)

- Subject to a Meet and Confer obligation in accordance with Section 15.2.1.
- Referred to the following Project Neutral for an initial decision in accordance with Section 15.2.2.
(Insert name, address, and contact information for Project Neutral.)

§ 1.3.2 **Binding Dispute Resolution.** For any Claim subject to, but not resolved by, mediation pursuant to Section 15.3, the method of binding dispute resolution shall be the following:

(Check the appropriate box.)

- Arbitration pursuant to Section 15.4
- Litigation in a court of competent jurisdiction
- Other: (Specify)

§ 1.4 Definitions

§ 1.4.1 **Architect.** The Architect is a person or entity providing Design Services for the Design-Builder for all or a portion of the Work and is lawfully licensed to practice architecture in the applicable jurisdiction. The Architect is referred to throughout the Design-Build Documents as if singular in number.

§ 1.4.2 **Confidential Information.** Confidential Information is information containing confidential or business proprietary information that is designated as "confidential."

§ 1.4.3 **Consultant.** A Consultant is a person or entity providing services for the Design-Builder for all or a portion of the Work and is referred to throughout the Design-Build Documents as if singular in number. If the Consultant provides professional services, the Consultant shall be lawfully licensed to provide such services, as required by the applicable jurisdiction.

§ 1.4.4 **The Contract.** The Design-Build Documents form the Contract. The Contract represents the entire and integrated agreement between the parties and supersedes prior negotiations, representations, or agreements, either written or oral. The Contract may be amended or modified only by a Modification. The Design-Build Documents shall not be construed to create a contractual relationship of any kind between any persons or entities other than the Owner and the Design-Builder. In case of any inconsistency, conflict, or ambiguity among the Design-Build Documents, the documents shall govern in the following order: (a) Change Orders, Modifications, and written amendments to this Agreement; (b) this Agreement; (c) the Drawings (large scale governing over small scale), Specifications, and addenda; and (d) other Design-Build Documents listed in this Agreement. Among categories of documents having the same order of precedence, the term or provision that includes the latest date shall control.

§ 1.4.5 **Contract Sum.** The Contract Sum is the amount to be paid to the Design-Builder for performance of the Work after execution of the Design-Build Amendment, as set forth in the Design-Build Amendment. The Owner and Design-Builder agree that the Stipulated Sum does not include any increases or escalation in pricing due to tariffs or anti-dumping and

countervailing duties (collectively herein “Tariff”) not legally enacted as of the Design-Build Amendment. In the event of the enactment of an applicable Tariff after the execution of the Design-Build Amendment, the Stipulated Sum shall be increased by the amount by which said Tariff exceeds those in effect as of the execution of the Design-Build Amendment. The Design-Builder shall not be entitled to additional fee or general conditions on any Change Order to the extent based on a Tariff enacted or increased after the execution of the Design-Build Amendment. Notwithstanding any other provisions of the Design-Build Documents, the Contract Sum is based on the current market prices and availability of the building materials and components required for the Work (for example only, and without limitation, concrete, plywood, lumber, drywall, plumbing and electrical products containing copper, appliances, etc.) (collectively, “Building Materials”). The Owner and Design-Builder recognize that the market for these Building Materials can be volatile, and sudden increases in the price of the Building Materials and Building Materials shortages can occur based on national and international events that affect the market for such Building Materials. Accordingly, if following the date of this Agreement an increase in the cost of Building Materials occurs, through no fault of the Design-Builder, then the Design-Builder shall be entitled to a Change Order increasing the Contract Sum and Stipulated Sum Price in the amount of the actual additional cost incurred by Design-Builder to obtain the Building Materials.

§ 1.4.6 Contract Time. The Contract Time is the period of time identified in the Design-Build Amendment, measured from the date for commencement of the Construction Work, including authorized adjustments, established as the period for the Design-Builder to achieve Substantial Completion of the Work.

§ 1.4.7 Subcontractor. A Subcontractor is a person or entity performing all or a portion of the construction, required in connection with the Work, for the Design-Builder. Each Subcontractor shall be lawfully licensed, if required in the jurisdiction where the Project is located.

§ 1.4.8 Cost of the Work. The Cost of the Work includes all costs reasonably incurred by the Design-Builder in the proper performance of the Work as described in Section 6.3.1.

§ 1.4.9 Day. The term “day” as used in the Design-Build Documents shall mean calendar day unless otherwise specifically defined.

§ 1.4.10 Design-Build Documents. The Design-Build Documents consist of this Agreement between Owner and Design-Builder (hereinafter, this Agreement), other documents listed in this Agreement, and Modifications issued after execution of this Agreement, all of which form the Contract and are as fully a part of the Contract as if attached to this Agreement or repeated herein. A Modification is (1) a written amendment to the Contract signed by both parties, including the Design-Build Amendment, or (2) a Change Order. The Design-Build Documents will also include the Drawings, Specifications, and other documents listed in the Design-Build Amendment.

§ 1.4.11 Design-Builder. The Design-Builder is the person or entity identified as such in this Agreement and is referred to throughout the Design-Build Documents as if singular in number. The term “Design-Builder” means the Design-Builder or the Design-Builder’s authorized representative.

§ 1.4.12 Work. “Work” means the (a) services required of the Design-Builder prior to the execution of the Design-Build Amendment, (b) Design Services, and (c) Construction Work.

§ 1.4.12.1 Design Services. “Design Services” are the professional services, including those services that are rendered by architects and engineers, which are required to fulfill the Design-Builder’s obligations under the Design-Build Documents. Design Services do not include professional or other services necessary to support Construction Work which are provided by Subcontractors engaged by the Design-Builder.

§ 1.4.12.2 Construction Work. “Construction Work” is the construction, and services to support construction, required by the Design-Build Documents, whether completed or partially completed, and includes all other labor, materials, equipment, and services provided, or to be provided, by the Design-Builder to fulfill the Design-Builder’s obligations under the Design-Build Documents.

§ 1.4.13 Early Release Work. “Early Release Work” is a limited, predetermined portion of the Project or scope of the Work that the Owner authorizes the Design-Builder to commence before the parties execute the Design-Build Amendment.

§ 1.4.14 Instruments of Service. Instruments of Service are representations, in any medium of expression now known or later developed, of the tangible and intangible creative work performed by the Design-Builder, Subcontractors, Architect, or Consultants under their respective agreements. Instruments of Service may include, without limitation, studies, surveys, models, sketches, drawings, specifications, and other similar materials.

§ 1.4.15 Notice

§ 1.4.15.1 Except as otherwise provided in Section 1.4.15.2, where the Design-Build Documents require one party to notify or give notice to the other party, such notice shall be provided in writing to the designated representative of the party to whom the notice is addressed and shall be deemed to have been duly served if delivered in person, by mail, by courier, or by electronic transmission as set forth below:

(Insert requirements for delivering notice in electronic format such as name, title, and email address of the recipient and whether and how the system will be required to generate a read receipt for the transmission. If the parties agree upon protocols for electronic transmission of notice, identify and attach that document.)

Email for Owner's Representative: tnmgr@ci.swansboro.nc.us; amiller@mbpce.com

Email for Design-Builder's Representative: Andy.Speck@bobbitt.com

§ 1.4.15.2 Notice of Claims as provided in Section 15.1.3 shall be provided in writing and shall be deemed to have been duly served only if delivered to the designated representative of the party to whom the notice is addressed by certified or registered mail, or by courier providing proof of delivery.

§ 1.4.16 Owner. The Owner is the person or entity identified as such in this Agreement and is referred to throughout the Design-Build Documents as if singular in number. The term "Owner" means the Owner or the Owner's authorized representative.

§ 1.4.17 The Project. The Project is comprised of all design and construction, of which the Work performed under the Design-Build Documents may be the whole or a part, and may include design and construction by the Owner and by Separate Contractors.

§ 1.4.18 Contingency. The Stipulated Sum or Stipulated Sum, as set forth in Exhibit B, includes a Construction Contingency for the Design-Builder's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order ("Construction Contingency"). Any documented and verified savings on a particular trade or other line item within the Stipulated Sum or Stipulated Sum may be reallocated to another line item or to the Construction Contingency for use toward reimbursable Costs of the Work. The Design-Builder shall accurately record the expenditure of all Construction Contingency funds and shall report the same to the Owner on a monthly basis. The Construction Contingency shall be identified and drawn for within the Design-Builder's Applications for Payment. This Construction Contingency is included to provide funds for unanticipated costs resulting from (1) cost overruns in the purchasing of subcontracts; (2) costs incurred to pay fines/violations or to repair non-conforming work not recoverable from a Subcontractor; (3) costs incurred due to the default or non-performance of a subcontractor which are not recoverable from such subcontractor (without resorting to litigation), however Design-Builder shall be responsible for filing such claims under subcontractors default insurance and shall then promptly replenish Construction Contingency upon payment of any such claims; (4) direct schedule recovery costs incurred due to delays or potential delays in achieving a milestone event for which the Design-Builder is not otherwise being compensated; (5) General Conditions Costs; (6) casualty losses and related expenses not compensated by insurance or otherwise and sustained by Design-Builder in connect with the Work; (7) others costs which may constitute a part of the Cost of the Work under the Agreement but not reimbursable as a Change Order; (8) Work items reasonably inferable but not clearly identifiable in the Design-Build Documents and not identified by the Design-Builder prior to the establishment of the Stipulated Sum; (9) costs incurred for the settlement or resolution of claims brought by Subcontractors, consistent with the interests of the Project, for which Design-Builder is not otherwise entitled to a Change Order under the Agreement; (10) payment of deductibles under Owner's builder's risk insurance policy where Design-Builder is unable to identify and backcharge the appropriate Subcontractor; and (11) payment of the Early Completion Bonus (if applicable). The Construction Contingency shall not be available to fund changes in scope, unforeseen conditions, unsuitable soils, systems, kinds, quality and quantities of materials, finishes, or equipment, all of which, if required, shall be incorporated by Change Order. Until Final Completion, all Construction Contingency funds are controlled by Design-Builder.

§ 1.5 The Owner and Design-Builder may rely on the Owner’s Criteria set forth in Article 1. If the Owner’s Criteria materially changes after execution of this Agreement, the Owner and the Design-Builder shall execute a Modification to adjust the Project schedule, the Design-Builder’s services, and the Design Builder’s compensation. The Owner shall adjust the Owner’s budget in Section 1.1.6 and the Owner’s anticipated design and construction milestones, as necessary, to accommodate material changes in the Owner’s Criteria.

ARTICLE 2 COMPENSATION AND PROGRESS PAYMENTS

§ 2.1 Compensation for Work Prior To Execution of Design-Build Amendment

§ 2.1.1 For the Design-Builder’s performance of Work prior to the execution of the Design-Build Amendment, the Owner shall compensate the Design-Builder as follows:

(Insert amount of, or basis for, compensation, or indicate the exhibit in which the information is provided. If there will be a limit on the total amount of compensation for Work performed prior to the execution of the Design-Build Amendment, state the amount of the limit.)

PreConstruction Stipulated Sum : \$ 952,741 (Nine hundred fifty-two thousand, seven hundred forty one dollars and no cents. Services included are:

- Site testing to include Phase I Environmental Assessment, Geotechnical Testing & Hydraulic Calculations
- Design Fees from Programming through Construction Documents: Civil Engineering, Landscape Architecture, Building Architectural design, Mechanical Engineering, Electrical Engineering, Plumbing Engineering, Fire Alarm Design and Fire Protection Design.
- PreConstruction Management, Estimating, Code/Permitting Research, Constructability Reviews
- Generate imagery to illustrate proposed design concepts
- Three-Dimensional Renderings of the building exterior prior to Design Development
- Assistance with Defense Community Infrastructure Program (DCIP) Grant to include generation of alternate floor plan, project renderings for inclusion with the grant application and cost estimate for the alternate building plan.
- Two schematic design revisions included. Revisions within Design Development or Construction Documents phase may result in revised cost.
- Project budget increases of 10 % or greater may result in additional design fees being assessed.

§ 2.1.2 The hourly billing rates for services of the Design-Builder and the Design-Builder’s Architect, Consultants, and Subcontractors, if any, are set forth below. The rates shall be adjusted in accordance with the Design-Builder’s, Architect’s, Consultants’, and Subcontractors’ normal review practices.

(If applicable, attach an exhibit of hourly billing rates or insert them below.)

See Exhibit D – Design-Builder’s Rate Schedule

Individual or Position	Rate
N/A	

§ 2.1.3 Compensation for Reimbursable Expenses Prior To Execution of Design-Build Amendment

§ 2.1.3.1 Reimbursable Expenses are in addition to compensation set forth in Section 2.1.1 and 2.1.2 and include expenses directly related to the Project incurred by the Design-Builder and the Design-Builder’s Architect, Consultants, and Subcontractors, as follows:

- .1 Transportation and authorized out-of-town travel and subsistence;
- .2 Dedicated data and communication services, teleconferences, and Project web sites and cloud services;
- .3 Fees paid for securing approval of authorities having jurisdiction over the Project;
- .4 Printing, reproductions, plots, and standard form documents;
- .5 Postage, handling, and delivery;
- .6 Expense of overtime work requiring higher than regular rates, if authorized in advance by the Owner;
- .7 Renderings, physical models, mock-ups, professional photography, and presentation materials requested by the Owner;
- .8 All taxes and duties levied on professional services and on reimbursable expenses; and
- .9 Other Project-related expenditures, if authorized in advance by the Owner.

§ 2.1.3.2 For Reimbursable Expenses, the compensation shall be the expenses the Design-Builder and the Design-Builder's Architect, Consultants, and Subcontractors incurred, plus fifteen percent (15 %) of the expenses incurred.

§ 2.1.4 Additional Services. With the Owner's written approval, the Design-Builder shall provide services not included in Article 4 for additional compensation. Such services may include

- .1 services necessitated by a change in the Owner's Criteria, or previous instructions or approvals given by the Owner;
- .2 services necessitated by a material change in the Project made at the Owner's request, including (1) a change in Project size, quality, or complexity, or (2) a change in the Owner's schedule or budget;
- .3 changing or editing previously prepared Instruments of Service necessitated by the enactment or revision of codes, laws or regulations, or official interpretations; and
- .4 services necessitated by a failure to complete the services under Article 4 within Eight (8) months of the date of this Agreement through no fault of the Design-Builder.

§ 2.1.4.5 Compensation for Additional Services. If the Owner authorizes the Design-Builder to perform additional services under Section 2.1.4, the Owner shall compensate the Design-Builder for such additional services as follows:

(Insert amount of, or basis for, compensation.)

See Exhibit D – Design-Builder's Rate Schedule

§ 2.1.5 Payments to the Design-Builder Prior To Execution of Design-Build Amendment

§ 2.1.5.1 Unless otherwise agreed, payments for Work prior to execution of the Design-Build Amendment shall be made monthly upon presentation of the Design-Builder's invoice.

§ 2.1.5.1.1 Amounts unpaid thirty (30) days after the invoice date shall bear interest at the rate entered below, or in the absence thereof, at the legal rate prevailing from time to time at the principal place of business of the Design-Builder.

(Insert rate of monthly or annual interest agreed upon.)

1.5 % per month

§ 2.1.5.2 Records of Reimbursable Expenses and services performed on the basis of hourly rates shall be available to the Owner at mutually convenient times for a period of two years following execution of the Design-Build Amendment or termination of this Agreement, whichever occurs first.

§ 2.2 Payment for Early Release Work

For the Design-Builder's performance of Early Release Work, the Owner shall pay the Design-Builder in accordance with the authorization for the Early Release Work, unless otherwise agreed to by the parties.

§ 2.3 Compensation for Work Performed After Execution of Design-Build Amendment

§ 2.3.1 For the Design-Builder's performance of Work after execution of the Design-Build Amendment, the Owner shall pay to the Design-Builder the Contract Sum as set forth in Article 9 and the Design-Build Amendment.

§ 2.3.2 Liquidated Damages

The Design-Builder's liability for liquidated damages resulting from the Design-Builder's failure to achieve Substantial Completion within the Contract Time shall be as follows:

(For each item in Section 2.3.2.1 through 2.3.2.4, insert the information or a statement such as "not applicable".)

- .1 Insert the monetary amount of liquidated damages, if any, to be assessed:
(Identify the monetary amount of liquidated damages, the incremental period of time for each assessment, and whether that amount is uniform or variable over time.)

\$100 per day

- .2 Insert the date(s) or event(s), if any, that triggers the commencement of the assessment of liquidated damages, if

other than the date of Substantial Completion of the entire Project:

Substantial Completion date plus 30 day grace period for the benefit of the Design-Builder.

- .3 Insert the limit, if any, on the total amount of liquidated damages:

Liquidated damages shall be capped at \$35,000. (Thirty-Five Thousand Dollars).

- .4 Insert any other terms for liquidated damages:

The Substantial Completion Date will be based upon the Commencement Date. The date of Commencement shall be defined as the latest date of receipt of: 1) The Design-Build Amendment, Exhibit B, fully executed by all parties, 2) Owner Confirmation of Funding Received, 3) Land disturbance approval from all Authorities Having Jurisdiction (AHJ), 4) Building permits fully issued and paid in full. If any approval is unreasonably withheld by Planning and Zoning, Building Department, and/or any other municipal, state, or federal reviewers, then an adjustment to Contract Time and Contract Sum will be made.

ARTICLE 3 GENERAL REQUIREMENTS OF THE WORK OF THE DESIGN-BUILD CONTRACT

§ 3.1 General

§ 3.1.1 The Design-Builder shall comply with any applicable licensing requirements in the jurisdiction where the Project is located.

§ 3.1.2 The Design-Builder shall designate in writing a representative who shall have express authority to bind the Design-Builder with respect to all matters under this Agreement.

§ 3.1.3 The Design-Builder shall perform the Work in accordance with the Design-Build Documents.

§ 3.1.4 The Design-Builder shall perform the Work in compliance with applicable laws, statutes, ordinances, codes, rules and regulations, or lawful orders of public authorities (collectively, "Applicable Laws"). If the Design-Builder performs Work contrary to Applicable Laws, the Design-Builder shall assume responsibility for such Work and shall bear the costs attributable to correction.

§ 3.1.4.1 Neither the Design-Builder nor any Contractor, Consultant, or Architect shall be obligated to perform any act which they believe will violate any Applicable Law. If the Design-Builder determines that implementation of any instruction received from the Owner, including those in the Owner's Criteria, would cause a violation of any Applicable Law, the Design-Builder shall notify the Owner in writing. Upon verification by the Owner that a change to the Owner's Criteria is required to remedy the violation, the Owner and the Design-Builder shall execute a Modification in accordance with Article 6. Design-Builder shall not be required by Owner to perform any Work that is contrary to Applicable Laws.

§ 3.1.5 The Design-Builder shall be responsible to the Owner for acts and omissions of the Design-Builder's employees, Architect, Consultants, Subcontractors, and their agents and employees, and any other persons or entities performing portions of the Work for, or on behalf of, the Design-Builder.

§ 3.1.6 The Design-Builder shall schedule and conduct periodic meetings with the Owner to review matters such as procedures, progress, coordination, and scheduling of the Work.

§ 3.1.7 The Design-Builder shall furnish the services of Architects, Consultants, Subcontractors, and suppliers identified in Article 1 or otherwise required to fulfill its obligations under the Design-Build Documents. The Owner understands and agrees that the services of such parties are performed in the sole interest of, and for the exclusive benefit of, the Design-Builder. When Applicable Law requires that services be performed by licensed professionals, the Design-Builder shall provide those services through qualified and licensed professionals.

§ 3.1.8 The Design-Builder, with the assistance of the Owner, shall prepare and file documents required to obtain necessary approvals of authorities having jurisdiction over the Project.

§ 3.1.9 Progress Reports

§ 3.1.9.1 The Design-Builder shall keep the Owner informed of the progress and quality of the Work. On a monthly basis, or otherwise as agreed to by the Owner and Design-Builder, the Design-Builder shall submit written progress reports to the Owner, showing estimated percentages of completion and other information identified below:

- .1 Work completed for the period;
- .2 Project schedule status;
- .3 Submittal schedule and status report, including a summary of outstanding Submittals;
- .4 Requests for information to be provided by the Owner, including those that are outstanding;
- .5 Approved Change Orders;
- .6 Pending Change Order status reports;
- .7 Tests and inspection reports;
- .8 Status report of Work rejected by the Owner;
- .9 Status of submissions and approvals required by authorities having jurisdiction over the Project;
- .10 Status of Claims previously submitted in accordance with Article 15;
- .11 Cumulative total of the Cost of the Work to date including the Design-Builder's compensation and Reimbursable Expenses, if any;
- .12 Current Project cash-flow and forecast reports;
- .13 A cost summary, comparing actual costs to updated cost estimates, if the Contract Sum is the Cost of the Work with or without a Stipulated Sum;
- .14 Contingency log; and
- .15 Additional information as agreed to by the Owner and Design-Builder.

§ 3.1.10 Design-Builder's Schedule

§ 3.1.10.1 The Design-Builder shall prepare and submit for the Owner's information a Project schedule. The Project schedule shall (1) include the time required for design and construction, (2) not exceed time limits set forth under the Design-Build Documents, (3) be revised at appropriate intervals as required by the conditions of the Work and the Design-Build Documents, (4) include allowances for periods of time required for the Owner's review, and (5) include allowances for approval of submissions by authorities having jurisdiction over the Project.

§ 3.1.10.2 The Design-Builder shall perform the Work in general accordance with the most recent Project schedule provided to the Owner.

§ 3.1.11 Standard of Care

The Design-Builder shall perform Design Services and Construction Work consistent with the degree of skill and care ordinarily provided by Design-Builders performing the same services in the same or similar locality under the same or similar circumstances.

§ 3.1.12 Warranty

The Design-Builder warrants to the Owner that the Construction Work furnished under the Contract will be of good quality and new unless the Design-Build Documents require or permit otherwise. If required by the Owner, the Design-Builder shall furnish satisfactory evidence as to the kind and quality of materials and equipment. The Design-Builder further warrants that the Construction Work, for a period of one (1) year following Substantial Completion, will conform to the requirements of the Design-Build Documents and will be free from defects, except for those inherent in their quality or otherwise expressly permitted by the Design-Build Documents. The Design-Builder's warranty excludes remedy for damage or defect caused by abuse, alterations to the materials, equipment, or construction not executed by the Design-Builder, improper or insufficient maintenance, improper operation, or normal wear and tear and normal usage.

§ 3.1.12.1 Design-Builder's warranty expressly excludes materials, equipment or systems that are specified or selected for the Project or which are covered by a manufacturer or supplier warranty, including items specified by manufacturer, model number, catalog number, trade name, grade or quality, or similar identification, or which are supplied by the Owner, and such materials, equipment, and systems shall be covered exclusively by the applicable manufacturer or supplier warranty (which, to the extent possible, shall be assigned to Owner upon payment therefor). Design-Builder does not separately warrant or guarantee such materials, equipment, or systems and shall not be responsible for the performance, useful life, function, or fitness of such materials, equipment or systems, except to the extent that coverage is excluded because of Design-Builder's

failure to install in conformance with the Design-Build Documents. To the extent that manufacturer or supplier warranties provide for material or equipment replacement only, Owner shall be responsible for costs of labor and installation.

§ 3.1.12.2 Except as provided in Section 12.2.2, Design-Builder's warranty under this Section shall be Owner's exclusive rights and remedy with respect to any claim for defect or deficiency in the Work or failure of the Work to conform to the requirements of the Design-Build Documents following Substantial Completion, including any resulting claim for breach of contract or warranty. Except in the event of an emergency, prior to commencing any alteration or disturbance of any portion of the Work to which a claim is made under the warranty or otherwise commencing any formal dispute resolution proceeding (which in the event a proceeding has been commenced prior to discovery of a claim shall be stayed pending fulfillment of this section), Owner shall provide written notice to Design-Builder within seven (7) days of discovery any items of the Work that Owner identifies as failing to conform to the requirements of the warranty. Upon receipt of notice, Design-Builder shall be provided thirty (30) days to perform an inspection of the items and may commence remedy or repair of the claim. Design-Builder's right to inspect and commence and complete remedy or cure shall be for Design-Builder's benefit and to mitigate the costs of any repairs. Design-Builder's undertaking of any inspection or work to remedy or cure, shall not be deemed an admission or acceptance of liability with respect to any claim, and shall not be deemed a waiver of any rights or defense with respect to Owner's warranty claim. Owner waives any right to claims for breach of contract or warranty for any defect or deficiency in the Work for which Owner fails to provide the required notice and opportunity to cure such warranty claims.

§ 3.1.12.3 No Other Items Warranties. EXCEPT FOR THE WARRANTY PROVIDED IN THIS SECTION, NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF MERCHANTABILITY, USE, HABITABILITY, AND FITNESS FOR PARTICULAR PURPOSE OR ANY STATUTORY WARRANTIES SHALL APPLY TO THE WORK AND THE OWNER HEREBY WAIVES ALL OTHER WARRANTIES, EXPRESS OR IMPLIED.

§ 3.1.13 Royalties, Patents and Copyrights

§ 3.1.13.1 The Design-Builder shall pay all royalties and license fees for designs, processes, or products, required by the Design-Build Documents.

§ 3.1.13.2 The Design-Builder shall defend suits or claims for infringement of copyrights and patent rights and shall hold the Owner and its Separate Contractors and consultants harmless from loss on account thereof, but shall not be responsible for defense or loss when a particular design, process, or product of a particular manufacturer or manufacturers is required by the Owner, or where the copyright violations are contained in the Owner's Criteria. However, if the Design-Builder has reason to believe that the design, process or product required in the Owner's Criteria is an infringement of a copyright or a patent, the Design-Builder shall be responsible for such loss unless such information is promptly furnished to the Owner. If the Owner receives notice from a patent or copyright owner of an alleged violation of a patent or copyright, attributable to the Design-Builder, the Owner shall give prompt notice to the Design-Builder.

§ 3.1.14 Indemnification

§ 3.1.14.1 To the fullest extent permitted by law, the Design-Builder shall indemnify and hold harmless the Owner, the Owner's consultants, and agents and employees of any of them, from and against third-party claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Work, but only to the extent caused by the negligent acts or omissions of the Design-Builder, a Subcontractor, Architect, consultant, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity that would otherwise exist as to a party or person described in this Section 3.1.14. The Design-Builder's obligation to indemnify and hold the Owner, the Owner's consultants, and agents and employees of any of them, harmless does not include a duty to defend.

§ 3.1.14.2 In claims against any person or entity indemnified under this Section 3.1.14 by an employee of the Design-Builder, a Subcontractor, anyone directly or indirectly employed by them, or anyone for whose acts they may be liable, the indemnification obligation under Section 3.1.14 shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Design-Builder or a Subcontractor under workers' compensation acts, disability benefit acts, or other employee benefit acts.

§ 3.1.15 Contingent Assignment of Agreements

§ 3.1.15.1 Each agreement for a portion of the Work is assigned by the Design-Builder to the Owner, provided that

- .1 assignment is effective only after termination of the Contract by the Owner for cause pursuant to Sections

- 14.1.4 or 14.2.2 and only for those agreements that the Owner accepts by notifying the Design-Builder and the Architect, Consultants, and Subcontractors whose agreements are accepted for assignment; and
- .2 assignment is subject to the prior rights of the surety, if any, obligated under bond relating to the Contract.

When the Owner accepts the assignment of an agreement, the Owner assumes the Design-Builder's rights and obligations under the agreement.

§ 3.1.15.2 Upon such assignment, if the Work has been suspended for more than 30 days, the compensation under the assigned agreement shall be equitably adjusted for increases in cost resulting from the suspension.

§ 3.1.15.3 Upon assignment to the Owner under this Section 3.1.15, the Owner may further assign the agreement to a successor design-builder or other entity. If the Owner assigns the agreement to a successor design-builder or other entity, the Owner shall nevertheless remain legally responsible for all of the successor design-builder's or other entity's obligations under the agreement.

§ 3.1.16 **Design-Builder's Insurance and Bonds.** The Design-Builder shall purchase and maintain insurance and provide bonds as set forth in Article 11 and AIA Document A141®–2024, Standard Form of Agreement Between Owner and Design-Builder for a Traditional Design-Build Project, Exhibit A, Insurance and Bonds.

ARTICLE 4 WORK PRIOR TO EXECUTION OF THE DESIGN-BUILD AMENDMENT

§ 4.1 General

§ 4.1.1 Any information submitted by the Design-Builder, and any interim decisions made by the Owner, shall be for the purpose of facilitating the design process and shall not modify the Owner's Criteria unless the Owner and Design-Builder execute a Modification.

§ 4.1.2 The Design-Builder shall advise and make recommendations to the Owner on proposed site use and improvements, selection of materials, building systems, and equipment, and temporary Project facilities. The Design-Builder shall also provide the Owner with recommendations, consistent with the Owner's Criteria, on constructability; availability of materials and labor; time requirements for procurement, installation, and construction; and factors related to construction cost including, but not limited to, costs of alternative designs or materials, preliminary budgets, life-cycle data, and possible cost reductions.

§ 4.2 Evaluation of the Owner's Criteria

§ 4.2.1 The Design-Builder shall visit the Project site to become generally familiar with local conditions under which the Work is to be performed.

§ 4.2.2 The Design-Builder shall schedule and conduct meetings with the Owner and other necessary individuals or entities to discuss and review the Owner's Criteria as set forth in Section 1.1.

§ 4.2.3 The Design-Builder shall prepare and submit a written report to the Owner, summarizing the Design-Builder's evaluation of the Owner's Criteria. The report shall also include:

- .1 A description of local conditions under which the Work is to be performed, including conditions that may affect performance of the Work;
- .2 Allocations of program functions, detailing each function and their square foot areas;
- .3 A preliminary estimate of the Contract Sum, and, if necessary, recommendations to adjust the Owner's Criteria to conform to the Owner's budget for the Work;
- .4 A preliminary estimate of the compensation for Design Services to be performed after execution of the Design Build Amendment;
- .5 A Project schedule, which shall include proposed dates for (i) design milestones; (ii) receiving additional information from, or for work to be completed by, the Owner; (iii) submission of the Design-Builder's Proposal; (iv) the Owner's review and approval of Design Phase submissions; and (v) review and approval of submissions by authorities having jurisdiction; and
- .6 If necessary, recommendations to adjust the Owner's Criteria to conform to the Owner's schedule.

§ 4.2.4 The Owner shall review the Design-Builder's written report and, if acceptable, provide the Design-Builder with written consent to proceed to the development of the Preliminary Design as described in Section 4.3.

§ 4.2.5 If the Owner's consent granted pursuant to Section 4.2.4 includes any changes to the Owner's Criteria, then the Owner and the Design-Builder shall execute a Modification pursuant to Article 6.

§ 4.3 Preliminary Design

§ 4.3.1 Upon the Owner's issuance of a written consent to proceed under Section 4.2.4, the Design-Builder shall prepare and submit a Preliminary Design to the Owner. The Preliminary Design shall include a report identifying any deviations from the Owner's Criteria, and shall include the following:

- .1 Confirmation of the allocations of program functions;
- .2 Site plan;
- .3 Building plans, sections, and elevations;
- .4 Structural system;
- .5 Selections of major building systems, including but not limited to mechanical, electrical, and plumbing systems; and
- .6 Outline specifications or sufficient drawing notes describing construction materials.

The Preliminary Design may include some combination of physical study models, perspective sketches, or digital modeling.

§ 4.3.2 The Owner shall review the Preliminary Design and, if acceptable, provide the Design-Builder with written consent to proceed to development of the Design-Builder's Proposal. The Preliminary Design shall not modify the Owner's Criteria unless the Owner and Design-Builder execute a Modification.

§ 4.4 Design-Builder's Proposal

§ 4.4.1 Upon the Owner's issuance of a written consent to proceed under Section 4.3.2, the Design-Builder shall prepare and submit the Design-Builder's Proposal to the Owner with a written statement of its basis, which shall include the following:

- .1 A list of the Drawings and Specifications, including all Addenda thereto;
- .2 A list of all Submittals that will be submitted to the Owner in accordance with Section 5.3.2;
- .3 A list of the clarifications and assumptions made by the Design-Builder in the preparation of the Design-Builder's Proposal;
- .4 The proposed Contract Sum, including the compensation method and, if based upon the Cost of the Work plus a Fee, a written statement of estimated cost organized by trade categories, allowances, contingencies, Design-Builder's Fee, and other items that comprise the Contract Sum;
- .5 The Design-Builder's Project schedule for the Work, showing the anticipated date of Substantial Completion upon which the Design-Builder's Proposal is based;
- .6 A list of the Design-Builder's key personnel, Subcontractors, and suppliers; and
- .7 A date by which the Owner must accept the Design-Builder's Proposal.

§ 4.4.2 The Design-Builder shall meet with the Owner to review the Design-Builder's Proposal. In the event that the Owner discovers any inconsistencies or inaccuracies in the information presented, the Owner shall promptly notify the Design-Builder, who shall make appropriate adjustments to the Design-Builder's Proposal, its basis, or both.

§ 4.4.3 Submission of the Design-Builder's Proposal shall constitute a representation by the Design-Builder that it has visited the site and become familiar with local conditions under which the Work is to be completed.

§ 4.5 Design-Build Amendment

§ 4.5.1 If the Owner and Design-Builder agree on the Design-Builder's Proposal, the Owner and Design-Builder shall execute the Design-Build Amendment setting forth the Contract Sum with the information and assumptions upon which it is based, the Contract Time, and the terms of their agreement.

§ 4.5.2 The Design-Builder shall not incur any cost to be paid as part of the Contract Sum prior to the execution of the Design-Build Amendment, except Preconstruction Costs identified in Article 1.1.6, unless the Owner provides prior authorization for such costs.

§ 4.5.3 Any agreement to commence Early Release Work shall not waive the Owner's right to reject the Design-Builder's

Proposal.

ARTICLE 5 WORK FOLLOWING EXECUTION OF THE DESIGN-BUILD AMENDMENT

§ 5.1 Construction Documents

§ 5.1.1 Upon the execution of the Design-Build Amendment, the Design-Builder shall prepare Construction Documents. The Construction Documents shall establish the quality levels of materials and systems required. The Construction Documents shall be consistent with the Design-Build Documents.

§ 5.1.2 The Design-Builder shall provide the Construction Documents to the Owner for the Owner's information. If the Owner discovers any deviations between the Construction Documents and the Design-Build Documents, the Owner shall promptly notify the Design-Builder of such deviations in writing. The Construction Documents shall not modify the Design-Build Documents unless the Owner and Design-Builder execute a Modification. The failure of the Owner to discover any such deviations shall not relieve the Design-Builder of the obligation to perform the Work in accordance with the Design-Build Documents.

§ 5.2 Construction Work

§ 5.2.1 **Commencement.** Except for any Early Release Work described in Section 5.2.2, construction shall not commence prior to execution of the Design-Build Amendment. Thereafter, construction may only commence upon Design-Builder's receipt of a written, dated, and signed Notice to Proceed from Owner instructing Design-Builder to begin construction. To become effective, the Notice to Proceed must be countersigned by Design-Builder and returned to Owner.

§ 5.2.2 Early Release Work

§ 5.2.2.1 The Design-Builder may prepare, for the Owner's review and acceptance, a procurement proposal for Early Release Work which includes (a) portions of the Design Services or Construction Work that will be issued for procurement and construction in advance of the Design-Build Amendment, and (b) materials or equipment that must be procured prior to execution of the Design-Build Amendment.

§ 5.2.2.2 If the Owner accepts the Design-Builder's procurement proposal for Early Release Work, the Design-Builder shall prepare, for the Owner's review and acceptance, an authorization to proceed with Early Release Work describing the scope, schedule for performance, compensation, payments, retainage, insurance and bonds, and other terms and conditions applicable to procurement and performance of the Early Release Work. The Design-Builder has no obligation to commence procurement and performance of Early Release Work until the Owner and Design-Builder execute such authorization.

§ 5.2.2.3 Following execution of the authorization, the Design-Builder shall expedite and coordinate the procurement and performance of Early Release Work in accordance with this Agreement and such authorization. Following execution of the Design-Build Amendment, compensation for the Early Release Work shall be included in the Contract Sum and the time for performing the Early Release Work shall be included in the Contract Time.

§ 5.2.2.4 Early Procurement of Materials or Equipment by Owner

§ 5.2.2.4.1 If the Owner agrees to procure any materials or equipment prior to execution of the Design-Build Amendment, the Owner shall procure the materials or equipment on terms and conditions acceptable to the Design-Builder.

§ 5.2.3 **Supervision.** The Design-Builder shall supervise and direct the Construction Work, using the Design-Builder's best skill and attention. The Design-Builder shall be solely responsible for, and have control over, construction means, methods, techniques, sequences, and procedures, and for coordinating all portions of the Construction Work under the Contract, unless the Design-Build Documents provide other specific instructions concerning these matters.

§ 5.3 Submittals

§ 5.3.1 Submittals consist of Shop Drawings, Product Data, and Samples.

- .1 **Shop Drawings.** Shop Drawings are drawings, diagrams, schedules, calculations, and other data specially prepared for the Construction Work by the Design-Builder or a Subcontractor, Sub-subcontractor, manufacturer, supplier, or distributor, to illustrate some portion of the Construction Work.
- .2 **Product Data.** Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams, and other information furnished by the Design-Builder to illustrate materials or equipment for some portion of the Construction Work.

- .3 Samples.** Samples are physical examples that illustrate materials, equipment, or workmanship, and establish standards by which the Construction Work will be judged.

§ 5.3.1.4 Submittals are not Design-Build Documents. Their purpose is to demonstrate how the Design-Builder proposes to conform to the information given and the design concept expressed in the Design-Build Documents for those portions of the Construction Work for which the Design-Build Documents require submittals. Review by the Owner is subject to the limitations of Section 5.3.3.1. Informational submittals upon which the Owner is not expected to take responsive action may be so identified in the Design-Build Documents. Submittals that are not required by the Design-Build Documents may be returned by the Owner without action.

§ 5.3.1.5 Submittal Schedule. If the Design-Build Documents require the Design-Builder to submit Submittals to the Owner during performance of the Construction Work, the Design-Builder, prior to submitting any submittals, and thereafter as necessary to maintain a current submittal schedule, shall provide a submittal schedule for the Owner's approval. The Owner's approval shall not be unreasonably delayed or withheld. The submittal schedule shall (1) be coordinated with the Design-Builder's construction schedule, and (2) allow the Owner reasonable time to review submittals. If the Design-Builder fails to submit a submittal schedule or fails to provide submittals in accordance with the approved submittal schedule, the Design-Builder shall not be entitled to any increase in the Contract Sum or extension of Contract Time based on the time required for review of submittals.

§ 5.3.1.6 Documents and Submittals at the Site

The Design-Builder shall make available, at the Project site, the Design-Build Documents, including Change Orders, Change Directives, and other Modifications, in good order and marked currently to indicate field changes and selections made during performance of the Construction Work, and the approved Submittals. These shall be in electronic form or paper copy, available to the Owner, and delivered to the Owner upon completion of the Work as a record of the Construction Work as constructed.

§ 5.3.2 Design-Builder's Submittal Responsibilities

§ 5.3.2.1 The Design-Builder shall review for compliance with the Design-Build Documents, approve, and submit to the Owner, Submittals required by the Design-Build Documents, in accordance with the submittal schedule approved by the Owner or, in the absence of an approved submittal schedule, with reasonable promptness and in such sequence as to cause no delay in the Construction Work or in the activities of the Owner or of Separate Contractors.

§ 5.3.2.2 By submitting Submittals, the Design-Builder represents to the Owner that the Design-Builder has (1) reviewed and approved them, (2) determined and verified materials, field measurements, and field construction criteria related thereto, or will do so, and (3) checked and coordinated the information contained within such submittals with the requirements of the Construction Work and of the Design-Build Documents.

§ 5.3.2.3 The Design-Builder shall perform no portion of the Construction Work for which the Design-Build Documents require submittal and review of Submittals, until the respective submittal has been approved by the Owner.

§ 5.3.2.4 The Construction Work shall be in accordance with approved submittals except that the Design-Builder shall not be relieved of responsibility for deviations from the requirements of the Design-Build Documents by the Owner's approval of Submittals, unless the Design-Builder has specifically notified the Owner of such deviation at the time of submittal and (1) the Owner has given written approval to the specific deviation as a minor change in the Work, or (2) a Change Order or Change Directive has been issued authorizing the deviation. The Design-Builder shall not be relieved of responsibility for errors or omissions in Submittals by the Owner's approval thereof.

§ 5.3.2.5 The Design-Builder shall direct specific attention, in writing or on resubmitted Submittals, to revisions other than those requested by the Owner on previous submittals.

§ 5.3.3 Owner's Submittal Responsibilities

§ 5.3.3.1 The Owner will review, approve, or take other appropriate action upon, the Design-Builder's Submittals, but only for the limited purpose of checking for conformance with the information and design concept expressed in the Design-Build Documents. The Owner's action will be taken in accordance with the submittal schedule approved by the Owner or, in the absence of an approved submittal schedule, with reasonable promptness while allowing sufficient time to permit adequate

review. Review of such submittals is not conducted for the purpose of determining the accuracy and completeness of other details such as dimensions and quantities, or for substantiating instructions for installation or performance of equipment or systems, all of which remain the responsibility of the Design-Builder as required by the Design-Build Documents. The Owner's review shall not constitute approval of safety precautions or of any construction means, methods, techniques, sequences, or procedures. The Owner's approval of a specific item shall not indicate approval of an assembly of which the item is a component.

§ 5.3.3.2 Upon review of the submittals required by the Design-Build Documents, the Owner shall notify the Design-Builder within 7 days of receipt of the submittals, of any non-conformance with the Design-Build Documents the Owner discovers.

§ 5.3.3.3 The persons or entities, in addition to the Owner's representative, who are required to review the Design-Builder's Submittals are as follows:

(List name, address, and other information.)

[Andy Miller
McDonough Bolyard Peck
4700 Falls of Neuse Road, Suite 370
Raleigh, NC 27609
amiller@mbpce.com

§ 5.4 Services Necessary to Support Construction Work

§ 5.4.1 The Design-Builder shall provide the services required to complete the Construction Work including services required to carry out the Design-Builder's responsibilities for construction means, methods, techniques, sequences, and procedures. The Design-Builder shall perform such services in compliance with Applicable Law.

§ 5.4.2 If the Design-Build Documents require services, certifications, or approvals by a licensed design professional during Construction, the drawings, calculations, specifications, certifications, Shop Drawings, and other Submittals prepared under the Design-Build Documents shall be signed and sealed by such design professional.

§ 5.4.3 The Owner shall be entitled to rely upon the services, certifications, and approvals provided by the design professionals under Section 5.4.2. The Owner shall provide prompt notice to the Design-Builder if the Owner observes or otherwise becomes aware of any errors, omissions, or inconsistencies in such services or information. The Owner is not required to ascertain that the services, certifications, and approvals performed or provided by the Design-Builder or the licensed design professional in connection with the Construction Work are in accordance with Applicable Laws, but the Owner shall promptly report to the Design-Builder any nonconformity discovered by, or made known to, the Owner.

§ 5.5 Labor and Materials

§ 5.5.1 Unless otherwise provided in the Design-Build Documents, the Design-Builder shall provide and pay for labor, materials, equipment, tools, construction equipment and machinery, water, heat, utilities, transportation, and other facilities and services, necessary for proper execution and completion of the Construction Work, whether temporary or permanent, and whether or not incorporated or to be incorporated in the construction.

§ 5.5.2 When a material or system is specified in the Design-Build Documents, the Design-Builder may make substitutions only with the consent of the Owner and in accordance with a Change Order.

§ 5.5.3 The Design-Builder shall enforce strict discipline and good order among the Design-Builder's employees and other persons carrying out the Construction Work. The Design-Builder shall not permit employment of unfit persons or persons not properly skilled in tasks assigned to them.

§ 5.6 Taxes

The Design-Builder shall pay sales, consumer, use, import taxes or tariffs, and similar taxes, for the Work provided by the Design-Builder, that are legally enacted as of the date of the Agreement; Owner shall be responsible for any taxes or tariffs, and any cost impact of such taxes and tariffs on the Work, enacted after the date of the Agreement.

§ 5.7 Permits, Fees, Notices and Compliance with Laws

§ 5.7.1 Unless otherwise provided in the Design-Build Documents, the Design-Builder shall secure and pay for the building permit as well as any other permits, fees, licenses, and inspections by government agencies, necessary for proper execution of the Construction Work and Substantial Completion of the Project.

§ 5.7.2 The Design-Builder shall comply with and give notices required by Applicable Laws applicable to performance of the Construction Work.

§ 5.7.3 **Concealed or Unknown Conditions.** If the Design-Builder encounters conditions at the site that are (1) subsurface or otherwise concealed physical conditions that differ materially from those indicated in the Design-Build Documents, (2) changed physical conditions that differ materially from those originally existing at the Project site or indicated in the Design-Build Documents, including changes in field and soil conditions or site access due to weather or otherwise, or (3) unknown physical conditions of an unusual nature that differ materially from those ordinarily found to exist and generally recognized as inherent in construction activities of the character provided for in the Design-Build Documents, the Design-Builder shall promptly provide notice to the Owner before conditions are disturbed. The Owner shall promptly investigate such conditions and, if the Owner determines that they differ materially and cause an increase or decrease in the Design-Builder's cost of, or time required for, performance of any part of the Work, the Contract Sum or Contract Time, or both, shall be equitably adjusted. If the Owner determines that the conditions at the site are not materially different from those indicated in the Design-Build Documents and that no change in the terms of the Contract is justified, the Owner shall promptly notify the Design-Builder, stating the reasons. If the Design-Builder disputes the Owner's determination, the Design-Builder may submit a Claim as provided in Article 15.

§ 5.7.4 If, in the course of the Construction Work, the Design-Builder encounters human remains, or recognizes the existence of burial markers, archaeological sites, or wetlands, not indicated in the Design-Build Documents, the Design-Builder shall immediately suspend any operations that would affect them and shall notify the Owner. Upon receipt of such notice, the Owner shall promptly take any action necessary to obtain governmental authorization required to resume the operations. The Design-Builder shall continue to suspend such operations until otherwise instructed by the Owner but shall continue with all other operations that do not affect those remains or features. Requests for adjustments in the Contract Sum and Contract Time arising from the existence of such remains or features may be made as provided in Article 15.

§ 5.8 Allowances

§ 5.8.1 The Design-Builder shall include in the Contract Sum all allowances stated in the Design-Build Documents. Items covered by allowances shall be supplied for such amounts, and by such persons or entities as the Owner may direct, but the Design-Builder shall not be required to employ persons or entities to whom the Design-Builder has reasonable objection.

§ 5.8.2 Unless otherwise provided in the Design-Build Documents,

- .1 allowances shall cover the cost to the Design-Builder of materials and equipment delivered at the site and all required taxes and tariffs, less applicable trade discounts;
- .2 the Design-Builder's costs for unloading and handling at the site, labor, installation costs, overhead, profit, and other expenses contemplated for stated allowance items, shall be included in the Contract Sum but not in the allowances; and
- .3 whenever costs are more than or less than allowances, the Contract Sum shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (1) the difference between actual costs and the allowances under Section 5.8.2.1 and (2) changes in Design-Builder's costs under Section 5.8.2.2. Approval of a Change Order due to an allowance being exceeded shall not be unreasonably withheld by Owner.

§ 5.8.3 The Owner shall make selections of materials and equipment with reasonable promptness for allowances requiring Owner selection, and pursuant to any reasonable schedule set by the Design-Builder. Design-Builder makes no warranty or guaranty regarding the sufficiency of any amount budgeted for any allowance or contingency identified for the Work.

§ 5.9 Subcontracts and Other Agreements

§ 5.9.1 Those portions of the Construction Work that the Design-Builder does not customarily perform with the Design-Builder's own personnel shall be performed under subcontracts or other appropriate agreements with the Design-Builder. The Owner may designate specific persons from whom, or entities from which, the Design-Builder shall obtain bids. The Design-Builder shall obtain bids from subcontractors, and from suppliers of materials or equipment fabricated especially for the Construction Work, who are qualified to perform that portion of the Construction Work in accordance with the requirements

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of the Design-Build Documents. The Design-Builder shall deliver such bids to the Owner with an indication as to which bids the Design-Builder intends to accept. The Owner then has the right to review the Design-Builder's list of proposed subcontractors and suppliers and, subject to Section 5.9.1.1, to object to any subcontractor or supplier. Any approval or objection by the Owner shall not relieve the Design-Builder of its responsibility to perform the Construction Work in accordance with the Design-Build Documents. The Design-Builder shall not be required to contract with anyone to whom the Design-Builder has reasonable objection.

§ 5.9.1.1 When a specific subcontractor or supplier (1) is recommended to the Owner by the Design-Builder; (2) is qualified to perform that portion of the Construction Work; and (3) has submitted a bid that conforms to the requirements of the Design-Build Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Design-Builder may require that a Change Order be issued to adjust the Contract Sum by the difference between the bid of the person or entity recommended to the Owner by the Design-Builder and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 5.9.2 Subcontracts or other agreements shall conform to the applicable payment provisions of this Agreement and shall not be awarded on the basis of cost plus a fee without the Owner's prior written approval. If a subcontract is awarded on the basis of cost plus a fee, the Design-Builder shall provide in the Subcontract for the Owner to receive the same audit rights with regard to the Subcontractor as the Owner receives with regard to the Design-Builder in Article 9.

§ 5.10 Use of Site

The Design-Builder shall confine operations at the site to areas permitted by applicable laws, statutes, ordinances, codes, rules and regulations, lawful orders of public authorities, and the Design-Build Documents, and shall not unreasonably encumber the site with materials or equipment.

§ 5.11 Cutting and Patching

The Design-Builder shall not cut, patch, or otherwise alter fully or partially completed construction by the Owner or a Separate Contractor except with written consent of the Owner and Separate Contractor. Consent shall not be unreasonably withheld. The Design-Builder shall not unreasonably withhold, from the Owner or Separate Contractor, its consent to cutting or otherwise altering the Construction Work.

§ 5.12 Cleaning Up

§ 5.12.1 The Design-Builder shall keep the premises and surrounding area free from accumulation of waste materials and rubbish caused by operations under the Contract. At completion of the Construction Work, the Design-Builder shall remove waste materials, rubbish, the Design-Builder's tools, construction equipment, machinery and surplus materials from and about the Project.

§ 5.12.2 If the Design-Builder fails to clean up as provided in the Design-Build Documents, the Owner may do so and the Owner shall be entitled to reimbursement from the Design-Builder.

§ 5.13 Access to Construction Work

The Design-Builder shall provide the Owner and its Separate Contractors and consultants with access to the Construction Work in preparation and progress wherever located. The Design-Builder shall notify the Owner regarding Project safety criteria and programs, which the Owner, and its Separate Contractors and consultants, shall comply with while at the site.

§ 5.14 Construction Work by Owner or by Separate Contractors

§ 5.14.1 Owner's Right to Perform Construction and to Award Separate Contracts

§ 5.14.1.1 The term "Separate Contractor(s)" shall mean contractors retained by the Owner under separate agreements. The Owner reserves the right to perform construction or operations related to the Project with the Owner's own forces, and with Separate Contractors retained under provisions substantially similar to those of this Agreement, including those terms and conditions related to insurance and waiver of subrogation. The Owner will identify in the Design-Build Amendment the extent of construction or operations related to the Project that will be performed by Separate Contractors, and will notify the Design-Builder promptly after execution of any agreement with a Separate Contractor. If the Design-Builder claims that delay or additional cost is involved because of such action by the Owner, the Design-Builder shall make a Claim as provided in Article 15.

§ 5.14.1.2 The Owner shall coordinate the activities of the Owner's own forces, and of each Separate Contractor, with the Construction Work of the Design-Builder, who shall cooperate with them. The Design-Builder shall participate in a joint review of the construction schedules of the Owner and any Separate Contractors and after mutual agreement the Design-Builder shall revise its construction schedule. The construction schedules shall then constitute the schedules to be used by the Design-Builder, Separate Contractors, and the Owner until subsequently revised.

§ 5.14.1.3 Unless otherwise provided in the Design-Build Documents, when the Owner performs construction or operations related to the Project with the Owner's own forces or with Separate Contractors, the Owner shall be deemed to be subject to the same obligations that and have the same rights as the Design-Builder has under the Contract.

§ 5.15 Owner's Right to Clean Up

If a dispute arises among the Design-Builder, Separate Contractors, and the Owner as to the responsibility under their respective contracts for maintaining the premises and surrounding area free from waste materials and rubbish, the Owner may clean up and will allocate the cost among those responsible, which shall be determined in Owner's reasonable discretion.

§ 5.16 Mutual Responsibility

§ 5.16.1 The Design-Builder shall afford the Owner and Separate Contractors reasonable opportunity for introduction and storage of their materials and equipment and performance of their activities, and shall connect and coordinate the Design-Builder's construction and operations with theirs as required by the Design-Build Documents.

§ 5.16.2 If part of the Design-Builder's Construction Work depends for proper execution or results upon construction or operations by the Owner or a Separate Contractor, the Design-Builder shall, prior to proceeding with that portion of the Construction Work, promptly notify the Owner of apparent discrepancies or defects in the construction or operations by the Owner or Separate Contractor that would render it unsuitable for proper execution and results of the Design-Builder's Construction Work. Failure of the Design-Builder to notify the Owner of apparent discrepancies or defects prior to proceeding with the Construction Work shall not constitute an acknowledgment that the Owner's or Separate Contractor's completed or partially completed construction or operations is fit and proper to receive the Design-Builder's Construction Work. The Design-Builder shall not be responsible for discrepancies or defects in the construction or operations by the Owner or Separate Contractor.

§ 5.16.3 The Design-Builder shall reimburse the Owner for costs the Owner incurs that are payable to a Separate Contractor because of the Design-Builder's delays, improperly timed activities, or defective Construction Work. The Owner shall be responsible to the Design-Builder for costs the Design-Builder incurs because of a Separate Contractor's delays, improperly timed activities, damage to the Construction Work or defective Construction Work.

§ 5.16.4 The Design-Builder shall promptly remedy damage that the Design-Builder causes to completed or partially completed Construction Work or to property of the Owner or Separate Contractors as provided in Section 10.2.5.

§ 5.16.5 The Owner and each Separate Contractor shall have the same responsibilities for cutting and patching the Construction Work as the Design-Builder has with respect to the Construction Work of the Owner or Separate Contractors in Section 5.11.

§ 5.16.5.1 The Owner shall be responsible for failures by its Separate Contractors to comply with the obligations in this Agreement.

ARTICLE 6 CHANGES IN THE WORK

§ 6.1 General

§ 6.1.1 Changes in the Work may be accomplished after execution of the Contract, and without invalidating the Contract, by Change Order, subject to the limitations stated in this Article 6 and elsewhere in the Design-Build Documents.

§ 6.1.2 A Change Order shall be based upon agreement between the Owner and Design-Builder.

§ 6.1.3 Changes in the Work shall be performed under applicable provisions of the Design-Build Documents. The Design-Builder shall proceed promptly with changes in the Work, unless otherwise provided in the Change Order.

§ 6.2 Change Orders

A Change Order is a written instrument signed by the Owner and Design-Builder stating their agreement upon all of the following:

- .1 The change in the Work;
- .2 The amount of the adjustment, if any, in the Contract Sum or, if prior to execution of the Design-Build Amendment, the adjustment in the Design-Builder’s compensation; and
- .3 The extent of the adjustment, if any, in the Contract Time.

In any Change Order, Design-Builder shall be entitled to an addition of no less than one business day to the Contract Time.

§ 6.3.1 Cost to be Reimbursed as Part of the Contract or any Change Order.

§ 6.3.1.1 Labor Costs

§ 6.3.1.1.1 Wages of construction workers directly employed by the Design-Builder to perform the construction of the Work at the site or, with the Owner's prior approval, at off-site workshops at the rates set forth Exhibit D – Design-Builder’s Rate Schedule.

§ 6.3.1.1.2 With the Owner’s prior approval, wages or salaries of the Design-Builder's supervisory and administrative personnel when stationed at the site or at Design-Builder’s home office for time spent directly for the benefit of the Project at the rates set forth in Exhibit D.

(If it is intended that the wages or salaries of certain personnel stationed at the Design-Builder's principal or other offices shall be included in the Cost of the Work, identify below the personnel to be included, whether for all or only part of their time, and the rates at which their time will be charged to the Work.)

Person Included	Status (full-time/part-time)	Rate (\$0.00)	Rate (unit of time)
See Exhibit D			

§ 6.3.1.1.3 Wages and salaries of the Design-Builder's supervisory or administrative personnel engaged at factories, workshops or on the road, in expediting the production or transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work, at the rates set forth in Exhibit D.

§ 6.3.1.1.4 Costs paid or incurred by the Design-Builder for taxes, tariffs, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under the Design-Build Amendment (if executed).

§ 6.3.1.1.5 Bonuses, profit sharing, incentive compensation and any other discretionary payments paid to anyone hired by the Design-Builder or paid to the Architect or any Consultant, Subcontractor or supplier, with the Owner's prior approval.

§ 6.3.1.2 Contract Costs. Payments made by the Design-Builder to the Architect, Consultants, Subcontractors, and/or suppliers in accordance with the requirements of their subcontracts.

§ 6.3.1.3 Costs of Materials and Equipment Incorporated in the Completed Construction

§ 6.3.1.3.1 Costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction.

§ 6.3.1.3.2 Costs of materials described in the preceding Section 6.3.1.3.1 in excess of those actually installed to allow for reasonable waste and spoilage. Unused excess materials, if any, shall become the Owner's property at the completion of the Work or, at the Owner's option, shall be sold by the Design-Builder. Any amounts realized from such sales shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.3.1.4 Costs of Other Materials and Equipment, Temporary Facilities and Related Items

§ 6.3.1.4.1 Costs of transportation, storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and fully consumed in the performance of the Work. Costs of materials, supplies, temporary facilities, machinery, equipment and tools that are not fully consumed shall be based on the cost or value of the item at the time it is first used on the Project site less the value of the item when it is no longer used at the Project site. Costs for items not fully consumed by the Design-Builder shall mean fair market value.

§ 6.3.1.4.2 Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers that are provided by the Design-Builder at the site and costs of transportation, installation, minor repairs, dismantling and removal. The total rental cost of any Design-Builder-owned item may not exceed the purchase price of any comparable item. Rates of Design-Builder-owned equipment and quantities of equipment shall be subject to the Owner's prior approval.

§ 6.3.1.4.3 Costs of removal of debris from the site of the Work and its proper and legal disposal.

§ 6.3.1.4.4 Costs of document reproductions, electronic communications, postage and parcel delivery charges, dedicated data and communications services, teleconferences, Project websites, extranets and reasonable petty cash expenses of the site office.

§ 6.3.1.4.5 Costs of materials and equipment suitably stored off the site at a mutually acceptable location, with the Owner's prior approval.

§ 6.3.1.5 Miscellaneous Costs

§ 6.2.1.5.1 Premiums for that portion of insurance and bonds required by the Design-Build Documents that can be directly attributed to the Contract. With the Owner's prior approval self-insurance for either full or partial amounts of the coverages required by the Design-Build Documents.

§ 6.3.1.5.2 Sales, use or similar taxes imposed by a governmental authority that are related to the Work and for which the Design-Builder is liable.

§ 6.3.1.5.3 Fees and assessments for the building permit and for other permits, licenses and inspections for which the Design-Builder is required by the Design-Build Documents to pay.

§ 6.3.1.5.4 Fees of laboratories for tests required by the Design-Build Documents, except those related to defective or nonconforming Work for which reimbursement is excluded by Section 16.5.3 of the Agreement or by other provisions of the Design-Build Documents.

§ 6.3.1.5.5 Royalties and license fees paid for the use of a particular design, process or product required by the Design-Build Documents; the cost of defending suits or claims for infringement of patent rights arising from such requirement of the Design-Build Documents; and payments made in accordance with legal judgments against the Design-Builder resulting from such suits or claims and payments of settlements made with the Owner's consent. However, such costs of legal defenses, judgments and settlements shall not be included in the calculation of the Design-Builder's Fee or subject to the Stipulated Sum. If such royalties, fees and costs are excluded by the second to last sentence of Section 3.1.13.2 of the Agreement or other provisions of the Design-Build Documents, then they shall not be included in the Cost of the Work.

§ 6.3.1.5.6 Costs for electronic equipment and software directly related to the Work.

§ 6.3.1.5.7 Deposits lost for causes other than the Design-Builder's negligence or failure to fulfill a specific responsibility in the Design-Build Documents.

§ 6.3.1.5.8 With the Owner's prior approval, which shall not be unreasonably withheld, legal, mediation and arbitration costs, including attorneys' fees, other than those arising from disputes between the Owner and Design-Builder, reasonably incurred by the Design-Builder after the execution of the Agreement and in the performance of the Work.

§ 6.3.1.5.9 With the Owner's prior approval, expenses incurred in accordance with the Design-Builder's standard written personnel policy for relocation, and temporary living allowances of, the Design-Builder's personnel required for the Work.

§ 6.3.1.5.10 That portion of the reasonable expenses of the Design-Builder's supervisory or administrative personnel incurred while traveling in discharge of duties connected with the Work.

§ 6.3.1.6 Other Costs and Emergencies

§ 6.2.1.6.1 Other costs incurred in the performance of the Work if, and to the extent, approved in advance in writing by the Owner.

§ 6.3.1.6.2 Costs incurred in taking action to prevent threatened damage, injury or loss in case of an emergency affecting the safety of persons and property.

§ 6.2.1.6.3 Costs of repairing or correcting damaged or nonconforming Work executed by the Design-Builder, Contractors or suppliers, provided that such damaged or nonconforming Work was not caused by negligence or failure to fulfill a specific responsibility of the Design-Builder and only to the extent that the cost of repair or correction is not recovered by the Design-Builder from insurance, sureties, Contractors, suppliers, or others.

§ 6.3.1.7 Related Party Transactions

§ 6.3.1.7.1 For purposes of Section 6.3.1.7, the term “related party” shall mean a parent, subsidiary, affiliate or other entity having common ownership or management with the Design-Builder; any entity in which any stockholder in, or management employee of, the Design-Builder owns any interest in excess of ten percent in the aggregate; or any person or entity which has the right to control the business or affairs of the Design-Builder. The term “related party” includes any member of the immediate family of any person identified above.

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

§ 6.4.1 Costs Not to Be Reimbursed as Part of this Contract or any Change Order

The Cost of the Work shall not include the items listed below:

- .1 Salaries and other compensation of the Design-Builder's personnel stationed at the Design-Builder's principal office or offices other than the site office, except as specifically provided in Section 6.3.1.1;
- .2 Expenses of the Design-Builder's principal office and offices other than the site office;
- .3 Overhead and general expenses, except as may be expressly included in Section 6.3.1;
- .4 The Design-Builder's capital expenses, including interest on the Design-Builder's capital employed for the Work;
- .5 Except as provided in Section 6.2.1.6.3 of this Agreement, costs due to the negligence or failure of the Design-Builder, Contractors and suppliers or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable to fulfill a specific responsibility of the Contract;
- .6 Any cost not specifically and expressly described in Section 6.3.1; and
- .7 Costs, other than costs included in Change Orders approved by the Owner, that would cause the Stipulated Sum to be exceeded.

§ 6.4.2. Discounts, Rebates, and Refunds

§ 6.4.2.1 Cash discounts obtained on payments made by the Design-Builder shall accrue to the Owner if (1) before making the payment, the Design-Builder included them in an Application for Payment and received payment from the Owner, or (2) the Owner has deposited funds with the Design-Builder with which to make payments; otherwise, cash discounts shall accrue to the Design-Builder. Trade discounts, rebates, refunds and amounts received from sales of surplus materials and equipment shall accrue to the Owner, and the Design-Builder shall make provisions so that they can be obtained.

§ 6.4.2.2 Amounts that accrue to the Owner in accordance with Section 6.1.2.1 shall be credited to the Owner as a deduction from the Cost of the Work.

§ 6.5 Other Agreements

§ 6.5.1 When the Design-Builder has provided a Stipulated Sum, and a specific bidder (1) is recommended to the Owner by the Design-Builder; (2) is qualified to perform that portion of the Work; and (3) has submitted a bid that conforms to the requirements of the Design-Build Documents without reservations or exceptions, but the Owner requires that another bid be accepted, then the Design-Builder may require that a Change Order be issued to adjust the Stipulated Sum by the difference between the bid of the person or entity recommended to the Owner by the Design-Builder and the amount of the subcontract or other agreement actually signed with the person or entity designated by the Owner.

§ 6.5.2 Agreements between the Design-Builder and Subcontractors shall conform to the applicable payment provisions of the Design-Build Documents and shall not be awarded on the basis of cost plus a fee without the prior consent of the Owner. If an agreement between the Design Builder and a Subcontractor is awarded on a cost plus a fee basis, the Design-Builder shall provide in the agreement for the Owner to receive the same audit rights with regard to the Cost of the Work performed by the Subcontractor as the Owner receives with regard to the Design-Builder in Section 6.6, below.

§ 6.5.3 The agreements between the Design-Builder and Architect and other Consultants identified in the Agreement shall be in writing. These agreements shall be promptly provided to the Owner upon the Owner's written request.

§ 6.6 Accounting Records

The Design-Builder shall keep full and detailed records and accounts related to the cost of the Work and exercise such controls as may be necessary for proper financial management under the Contract and to substantiate all costs incurred. The accounting and control systems shall be satisfactory to the Owner. The Owner and the Owner's auditors shall, during regular business hours and upon reasonable notice, be afforded access to, and shall be permitted to audit and copy, the Design-Builder's records and accounts, including complete documentation supporting accounting entries, books, correspondence, instructions, drawings, receipts, subcontracts, Subcontractor's proposals, purchase orders, vouchers, memoranda and other data relating to the Contract. The Design-Builder shall preserve these records for a period of three years after final payment, or for such longer period as may be required by law.

ARTICLE 7 OWNER'S RESPONSIBILITIES

§ 7.1 General

§ 7.1.1 The Owner shall designate in writing a representative who shall have express authority to bind the Owner with respect to all matters requiring the Owner's approval or authorization. Design-Builder shall be entitled to rely on direction of any other agent or representative of Owner who executes any document on behalf of Owner, issues any directive regarding extras or changes in the Work, or otherwise directs Design-Builder.

§ 7.1.2 The Owner shall render decisions in a timely manner and in accordance with the Design-Builder's schedule. The Owner shall furnish to the Design-Builder, within 15 days after receipt of a written request, information necessary and relevant for the Design-Builder to evaluate, give notice of, or enforce mechanic's lien rights. Such information shall include a correct statement of the record legal title to the property on which the Project is located, usually referred to as the site, and the Owner's interest therein. During the Project, the Owner shall provide Design-Builder with written notice if ownership of the property upon which the Project is being performed changes.

§ 7.1.3 The Owner shall furnish and coordinate the services of the Owner's consultants and Separate Contractors with those services provided by the Design-Builder. Upon the Design-Builder's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants or Separate Contractors. The Owner shall require that its consultants and contractors maintain insurance, including professional liability insurance, as appropriate to the services or work provided.

§ 7.1.4 The Owner shall furnish the services of consultants required by a material change in the Owner's Criteria or authorize the Design-Builder to furnish them pursuant to a Change Order.

§ 7.1.5 If the Owner identifies a Sustainable Objective, the Owner shall fulfill its responsibilities as required in AIA Document A141-2024 Exhibit C, attached to this Agreement.

§ 7.1.6 Except as otherwise provided in the Design-Build Documents or when direct communications have been specially authorized, the Owner shall communicate through the Design-Builder with persons or entities employed or retained by the Design-Builder, including the Architect and Subcontractors.

§ 7.1.7 The Owner shall purchase and maintain insurance as set forth in Article 11 and AIA Document A141-2024 Exhibit A.

§ 7.1.8 Visits to the site by the Owner shall not be construed to create an obligation on the part of the Owner to make on-site inspections to check the quality or quantity of the Work. The Owner shall not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences, or procedures, or for the safety precautions and programs in connection with the Work. However, If the Owner observes or otherwise becomes aware of a fault or defect in the Work or non-conformity with the Design-Build Documents, the Owner shall give prompt written notice thereof to the Design-Builder.

§ 7.1.9 The Owner shall not be responsible for the Design-Builder's failure to perform the Work in accordance with the requirements of the Design-Build Documents. The Owner shall not have control over or charge of, and will not be responsible for, acts or omissions of the Design-Builder, Architect, Consultants, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work.

§ 7.1.10 The Owner may reject Work that does not conform to the Design-Build Documents. The Owner may require inspection or testing of the Construction Work in accordance with Section 16.5.2, whether or not the Construction Work is fabricated, installed, or completed.

§ 7.1.11 The Owner shall determine the date or dates of Substantial Completion in accordance with Section 9.8 and the date of final completion in accordance with Section 9.10. The Owner shall exercise reasonable discretion in making such determinations and may not unreasonably withhold its approval.

§ 7.1.12 The Owner acknowledges that accelerated or fast-track design and construction, or phased construction, provides a benefit, but also carries with it associated risks. Such risks include the Owner incurring costs for the Design-Builder to coordinate and redesign portions of the Project affected by procuring or installing elements of the Project prior to the completion of all relevant Design-Build Documents, and costs for the Design-Builder to remove and replace previously installed Construction Work. If the Owner approves accelerated or fast-track design and construction, or phased construction, the Owner agrees to include in the budget for the Work sufficient contingencies to cover such costs.

§ 7.2 Information and Services Required of the Owner

§ 7.2.1 The Owner shall furnish information or services required of the Owner by the Design-Build Documents with reasonable promptness.

§ 7.2.2 The Owner shall provide, to the extent under the Owner's control and if not required by the Design-Build Documents to be provided by the Design-Builder, the results and reports of prior tests, inspections, or investigations conducted for the Project involving structural or mechanical systems; chemical, air and water pollution; hazardous materials; or environmental and subsurface conditions and information regarding the presence of pollutants at the Project site. Upon receipt of a written request from the Design-Builder, the Owner shall also provide surveys describing physical characteristics, legal limitations and utility locations for the site of the Project, and a legal description of the site under the Owner's control, including all easements, rights of way or other encumbrances affecting or limiting the use of the Project site, including adjacent roads or means of access thereto.

§ 7.2.3 The Owner shall promptly obtain easements, zoning variances, and legal authorizations or entitlements regarding site utilization where essential to the execution of the Project unless Design-Build documents specify otherwise.

§ 7.2.4 The Owner shall cooperate with the Design-Builder in securing building and other permits, licenses, and inspections.

§ 7.2.5 The services, information, surveys, and reports required to be provided by the Owner under this Agreement, shall be furnished at the Owner's expense. The Design-Builder shall be entitled to rely on, and shall not be responsible for, the accuracy, completeness, and timeliness of, services, information, surveys, and reports furnished by the Owner.

§ 7.2.6 If the Owner observes or otherwise becomes aware of a fault or defect in the Work or non-conformity with the Design-Build Documents, the Owner shall give prompt notice thereof to the Design-Builder.

§ 7.2.7 Evidence of the Owner's Financial Arrangements

§ 7.2.7.1 Prior to execution of the Design-Build Amendment, the Design-Builder may request that the Owner furnish reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract. Owner shall provide this written evidence using form AIA G729-2024. If the Owner fails to provide such evidence, as required, within fourteen days of the Design-Builder's request, the Design-Builder may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. If the Work is stopped under this Section 7.2.7, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Design-Build Documents.

§ 7.2.7.2 Following the execution of the Design-Build Amendment and upon written request by the Design-Builder, the Owner shall furnish to the Design-Builder reasonable evidence that the Owner has made financial arrangements to fulfill the Owner's obligations under the Contract only if (1) the Owner fails to make payments to the Design-Builder as the Design-Build Documents require; (2) the Design-Builder identifies in writing a reasonable concern regarding the Owner's ability to make payment when due; or (3) a change in the Work materially changes the Contract Sum. Owner shall provide this written evidence using form AIA G729-2024. If the Owner fails to provide such evidence, as required, within fourteen days of the Design-Builder's request, the Design-Builder may immediately stop the Work and, in that event, shall notify the Owner that the Work has stopped. If the Work is stopped under this Section 7.2.7, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shutdown, delay and start-up, plus interest as provided in the Design-Build Documents.

§ 7.2.7.3 After the Owner furnishes evidence of financial arrangements under this Section 7.2.7, the Owner shall not materially vary such financial arrangements without prior notice to the Design-Builder.

§ 7.2.7.4 Where the Owner has designated information furnished under this Section 7.2.7 as "confidential," the Design-Builder shall keep the information confidential as set forth in Article 16.

§ 7.2.8 Unless required by the Design-Build Documents to be provided by the Design-Builder, the Owner shall furnish the services of geotechnical engineers or other consultants when such services are reasonably necessary to properly carry out the Design Services furnished by the Design-Builder. Such services may include, but are not limited to, test borings, test pits, determinations of soil bearing values, percolation tests, evaluations of hazardous materials, ground corrosion and resistivity tests, and necessary operations for anticipating subsoil conditions. The services of geotechnical engineer(s) or other consultants shall include preparation and submission of all appropriate reports and professional recommendations.

§ 7.2.9 Unless required by the Design-Build Documents, the Owner shall furnish surveys to describe physical characteristics, legal limitations and utility locations for the site of the Project, and a written legal description of the site. The surveys and legal information shall include, as applicable, grades and lines of streets, alleys, pavements, and adjoining property and structures; designated wetlands; adjacent drainage; rights-of-way, restrictions, easements, encroachments, zoning or deed restrictions, and boundaries and contours of the site; locations, dimensions, and other necessary data with respect to existing buildings, other improvements and trees; and information concerning available utility services and lines, both public and private, above and below grade, including inverts and depths. All the information on the survey shall be referenced to a Project benchmark.

§ 7.2.10 Unless required by the Design-Build Documents to be provided by the Design-Builder, the Owner shall, upon request from the Design-Builder, furnish the services of other consultants when such services are reasonably necessary to properly carry out the Design Services furnished by the Design-Builder. In such event, the Design-Builder shall identify the services required.

§ 7.2.11 The Owner shall furnish all legal, insurance, and accounting services, including auditing services, that may be reasonably necessary at any time for the Project to meet the Owner's needs and interests.

§ 7.2.12 Upon Design-Builder's request, Owner shall participate in meetings during the Project as frequently as weekly, to review the status of completion of the Work, including identifying and resolving any pending Submittals, Owner's selections, requests for Change Orders, Requests for Information (RFI's) and to review requests for changes, if any, in the Project Schedule.

§ 7.3 Owner's Right to Stop Construction Work

If the Design-Builder fails to correct Construction Work which is not in accordance with the requirements of the Design-Build Documents as required by Section 12.2 or persistently fails to carry out Construction Work in accordance with the Design-Build Documents, the Owner may, following fourteen (14) days' written notice, issue a written order to the Design-Builder to stop the Construction Work, or any portion thereof, until the cause for such order has been eliminated; however, the right of the Owner to stop the Construction Work shall not give rise to a duty on the part of the Owner to exercise this right for the benefit of the Design-Builder or any other person or entity, except to the extent required by Section 5.14.1.2.

§ 7.4 Owner's Right to Carry Out the Construction Work

If the Design-Builder defaults or neglects to carry out the Construction Work in accordance with the Design-Build Documents

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and fails within a fourteen-day period after receipt of notice from the Owner to commence and continue correction of such default or neglect with diligence and promptness, the Owner may, without prejudice to other remedies the Owner may have, correct such default or neglect. The Owner may, pursuant to Section 9.5.1, withhold or nullify a Certificate for Payment in whole or in part, to the extent reasonably necessary to reimburse the Owner for the reasonable cost of correcting such deficiencies. If current and future payments are not sufficient to cover such amounts, the Design-Builder shall pay the difference to the Owner. If the Design-Builder disagrees with the actions of the Owner, or the amounts claimed as costs to the Owner, the Design-Builder may file a claim pursuant to Article 15.

ARTICLE 8 TIME

§ 8.1 Progress and Completion

§ 8.1.1 Time limits stated in the Design-Build Documents are of the essence of the Contract. By executing the Design-Build Amendment, the Design-Builder confirms that the Contract Time is a reasonable period for performing the Work.

§ 8.1.2 The Design-Builder shall proceed expeditiously with adequate forces and shall achieve Substantial Completion within the Contract Time.

§ 8.2 Delays and Extensions of Time

§ 8.2.1 If the Design-Builder is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or of a consultant or separate contractor employed by the Owner; or by changes ordered in the Work by the Owner; or by labor disputes, government shutdowns, fire, pandemics, floods, unusual delay in deliveries, unavailable or discontinued materials, shipping delays, war, acts of war, unavoidable casualties or other causes beyond the Design-Builder's control; or by delay authorized by the Owner pending mediation and binding dispute resolution or by other causes that justify delay, then the Contract Time shall be extended by Change Order for such reasonable time as required to account for such delay in the progress of the Project and Design-Builder shall be entitled to an increase in the Contract Sum (and Stipulated Sum, if applicable) for the additional costs of the delay, including additional supervision and general conditions costs, and any costs due to unavailable or discontinued materials.

§ 8.2.2 Claims relating to time shall be made in accordance with applicable provisions of Article 15.

§ 8.2.3 This Section 8.2 does not preclude recovery of damages for delay by either party under other provisions of the Design-Build Documents.

§ 8.2.4 "Weather Events" are those days when the Design-Builder cannot proceed with Work on the critical path for more than four (4) hours in a day because of any of the following:

- i. Precipitation in excess of .10 of an inch, as measured by the precipitation gauge kept at the Project site.
- ii. Project site conditions (such as mud, pooling of water, ice, or standing snow subsequent to the actual precipitation days) that prevent the performance of activities (such as, but not limited to, mass grading, building pad grading, excavations, and backfill operations).
- iii. Project site temperature measuring: (a) less than 32 degrees Fahrenheit or below product specification constraints related to temperature (examples include, but are not limited to, placing concrete, roofing applications, fireproofing application, waterproofing application, exterior envelope installation, and masonry activities); or (ii) in excess of 100 degrees Fahrenheit.
- iv. Wind speeds, as measured by a Project site gauge, exceeding those permissible to use equipment or to perform certain tasks safely (example includes not being able to safely use crane(s) or other aerial equipment for erection of the building structure).

§ 8.2.5 The Design-Builder shall undertake reasonable measures to minimize the potential impact of and to mitigate and overcome the impact of Weather Events, including without limitation, the installation of temporary protection measures and/or dismantling of equipment necessary to prepare the Project site for such Weather Events; removal of temporary protections, clean-up, and restoration of the Project site as needed to promptly and safely resume construction activities.

§ 8.2.6 The Construction Schedule is based on the Design-Builder performing Work five (5) days per week ("Work Week"). The Work Week shall be defined as Monday through Friday. The Work Week does not include legal holidays recognized in the state of North Carolina.

§ 8.2.7 In the event that Design-Builder cannot perform Work on the critical path during the Work Week due to one or more Weather Events, Design-Builder shall be entitled to an extension of the Contract Time and Contract Sum on a day-for-day basis solely due to a delay caused by a Weather Event; provided however, Design-Builder shall supplement any lost day of Work during the Work Week by working subsequent Saturdays.

§ 8.2.8 Grounds for a potential adjustment to the Contract Time and Contract Sum shall be considered on the first day of the month for Weather Events that occurred during the prior month. The Design-Builder shall only be entitled to an adjustment in the Contract Time and Contract Sum to the extent that the Design-Builder encounters Weather Events during such month in excess of the available weather days and after fully utilizing Saturdays to make up for such Weather Events.

§ 8.2.9 A time extension and additional contract change order shall only be granted for a Weather Event if such Weather Event directly and solely has an adverse effect upon the critical path of the Work. Notwithstanding anything to the contrary in the Contract Documents, the Design-Builder shall only be entitled to an adjustment in the Contract Time because of a Weather Event as set forth in this Section 8.2. Unless external site activities fall on the critical path of the Project and are directly and solely impacted by such Weather Event, Weather Events are not applicable grounds for an adjustment in the Contract Time after the Project reaches the dry-in stage of the structure.

§ 8.2.10 Any Claims by the Design-Builder based on a Weather Events delays shall be made by the Design-Builder to Owner in writing at the end of each month. The Design-Builder shall update Owner concerning any Weather Event during the weekly Project site meetings. All Weather Events shall be promptly recorded by the Design-Builder in a Weather Event Log. A copy of Design-Builder's Weather Event Log shall be available to Owner upon the Owner's request. The Weather Event Log shall also record Work performed by the Design-Builder on a weather day and a Saturday to make up for a lost day of Work during the Work Week as a result of a Weather Event. The Weather Event Log shall maintain a then-current and comprehensive running tally of weather days and Saturdays, both used and unused, so to clearly reflect such days available to offset the occurrence of a Weather Event.

ARTICLE 9 PAYMENT APPLICATIONS AND PROJECT COMPLETION

§ 9.1 Contract Sum

The Contract Sum is stated in the Design-Build Amendment.

§ 9.1.1 If unit prices are stated in the Design-Build Amendment or subsequently agreed upon, and if quantities set forth in the Design-Build Amendment are materially changed in a proposed Change Order or Change Directive, the applicable unit prices shall be equitably adjusted.

§ 9.2 Schedule of Values

Where the Contract Sum is based on a stipulated sum or Stipulated Sum, the Design-Builder shall submit a schedule of values to the Owner prior to the first Application for Payment after execution of the Design-Build Amendment, allocating the entire Contract Sum to the various portions of the Work. The schedule of values shall be prepared in the form, and supported by the data to substantiate its accuracy, required by the Owner. This schedule, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment. Any changes to the schedule of values shall be submitted to the Owner and supported by such data to substantiate its accuracy as the Owner may require, and unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's subsequent Applications for Payment.

§ 9.3 Applications for Payment

§ 9.3.1 At least ten days before the date established for each progress payment, the Design-Builder shall submit to the Owner an itemized Application for Payment for completed portions of the Work. The Application for Payment shall be notarized, if required, and supported by all data substantiating the Design-Builder's right to payment that the Owner requires, such as copies of requisitions, and releases and waiver of liens (which may be conditional until payment is received) from the Architect, Consultants, Subcontractors, and suppliers, and shall reflect retainage if provided for in the Design-Build Documents.

§ 9.3.1.1 As provided in Section 6.3.9, Applications for Payment may include requests for payment on account of changes in the Work that have been properly authorized by the Owner, or by interim determinations of the Owner, but not yet included in Change Orders. As provided in Section 2.1, compensation for Work prior to execution of the Design-Build Amendment may include payment on account of changes in the Work that have been properly authorized by Owner, or by interim

determinations of the Owner, but not yet included in Change Orders.

§ 9.3.1.2 Applications for Payment shall not include requests for payment for portions of the Work for which the Design-Builder does not intend to pay the Architect, a Consultant, a Subcontractor, or a supplier, unless such Work has been performed by others whom the Design-Builder intends to pay.

§ 9.3.2 Unless otherwise provided in the Design-Build Documents, payments shall be made for services provided as well as materials and equipment delivered and suitably stored at the site for subsequent incorporation in the Work. If approved in advance by the Owner, payment may similarly be made for materials and equipment suitably stored off the site at a location agreed upon in writing. Payment for materials and equipment stored on or off the site shall be conditioned upon compliance by the Design-Builder with procedures satisfactory to the Owner to establish the Owner's title to such materials and equipment or otherwise protect the Owner's interest, and shall include the costs of applicable insurance, storage, and transportation to the site, for such materials and equipment stored off the site.

§ 9.3.3 The Design-Builder warrants that title to all Work, other than Instruments of Service, covered by an Application for Payment will pass to the Owner no later than the time of payment. The Design-Builder further warrants that, upon submittal of an Application for Payment, all Work for which Certificates for Payment have been previously issued and payments received from the Owner shall, to the best of the Design-Builder's knowledge, information, and belief, be free and clear of liens, claims, security interests, or encumbrances, in favor of the Design-Builder, Architect, Consultants, Subcontractors, suppliers, or any other persons or entities that provided labor, materials, and equipment relating to the Work.

§ 9.4 Certificates for Payment

The Owner shall, within seven days after receipt of the Design-Builder's Application for Payment, either (1) issue to the Design-Builder a Certificate for Payment in the full amount of the Application for Payment; (2) issue to the Design-Builder a Certificate for Payment for such amount the Owner determines is properly due, and notify the Design-Builder of the Owner's reasons for withholding certification in part as provided in Section 9.5.1; or (3) withhold certification of the entire Application for Payment, and notify the Design-Builder of the Owner's reason for withholding certification in whole as provided in Section 9.5.1.

§ 9.5 Decisions to Withhold Certification

§ 9.5.1 The Owner may withhold a Certificate for Payment in whole or in part to the extent reasonably necessary to protect the Owner due to the Owner's determination that the Work has not progressed to the point indicated in the Design-Builder's Application for Payment, or the quality of the Work is not in accordance with the Design-Build Documents. If the Owner is unable to certify payment in the amount of the Application for Payment, the Owner will notify the Design-Builder as provided in Section 9.4. If the Design-Builder and Owner cannot agree on a revised amount, the Owner will promptly issue a Certificate for Payment for the amount that the Owner deems to be due and owing. The Owner may also withhold a Certificate for Payment or, because of subsequently discovered evidence, may nullify the whole or a part of a Certificate for Payment previously issued to such extent as may be necessary to protect the Owner from loss for which the Design-Builder is responsible because of

- .1 Failure to perform Work in accordance with the Design-Build Documents, , provided that notice of such defective Work has been delivered to Design-Builder;
- .2 Third-party claims filed, unless security acceptable to the Owner is provided by the Design-Builder;
- .3 Failure of the Design-Builder to make payments properly to the Architect, Consultants, Subcontractors, suppliers, or others, for services, labor, materials, or equipment, provided that Owner has paid Design-Builder all monies invoiced;
- .4 Reasonable evidence that the Work cannot be completed for the unpaid balance of the Contract Sum and Design-Builder fails after request to provide evidence of financial capacity to pay estimated costs in excess of the Contract Sum;
- .5 Damage to the Owner or a Separate Contractor, which is not being addressed by Design-Builder's insurer; or
- .6 Reasonable evidence that the Work will not be completed within the Contract Time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay.

§ 9.5.2 If the Design-Builder disputes the Owner's decision regarding a Certificate for Payment under Section 9.5.1, in whole or in part, the Design-Builder may submit a Claim in accordance with Article 15.

§ 9.5.3 When the above reasons for withholding certification are removed, the Owner shall certify amounts previously withheld.

§ 9.5.4 If the Owner withholds certification for payment under Section 9.5.1.3, the Owner may, at its sole option, issue joint checks to the Design-Builder and to any other persons or entities providing Work for the Design-Builder to whom the Design-Builder failed to make payment for Work properly performed or material or equipment suitably delivered.

§ 9.6 Progress Payments

§ 9.6.1 Based upon Applications for Payment submitted to the Owner by the Design-Builder, the Owner shall make progress payments on account of the Contract Sum to the Design-Builder as provided below.

§ 9.6.1.1 The period covered by each Application for Payment shall be one calendar month ending on the last day of the month.

§ 9.6.1.2 Provided that an Application for Payment is received not later than the « 25th » day of the month, the Owner shall make payment of the certified amount to the Design-Builder not later than the « 25th » day of the « following » month. If an Application for Payment is received by the Owner after the application date fixed above, payment shall be made by the Owner not later than « thirty » (« 30 ») days after the Owner receives the Application for Payment.

§ 9.6.1.3 Intentionally Deleted

§ 9.6.1.4 With each Application for Payment where the Contract Sum is based upon a Stipulated Sum the Design-Builder shall submit the most recent schedule of values in accordance with the Design-Build Documents. The schedule of values shall allocate the entire Contract Sum among the various portions of the Work. Compensation for design services, if any, shall be shown separately. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Owner may require. This schedule of values, unless objected to by the Owner, shall be used as a basis for reviewing the Design-Builder's Applications for Payment.

§ 9.6.2 Progress Payments—Stipulated Sum

§ 9.6.2.1 Applications for Payment where the Contract Sum is based upon a Stipulated Sum shall indicate the percentage of completion of each portion of the Work as of the end of the period covered by the Application for Payment.

§ 9.6.2.2 Subject to other provisions of the Design-Build Documents, the amount of each progress payment shall be computed as follows:

- .1 Take that portion of the Contract Sum properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the Contract Sum allocated to that portion of the Work in the schedule of values, less retainage of five percent (5 %) on the Work. Pending final determination of cost to the Owner of Changes in the Work, amounts not in dispute shall be included;
- .2 Add that portion of the Contract Sum properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the completed construction (or, if approved in advance by the Owner, suitably stored off the site at a location agreed upon in writing), less retainage of five percent (5 %);
- .3 Subtract the aggregate of previous payments made by the Owner; and
- .4 Subtract amounts, if any, the Owner has withheld or nullified, as provided in Section 9.5 of the Agreement.

§ 9.6.2.3 The progress payment amount determined in accordance with Section 9.6.2.2 shall be further modified under the following circumstances:

- .1 Add, upon Substantial Completion of the Work, a sum sufficient to increase the total payments to the full amount of the Contract Sum, less such amounts as the Owner shall determine for incomplete Work, retainage applicable to such work and unsettled claims; and
- .2 Add, if final completion of the Work is thereafter materially delayed through no fault of the Design-Builder, any additional amounts payable in accordance with Section 9.10.3 of this Agreement.

§ 9.6.2.4 Reduction or limitation of retainage, if any, shall be as follows:

«1) Retainage shall not be held on the Design-Builder's Applications for Payment for direct purchased materials, General Requirements, General Conditions, General Liability Insurance, Builder's Risk, Bonds, Permits, Contingency and Fees.

2) After the first fifty percent (50 %) of the project has been billed, as determined by the Schedule of Values, the retainage shall be withheld at two and a half percent (2.5 %) for the remainder of the project.

3) The following Schedule of Value line items shall be entitled to an early distribution of retainage if the work has been completed and inspected: Mass Grading, Site Utilities, Aggregate Piers, Soil Improvements, Structural Concrete, and Structural Steel. Other Schedule of Value line items may require reduction prior to completion of the project with owner approval.»

§ 9.6.3 Intentionally Deleted

§ 9.6.4 In taking action on the Design-Builder's Applications for Payment, the Owner shall be entitled to rely on the accuracy and completeness of the information furnished by the Design-Builder, and such action shall not be deemed to be a representation that (1) the Owner has made a detailed examination, audit, or arithmetic verification, of the documentation submitted in accordance with Section 9.3.1 or other supporting data; (2) that the Owner has made exhaustive or continuous on-site inspections; or (3) that the Owner has made examinations to ascertain how or for what purposes the Design-Builder has used amounts previously paid on account of the Contract. Such examinations, audits, and verifications, if required by the Owner, will be performed by the Owner's auditors acting in the sole interest of the Owner.

§ 9.6.5 The Design-Builder shall pay each person or entity providing Work for the Design-Builder, no later than the time period required by Applicable Law. Payment shall be the amount to which the person or entity providing Work for the Design-Builder is entitled, reflecting percentages actually retained from payments to the Design-Builder on account of the portion of the Work performed by the person or entity. The Design-Builder shall, by appropriate agreement with each person or entity providing Work for the Design-Builder, require each person or entity providing Work for the Design-Builder to make payments to subconsultants and subcontractors in a similar manner.

§ 9.6.6 The Owner will, on request and if practicable, furnish to the person or entity providing Work for the Design-Builder, information regarding percentages of completion or amounts applied for by the Design-Builder and action taken thereon by the Owner on account of portions of the Work done by such person or entity providing Work for the Design-Builder.

§ 9.6.7 The Owner has the right to request written evidence from the Design-Builder that the Design-Builder has properly paid any other persons or entities providing Work for the Design-Builder, amounts paid by the Owner to the Design-Builder for the Work. If the Design-Builder fails to furnish such evidence within seven days, the Owner shall have the right to contact the other person or entity providing Work for the Design-Builder to ascertain whether they have been properly paid. The Owner shall have no obligation to pay, or to see to the payment of money to any other person or entity providing services or Work for the Design-Builder, except as may otherwise be required by law.

§ 9.6.8 The Design-Builder's payments to suppliers shall be treated in a manner similar to that provided in Sections 9.6.5, 9.6.6 and 9.6.7.

§ 9.6.8.1 Except with the Owner's prior written approval, the Design-Builder shall not make advance payments to suppliers for materials or equipment.

§ 9.6.9 A Certificate for Payment, a progress payment, or partial or entire use or occupancy of the Project by the Owner shall constitute acceptance of Work not in accordance with the Design-Build Documents.

§ 9.6.10 Unless the Design-Builder provides the Owner with a payment bond in the full penal sum of the Contract Sum, payments received by the Design-Builder for Work properly performed by the Architect, Consultants, Subcontractors, and other persons or entities providing Work for the Design-Builder, shall be held by the Design-Builder for the Architect and those Consultants, Subcontractors, or other persons or entities. Nothing contained herein shall require money to be placed in a separate account and not commingled with money of the Design-Builder, create any fiduciary liability or tort liability on the part of the Design-Builder for breach of trust, or entitle any person or entity to an award of punitive damages against the Design-Builder for breach of the requirements of this provision.

§ 9.6.11 Provided the Owner has fulfilled its payment obligations under the Design-Build Documents, the Design-Builder shall defend and indemnify the Owner from all loss, liability, damage or expense, including reasonable attorney's fees and litigation expenses, arising out of any lien claim or other claim for payment by any Architect, Consultant, Subcontractor, or any other

person or entity providing Work for the Design-Builder. Upon receipt of notice of a lien claim or other claim for payment, the Owner shall notify the Design-Builder. If approved by the applicable court, when required, the Design-Builder may substitute a surety bond for the property against which the lien or other claim for payment has been asserted.

§ 9.7 Failure of Payment

If the Owner fails to issue a Certificate for Payment or make payment of the certified amount within the time required by the Design-Build Documents, then the Design-Builder may, upon seven additional days' notice to the Owner, stop the Work until payment of the amount owing has been received. The Contract Time shall be extended for not less than the number of days during which Work was suspended and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable costs of shutdown, demobilization and remobilization, delay, and start-up, plus interest as provided for in the Design-Build Documents.

§ 9.8 Substantial Completion

§ 9.8.1 Substantial Completion is the stage in the progress of the Construction Work when the Construction Work or designated portion thereof is sufficiently complete in accordance with the Design-Build Documents so that the Owner can occupy or utilize the Construction Work for its intended use. The date of Substantial Completion shall be no later than the earlier of the date any Temporary Certificate of Occupancy or Certificate of Occupancy is issued by the applicable municipality. The issuance of a Temporary Certificate of Occupancy or Certificate of Occupancy constitutes irrefutable proof of Substantial Completion whether Owner issues a Certificate of Substantial Completion.

§ 9.8.2 When the Design-Builder considers that the Construction Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Design-Builder shall prepare and submit to the Owner a comprehensive list of items to be completed or corrected prior to final payment, which the Owner shall sign and return to Design-Builder. The Owner's failure to include any item on such list constitutes acceptance of such work and Owner agrees to waive any claim against Design-Builder for work that is not included on the list.

§ 9.8.3 Upon receipt of the Design-Builder's list, the Owner shall make an inspection within fourteen (14) calendar days to determine whether the Construction Work or designated portion thereof is substantially complete. If the Owner's inspection discloses any item, whether or not included on the Design-Builder's list, which is not sufficiently complete in accordance with the Design-Build Documents so that the Owner can occupy or utilize the Construction Work or designated portion thereof for its intended use, the Design-Builder shall, before issuance of the Certificate of Substantial Completion, complete or correct such item upon notification by the Owner. In such case, the Design-Builder shall then submit a request for another inspection by the Owner to determine Substantial Completion.

§ 9.8.4 Unless otherwise agreed to in writing, responsibility for building operations, security, maintenance, heat, utilities, damage to the Work, insurance, and any other undertakings reasonably related to building operations shall transfer from Design-Builder to Owner on the date of substantial completion.

§ 9.8.5 When the Construction Work or designated portion thereof is substantially complete, the Design-Builder will prepare for the Owner's signature a Certificate of Substantial Completion that shall, upon the Owner's signature, establish the date of Substantial Completion; establish responsibilities of the Owner and Design-Builder for security, maintenance, heat, utilities, damage to the Construction Work, and insurance; and fix the time within which the Design-Builder shall finish all items on the list accompanying the Certificate. Warranties required by the Design-Build Documents shall commence on the date of Substantial Completion of the Construction Work or designated portion thereof unless otherwise provided in the Certificate of Substantial Completion.

§ 9.8.6 The Certificate of Substantial Completion shall be submitted by the Design-Builder to the Owner for written acceptance of responsibilities assigned to it in the Certificate, which shall not be unreasonably withheld. Upon the Owner's acceptance, and consent of surety if any, the Owner shall make payment of retainage applying to the Work or designated portion thereof.

§ 9.9 Partial Occupancy or Use

§ 9.9.1 The Owner may occupy or use any completed or partially completed portion of the Construction Work at any stage when such portion is designated by separate agreement with the Design-Builder, provided such occupancy or use is consented to, by endorsement or otherwise, by the insurer providing property insurance and authorized by authorities having jurisdiction over the Project. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided

the Owner and Design-Builder have accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, maintenance, heat, utilities, damage to the Construction Work, and insurance, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Design-Build Documents. When the Design-Builder considers a portion substantially complete, the Design-Builder shall prepare and submit a list to the Owner as provided under Section 9.8.2. Consent of the Design-Builder to partial occupancy or use shall not be unreasonably withheld. The stage of the progress of the Construction Work shall be determined by written agreement between the Owner and Design-Builder.

§ 9.9.2 Immediately prior to such partial occupancy or use, the Owner and Design-Builder shall jointly inspect the area to be occupied, or portion of the Construction Work to be used, in order to determine and record the condition of the Construction Work.

§ 9.9.3 Unless otherwise agreed upon, partial occupancy or use of a portion or portions of the Construction Work shall constitute Substantial Completion of such portions of the Work for purposes of payment and warranties but shall not constitute acceptance of Work not complying with the requirements of the Design-Build Documents.

§ 9.10 Final Completion and Final Payment

§ 9.10.1 Upon receipt of the Design-Builder's notice that the Construction Work is ready for final inspection and acceptance, and upon receipt of a final Application for Payment, the Owner will promptly make such inspection. When the Owner finds the Construction Work acceptable under the Design-Build Documents and the Contract fully performed, the Owner will, subject to Section 9.10.2 and 9.10.3, promptly issue a final Certificate for Payment.

§ 9.10.2 Neither final payment nor any remaining retained percentage shall become due until the Design-Builder submits to the Owner (1) an affidavit that payrolls, bills for materials and equipment, and other indebtedness connected with the Construction Work, for which the Owner or the Owner's property might be responsible or encumbered, (less amounts withheld by Owner) have been paid or otherwise satisfied, (2) a certificate evidencing that insurance required by the Design-Build Documents to remain in force after final payment is currently in effect, (3) a written statement that the Design-Builder knows of no reason that the insurance will not be renewable to cover the period required by the Design-Build Documents, (4) consent of surety, if any, to final payment, (5) an as-constructed record copy of the Construction Documents marked to indicate field changes and selections made during construction, (6) documentation of any special warranties, such as manufacturer's warranties, product data, and maintenance and operations manuals, and (7) if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, and releases and waivers of liens (which may be conditioned upon receipt of final payment), claims, security interests, or encumbrances, arising out of the Contract, to the extent and in such form as may be designated by the Owner.

§ 9.10.3 If, after Substantial Completion of the Construction Work, final completion thereof is materially delayed through no fault of the Design-Builder or by issuance of Change Orders affecting final completion, the Owner shall, upon application by the Design-Builder, and without terminating the Contract, make payment of the balance due for that portion of the Construction Work fully completed, corrected, and accepted. If the estimated cost to complete or correct the Construction Work is less than retainage stipulated in the Design-Build Documents, and if bonds have been furnished, the written consent of the surety to payment of the balance due for that portion of the Construction Work fully completed and accepted shall be submitted by the Design-Builder to the Owner prior to issuance of payment. Such payment shall be made under terms and conditions governing final payment, except that it shall not constitute a waiver of Claims.

§ 9.10.4 The making of final payment shall constitute a waiver of Claims by the Owner except those arising from

- .1 liens, Claims, security interests or encumbrances arising out of the Contract and unsettled;
- .2 terms of special warranties required by the Design-Build Documents; or
- .3 audits performed by the Owner, if permitted by the Design-Build Documents, after final payment.

§ 9.10.5 Final Payment

§ 9.10.5.1 Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the Design-Builder not later than 30 days after the Design-Builder has fully performed the Contract and the requirements of Section 9.10.2 of the Agreement have been satisfied, except for the Design-Builder's responsibility to correct non-conforming Work discovered after final payment or to satisfy other requirements, if any, which extend beyond final payment.

~~§ 9.10.5.2 Intentionally Deleted If the Contract Sum is based on the Cost of the Work, the Owner's auditors will review and report in writing on the Design-Builder's final accounting within 30 days after the Design-Builder delivers the final accounting to the Owner. Based upon the Cost of the Work the Owner's auditors report to be substantiated by the Design-Builder's final accounting, and provided the other conditions of Section 9.10.2 of the Agreement have been met, the Owner will, within seven days after receipt of the written report of the Owner's auditors, either issue a final Certificate for Payment, or notify the Design-Builder in writing of the reasons for withholding a certificate as provided in Section 9.5.1 of the Agreement.~~

§ 9.10.6 Method of Payment

For any payments made by Owner via electronic transfer, wire transfer, or other kind of EFT transaction as may be required by Design-Builder, Owner agrees that it shall only accept such instructions and account information from Design-Builder in paper form and shall verbally verify the same with Design-Builder's Controller or CFO prior to Owner's initial payment. Owner shall not make any payment to Design-Builder via electronic transfer, wire transfer, or other kind of EFT transaction pursuant to any other instructions without first verifying the instructions and account information via telephone with Design-Builder's Controller or CFO. Owner shall timely make all payments required by this Agreement. Time is of the essence as to all terms of payment.

§ 9.11 Interest

Payments due and unpaid under the Contract shall bear interest from the date payment is due at the rate stated below, or in the absence thereof, at the legal rate prevailing from time to time at the place where the Project is located.

(Insert rate of interest agreed upon, if any.)

1.5% % month

ARTICLE 10 PROTECTION OF PERSONS AND PROPERTY

§ 10.1 Safety Precautions and Programs

The Design-Builder shall be responsible for initiating, maintaining, and supervising all safety precautions and programs in connection with the performance of the Construction Work.

§ 10.2 Safety of Persons and Property

§ 10.2.1 The Design-Builder shall be responsible for precautions for the safety of, and reasonable protection to prevent damage, injury, or loss to

- .1 employees and persons performing the Construction Work who may be affected thereby;
- .2 the Construction Work and materials and equipment to be incorporated therein, whether in storage on or off the site, under care, custody, or control of the Design-Builder, a Subcontractor, or any other person or entity providing services or work for the Design-Builder; and
- .3 other property at the site or adjacent thereto, such as trees, shrubs, lawns, walks, pavements, roadways, or structures, and utilities not designated for removal, relocation, or replacement in the course of construction.

§ 10.2.2 The Design-Builder shall comply with, and give notices required by, Applicable Laws bearing on the safety of persons or property, or their protection from damage, injury, or loss.

§ 10.2.3 The Design-Builder shall implement, erect, and maintain, as required by existing conditions and performance of the Contract, reasonable safeguards for safety and protection, including posting danger signs and other warnings against hazards; promulgating safety regulations; and notifying the owners and users of adjacent sites and utilities of the safeguards.

§ 10.2.4 When use or storage of explosives or other hazardous materials or equipment, or unusual methods, are necessary for execution of the Construction Work, the Design-Builder shall exercise utmost care, and carry on such activities under supervision of properly qualified personnel.

§ 10.2.5 The Design-Builder shall promptly remedy damage and loss (other than damage or loss insured under property insurance required by the Design-Build Documents) to property referred to in Sections 10.2.1.2 and 10.2.1.3, caused in whole or in part by the Design-Builder, the Architect, a Consultant, a Subcontractor, or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable and for which the Design-Builder is responsible under Sections 10.2.1.2 and 10.2.1.3. The Design-Builder may make a Claim for the cost to remedy damage or loss to the extent such damage or loss is attributable to acts or omissions of the Owner, or anyone directly or indirectly employed by the Owner,

or by anyone for whose acts the Owner may be liable, and not attributable to the fault or negligence of the Design-Builder. The foregoing obligations of the Design-Builder are in addition to the Design-Builder's obligations under Section 3.1.14.

§ 10.2.6 The Design-Builder shall designate a responsible member of the Design-Builder's organization, at the site, whose duty shall be the prevention of accidents. This person shall be the Design-Builder's superintendent unless otherwise designated by the Design-Builder in writing to the Owner.

§ 10.2.7 The Design-Builder shall not permit any part of the construction or site to be loaded so as to cause damage or create an unsafe condition.

§ 10.2.8 Injury or Damage to Person or Property. If the Owner or Design-Builder suffers injury or damage to person or property because of an act or omission of the other, or of others for whose acts such party is legally responsible, notice of the injury or damage, whether or not insured, shall be given to the other party within a reasonable time. The notice shall provide sufficient detail to enable the other party to investigate the matter.

§ 10.3 Hazardous Materials

§ 10.3.1 The Design-Builder is responsible for compliance with any requirements included in the Design-Build Documents regarding hazardous materials or substances. If the Design-Builder encounters a hazardous material or substance not addressed in the Design-Build Documents and if reasonable precautions will be inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance, including but not limited to asbestos or polychlorinated biphenyl (PCB), encountered on the site by the Design-Builder, the Design-Builder shall, upon recognizing the condition, immediately stop Construction Work in the affected area and notify the Owner of the condition.

§ 10.3.2 Upon receipt of the Design-Builder's notice, the Owner shall obtain the services of a licensed laboratory to verify the presence or absence of the material or substance reported by the Design-Builder and, in the event such material or substance is found to be present, to cause it to be rendered harmless. Unless otherwise required by the Design-Build Documents, the Owner shall furnish in writing to the Design-Builder the names and qualifications of persons or entities who are to perform tests verifying the presence or absence of the material or substance or who are to perform the task of removal or safe containment of the material or substance. The Design-Builder will promptly reply to the Owner in writing stating whether or not the Design-Builder has reasonable objection to the persons or entities proposed by the Owner. If the Design-Builder has an objection to a person or entity proposed by the Owner, the Owner shall propose another to whom the Design-Builder has no reasonable objection. When the material or substance has been rendered harmless, Construction Work in the affected area shall resume upon written agreement of the Owner and Design-Builder. By Change Order, the Contract Time shall be extended appropriately and the Contract Sum shall be increased by the amount of the Design-Builder's reasonable additional costs of shutdown, delay, and start-up.

§ 10.3.3 To the fullest extent permitted by law, the Owner shall indemnify and hold harmless the Design-Builder, the Architect, Consultants, and Subcontractors, and employees of any of them, from and against claims, damages, losses, and expenses, including but not limited to attorneys' fees, arising out of or resulting from performance of the Construction Work in the affected area, if in fact the material or substance presents the risk of bodily injury or death as described in Section 10.3.1 and has not been rendered harmless, provided that such claim, damage, loss, or expense is attributable to bodily injury, sickness, disease or death, or to injury to, or destruction of, tangible property (other than the Construction Work itself), except to the extent that such damage, loss, or expense is due to the fault or negligence of the party seeking indemnity.

§ 10.3.4 The Owner shall not be responsible under this Section 10.3 for hazardous materials or substances the Design-Builder brings to the site unless such materials or substances are required by the Owner's Criteria. The Owner shall be responsible for hazardous materials or substances required by the Owner's Criteria, except to the extent of the Design-Builder's fault or negligence in the use and handling of such materials or substances.

§ 10.3.5 The Design-Builder shall reimburse the Owner for the cost and expense the Owner incurs (1) for remediation of hazardous materials or substances the Design-Builder brings to the site and negligently handles, or (2) where the Design-Builder fails to perform its obligations under Section 10.3.1, except to the extent that the cost and expense are due to the Owner's fault or negligence.

§ 10.3.6 If, without negligence on the part of the Design-Builder, the Design-Builder is held liable by a government agency for the cost of remediation of a hazardous material or substance solely by reason of performing Construction Work as required by

the Design-Build Documents, the Owner shall reimburse the Design-Builder for all cost and expense thereby incurred.

§ 10.4 Emergencies

In an emergency affecting safety of persons or property, the Design-Builder shall act, at the Design-Builder's discretion, to prevent threatened damage, injury, or loss.

ARTICLE 11 INSURANCE AND BONDS

§ 11.1 Design-Builder's Insurance and Bonds

§ 11.1.1 The Design-Builder shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in this Agreement or elsewhere in the Design-Build Documents. Prior to commencement of the Work, the Design-Builder shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Owner shall be named as an additional insured under the Design-Builder's commercial general liability policy or as otherwise described in the Design-Build Documents.

§ 11.1.2 The Design-Builder shall provide surety bonds of the types, for such penal sums, and subject to such terms and conditions as required by the Design-Build Documents. The Design-Builder shall purchase and maintain the required bonds from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located.

§ 11.1.3 Upon the request of any person or entity appearing to be a potential beneficiary of bonds covering payment of obligations arising under the Design-Build Contract, the Design-Builder shall promptly furnish a copy of the bonds or shall authorize a copy to be furnished.

§ 11.1.4 **Notice of Cancellation or Expiration of Design-Builder's Required Insurance.** Within three (3) business days of the date the Design-Builder becomes aware of an impending or actual cancellation or expiration of any insurance required by the Design-Build Documents, the Design-Builder shall provide notice to the Owner of such impending or actual cancellation or expiration. Upon receipt of notice from the Design-Builder, the Owner shall, unless the lapse in coverage arises from an act or omission of the Owner, have the right to stop the Work until the lapse in coverage has been cured by the procurement of replacement coverage by the Design-Builder. The furnishing of notice by the Design-Builder shall not relieve the Design-Builder of any contractual obligation to provide any required coverage.

§ 11.2 Owner's Insurance

§ 11.2.1 The Owner shall purchase and maintain insurance of the types and limits of liability, containing the endorsements, and subject to the terms and conditions, as described in this Agreement or elsewhere in the Design-Build Documents. The Owner shall purchase and maintain the required insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located.

§ 11.2.2 **Failure to Purchase Required Property Insurance.** If the Owner fails to purchase and maintain the required property insurance, with all of the coverages and in the amounts described in this Agreement or elsewhere in the Design-Build Documents, the Owner shall inform the Design-Builder in writing prior to commencement of the Construction Work. Upon receipt of notice from the Owner, the Design-Builder may delay commencement of the Construction Work and may obtain insurance that will protect the interests of the Design-Builder, Subcontractors, and Sub-Subcontractors in the Construction Work. When the failure to provide coverage has been cured or resolved, the Contract Sum and Contract Time shall be equitably adjusted. In the event the Owner fails to procure coverage, the Owner waives all rights against the Design-Builder, Subcontractors, and Sub-subcontractors to the extent the loss to the Owner would have been covered by the insurance to have been procured by the Owner. The cost of the insurance shall be charged to the Owner by a Change Order. If the Owner does not provide written notice, and the Design-Builder is damaged by the failure or neglect of the Owner to purchase or maintain the required insurance, the Owner shall reimburse the Design-Builder for all reasonable costs and damages attributable thereto.

§ 11.2.3 **Notice of Cancellation or Expiration of Owner's Required Property Insurance.** Within three (3) business days of the date the Owner becomes aware of an impending or actual cancellation or expiration of any property insurance required by the Design-Build Documents, the Owner shall provide notice to the Design-Builder of such impending or actual cancellation or expiration. Unless the lapse in coverage arises from an act or omission of the Design-Builder: (1) the Design-Builder, upon receipt of notice from the Owner, shall have the right to stop the Construction Work until the lapse in coverage has been cured by the procurement of replacement coverage by either the Owner or the Design-Builder; (2) the Contract Time and Contract

Sum shall be equitably adjusted; and (3) the Owner waives all rights against the Design-Builder, Subcontractors, and Sub-subcontractors to the extent any loss to the Owner would have been covered by the insurance had it not expired or been cancelled. If the Design-Builder purchases replacement coverage, the cost of the insurance shall be charged to the Owner by an appropriate Change Order. The furnishing of notice by the Owner shall not relieve the Owner of any contractual obligation to provide required insurance.

§ 11.3 Waivers of Subrogation

§ 11.3.1 The Owner and Design-Builder waive all rights against (1) each other and any of their consultants, subcontractors, sub-subcontractors, agents, and employees, each of the other; and (2) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for damages caused by fire, or other causes of loss, to the extent those losses are covered by property insurance required by this Agreement or other property insurance applicable to the Project, except such rights as they have to proceeds of such insurance. The Owner or Design-Builder, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Separate Contractors, consultants, subcontractors, and sub-subcontractors. The policies of insurance purchased and maintained by each person or entity agreeing to waive claims pursuant to this Section 11.3.1 shall not prohibit this waiver of subrogation. This waiver of subrogation shall be effective as to a person or entity (1) even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, (2) even though that person or entity did not pay the insurance premium directly or indirectly, or (3) whether or not the person or entity had an insurable interest in the damaged property.

§ 11.3.2 If, during construction of the Project, the Owner insures properties, real or personal or both, at or adjacent to the site by property insurance under policies separate from those insuring the Project, or if after final payment property insurance is to be provided on the completed Project through a policy or policies other than those insuring the Project during the construction period, to the extent permissible by such policies, the Owner waives all rights in accordance with the terms of Section 11.3.1 for damages caused by fire or other causes of loss covered by this separate property insurance.

§ 11.4 Loss of Use, Business Interruption, and Delay in Completion Insurance

The Owner, at the Owner's option, may purchase and maintain insurance that will protect the Owner against loss of use of the Owner's property, or the inability to conduct normal operations, due to fire or other causes of loss. The Owner waives all rights of action against the Design-Builder for loss of use of the Owner's property, due to fire or other hazards however caused.

§ 11.5 Adjustment and Settlement of Insured Loss

§ 11.5.1 A loss insured under the property insurance required by this Agreement shall be adjusted by the Owner as fiduciary and made payable to the Owner as fiduciary for the insureds, as their interests may appear, subject to requirements of any applicable mortgagee clause and of Section 11.5.2. The Owner shall pay the Design-Builder its just share of insurance proceeds received by the Owner, and by appropriate agreement the Design-Builder shall make payments to its consultants and Subcontractors in similar manner.

§ 11.5.2 Prior to settlement of an insured loss, the Owner shall notify the Design-Builder of the terms of the proposed settlement as well as the proposed allocation of the insurance proceeds. The Design-Builder shall have 14 days from receipt of notice to object to the proposed settlement or allocation of the proceeds. If the Design-Builder does not object, the Owner shall settle the loss, and the Design-Builder shall be bound by the settlement and allocation. Upon receipt, the Owner shall deposit the insurance proceeds in a separate account and make the appropriate distributions. Thereafter, if no other agreement is made or the Owner does not terminate the Design-Build Contract for convenience, the Owner and Design-Builder shall execute a Change Order for reconstruction of the damaged or destroyed Construction Work in the amount allocated for that purpose. If the Design-Builder timely objects to either the terms of the proposed settlement or the allocation of the proceeds, the Owner may proceed to settle the insured loss, and any dispute between the Owner and Design-Builder arising out of the settlement or allocation of the proceeds shall be resolved pursuant to Article 15. Pending resolution of any dispute, the Owner may issue a Change Directive for the reconstruction of the damaged or destroyed Construction Work.

ARTICLE 12 UNCOVERING AND CORRECTION OF CONSTRUCTION WORK

§ 12.1 Uncovering of Construction Work

The Owner may request to examine a portion of the Construction Work that the Design-Builder has covered to determine if the Construction Work has been performed in accordance with the Design-Build Documents. If such Construction Work is in accordance with the Design-Build Documents, the Design-Builder shall be entitled to an equitable adjustment to the Contract Sum and Contract Time as may be appropriate. If such Construction Work is not in accordance with the Design-Build

Documents, the costs of uncovering the Construction Work, and the cost of correction, shall be at the Design-Builder's expense and shall not result in a change in the Contract Time, unless the condition was caused by the Owner or a Separate Contractor in which event the Owner shall be responsible for payment of such costs and the Contract Time will be adjusted as appropriate.

§ 12.2 Correction of Construction Work

§ 12.2.1 Before Substantial Completion. The Design-Builder shall promptly correct Construction Work rejected by the Owner or failing to conform to the requirements of the Design-Build Documents, discovered before Substantial Completion, and whether or not fabricated, installed, or completed. Costs of correcting such rejected Construction Work, including additional testing and inspections and the cost of uncovering and replacement, and compensation for any consultant employed by the Owner whose expenses and compensation were made necessary thereby, shall be at the Design-Builder's expense. In addition, the Owner shall promptly remedy damage and loss arising in conjunction with the Project caused in whole or in part by any Separate Contractor or agent of Owner, or anyone directly or indirectly employed by any of them, or anyone for whose acts they may be liable.

§ 12.2.2 After Substantial Completion

§ 12.2.2.1 In addition to the Design-Builder's obligations under Section 3.1.12, if, within one year after the date of Substantial Completion of the Construction Work or designated portion thereof or after the date for commencement of warranties established under Section 9.9.1, or by terms of any applicable special warranty required by the Design-Build Documents, any of the Construction Work is discovered not to be in accordance with the requirements of the Design-Build Documents, the Design-Builder shall correct it promptly after receipt of notice from the Owner to do so unless the Owner has previously given the Design-Builder a written acceptance of such condition. The Owner shall give such notice promptly after discovery of the condition. During the one-year period for correction of the Construction Work, if the Owner fails to notify the Design-Builder of the condition and give the Design-Builder an opportunity to make the correction, the Owner waives the rights to require correction by the Design-Builder and to make a claim for breach of warranty and breach of the standard of care for that condition. If the Design-Builder fails to correct nonconforming or defectively designed Construction Work within a reasonable time during that period after receipt of notice from the Owner, the Owner may correct it in accordance with Section 7.4.

§ 12.2.2.2 The one-year period for correction of Construction Work shall be extended with respect to portions of Construction Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual completion of that portion of the Construction Work.

§ 12.2.2.3 The one-year period for correction of Construction Work shall not be extended by corrective Construction Work performed by the Design-Builder pursuant to this Section 12.2.

§ 12.2.3 The Design-Builder shall remove from the site portions of the Construction Work that are not in accordance with the requirements of the Design-Build Documents and are neither corrected by the Design-Builder nor accepted by the Owner.

§ 12.2.4 The Design-Builder shall bear the cost of correcting destroyed or damaged construction of the Owner or Separate Contractors, whether completed or partially completed, caused by the Design-Builder's correction or removal of Construction Work that is not in accordance with the requirements of the Design-Build Documents, unless the condition was caused by the Owner or a Separate Contractor in which event the Owner shall be responsible for payment of such costs .

§ 12.2.5 This Section 12.2 shall be Owner's exclusive remedy and a period of limitation with respect to obligations the Design-Builder has under the Design-Build Documents for any failure of the Work to conform to the requirements of the Design-Build Documents or any claim or omission, defect or deficiency (whether latent or patent) in the Work, including but not limited to any claim arising under Section 3.1.12 Warranty.

§ 12.3 Acceptance of Nonconforming Construction Work

If the Owner prefers to accept Construction Work that is not in accordance with the requirements of the Design-Build Documents, the Owner may do so instead of requiring its removal and correction, in which case the Contract Sum will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

ARTICLE 13 COPYRIGHTS AND LICENSES

§ 13.1 Drawings, specifications, and other documents furnished by the Design-Builder, including those in electronic form, are Instruments of Service. The Design-Builder, and the Architect, Consultants, Subcontractors, and any other person or entity providing Work for any of them, shall be deemed the authors and owners of their respective Instruments of Service, including the Drawings and Specifications, and shall retain all common law, statutory and other reserved rights, including copyrights. Submission or distribution of Instruments of Service to meet official regulatory requirements, or for similar purposes in connection with the Project, is not to be construed as publication in derogation of the reserved rights of the Design-Builder and the Architect, Consultants, and Subcontractors, and any other person or entity providing Work for any of them.

§ 13.2 The Design-Builder and the Owner warrant that in transmitting Instruments of Service, or any other information, the transmitting party is the copyright owner of such information or has permission from the copyright owner to transmit such information for its use on the Project.

§ 13.3 Upon execution of the Design-Build Amendment, the Design-Builder grants to the Owner a nonexclusive license to use the Design-Builder's Instruments of Service solely and exclusively for purposes of constructing, using, maintaining, altering, and adding to the Project, , provided that the Owner substantially performs its obligations, including prompt payment of all sums when due, under the Design-Build Documents. The license granted in this Section 13.3 shall terminate only if (1) the Design-Builder terminates this Agreement in accordance with Sections 14.1.1, 14.1.3, 14.1.4, or 14.2.1 or (2) the Owner terminates this Agreement for convenience as provided in Section 14.1.5 and does not compensate the Design-Builder as required under Sections 14.1.6 and 14.1.7. The license granted under this section permits the Owner to authorize the Owner's consultants to reproduce applicable portions of the Instruments of Service, subject to any protocols established pursuant to Section 1.1.5, solely and exclusively for use in performing services for the Project.

§ 13.3.1 In the event the Owner uses the Instruments of Service (1) for purposes inconsistent with Section 13.3, (2) after completion of the Project for purposes of altering or adding to the Project without retaining the authors of the Instruments of Service for such purposes, (3) after the Owner terminates this Agreement for convenience, or (4) after the Design-Builder terminates this Agreement in accordance with Sections 14.1.1, 14.1.3, 14.1.4, or 14.2.1, the Owner releases the Design-Builder from all claims and causes of action arising from such uses. The Owner, to the extent permitted by law, further agrees to indemnify and hold harmless the Design-Builder from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's use of the Instruments of Service under this Section 13.3.1. The terms of this Section 13.3.1 shall not apply if the Owner terminates this Agreement for cause under Section 14.1.4 or 14.2.2. The payment of a Termination Fee or Licensing Fee under Section 14.1.7 shall not relieve the Owner of the release or indemnity obligations of this Section 13.3.1.

§ 13.3.2 The Design-Builder shall obtain non-exclusive licenses from the Architect, Consultants, and Subcontractors, that will allow the Design-Builder to satisfy its obligations to the Owner under this Article 13. The Design-Builder's licenses from the Architect and its Consultants and Subcontractors shall also allow the Owner, in the event this Agreement is terminated for any reason other than the default of the Owner or in the event the Design-Builder's Architect, Consultants, or Subcontractors terminate their agreements with the Design-Builder for cause, to obtain a non-exclusive license solely and exclusively for purposes of constructing, using, maintaining, altering and adding to the Project, provided that the Owner (1) agrees to pay to the Architect, Consultant or Subcontractor all amounts due, and (2) provides the Architect, Consultant or Subcontractor with the Owner's written agreement to indemnify and hold harmless the Architect, Consultant, or Subcontractor from all costs and expenses, including the cost of defense, related to claims and causes of action asserted by any third person or entity to the extent such costs and expenses arise from the Owner's alteration or use of the Instruments of Service.

§ 13.3.3 Except as otherwise stated in this Section 13.3, the provisions of this Article 13 shall survive the termination of this Agreement.

ARTICLE 14 TERMINATION OR SUSPENSION

§ 14.1 Termination or Suspension Prior to Execution of the Design-Build Amendment

§ 14.1.1 If the Owner fails to make payments to the Design-Builder for Work prior to execution of the Design-Build Amendment in accordance with this Agreement, such failure shall be considered substantial nonperformance and cause for termination under Section 14.1.4 or, at the Design-Builder's option, cause for suspension of performance of services under this Agreement. If the Design-Builder elects to suspend the Work, the Design-Builder shall give seven days' notice to the Owner before suspending the Work. In the event of a suspension of the Work, the Design-Builder shall have no liability to the Owner for delay or damage caused by the suspension of the Work. Before resuming the Work, the Design-Builder shall be

paid all sums due prior to suspension and any expenses incurred in the interruption and resumption of the Design-Builder's Work. The Design-Builder's compensation for, and time to complete, the remaining Work shall be equitably adjusted.

§ 14.1.2 If the Owner suspends the Project, the Design-Builder shall be compensated for the Work performed prior to notice of such suspension. When the Project is resumed, the Design-Builder shall be compensated for expenses incurred in the interruption and resumption of the Design-Builder's Work. The Design-Builder's compensation for, and time to complete, the remaining Work shall be equitably adjusted.

§ 14.1.3 If the Owner suspends the Project for more than 90 cumulative days for reasons other than the fault of the Design-Builder, the Design-Builder may terminate this Agreement by giving not less than seven days' notice.

§ 14.1.4 Either party may terminate this Agreement upon not less than seven days' notice should the other party fail substantially to perform in accordance with the terms of this Agreement through no fault of the party initiating the termination.

§ 14.1.5 The Owner may terminate this Agreement upon not less than seven days' notice to the Design-Builder for the Owner's convenience and without cause.

§ 14.1.6 In the event of termination not the fault of the Design-Builder, the Design-Builder shall be compensated for Work performed prior to termination, together with Reimbursable Expenses then due and any other expenses directly attributable to termination for which the Design-Builder is not otherwise compensated. In no event shall the Design-Builder's compensation under this Section 14.1.6 be greater than the compensation set forth in Section 2.1.

§ 14.1.7 In addition to any amounts paid under Section 14.1.6, if the Owner terminates this Agreement for its convenience pursuant to Section 14.1.5, or the Design-Builder terminates this Agreement pursuant to Sections 14.1.3 or 14.1.4, the Owner shall pay to the Design-Builder the following fees:

(Set forth below the amount of any termination or licensing fee, or the method for determining any termination or licensing fee.)

.1 Termination Fee:

All costs incurred to date plus 15%.

.2 Licensing Fee if the Owner intends to continue using the Design-Builder's Instruments of Service:

\$ 15,000 in addition to the termination fee.

§ 14.2 Termination or Suspension Following Execution of the Design-Build Amendment

§ 14.2.1 Suspension or Termination by the Design-Builder

§ 14.2.1.1 The Design-Builder may, upon seven (7) days' written notice, suspend or terminate (in Design-Builder's sole discretion) this Agreement recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, costs incurred by reason of such suspension or termination, and damages, if the Work is stopped for a period of 30 consecutive days through no act or fault of the Design-Builder, or any other persons or entities performing portions of the Work, and for any of the following reasons:

- .1 Issuance of an order of a court or other public authority having jurisdiction that requires all Work to be stopped;
- .2 An act of government, such as a declaration of national emergency that requires all Work to be stopped;
- .3 Because the Owner has not issued a Certificate for Payment and has not notified the Design-Builder of the reason for withholding certification as provided in Section 9.5.1, or because the Owner has not made payment on a Certificate for Payment within the time stated in the Design-Build Documents;
- .4 Owner's refusal, for a period exceeding 21 days after receipt of a written request by Design-Builder to execute Change Orders necessary for the prosecution of the Work;
- .5 Owner's failure to provide Design-Builder with information or other Design-Build Documents necessary for Design-Builder to perform its Work in an efficient and workmanlike manner unless the Owner promptly remedies that failure through written Change Orders issued within 21 days from receipt of a written request by Design-Builder; or

- .6 The Owner has failed to furnish to the Design-Builder reasonable evidence as required by Section 7.2.7.

§ 14.2.1.2 The Design-Builder may terminate this Agreement if, through no act or fault of the Design-Builder, or any other persons or entities performing portions of the Work, repeated suspensions, delays, or interruptions of the entire Work by the Owner as described in Section 14.2.3, constitute in the aggregate more than 100 percent of the total number of days scheduled for completion, or 120 days in any 365-day period, whichever is less.

§ 14.2.1.3 If one of the reasons described in Section 14.2.1.2 exists, the Design-Builder may, upon seven days' notice to the Owner, terminate the Contract and recover from the Owner payment for Work executed, as well as reasonable overhead and profit on Work not executed, or the Design-Builder's Fee on Work not executed if the Contract Sum is based upon the Cost of the Work plus a Fee with or without a Stipulated Sum, and costs incurred by reason of such termination.

§ 14.2.1.4 If the Work is stopped for a period of 30 consecutive days through no act or fault of the Design-Builder, or any other persons or entities performing portions of the Work because the Owner has repeatedly failed to fulfill the Owner's obligations under the Design-Build Documents with respect to matters important to the progress of the Work (other than those set forth in Section 14.2.1.1), the Design-Builder may, upon seven additional days' notice to the Owner, terminate the Contract and recover from the Owner as provided in Section 14.2.1.3.

§ 14.2.2 Termination by the Owner for Cause

§ 14.2.2.1 The Owner may terminate this Agreement if the Design-Builder:

- .1 fails to submit the Proposal by the date required by this Agreement, or if no date is indicated, within a reasonable time consistent with the date of Substantial Completion;
- .2 repeatedly refuses or fails to supply enough properly skilled workers or proper materials;
- .3 repeatedly refuses or fails to supply a qualified architect, consultant, or subcontractor, where required;
- .4 fails to make payment to the Architect, Consultants, Subcontractors, or suppliers in accordance with their respective agreements with the Design-Builder;
- .5 repeatedly disregards Applicable Laws; or
- .6 is otherwise in breach of a material provision of the Design-Build Documents.

§ 14.2.2.2 When any of the reasons described in Section 14.2.2.1 exist, the Owner may, without prejudice to any other rights or remedies of the Owner and after giving the Design-Builder and the Design-Builder's surety, if any, seven days' notice and an opportunity to commence a cure of the reason stated by Owner in its notice, terminate employment of the Design-Builder and may, subject to any prior rights of the surety:

- .1 Exclude the Design-Builder from the site and take possession of all materials, equipment, tools, and construction equipment and machinery thereon for which Owner has made payment;
- .2 Accept assignment of the Architect, Consultant, and Subcontractor agreements pursuant to Section 3.1.15; and
- .3 Finish the Work by whatever reasonable method the Owner may deem expedient. Upon written request of the Design-Builder, the Owner shall furnish to the Design-Builder a detailed accounting of the costs incurred by the Owner in finishing the Work.

§ 14.2.2.3 When the Owner terminates this Agreement for one of the reasons stated in Section 14.2.2.1, the Design-Builder shall not be entitled to receive further payment until the Work is finished.

§ 14.2.2.4 If the unpaid balance of the Contract Sum exceeds costs of finishing the Work and other damages incurred by the Owner and not expressly waived, such excess shall be paid to the Design-Builder. If such costs and damages exceed the unpaid balance, the Design-Builder shall pay the difference to the Owner. The obligation for such payments shall survive termination of this Agreement.

§ 14.2.3 Suspension by the Owner for Convenience

Intentionally deleted

§ 14.2.4 Termination by the Owner for Convenience

§ 14.2.4.1 The Owner may, at any time, terminate this Agreement for the Owner's convenience and without cause.

§ 14.2.4.2 Upon receipt of notice from the Owner of such termination for the Owner's convenience, the Design-Builder shall

- .1 cease operations as directed by the Owner in the notice;
- .2 take actions necessary, or that the Owner may direct, for the protection and preservation of the Work; and,
- .3 except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing Project agreements, including agreements with the Architect, Consultants, Subcontractors, and purchase orders, and enter into no further Project agreements and purchase orders.

§ 14.2.4.3 In case of such termination for the Owner's convenience, the Owner shall pay the Design-Builder for: Work executed through the date of termination; Termination and Licensing Fees set forth in Section 14.1.7; costs incurred by reason of the termination, including costs attributable to termination of Subcontracts, and reasonable overhead and profit on the Work not executed.

ARTICLE 15 CLAIMS AND DISPUTES

§ 15.1 Claims

§ 15.1.1 **Definition.** A Claim is a demand or assertion by one of the parties seeking, as a matter of right, payment of money, a change in the Contract Time, or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Design-Builder arising out of or relating to the Contract. The responsibility to substantiate Claims shall rest with the party making the Claim. This Section 15.1.1 does not require the Owner to file a Claim in order to impose liquidated damages in accordance with the Contract Documents.

§ 15.1.2 **Time Limits on Claims.** The Owner and Design-Builder shall commence all claims and causes of action against the other and arising out of or related to the Contract, whether in contract, tort, breach of warranty or otherwise, in accordance with the requirements of the binding dispute resolution method selected in Section 1.3, within the time period specified by applicable law, but, in any case, not more than 10 years after the date of Substantial Completion of the Work. The Owner and Design-Builder waive all claims and causes of action not commenced in accordance with this Section 15.1.2.

§ 15.1.3 Notice of Claims

§ 15.1.3.1 **Prior To Final Payment.** Prior to final payment, Claims by either the Owner or Design-Builder must be initiated by notice to the other party within 21 days after occurrence of the event giving rise to such Claim or within 21 days after the claimant first recognizes the condition giving rise to the Claim, whichever is later.

§ 15.1.3.2 **Claims Arising After Final Payment.** After final payment, Claims by either the Owner or Design-Builder that have not otherwise been waived pursuant to Sections 9.10.4 or 9.10.5, must be initiated by prompt notice to the other party. The notice requirement in Section 15.1.3.1 and the provisions for Initial Resolution of Claims in Section 15.2 shall not be required as a condition precedent to mediation in Section 15.3.

§ 15.1.4 **Continuing Contract Performance.** Pending final resolution of a Claim, except as otherwise agreed in writing or as provided in Section 9.7 and Article 14, the Design-Builder shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Design-Build Documents.

§ 15.1.5 **Claims for Additional Cost.** If the Design-Builder wishes to make a Claim for an increase in the Contract Sum, notice as provided in Section 15.1.3 shall be given before proceeding to execute the portion of the Work that is the subject of the Claim. Prior notice is not required for Claims relating to an emergency endangering life or property arising under Section 10.4.

§ 15.1.6 Claims for Additional Time

§ 15.1.6.1 If the Design-Builder wishes to make a Claim for an increase in the Contract Time, notice as provided in Section 15.1.3 shall be given. The Design-Builder's Claim shall include an estimate of cost and of the probable effect of delay on progress of the Work. In the case of a continuing delay, only one Claim is necessary.

§ 15.1.6.2 Claims for additional time based on Weather Events shall be addressed per Section 8.2.10.

§ 15.1.7 Waiver of Claims for Consequential Damages

The Design-Builder and Owner waive Claims against each other for consequential damages arising out of or relating to this Contract. This mutual waiver includes

- .1 damages incurred by the Owner for rental expenses, for losses of use, income, profit, financing, business, and reputation, and for loss of management or employee productivity or of the services of such persons; and
- .2 damages incurred by the Design-Builder for principal office expenses including the compensation of personnel stationed there, for losses of financing, business, and reputation, and for loss of profit except anticipated profit arising directly from the Work.

This mutual waiver is applicable, without limitation, to all consequential damages due to either party's termination in accordance with Article 14. Nothing contained in this Section 15.1.7 shall be deemed to preclude assessment of liquidated damages, when applicable, in accordance with the requirements of the Design-Build Documents.

§ 15.2 Initial Resolution of Claims

§ 15.2.1 Meet and Confer

§ 15.2.1.1 If the parties select Meet and Confer as the initial method of dispute resolution, the Owner and Design-Builder shall endeavor to resolve Claims subject to the meet and confer session. The meet and confer session shall be attended by representatives who have the authority to bind the Owner and Design-Builder. The Owner or Design-Builder may request senior representatives from the Architect, Subcontractors, or other interested parties to attend the meet and confer session. The meet and confer session shall take place within thirty (30) days after a request by either party to this Agreement unless the parties mutually agree otherwise.

§ 15.2.1.2 Discussions held during the meet and confer process shall be treated as settlement discussions and, as such, will be confidential.

§ 15.2.1.3 If the Owner and Design-Builder reach a mutually acceptable resolution, appropriate documentation memorializing the resolution shall be prepared. If the resolution results in a change to the Contract Sum or the Contract Time, the parties shall execute a Change Order.

§ 15.2.1.4 If the Owner and Design-Builder cannot reach a mutually acceptable resolution at the meet and confer session, or if the meet and confer session does not take place within the time specified in Section 15.2.1, either party may proceed to mediation in accordance with Section 15.3.

§ 15.2.2 Project Neutral

Intentionally deleted

§ 15.3 Mediation – Intentionally Deleted

§ 15.5 The provisions of this Article 15 shall survive the termination of this Agreement.

ARTICLE 16 MISCELLANEOUS PROVISIONS

§ 16.1 Governing Law

The Contract shall be governed by the law of the place where the Project is located excluding that jurisdiction's choice of law rules. If the parties have selected arbitration as the method of binding dispute resolution, the Federal Arbitration Act shall govern Section 15.4.

§ 16.2 Successors and Assigns

§ 16.2.1 The Owner and Design-Builder, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the covenants, agreements, and obligations contained in the Design-Build Documents. Except as provided in Section 16.2.2, neither party to the Contract shall assign the Contract as a whole without written consent of the other. If either party attempts to make an assignment without such consent, that party shall nevertheless remain legally responsible for all obligations under the Contract.

§ 16.2.2 The Owner may, without consent of the Design-Builder, assign the Contract to a lender providing construction financing for the Project, if the lender assumes the Owner's rights and obligations under the Design-Build Documents. The Design-Builder shall execute all consents reasonably required to facilitate the assignment.

§ 16.2.3 **Certifications.** If the Owner requests the Design-Builder to execute certificates, the proposed language of such

certificates shall be submitted to the Design-Builder for review at least 21 days prior to the requested dates of execution. If the Owner requests the Design-Builder to execute consents reasonably required to facilitate assignment to a lender, the Design-Builder shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Design-Builder for review at least 21 days prior to execution. The Design-Builder shall not be required to execute any certificates or consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

§ 16.3 The Design-Builder, Architect, Consultants, Subcontractors, or their agents, or any other persons or entities performing portions of the Work, shall have the right to include video, photographic, or artistic representations of the design of the Project among their respective promotional and professional materials. The Design-Builder, Architect, Consultants, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work, shall be given reasonable access to the completed Project to make such representations. However, such material shall not include the Owner's confidential or proprietary information if the Owner has previously advised the Design-Builder in writing of the specific information considered by the Owner to be confidential or proprietary. The Owner shall provide professional credit for the Design-Builder, Architect, Consultants, Subcontractors, or their agents or employees, or any other persons or entities performing portions of the Work, in the Owner's promotional materials for the Project. This Section 16.3 shall survive the termination of this Agreement unless the Owner terminates this Agreement for cause pursuant to Section 14.2.2.

§ 16.4 Rights and Remedies

§ 16.4.1 Duties and obligations imposed by the Design-Build Documents, and rights and remedies available thereunder, shall be in addition to and not a limitation of duties, obligations, rights, and remedies otherwise imposed or available by law.

§ 16.4.2 No action or failure to act by the Owner or Design-Builder shall constitute a waiver of a right or duty afforded them under the Contract, nor shall such action or failure to act constitute approval of or acquiescence in a breach thereunder, except as may be specifically agreed upon in writing.

§ 16.5 Tests and Inspections

§ 16.5.1 Tests, inspections, and approvals of portions of the Construction Work shall be made as required by the Design-Build Documents and by applicable laws, statutes, ordinances, codes, rules and regulations or lawful orders of public authorities. Unless otherwise provided, the Design-Builder shall make arrangements for such tests, inspections, and approvals with an independent testing laboratory or entity acceptable to the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections, and approvals, unless otherwise provided in the Design-Build Amendment. The Design-Builder shall give the Owner timely notice of when and where tests and inspections are to be made so that the Owner may be present for such procedures. The Owner shall bear costs of tests, inspections, or approvals that do not become requirements until after execution of the Design-Build Amendment. The Owner shall directly arrange and pay for tests, inspections, or approvals where building codes or Applicable Laws or regulations so require.

§ 16.5.2 If the Owner determines that portions of the Construction Work require additional testing, inspection, or approval not included under Section 16.5.1, the Owner will instruct the Design-Builder to make arrangements for such additional testing, inspection, or approval, by an entity acceptable to the Owner, and the Design-Builder shall give timely notice to the Owner of when and where tests and inspections are to be made so that the Owner may be present for such procedures. Such costs, except as provided in Section 16.5.3, shall be at the Owner's expense.

§ 16.5.3 If procedures for testing, inspection, or approval under Sections 16.5.1 and 16.5.2 reveal failure of the portions of the Construction Work to comply with requirements established by the Design-Build Documents, all costs made necessary by such failure shall be at the Design-Builder's expense.

§ 16.5.4 Required certificates of testing, inspection, or approval shall, unless otherwise required by the Design-Build Documents, be secured by the Design-Builder and promptly delivered to the Owner.

§ 16.5.5 If the Owner is to observe tests, inspections, or approvals required by the Design-Build Documents, the Owner will do so promptly and, where practicable, at the normal place of testing.

§ 16.5.6 Tests or inspections conducted pursuant to the Design-Build Documents shall be made promptly to avoid unreasonable delay in the Work.

§ 16.6 Confidential Information

§ 16.6.1 If the Design-Builder or Owner receives information specifically designated as “confidential” or “business proprietary,” the receiving party shall keep such information strictly confidential and shall not disclose it to any other person except as set forth in Section 16.6.2. **The provisions of the North Carolina Public Records Statute as revised per Exhibit E shall apply.** The obligations in this Section 16.6 shall survive the termination of this Agreement.

§ 16.6.2 The receiving party may disclose “confidential” or “business proprietary” information after 7 days’ notice to the other party, when required by law, arbitrator’s order, or court order, including a subpoena or other form of compulsory legal process issued by a court or governmental entity, or to the extent such information is reasonably necessary for the receiving party to defend itself in any dispute. The receiving party may also disclose such information to its employees, consultants, contractors, or subcontractors in order to perform services or work solely and exclusively for the Project, provided those employees, consultants, contractors, and subcontractors are subject to the restrictions on the disclosure and use of such information as set forth in this Section 16.6. In the event either party knows or reasonably believes that “confidential” or “business proprietary” information received from the other party has been subject to any circumstance where the security, integrity, or confidentiality of any of the “confidential” or “business proprietary” information has been compromised, damaged, lost, corrupted, destroyed, or the “confidential” or “business proprietary” information has been accessed, acquired, modified, used, disclosed, or rendered inaccessible, by any unauthorized person, by any person in an unauthorized manner, or for an unauthorized purpose, the party experiencing the breach will provide written notice to the other party as soon as reasonably possible after it becomes aware of any breach.

§ 16.6.3 “Confidential” or “business proprietary” information shall not include information:

- .1 in the public domain, or which later enters the public domain, through no action on the receiving party’s part in violation of this Agreement;
- .2 already in the receiving party’s possession and not marked as “confidential” or “business proprietary” when received;
- .3 obtained by the receiving party on a non-confidential basis from a third party not known by the receiving party to be under an obligation of confidentiality; or
- .4 that is independently developed by the receiving party without access to, or use of, any “confidential” or “business proprietary” information.

§ 16.7 Capitalization

Terms capitalized in the Contract include those that are (1) specifically defined, (2) the titles of numbered articles, or (3) the titles of other AIA Contract Documents.

§ 16.8 Interpretation

§ 16.8.1 In the interest of brevity the Design-Build Documents frequently omit modifying words such as “all” and “any” and articles such as “the” and “an,” but the fact that a modifier or an article is absent from one statement and appears in another is not intended to affect the interpretation of either statement.

§ 16.8.2 Unless otherwise stated in the Design-Build Documents, words which have well-known technical or construction industry meanings are used in the Design-Build Documents in accordance with such recognized meanings.

§ 16.9 The invalidity of any provision of this Agreement shall not invalidate this Agreement or its remaining provisions. If it is determined that any provision of this Agreement violates any law, or is otherwise invalid or unenforceable, then that provision shall be revised to the extent necessary to make that provision legal and enforceable. In such case this Agreement shall be construed, to the fullest extent permitted by law, to give effect to the parties’ intentions and purposes in executing this Agreement.

§ 16.10 In accordance with Section 1.1.5, the Design-Builder shall coordinate with the Owner in establishing building information modeling and digital data protocols for the Project governing the development, use, transmission, and exchange of, and reliance on, digital data.

§ 16.10.1 Any use of, or reliance on, all or a portion of a building information model without agreement to written protocols governing the use of, and reliance on, the information contained in the model shall be at the using or relying party’s sole risk and without liability to the other party and its subcontractors or consultants, the authors of, or contributors to, the building

information model, and each of their agents and employees.

§ 16.11 Electronic Transactions

Design-Builder may use DocuSign for the transmission and electronic execution of certain Design-Build Documents, including this Agreement and subsequent Change Orders, or may transmit and exchange Design-Build Documents by email as set forth in Section 15.3.1 herein. By execution of this Agreement, the parties agree that any electronic record or electronic signature, including a scanned and emailed copy of an original signature, shall be attributable to the person whose signature appears on the electronic record/electronic signature, shall have full legal effect and enforceability to bind the party causing the electronic signature to be made, and shall satisfy any provision of this Agreement or of any law that requires a record be in writing, except as to Notices of Claims which may not be served by electronic transmission as set forth in Section 15.6.2 herein. The parties may transmit Instruments of Service or other information or documentation in digital form using the Design-Builder's Project website or other electronic transmission methods. The parties will follow the Design-Builder's protocols governing such transmissions, including security, software versioning, naming protocols, and archiving requirements when transmitting data in digital form.

§ 15.3 Written Notice

Owner and Design-Builder agree where this Agreement or the Design-Build Documents require one party to notify or give notice to the other party, such notice shall be provided in writing, and given in electronic format, to the designated representative of the party to whom the notice is addressed, and shall be deemed to have been duly served by electronic transmission to the party's representative at the email address below. If the sending party receives notice of any type of electronic delivery failure, the sending party shall thereafter immediately serve the notice in person, by mail, or by an overnight or same-day courier service to the party's designated representative. A party shall notify the other party in writing in advance of, or not later than five (5) days after, any change to the email address of the party's representative.

Owner's Representative for Notices
Jon Barlow, Town Manager
Andy Miller, Owner's Rep, MBP

Email
tnmgr@ci.swansboro.nc.us
amiller@mbpce.com

Design-Builder's Representative for Notices
Andy Speck
Bobbitt Construction, Inc.
2400 Weston Parkway
Cary, NC 27513

Email
(Andy.Speck@Bobbitt.com)

All notices to Design-Builder shall also be provided to:

Jeané Powers
Vice President of Construction Operations
Bobbitt Construction, Inc.
2400 Weston Parkway
Cary, NC 27513

jeane.powers@bobbitt.com

ARTICLE 17 SCOPE OF THIS AGREEMENT

§ 17.1 This Agreement is comprised of the following documents:

- .1 AIA Document A141®–2024, Standard Form of Agreement Between Owner and Design-Builder for a Traditional Design-Build Project
- .2 AIA Document A141®–2024, Exhibit A, Insurance and Bonds
- .3 AIA Document A141®–2024, Exhibit B, Design-Build Amendment, if executed
- .4 AIA Document A141®–2024, Exhibit C, Sustainable Projects Exhibit, if completed
- .5 Other documents, if any, listed below:

Exhibit D – Design-Builder’s Rate Schedule

Exhibit E – North Carolina Public Records Statute

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

OWNER (Signature)
Jonathan Barlow, Town Manager

(Printed name and title)

DESIGN-BUILDER (Signature)
Jeane Powers, Vice President of Construction Operations

(Printed name and title)

This instrument has been pre-audited in the manner required by Local Government Budget and Fiscal Control Act, G.S. 159-28.

City Finance Director Name: _____

City Finance Director Signature: _____

AIA[®] Document A141[®] – 2024 Exhibit A

Insurance and Bonds

This Exhibit dated the Sixteenth day of February in the year Two Thousand Twenty Six (the “Exhibit”) is incorporated into AIA Document A141[®]–2024, Standard Form of Agreement Between Owner and Design-Builder for a Traditional Design-Build Project dated the Sixteenth day of February in the year Two Thousand Twenty Six (the “Agreement”).

(In words, indicate day, month, and year.)

for the following **PROJECT**:

(Name and location or address)

Swansboro Public Safety Building

Parcel Pin: 536405191852

Swansboro, NC 28584

THE OWNER:

(Name, legal status, and address)

Town of Swansboro

601 W. Corbett Avenue

Swansboro, NC 28584-8451

THE DESIGN-BUILDER:

(Name, legal status, and address)

Bobbitt Construction, Inc.

2400 Weston Pkwy

Cary, NC 27513

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ARTICLE A.1 GENERAL

The Owner and Design-Builder shall purchase and maintain insurance, and provide bonds, as set forth in this Exhibit. As used in this Exhibit, the term Agreement refers to AIA Document A141[®]–2024, Standard Form of Agreement between Owner and Design-Builder for a Traditional Design-Build Project.

ADDITIONS AND DELETIONS:
The author of this document may have revised the text of the original AIA standard form. An *Additions and Deletions Report* that notes revisions to the standard form text is available from the author and should be reviewed. A vertical line in the left margin of this document indicates where the author has added to or deleted from the original AIA text.

This document has important legal consequences. Consultation with an attorney is encouraged with respect to its completion or modification.

This document is intended to be used in conjunction with AIA Document A141[®]–2024, Standard Form of Agreement Between Owner and Design-Builder for a Traditional Design-Build Project. Article 11 of A141-2024 contains additional insurance provisions.

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ARTICLE A.2 OWNER'S INSURANCE

§ A.2.1 General

The Owner shall secure the insurance, and provide evidence of the coverage, required under this Article A.2.

§ A.2.2 Liability Insurance

Prior to commencement of the Work, the Owner shall secure the insurance, and provide evidence of the coverage, required under the Agreement and this Exhibit, upon the Design-Builder's request, provide a copy of any insurance policy or policies required under the Design-Build Documents. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements.

§ A.2.2.1 The Owner shall be responsible for purchasing and maintaining commercial general liability insurance, including premises and operations liability, and completed operations coverages, with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate.

§ A.2.3 Builder's Risk Insurance

§ A.2.3.1 Prior to commencement of the Construction Work, the Design-Builder shall secure the insurance, and provide evidence of the coverage, required under this Section A.2.3 and, upon the Owner's request, provide a copy of the property insurance policy or policies. The copy of the policy or policies provided shall contain all applicable conditions, definitions, exclusions, and endorsements. The Design-Builder shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk "all-risks" completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis. This coverage shall be no less than the amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials supplied or installed by others. This insurance shall be maintained until Substantial Completion and thereafter as provided in Section A.2.3.1.3, unless otherwise provided in the Design-Build Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Design-Builder, Subcontractors, and Sub-subcontractors in the Project as insureds.

§ A.2.3.1.1 Causes of Loss. The insurance required by this Section A.2.3.1 shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials. Sub-limits, if any, are as follows:
(Indicate below the cause of loss and any applicable sub-limit.)

Cause of Loss

Project Specific Policy To Be Included with Design-Build Amendment

Sub-Limit

§ A.2.3.1.2 Specific Required Coverages. The insurance required by this Section A.2.3.1 shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Design-Builder's services and expenses required as a result of such insured loss, including claim preparation expenses. Sub-limits, if any, are as follows:
(Indicate below type of coverage and any applicable sub-limit for specific required coverages.)

Coverage

Project Specific Policy To Be Included with Design-Build Amendment

Sub-Limit

§ A.2.3.1.3 Unless the parties agree otherwise, upon Substantial Completion, the Owner shall replace the insurance policy required under Section A.2.3.1 with property insurance written for the total value of the Project that shall remain in effect until expiration of the period for correction of the Construction Work set forth in Section 12.2.2 of the Agreement.

§ A.2.3.1.4 Deductibles and Premiums. Owner shall reimburse Design-Builder for the premiums charged for this builder's risk insurance. Owner shall also reimburse Design-Builder for the deductible in the event of a loss. Design-Builder's deductible for builder's risk insurance will be determined and documented with the Design Build Amendment.

§ A.2.3.2 Occupancy or Use Prior to Substantial Completion. The Owner's occupancy or use of any completed or partially

completed portion of the Construction Work prior to Substantial Completion shall not commence until the insurance company or companies providing the insurance under Section A.2.3.1 have consented in writing to the continuance of coverage. The Owner and the Design-Builder shall take no action with respect to partial occupancy or use that would cause cancellation, lapse, or reduction of insurance, unless they agree otherwise in writing.

§ A.2.3.3 Insurance for Existing Structures

If the Construction Work involves remodeling an existing structure or constructing an addition to an existing structure, the Owner shall purchase and maintain, until the expiration of the period for correction of Construction Work as set forth in Section 12.2.2 of the Agreement, “all-risks” property insurance, on a replacement cost basis, if commercially available, or otherwise on an actual cost value basis, protecting the existing structure against direct physical loss or damage from the causes of loss identified in Section A.2.3.1.1, notwithstanding the undertaking of the Construction Work. The Owner shall be responsible for all co-insurance penalties.

§ A.2.4 Optional Extended Property Insurance.

The Owner shall purchase and maintain the insurance selected and described below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. For each type of insurance selected, indicate applicable limits of coverage or other conditions in the fill point below the selected item.)

- [N/A] **§ A.2.4.1 Loss of Use, Business Interruption, and Delay in Completion Insurance**, to reimburse the Owner for loss of use of the Owner’s property, or the inability to conduct normal operations due to a covered cause of loss.

N/A

- [N/A] **§ A.2.4.2 Ordinance or Law Insurance**, for the reasonable and necessary costs to satisfy the minimum requirements of the enforcement of any law or ordinance regulating the demolition, construction, repair, replacement or use of the Project.

N/A

- [N/A] **§ A.2.4.3 Expediting Cost Insurance**, for the reasonable and necessary costs for the temporary repair of damage to insured property, and to expedite the permanent repair or replacement of the damaged property.

N/A

- [N/A] **§ A.2.4.4 Extra Expense Insurance**, to provide reimbursement of the reasonable and necessary excess costs incurred during the period of restoration or repair of the damaged property that are over and above the total costs that would normally have been incurred during the same period of time had no loss or damage occurred.

N/A

- [N/A] **§ A.2.4.5 Civil Authority Insurance**, for losses or costs arising from an order of a civil authority prohibiting access to the Project, provided such order is the direct result of physical damage covered under the required property insurance.

N/A

- [N/A] **§ A.2.4.6 Ingress/Egress Insurance**, for loss due to the necessary interruption of the insured’s business due to physical prevention of ingress to, or egress from, the Project as a direct result of physical damage.

N/A

- [N/A] **§ A.2.4.7 Soft Costs Insurance**, to reimburse the Owner for costs due to the delay of completion of the Construction Work, arising out of physical loss or damage covered by the required property insurance:

including construction loan fees; leasing and marketing expenses; additional fees, including those of architects, engineers, consultants, attorneys and accountants, needed for the completion of the construction, repairs, or reconstruction; and carrying costs such as property taxes, building permits, additional interest on loans, realty taxes, and insurance premiums over and above normal expenses.

N/A

§ A.2.5 Other Optional Insurance.

The Owner shall purchase and maintain the insurance selected below.

(Select the types of insurance the Owner is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance.)

[N/A] **§ A.2.5.1 Cyber Security Insurance** for first party loss due to data security and privacy breach, including coverage of losses for business interruption, cyber-extortion, breach of privacy, and identity theft. The Cyber Security Insurance coverage shall include costs of notifying affected parties, credit monitoring, recovery of compromised data, and forensic investigation of the potential or actual breach. The Cyber Security Insurance shall be subject to the following limits of coverage and other conditions.
(State applicable limits of coverage, including aggregate limits and sub-limits, and other conditions.)

N/A

[N/A] **§ A.2.5.2 Other Insurance**
(List below any other insurance coverage to be provided by the Owner and any applicable limits.)

Coverage	Limits
N/A	

ARTICLE A.3 DESIGN-BUILDER'S INSURANCE AND BONDS

§ A.3.1 General

§ A.3.1.1 Certificates of Insurance. The Design-Builder shall provide certificates of insurance evidencing compliance with the requirements in this Article A.3 at the following times: (1) prior to commencement of the Work; (2) upon renewal or replacement of each required policy of insurance; and (3) upon the Owner's written request. An additional certificate evidencing continuation of commercial liability coverage, including coverage for completed operations, shall be submitted with the final Application for Payment and thereafter upon renewal or replacement of such coverage until the expiration of the periods required by Section A.3.2.1 and Section A.3.3.1. The certificates will show the Owner as an additional insured on the Design-Builder's Commercial General Liability and excess or umbrella liability policy or policies. Design-Builder's current certificate of insurance is attached hereto as Exhibit 1.

§ A.3.1.2 Intentionally deleted

§ A.3.1.3 Additional Insured Obligations. To the fullest extent permitted by law, the Design-Builder shall cause the commercial general liability coverage to include (1) the Owner as an additional insured for claims caused in whole or in part by the Design-Builder's negligent acts or omissions during the Design-Builder's operations; and (2) the Owner as an additional insured for claims caused in whole or in part by the Design-Builder's negligent acts or omissions for which loss occurs during completed operations. The additional insured coverage shall be primary and non-contributory to any of the Owner's general liability insurance policies and shall apply to both ongoing and completed operations. To the extent commercially available, the additional insured coverage shall be no less than that provided by Insurance Services Office, Inc. (ISO) forms CG 20 10 07 04, CG 20 37 07 04.

§ A.3.2 Design-Builder's Required Insurance Coverage

§ A.3.2.1 Prior to commencement of the Work, the Design-Builder shall purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Design-Builder shall maintain the required insurance until the expiration of the period for correction of Construction Work as set forth in Section 12.2.2 of the Agreement.

§ A.3.2.2 Commercial General Liability

§ A.3.2.2.1 Commercial General Liability insurance for the Project written on an occurrence form with policy limits of Two Million Dollars (\$ 2,000,000.00) each occurrence, Four Million Dollars (\$ 4,000,000.00) general aggregate, and Four Million Dollars (\$ 4,000,000.00) aggregate for products-completed operations hazard, providing coverage for claims including

- .1 damages because of bodily injury, sickness, or disease, including occupational sickness or disease, and death of any person;
- .2 personal injury and advertising injury;
- .3 damages because of physical damage to or destruction of tangible property, including the loss of use of such property;
- .4 bodily injury or property damage arising out of completed operations; and
- .5 the Design-Builder's indemnity obligations under Section 3.1.14 of the Agreement.

§ A.3.2.2.2 The Design-Builder's Commercial General Liability policy under this Section A.3.2.2 shall not contain an exclusion or restriction of coverage for the following:

- .1 Claims by one insured against another insured, if the exclusion or restriction is based solely on the fact that the claimant is an insured, and there would otherwise be coverage for the claim.
- .2 Claims for property damage to the Design-Builder's Construction Work arising out of the products-completed operations hazard where the damaged Construction Work or the Construction Work out of which the damage arises was performed by a Subcontractor.
- .3 Claims for bodily injury other than to employees of the insured.
- .4 Claims for indemnity under Section 3.1.14 of the Agreement arising out of injury to employees of the insured.
- .5 Claims or loss excluded under a prior work endorsement or other similar exclusionary language.
- .6 Claims or loss due to physical damage under a prior injury endorsement or similar exclusionary language.
- .7 Claims related to residential, multi-family, or other habitational projects, if the Construction Work is to be performed on such a project.
- .8 Claims related to roofing, if the Construction Work involves roofing.
- .9 Claims related to exterior insulation finish systems (EIFS), synthetic stucco, or similar exterior coatings or surfaces, if the Construction Work involves such coatings or surfaces.
- .10 Claims related to earth subsidence or movement.
- .11 Claims related to explosion, collapse, and underground hazards, where the Construction Work involves such hazards.

§ A.3.2.3 Automobile Liability covering vehicles owned, and non-owned vehicles used, by the Design-Builder, with policy limits of Two Million Dollars (\$ 2,000,000.00) per accident, for bodily injury, death of any person, and property damage arising out of the ownership, maintenance, and use of those motor vehicles along with any other statutorily required automobile coverage.

§ A.3.2.4 The Design-Builder may achieve the required limits and coverage for Commercial General Liability and Automobile Liability through a combination of primary and excess or umbrella liability insurance, provided such primary and excess or umbrella insurance policies result in the same or greater coverage as the coverages required under Section A.3.2.2 and A.3.2.3, and in no event shall any excess or umbrella liability insurance provide narrower coverage than the primary policy. The excess policy shall not require the exhaustion of the underlying limits only through the actual payment by the underlying insurers.

§ A.3.2.5 Workers' Compensation at statutory limits.

§ A.3.2.6 Employers' Liability with policy limits of One Million Dollars (\$ 1,000,000.00) each accident, One Million Dollars (\$ 1,000,000.00) each employee, and One Million Dollars (\$ 1,000,000.00) policy limit.

§ A.3.2.7 Professional Liability insurance covering performance of professional services, with policy limits of Two Million Dollars (\$ 2,000,000.00) per claim and Three Million Dollars (\$ 3,000,000.00) in the aggregate. The Professional Liability insurance shall be effective from the earliest date that the design services of the Design-Builder, the Architect, or Consultants commenced for the Project until completion of the period for correction of the Construction Work. The coverage required by this Section is in addition to any professional liability coverage the Design-Builder requires of the Architect, Consultants, or Subcontractors.

§ A.3.2.8 Pollution Liability insurance with policy limits of Two Million Dollars (\$ 2,000,000.00) per claim and Three Million Dollars (\$ 3,000,000.00) in the aggregate covering the transportation, dissemination, use, or release of pollutants.

§ A.3.2.9 **Cyber Security Insurance** for first- and third-party loss due to data security and privacy breach, including coverage of losses for business interruption, cyber-extortion, breach of privacy and identity theft. The Cyber Security Insurance coverage shall include costs of notifying affected parties, credit monitoring, recovery of compromised data, and forensic investigation of the potential or actual breach. The Cyber Security Insurance shall be subject to the following limits of coverage and other conditions:

(State applicable limits of coverage, including aggregate limits and sub-limits, and other conditions.)

Cyber Liability Insurance with aggregate limit of Three Million Dollars (\$3,000,000.00), Data & Network Liability of Three Million Dollars (\$3,000,000.00).

§ A.3.2.10 Jones Act, and the Longshore & Harbor Workers' Compensation Act, as required, if the Construction Work involves hazards arising from work on or near navigable waterways, including vessels and docks.

§ A.3.2.11 Intentionally deleted

§ A.3.2.12 Intentionally deleted

§ A.3.3 Design-Builder's Other Insurance Coverage

§ A.3.3.1 Insurance selected and described in this Section A.3.3 shall be purchased from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Design-Builder shall maintain the required insurance until the expiration of the period for correction of the Construction Work as set forth in Section 12.2.2 of the Agreement, unless a different duration is stated below:

(If the Design-Builder is required to maintain any of the types of insurance selected below for a duration other than the expiration of the period for correction of the Construction Work, state the duration.)

N/A

§ A.3.3.2 The Design-Builder shall purchase and maintain the following types and limits of insurance in accordance with Section A.3.3.1.

(Select the types of insurance the Design-Builder is required to purchase and maintain by placing an X in the box(es) next to the description(s) of selected insurance. Where policy limits are provided, include the policy limit in the appropriate fill point.)

- [N/A] § A.3.3.2.1 Property insurance of the same type and scope satisfying the requirements identified in Section A.2.3, which, if selected in this Section A.3.3.2.1, relieves the Owner of the responsibility to purchase and maintain such insurance except insurance required by Section A.2.3.1.3 and Section A.2.3.3. The Design-Builder shall comply with all obligations of the Owner under Section A.2.3 except to the extent provided below. The Design-Builder shall disclose to the Owner the amount of any deductible, and the Owner shall be responsible for losses within the deductible. Upon request, the Design-Builder shall provide the Owner with a copy of the property insurance policy or policies required. The Owner shall adjust and settle the loss with the insurer and be the trustee of the proceeds of the property insurance in accordance with Article 11 of the Agreement unless otherwise set forth below:

(Where the Design-Builder's obligation to provide property insurance differs from the Owner's obligations as described under Section A.2.3, indicate such differences in the space below. Additionally, if a party other than the Owner will be responsible for adjusting and settling a loss with the insurer and acting as the trustee of the proceeds of property insurance in accordance with Article 11 of the Agreement, indicate the responsible party below.)

N/A

- [N/A] § A.3.3.2.2 **Railroad Protective Liability Insurance**, with policy limits of zero (\$ 0) per claim and zero (\$ 0) in the aggregate, for Construction Work within fifty (50) feet of railroad property.

- [N/A] § A.3.3.2.3 **Asbestos Abatement Liability Insurance**, with policy limits of zero (\$ 0) per claim and zero (\$ 0) in the aggregate, for liability arising from the encapsulation, removal, handling, storage, transportation, and disposal of asbestos-containing materials.
- [N/A] § A.3.3.2.4 Insurance for physical damage to property while it is in storage and in transit to the construction site on an “all-risks” completed value form.
- [N/A] § A.3.3.2.5 Property insurance on an “all-risks” completed value form, covering property owned by the Design-Builder and used on the Project, including scaffolding and other equipment.
- [N/A] § A.3.3.2.6 **Other Insurance**
(List below any other insurance coverage to be provided by the Design-Builder and any applicable limits.)

Coverage	Limits
N/A	

§ A.3.4 Insurance Coverage Required of Design-Builder’s Architect, Consultants, and Subcontractors

The Design-Builder shall require the Architect, Consultants, and Subcontractors to purchase and maintain the following types and limits of insurance from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located. The Design-Builder shall obligate the Architect, Consultants, and Subcontractors to maintain the required insurance until the expiration of the period for correction of the Construction Work as set forth in Section 12.2.2 of the Agreement, unless a different duration is stated below.

(List below the types of insurance required of the Design-Builder’s Architect, Consultants, and Subcontractors and any applicable limits. In addition, if the Design-Builder is to obligate the Architect, Consultants, or Subcontractors to maintain any of the types of insurance indicated below for a duration other than the expiration of the period for correction of the Construction Work, state the duration.)

N/A

§ A.3.5 Performance Bond and Payment Bond

The Design-Builder shall provide surety bonds, from a company or companies lawfully authorized to issue surety bonds in the jurisdiction where the Project is located, as follows:

(Specify type and penal sum of bonds.)

Type	Penal Sum (\$0.00)
Payment Bond	Full Contract Value
Performance Bond	

Payment and Performance Bonds shall be AIA Document A312®, Payment Bond and Performance Bond, or contain provisions identical to AIA Document A312, current as of the date of this Agreement.

ARTICLE A.4 SPECIAL TERMS AND CONDITIONS

§ A.4.1 The Owner and Design-Builder waive all rights against (1) each other and any of their consultants, subcontractors, sub-subcontractors, agents, and employees, each of the other; and (2) Separate Contractors, if any, and any of their subcontractors, sub-subcontractors, agents, and employees, for losses to the extent those losses are covered by cyber-insurance required by this Agreement, except such rights as they have to proceeds of such insurance. The Owner or Design-Builder, as appropriate, shall require similar written waivers in favor of the individuals and entities identified above from the Separate Contractors, consultants, subcontractors, and sub-subcontractors.

§ A.4.2 Other special terms and conditions that modify this Insurance and Bonds Exhibit, if any, are as follows:

Notwithstanding anything in the Design-Build Documents or bonds to the contrary, Owner is not entitled to make a claim against the bonds or declare or claim that Design-Builder is in “default” or has committed a “breach” of the bond or Design-Build Documents, unless and until: (a) Design-Builder persistently or repeatedly refuses or fails to comply with a term of the

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Design-Build Documents; (b) the subject term is a material provision of the Design-Build Documents and the failure constitutes a substantial and material breach of the Design-Build Documents; (c) Owner provides Design-Builder with a written notice of the alleged default and an opportunity to investigate, test and cure the same, including a detailed description of the alleged default or breach and the basis of Design-Builder’s responsibility for the same, and reasonable access to the work area for purposes of such investigation, testing and/or cure; and (d) Design-Builder fails within fifteen days after receiving notice from Owner to commence and continue correction of the basis of the claimed default or breach with reasonable diligence and promptness. »

The Owner and Design-Builder waive all rights against (1) each other and any of their consultants, subconsultants, Subcontractors, agents and employees, each of the other, and (2) any Separate Contractors described in Section 5.14 of the Agreement, if any, and any of their Subcontractors, sub-subcontractors, agents and employees, for damages caused by fire or other causes of loss to the extent covered by property insurance obtained pursuant to Section A.2.3 or other property insurance applicable to the Work and completed construction, except such rights as they have to proceeds of such insurance held by the Owner as fiduciary. The Owner or Design-Builder, as appropriate, shall require of the Separate Contractors described in Section 5.14 of the Agreement, if any, and the Subcontractors, sub-subcontractors, agents and employees of any of them, by appropriate agreements, written where legally required for validity, similar waivers each in favor of the other parties enumerated herein. The policies shall provide such waivers of subrogation by endorsement or otherwise. A waiver of subrogation shall be effective as to a person or entity even though that person or entity would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly, and whether or not the person or entity had an insurable interest in the property damaged.





Bobbitt Rates

*RATES ARE
EFFECTIVE THROUGH: **9/30/2026**
V1

Position/Role	Rate per Hour
Bobbitt A&E Studio Director	235
Design Director	190
Technical Director	180
Sr. Architect	170
Architect III	160
Architect II	130
Architect I	115
BIM Manager	150
BIM Design Technician II	100
BIM Design Technician I	90
Senior Project Designer	145
Project Designer III	125
Project Designer II	120
Project Designer I	115
Sr. Interior Designer	145
Interior Design Manager	130
Interior Designer III	120
Interior Designer II	115
Interior Designer I	105
VDC Department Manager	150
VDC Engineer III	130
VDC Engineer II	120
VDC Engineer I	105
Design Intern	60
Land Development and Permitting Leader	210
Civil Designer II	145
Civil Designer I	135
Landscape Architect II	160
Landscape Architect I	150
Senior Permit Specialist	170
Permit Specialist	115
Preconstruction Executive	225
Preconstruction Executive - Chief Estimator	180
Senior Preconstruction Manager - Estimator	170
Preconstruction Manager II - Estimator	155
Preconstruction Manager I - Estimator	125
Assistant Preconstruction Manager - Estimator	115
Preconstruction Engineer - Estimator	100
Vice President - Region Leader	295
Director, Corporate Accounts & Interiors Division	265
Project Executive	250
Senior Integrated Project Leader	235
Integrated Project Leader	210
Associate Integrated Project Leader	115
Emergency Services Specialist	125
Director of Project Management	235
Senior Project Manager	200
Project Manager II	160



Bobbitt Rates

*RATES ARE
EFFECTIVE THROUGH: **9/30/2026**

V1

Position/Role	Rate per Hour
Project Manager I	140
Assistant Project Manager	130
Project Engineer I	95
Contracts Administrator	130
Construction Administrator	85
Vice President Construction Operations	295
Field Executive	210
General Superintendent II	200
General Superintendent I	190
MEP Coordinator	190
Construction Technology Leader	180
Senior Superintendent	155
Superintendent II	130
Superintendent I	125
Assistant Superintendent	115
Field Engineer II	100
Field Engineer I	90
Construction Intern	60
Director, Service Division	210
Service Manager	170
Service Superintendent	165
Roofing Master Foreman	160
Roofing Foreman	145
Commercial Construction Assistant	140
Commercial Service Foreman II	160
Commercial Service Foreman I	145
Shop Manager	115
Senior Metal Building Superintendent	180
Metal Building Superintendent	125
Steel Construction Manager	125
Director of Corporate Risk & Safety	225
Safety Director	205
Safety Manager	190
Safety Coordinator	120
Safety Administrator	100
Controller	180
Assistant Controller	160
Staff Accountant	105
Senior Project Accountant	150
Project Accountant II	115
Project Accountant I	100
Assistant Project Accountant	85

Exhibit E: North Carolina Public Records Statute

With respect to confidentiality of information and all references in this Agreement to confidentiality of information and materials the Parties acknowledge the Owner is a NC municipality subject, to the NC Public Records Statute, NCGS 132-1 et seq (the "Statute"). Accordingly, materials, plans, documents, work products, or intellectual property of any kind produced for or arising out of the Project Work and claimed to be confidential, privileged, or otherwise not subject to disclosure under the Public Records Statute must be prominently identified as "Confidential Information" or "Trade Secret" as provided in the Statute. In the event of a legal challenge to the Town's non-disclosure of materials or information claimed by the Design-Builder in writing to be confidential or otherwise protected from disclosure under the Statute, defense against such legal challenge shall be the sole responsibility of the Design-Builder. The Design-Builder hereby agrees to defend, hold harmless, and indemnify the Owner from all liabilities, costs, and expenses, including attorney's fees, arising from the Town's non-disclosure of materials identified by the Design-Builder in writing as confidential according to the Statute, and any consequent legal challenge to such action.

Upon receipt of a public records request or legal challenge concerning materials designated by the Design-Builder as confidential or trade secret, the Owner shall provide prompt written notice to the Design-Builder, and in no event less than five (5) business days prior to the Owner's intended response or such shorter period as may be required by court order or the Statute. The Design-Builder shall have until the expiration of such notice period to elect, at its sole option, either to (a) authorize the release of such materials, in which case the Owner shall disclose the materials and the Design-Builder shall have no indemnification obligation with respect thereto, or (b) confirm its confidentiality designation, in which case the Design-Builder's defense and indemnification obligations under this Exhibit shall apply. The Design-Builder shall have no obligation to defend, indemnify, or hold harmless the Owner with respect to any withholding of materials that the Design-Builder did not designate as confidential or trade secret in writing.



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Emergency Operations Center/Public Safety Building Project
Management Services**

Board Meeting Date: **May 26, 2026**

Prepared By: **Jon Barlow – Town Manager**

Overview: To award a contract to MPB to provide Project Management Services for the Emergency Operations Center and Public Safety Building

At this point in the project, the Town has evaluated its internal capacity and capabilities and identified the following capital project management, owner’s representative, and advisory areas where assistance may be needed. A scope of services sought is as follows:

1. Act as a liaison between the Client/Owner and the Design-Build team.
2. Attend regularly scheduled construction and coordination meetings.
3. Communicate project updates, decisions, and changes to all stakeholders.
4. Monitor construction activities to confirm compliance with contract documents, specifications, and quality standards, and identify in writing any non-conforming work.
5. Confirm all debt instruments (bonds, sureties, and other agreements) are in place in accordance with the LOI
6. Review and recommend monthly progress payments.
7. Track, coordinate, and make recommendations regarding Requests For Information (RFIs), submittals, proposed Change Orders (PCOs), and field directives.
8. Review and recommend cost proposals for changes to the project.
9. Assist with negotiation of change orders and/or claims; summarize claims analysis.
10. Establish a change order monitoring system (log) and link it to the Project Status financial report.
11. Provide on-site support (anticipated as one day per week), to include a daily report for each day on-site.
12. Facilitate and/or participate in the development of recovery schedules, if needed.
13. Monitor the Design-Builder’s accurate maintenance of record drawings
14. Provide cursory review and validation of construction schedules.
15. Monitor budget adherence, including contingency usage and cost exposures.
16. Track commissioning activities and verify timely resolution of identified issues.
17. Verify final inspections and the obtaining of necessary certifications, including the Certificate of Occupancy.
18. Verify the collection and verification of as-built drawings, Operations & Maintenance manuals, warranties, and training materials.

Action: _____

MPB was one of four firms to respond to our Request for Qualifications (RFQ). After reviewing RFQ's and conducting in-person interviews, it is our opinion that MBP was most qualified to serve the capacity of owner's representative.

Item VI - b.

The estimated length of the contract is 2 years which covers the estimated time for the design and construction of the EOC/PSB by Bobbitt. The total cost of services offered by MBP is \$254,345 or about 2.95% of total project costs.

Background Attachment(s):

1. MBP Response to RFQ
2. Fire Department Recommendation Letter
3. Police Department Recommendation Letter
4. Proposed Contract for advisory services with MPB

Recommended Action: Approve the contract for EOC/PSB Project Advisory Services to MPB in the amount of \$254,345.



Request for Qualifications

EMERGENCY OPERATIONS CENTER/PUBLIC SAFETY BUILDING PROJECT MANAGEMENT SERVICES

Submitted to:

Jonathan Barlow, Town Manager
Town of Swansboro
601 W. Corbett Avenue
Swansboro, NC 28584

Submitted by:

MBP

4700 Falls of Neuse Road, Suite 370
Raleigh, NC 27609
919-875-0124
www.mbpce.com

April 15, 2026

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INTRODUCTORY LETTER



April 15, 2026

Town of Swansboro
601 W. Corbett Avenue
Swansboro, NC 28584

Attention: Jonathan Barlow, Town Manager

Reference: **Request for Qualifications - Emergency Operations Center/Public Safety Building Project Management Services**

Dear Mr. Barlow,

We are excited for this opportunity to provide Project Management Services for the Emergency Operations Center and Public Safety Building. MBP is uniquely positioned to serve as the Town of Swansboro’s owner’s representative for this critical municipal project.

Our local presence and deep experience with public safety projects, positions us as the ideal partner for this important project.

MBP brings significant, relevant experience to this engagement, particularly with our current active projects in the region. We are currently providing owner’s representative services for municipal projects just south in Pender County, giving us direct, hands-on experience with the unique challenges and opportunities that coastal North Carolina communities face. Additionally, through our ongoing work in Jacksonville at Camp Lejeune we have local team members with experience navigating the complex regulatory environment and security considerations that often intersect with public safety facility projects.

We understand the importance of this facility to the Town’s public safety operations and emergency preparedness capabilities. Our commitment is to serve as your dedicated advocate throughout the design-build process, ensuring that the final facility meets your operational requirements while maintaining fiscal responsibility and adherence to your timeline.

Within this proposal, we include our detailed qualifications and discuss how our experience, regional knowledge, and established relationship with the Town can contribute to the success of your Emergency Operations Center and Public Safety Building project.

Respectfully submitted,

Andy Miller, PE, CCM
Service Line Manager
amiller@mbpce.com
252-717-2750

Enclosure
cc: P26138



QUALIFICATIONS AND EXPERIENCE

1) EXPERIENCE IN PROVIDING EQUIVALENT OWNER’S REPRESENTATIVE AND ADVISORY SERVICES ON SIMILAR PROJECTS FOR NORTH CAROLINA UNITS OF GOVERNMENT

Founded in 1989, MBP is a nationally recognized, full-service construction consulting and management firm with more than 35 years of experience. Headquartered in Vienna, Virginia, MBP operates 14 additional offices along the East Coast and in Hawaii, with full-service locations in Richmond, Williamsburg, Roanoke, and Chesapeake, Virginia, as well as offices in North Carolina, South Carolina, Georgia, Florida, Connecticut, Maryland, Pennsylvania, New York, and Tennessee. The firm employs over 350 professionals and is consistently ranked among the Engineering News-Record (ENR) Top 50 Construction Management Services firms. MBP’s client-focused approach is built on a foundation of integrity, transparency, and technical excellence, and the company has managed more than \$90 billion in construction projects since its inception, serving a diverse range of clients nationwide and abroad.

MBP is pleased to present its qualifications and extensive experience in providing owner’s representative and advisory services. MBP has extensive experience on projects similar in scope and complexity to the Swansboro Emergency Operations Center (EOC)/ Public Safety Building (PSB) project. With a 35-year history in the construction advising and management industry and 24 years operating from our Raleigh, North Carolina office, MBP has cultivated a deep understanding of the unique needs and regulatory environments of municipal government clients across the region, especially at the coast. Our commitment to delivering high-quality, cost-effective, and on-time projects is evidenced by our robust portfolio and long-standing relationships with public sector entities.

MBP’s core mission is to serve as a trusted advocate for owners, ensuring that strategic, programmatic, and financial objectives are achieved. Our approach is built on a foundation of collaboration, precision, and proactive management across all project phases, from pre-design through post-construction. We bring comprehensive services, including project management, owner advisory services, construction administration, construction quality management and inspection, CPM scheduling, cost estimating, value engineering, risk management, dispute resolution, and building

commissioning. This multi-disciplinary expertise, combined with our local presence and extensive experience with municipal projects, including public buildings, parking structures, government annexes, and facility upgrades, makes MBP exceptionally well-suited to serve the Town of Swansboro.

Our team comprises over 350 professionals nationally, with more than 50 team members including project managers, engineers, project risk and control specialists, field inspectors, and support staff based in our North Carolina offices in Raleigh and Charlotte. Most importantly for the Town of Swansboro, we have dedicated team members currently stationed just 30 minutes away at Camp Lejeune and actively working on projects in nearby Pender County. This immediate regional presence ensures rapid response times, on-site availability, and deep familiarity with the local regulatory environment, contractor network, and unique coastal challenges that will directly benefit your Emergency Operations Center and Public Safety Building project. This substantial resource base ensures availability and responsive support, allowing us to seamlessly address client needs, even on short notice.

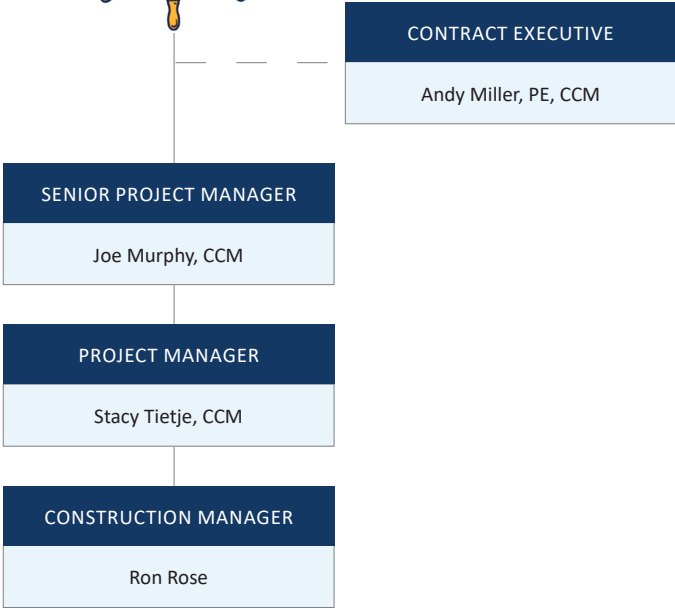
EXPERIENCE IN PROVIDING EQUIVALENT OWNER’S REPRESENTATIVE AND ADVISORY SERVICES ON SIMILAR PROJECTS FOR NORTH CAROLINA UNITS OF GOVERNMENT

MBP has a strong and proven track record of successfully delivering owner’s representative and advisory services for various North Carolina government entities, including the City of Wilmington and Pender County. Our experience spans a diverse array of projects, including public safety facilities, government buildings, and large-scale community infrastructure, directly aligning with the requirements of the Swansboro EOC/PSB Project. The Town of Swansboro has selected Design-Build delivery for this project, and MBP has extensive experience providing owner advisory services for Design-Build and other alternative delivery methods, ensuring effective oversight and advocacy for the owner’s interests.

We have included additional information on specific relevant projects on our project write-up sheets within this proposal.

QUALIFICATIONS AND EXPERIENCE

2) RESUMES OF PROPOSED PROJECT TEAM MEMBERS, IDENTIFYING GENERAL QUALIFICATIONS, EDUCATION, AVAILABILITY, AND YEARS OF EXPERIENCE



Joe Murphy, CCM – Senior Project Manager: Mr. Murphy has over 43 years of experience in design and construction management. As a Certified Construction Manager, he is proficient in recognizing potential problems early and proactively managing issues. Mr. Murphy will lead the implementation of each task order, bringing his expertise in project estimating, scheduling, and quality assurance. Mr. Murphy’s experience includes the Chesapeake Public Safety Operations Building and the Fire & Emergency Services Center in Fayetteville, NC, both highly relevant to this project.

Stacy Tietje, CCM – Project Manager: Based in Clayton, NC, Ms. Tietje brings valuable project management skills to all phases of the construction process, including owner’s representation, stakeholder engagement, on-site construction management, and move management. Ms. Tietje will provide additional project management support to Mr. Murphy and can manage individual projects at a task level. Ms. Tietje and Mr. Murphy have a strong history of working together on projects for the City of Fayetteville, demonstrating their collaborative synergy and deep understanding of municipal project requirements. Their joint experience also extends to the Emergency Operations Center in Dorchester County, SC, further solidifying their ability to manage complex public safety projects.

Ron Rose – Construction Manager: Mr. Rose has 47 years of experience in the construction industry, with 15 years in construction management for municipal, federal, and commercial sector projects. As Construction Manager, he has extensive experience as both a building contractor and an owner’s representative, and is experienced in all facets of construction phase requirements, including cost estimating, scheduling, quality assurance project management, documentation, and contract administration. Mr. Rose will provide on-site construction management and quality assurance inspection. His experience includes the Kirkpatrick West Fire & Rescue Station #27 and the Emergency Operations Center in Dorchester County, SC, where he worked alongside Stacy Tietje.

OUR DEDICATED PROJECT TEAM

MBP’s proposed project team brings a depth of expertise and a proven track record of working together successfully on similar projects for North Carolina units of government. Our team structure is based on continuity, a single clear voice on behalf of the Town, and providing a high level of service.

Andy Miller, PE, CCM – Contract Executive: Based in Raleigh, NC, Mr. Miller brings 30 years of experience in personnel management, senior project management, and engineering. He will serve as the primary point of contact for this contract, overseeing all contractual matters and providing high-level advisory services on alternative delivery methods, including Design-Build. His deep connection to Eastern NC, where he worked for 15 years, drives his commitment to delivering exceptional services. Mr. Miller was instrumental in the Beaufort County IDIQ and NCDOT Value Assessment Projects.

QUALIFICATIONS AND EXPERIENCE

OUR TEAM’S COLLABORATIVE EXPERIENCE

Andy Miller, Joe Murphy, Stacy Tietje, and Ron Rose form a highly experienced and cohesive team. Specifically, the proven working relationship between Joe Murphy and Stacy Tietje on projects for the City of Fayetteville provides a significant advantage, ensuring seamless coordination and a deep understanding of municipal client needs and processes. Furthermore, the successful collaboration between Ron Rose and Stacy Tietje on the Dorchester County Emergency Operations Center project underscores their combined expertise in managing complex public safety infrastructure. This collective experience ensures a cohesive and integrated team that understands how to collaborate efficiently, communicate effectively, and deliver results for complex municipal projects in North Carolina. This established working relationship minimizes ramp-up time and maximizes efficiency from the project’s kick-off.

We have included further information, including resumes of our key members, within this proposal.

3) INDICATE ANY INNOVATIVE METHODS AND/OR TECHNIQUES THAT CAN BE APPLIED TO THIS PROJECT THAT YOU HAVE APPLIED ON PRIOR SUCCESSFUL PROJECTS TO ENHANCE EFFICIENCY, TIMELINESS, AND QUALITY OF WORK

INNOVATIVE METHODS AND TECHNIQUES TO ENHANCE EFFICIENCY, TIMELINESS, AND QUALITY

MBP is committed to leveraging cutting-edge technology and proven methodologies to optimize project outcomes. We continuously seek and implement innovative solutions that enhance efficiency, improve timeliness, and elevate the quality of our services. For the Swansboro EOC/PSB Project, we propose to apply the following innovative methods and techniques, which we have successfully utilized on prior projects:

- **HoloBuilder 360 Digital Image Capturing:** MBP utilizes 360-degree cameras to fully capture construction progress on-site. Inspectors set up job-walk routes to capture progress photos at consistent locations. Through a collaborative platform, MBP shares all progress photos with the client and other authorized viewers, providing high-resolution, 360-degree photos of the project. This technology is invaluable for:
 - **Enhanced Documentation:** Creating a comprehensive visual record of construction

progress, crucial for resolving disputes, verifying work, and documenting as-built conditions.

- **Improved Communication:** Providing Town officials and stakeholders with real-time visual updates, fostering transparency.
- **Timeliness and Efficiency:** Expediting issue resolution by providing immediate visual context for discussions, thereby preventing delays and rework. This was successfully applied on projects like the Galloway Ridge at Fearington where visual documentation aided in progress reporting and issue tracking.

- **Advanced Project Management Information Systems (PMIS) and Specialized Applications (e.g., Raken):** MBP employs industry-leading PMIS platforms and specialized applications like Raken to manage project data, documents, and communications. Our general approach ensures:
 - **Centralized Data Management:** All project documentation, including meeting minutes, submittals, RFIs, change orders, and as-built records, are maintained in a centralized, accessible system. This ensures that all team members and stakeholders have access to the latest information, reducing communication gaps and improving decision-making speed.
 - **Streamlined Workflows:** Automation of routine tasks and standardized processes within the PMIS enhance efficiency, ensuring that approvals, reviews, and tracking are handled systematically and on-time.
 - **Real-time Reporting:** The PMIS facilitates the generation of real-time reports on project status, budget, schedule, and risk assessments, providing accurate and up-to-date information for the Town.
- **Interactive Project Dashboards:** To provide highly visible and easily digestible project information, MBP develops customized interactive dashboards. These dashboards integrate data from our PMIS and other sources to present key performance indicators (KPIs) in a clear, graphical format.
 - **High-Visibility Reporting:** Dashboards offer a concise overview of project health, budget status, schedule adherence, and critical milestones, making it easy for Town leadership and Town Council to quickly grasp project progress and identify potential issues.
 - **Enhanced Decision-Making:** By presenting complex data in an intuitive format, dashboards

QUALIFICATIONS AND EXPERIENCE

empower informed decision-making, allowing for proactive adjustments and strategic interventions.
– **Transparent Communication:** These dashboards serve as an excellent tool for presenting project updates to the Town Council and other stakeholders, fostering transparency and accountability. Our experience with highly visible projects, such as the Pender County J.H. Lea K-8 School, has honed our ability to present complex project information clearly and effectively to governing bodies.

PROJECT APPROACH: COORDINATION, COMMUNICATION, AND PRESENTATION OF INFORMATION TO TOWN COUNCIL

MBP understands that the Swansboro EOC/PSB Project is a highly visible undertaking for the Town, requiring exceptional coordination, transparent communication, and clear presentation of information to Town leadership and the Town Council. Our project approach is specifically designed to meet these critical needs, especially within a Design-Build (DB) delivery framework.

PROACTIVE COORDINATION WITHIN DESIGN-BUILD

Integrated Team Approach: We will serve as the Town’s advocate, working collaboratively with the Design-Build firm and all other project stakeholders. Our role is to verify seamless coordination among all parties, facilitating effective communication and problem-solving inherent in the DB model. We will confirm the Town’s objectives are clearly communicated and upheld throughout the integrated design and construction process.

Regular Progress Meetings: We will schedule and lead regular progress meetings (weekly, bi-weekly, or as needed) with the integrated project team, including the Design-Build firm, Town staff, and other key stakeholders. These meetings will review project status, coordinate upcoming work, and address any emerging issues, ensuring alignment with the DB schedule and budget.

Issue Resolution Facilitation: MBP will proactively identify potential issues and facilitate their resolution, ensuring that non-conforming work or discrepancies are addressed promptly and effectively, minimizing impacts on schedule and budget within the DB framework.

TRANSPARENT AND CONSISTENT COMMUNICATION

Primary Point of Contact: Joe Murphy will serve as the primary point of contact for the Town, centralizing communications and ensuring consistency in messaging across the Design-Build team.

Comprehensive Reporting: We will provide regular, detailed updates to Town officials and project stakeholders, including progress reports, budget status, risk assessments, and as-built records. Our reports will be customized to meet the specific needs of the Town, ensuring all pertinent information is conveyed clearly and concisely.

Open Dialogue: We maintain an open and continuous dialogue with the Design-Build firm, Town staff, and other agencies, fostering a collaborative environment where information flows freely and concerns are addressed in a timely manner.

EFFECTIVE PRESENTATION OF INFORMATION TO TOWN COUNCIL FOR A HIGHLY VISIBLE PROJECT

Tailored Presentations: Recognizing the importance of clear and concise communication to governing bodies, MBP will prepare tailored presentations for the Town Council. These presentations will utilize our interactive dashboards, visual aids (including HoloBuilder 360 imagery), and executive summaries to convey complex project information in an easily understandable format.

Strategic Recommendations: We will advise Town leadership on critical project decisions, providing independent, expert recommendations based on thorough analysis of design documents, cost estimates, schedules, and risks. Our presentations to the Town Council will include these recommendations, along with the rationale and potential impacts, to support informed decision-making for this highly visible project.

Experience with Public Bodies: Our extensive experience with municipal clients, has equipped us with the expertise to effectively communicate project status, challenges, and solutions to public officials and stakeholders, ensuring the Town Council is always well-informed.

MBP’s commitment to quality, client service, and innovative project delivery ensures that the Town of Swansboro will receive industry leading owner’s representative and advisory services for this critical project.

QUALIFICATIONS AND EXPERIENCE

WHY MBP?

MBP is uniquely positioned to support the Town of Swansboro’s emergency services building project with a proven track record of delivering high-quality results for municipal clients across North Carolina. Our team brings specialized expertise in construction management, commissioning, and owner’s representation for public safety and emergency services facilities, providing projects that are delivered on time, within budget, and to the highest standards of quality and performance. MBP’s approach emphasizes proactive communication, rigorous project controls, and tailored solutions that safeguard the Town’s interests at every stage, from early planning through construction closeout. With deep regional experience, flexible staffing, and a commitment to transparency and accountability, MBP provides the technical excellence and local knowledge necessary to navigate the complexities of emergency services projects. By choosing MBP, the Town of Swansboro gains a trusted partner dedicated to minimizing risk, maximizing value, and supporting the long-term success and resilience of its emergency services infrastructure.

QUALIFICATIONS AND EXPERIENCE

FIRE STATION #5 WILMINGTON, NORTH CAROLINA



CLIENT
City of Wilmington

TOTAL CONSTRUCTION COST
\$3.4 million

SCOPE OF WORK
MBP provided a commissioning design review of the 95% construction documents (CD) and back check of the 100% CDs. MBP provided the commissioning plan, conducted site observations of the systems to be commissioned, developed the PFCs, generated and witnessed the FPTs, conducted commissioning meetings, and provided the City with the final commissioning report and systems manual. Ten months after project acceptance, MBP conducted the warranty review meeting with the City, design team, and contractors.

PROJECT DESCRIPTION
The project involved the construction of a new 10,774-square-foot fire station. Systems commissioned include variable refrigerant flow systems, dedicated outdoor air unit, vehicle exhaust removal system, and domestic water heaters.

J.H. LEA ELEMENTARY AND J.H. LEA MIDDLE SCHOOL BURGAW, NORTH CAROLINA



CLIENT
Pender County Schools

TOTAL CONSTRUCTION COST
\$135 million

SCOPE OF WORK
MBP provided comprehensive services to represent the Owner’s interests throughout the remaining construction phases. Services included serving as the primary liaison between the Owner and Design-Build team; facilitating project meetings; and communicating updates and decisions to stakeholders. Construction activities were monitored to ensure compliance with contract documents and specifications, and RFIs, submittals, PCOs, and pay applications were reviewed. During closeout, coordination with the Commissioning Agent supported system performance verification and assistance was provided with final inspections and occupancy certification.

PROJECT DESCRIPTION
The project encompassed 290,000 square feet and included both an elementary school (ES) and a middle school (MS) wing. It featured 78 classrooms with a total capacity of 2,312 students between the two wings. Each wing had its own dining room and gymnasium, while the MS wing also contained specialized classrooms for music, dance/drama, art, health, and a STEM lab. Outdoor amenities included a playground, a baseball/softball field, and a multipurpose field. Parking areas accommodated employees, visitors, and buses, and a shared ES/MS courtyard served as a central gathering space.

QUALIFICATIONS AND EXPERIENCE

EMERGENCY OPERATIONS CENTER SUMMERVILLE, SOUTH CAROLINA

CLIENT

Dorchester County

TOTAL CONSTRUCTION COST

\$9.8 million

SCOPE OF WORK

MBP provided on-site quality assurance review services to include confirming work is being completed per plans and specifications; preparing daily reports that include information such as an overview of work performed, including labor, equipment, materials, safety conditions, compliance issues, important conversations, progress photos, and other relevant information; evaluating the quantity and condition of stored materials and recommend payment accordingly and recommend deductions for the overstated value of work in place and work not in compliance with the contract documents; and serving as a resource to the County and Rosenblum Coe Architects to assist in addressing project inquiries.

PROJECT DESCRIPTION

The project consisted of constructing a state-of-the-art facility to house the EOC and Consolidated Dispatch Center. This new facility was built within the Dorchester County Law Enforcement Complex located in Summerville, SC. This new facility was rated for hurricane-force winds and seismic activity.

FIRE STATION #9 FAYETTEVILLE, NORTH CAROLINA

CLIENT

City of Fayetteville

TOTAL CONSTRUCTION COST

\$15 million

SCOPE OF WORK

MBP provided comprehensive services spanning the entire project lifecycle, including pre-construction, construction, and closeout phases. During pre-construction, services included supporting CMaR selection, contract negotiation, design reviews, and cost and schedule analysis. During construction, owner's representative services were provided through site visits, quality assurance inspections, and document reviews, including evaluation of pay applications and change orders. During closeout, commissioning activities and systems testing were monitored to verify the facility is fully operational and ready for occupancy.

PROJECT DESCRIPTION

The project consisted of constructing a new approximately 13,000-square-foot fire station utilizing the Construction Manager at Risk (CMaR) delivery method. The facility features a minimum of three drive-through apparatus bays, individual dorm rooms, a combined kitchen/dining/day room, hose storage and repair areas, tool and decontamination rooms, gear storage, a multipurpose room, public and private restrooms, an HVAC/storage mezzanine, laundry facilities, a radio/report room, fitness room, IT and electrical rooms, and administrative offices.

REFERENCES

Individual	Associated Project	Role/Expertise	Contact Information
Daniel Prentice	Emergency Operations Center, Dorchester County, SC	Administrator Dorchester County	843-518-3871 DanielPrentice@charlestoncountyschools.gov

This project involved a new EOC facility, including a 911 call center and Sheriff Dispatch Center. Mr. Prentice’s perspective as the County Architect on this project is invaluable, as it directly relates to MBP’s capability in managing design, construction, and technical aspects of critical public safety infrastructure, which is highly analogous to the Swansboro EOC/PSB project.

Roger Hunt, Jr.	Fire Station #9, City of Fayetteville, NC	Project and Contract Manager City of Fayetteville	910-433-1173 RogerHunt@FayettevilleNC.gov
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MBP provided owner’s advisor services for future projects for this fire station. Mr. Hunt’s direct experience managing projects with MBP for a North Carolina municipality underscores our team’s understanding of local government needs and our ability to deliver on fire station development.

Mike Naklicki, PMP, EI	Fire Station #5, City of Wilmington, NC	Division Project Manager City of Wilmington	910-341-5897 Mike.Naklicki@wilmingtonnc.gov
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Mr. Naklicki’s perspective will speak to MBP’s performance in construction document review, on-site monitoring, and cost control for municipal facilities in North Carolina. The experience with a fire station project directly demonstrates our capability in managing public safety infrastructure.

The references provided represent key stakeholders and decision-makers from government entities who have directly engaged with MBP on significant capital improvement projects. Their insights will attest to MBP’s team performance, our proactive approach to project management, and our dedication to achieving client objectives.

These individuals can provide firsthand accounts of MBP’s expertise in navigating complex project challenges, fostering effective communication among all stakeholders, and upholding high standards of quality and professionalism.

APPENDIX A. RESUMES

Andy Miller, PE, CCM Contract Executive



BACKGROUND

Mr. Miller has 30 years of experience as a construction professional with expertise in personnel management, senior project management, and engineering. His experience includes managing large-scale projects and contracts, building and maintaining critical client relationships, and achieving consistent results in changing environments. Mr. Miller specializes in maximizing productivity, identifying cost-reduction opportunities, and developing solutions to optimize operations and project initiatives. With a strong technical background and experience in OSHA and safety compliance and NC Building Codes, he brings a unique perspective to his work. Mr. Miller has a track record of delivering successful projects and he is passionate about driving results through collaboration and strategic planning.

EDUCATION

BS, Civil Engineering with Construction, North Carolina State University, 1995

PROFESSIONAL CERTIFICATIONS/REGISTRATIONS

Professional Engineer (PE), North Carolina

Certified Construction Manager (CCM)

OSHA 10 Hour Course Construction Safety and Health

NC General Contractor Qualifier #Q46353

PROFESSIONAL ASSOCIATIONS

Member, Construction Management Association of America (CMAA)

RELEVANT EXPERIENCE

City of Fayetteville, Fire Station #9, Fayetteville, NC: As Service Line Manager, providing general oversight of personnel and managing project needs. The project consisted of constructing a new approximately 13,000-square-foot fire station utilizing the Construction Manager at Risk (CMaR) delivery method. The facility features a minimum of three drive-through apparatus bays, individual dorm rooms, a combined kitchen/dining/day room, hose storage and repair areas, tool and decontamination rooms, gear storage, a multipurpose room, public and private restrooms, an HVAC/storage mezzanine, laundry facilities, a radio/report room, fitness room, IT and electrical rooms, and administrative offices. The total construction value was \$15 million.

North Carolina Department of Transportation, I-2513 Cost-Schedule Risk Assessment, NC: As Senior Project Manager, oversaw the program management for NCDOT Facilities roofing repair/replace initiative. This included the assessment of facility roofs across all 14 divisions in the state of North Carolina. From that assessment, a priority list was established with an associated budget used to strategically administer the projects available funding. Project management was then provided to perform the needed work. This included project controls, contract administration, project closeout, and warranty compilation. The NCDOT Facilities Management Division received approximately \$14 million from the state to address roofing repairs and replacements. The funds were allocated across all 14 Divisions across the state. The program encompassed hundreds of roofing projects and addressed critical roofing needs to provide much-needed improvements to NCDOT’s facilities.

Danville Public Schools, G.L.H. Johnson Elementary School and Arnette Hills Elementary School, Danville, VA: As Service Line Manager, supported project staff, including Senior Project Manager, Project Manager, and Clerk of the Works. Participated in owner, architect, contractor owner, architect, contractor (OAC) meetings both on site and remotely. Reviewed all

APPENDIX A. RESUMES

Andy Miller, PE, CCM Contract Executive

reports, managed project financials and invoicing, and participated in schedule reviews. The project consisted of constructing a new approximately 78,000-square-foot elementary for 650 students on an existing cleared slightly sloping site. The total construction value was \$34 million.

Danville Public Schools, George Washington High School and J.M. Langston Campus, Danville, VA: As Service Line Manager, supported project staff, including Senior Project Manager, Project Manager, Clerk of the Works. Participated in owner, architect, contractor owner, architect, contractor (OAC) meetings both on site and remotely. Reviewed all reports, managed project financials and invoicing, and participated in schedule reviews. The project consisted of renovations and additions to two schools, including the George Washington High School (\$74 million) and the J.M. Langston Campus (\$42 million), where extensive campus-wide renovations and additions with upgrades to infrastructure, security, and technology were performed. The total construction value was \$98 million.

Stanley Martin, Falls Village Clubhouse, Durham, NC: As Service Line Manager, supervised and guided team members and provided all requested company resources to the team as needed. Supported contract modifications, scope clarifications, and schedule guidance. The project involved the construction of a 15,890-square-foot facility, which included a clubhouse, amenity center, and pool. The total construction value was \$5.7 million.

APPENDIX A. RESUMES

Joe Murphy, CCM
Senior Project Manager



BACKGROUND

Mr. Murphy brings more than 43 years of experience in design and construction management. He is a Certified Construction Manager and a Certified Construction Contract Administrator and has managed programs and construction projects totaling over \$1 billion. Mr. Murphy is proficient in recognizing potential problems early and proactively managing those issues to ensure the completion of all objectives. His construction knowledge and expertise in bidding and construction documents enhance the quality of any program seeking successful completion. He has experience in all design and construction phases, including estimating, scheduling, quality assurance, project management, documentation, and administration.

EDUCATION

AAS, Architectural Technology, Wake Technical Community College, 1983

PROFESSIONAL CERTIFICATIONS/REGISTRATIONS

Certified Construction Manager (CCM)

OSHA 10 Hour Course Construction Safety and Health

PROFESSIONAL ASSOCIATIONS

Member, Construction Specifications Institute (CSI)

RELEVANT EXPERIENCE

Pender County Schools, J.H. Lea Elementary and J.H. Lea Middle School, Burgaw, NC: As Senior Project Manager, served as the Owner’s Representative, coordinating with the Design-Build team and overseeing project progress, cost, and quality through construction and closeout. The project encompassed 290,000 square feet and included both an elementary school (ES) and a middle school (MS) wing. It featured 78 classrooms with a total capacity of 2,312 students between the two wings. Each wing had its own dining room and gymnasium, while the MS wing also contained specialized classrooms for music, dance/drama, art, health, and a STEM lab. Outdoor amenities included a playground, a baseball/softball field, and a multipurpose field. Parking areas accommodated employees, visitors, and buses, and a shared ES/MS courtyard served as a central gathering space. The total construction value was \$135 million.

City of Fayetteville, Fire Station #9, Fayetteville, NC: As Senior Project Manager, oversaw the Owner’s Advisor duties on the project. Responsible for advising on key project considerations and management of task activities. The project consisted of constructing a new approximately 13,000-square-foot fire station utilizing the Construction Manager at Risk (CMaR) delivery method. The facility features three drive-through apparatus bays, individual dorm rooms, a combined kitchen/dining/day room, storage areas, tool and decontamination rooms, a multipurpose room, public and private restrooms, a mezzanine, laundry facilities, a radio/report room, fitness room, and administrative offices. The total construction value was \$10 million.

Chesapeake Public Safety Operations Building, Chesapeake, VA: As Project Manager, provided construction management services for the City of Chesapeake including a full constructability review, Division 00 front end bidding documents review, contractor selections and bidding assistance, and full on-site project management and inspections. This project consisted of the complete construction of a new three-story public safety operations building. The building houses the Offices of Emergency Management and Emergency Operations Center, the 911 City Call Center, the Emergency

APPENDIX A. RESUMES

Joe Murphy, CCM Senior Project Manager

Communications Center, the Department of Information Technology Data Server Room, and Staff and Support areas. Additional aspects of the building include perimeter security anti-ram knee-walls, bollards, landscape elements, and a service yard with perimeter security. The work also included site development, hardscapes, and landscape for the building site. The building provided approximately 51,150 gross square feet, restricted parking for approximately 140 vehicles, and 60 visitor parking spaces. The total construction value was \$25 million.

Durham Police Department Headquarters Complex, Durham, NC: As Estimator, provided construction document phase cost estimating services for the architect of record, including scope of work verification, pricing, quantity takeoffs, and quality control. The project included the Police Headquarters for District 5, which is an approximately 126,000-square-foot facility and contains the 911 Communications Center, the Forensics Services Unit, Traffic Services, and the K-9 Unit; and a 177,450-square-foot structured parking deck with approximately 445 spaces as well as some program space. There are considerable sitework and exterior safety components to the project as well. The total construction value was \$52 million.

Fire & Emergency Services Center, Fayetteville, NC: As Cost Estimator, performed the structural estimate for this state-of-the-art fire and emergency training facility. The project involved the new construction of a 28,367-square-foot building with offices, classrooms, locker rooms, and exercise space. The project also included several structures in the "Burn Village" as well as a helicopter landing area and restroom.

Petersburg City Hall, Petersburg, VA: As Senior Consultant, developed the architectural interior construction cost estimate for this 60,000-square-foot, three-story building. Coordinated with mechanical and electrical estimators to ensure all scope was represented in the final estimate. Performed takeoff and cost estimating using On Screen Takeoff, RS Means Cost Works, and Microsoft Excel software. The project consisted of the construction of a new City Hall. This LEED Silver certifiable, three-story, approximately 61,651-square-foot building provided office and meeting

spaces for all major city departments. The exterior shell and structure of the building was constructed using a structural steel frame with exterior walls constructed of steel stud framing with brick and architectural precast masonry veneer. The interior walls were mostly framed using light gauge steel studs and drywall and included office space for major city departments as well as an Emergency Operations Center and new City Council Chambers. The building was equipped with an emergency backup generator, electrical systems, plumbing and mechanical systems, digital mechanical controls, and a fire alarm and sprinkler systems. The design of the building is compatible with the historic architecture and rich heritage of Petersburg, VA, while providing a vision for the future. The project is registered with the US Green Building Council to seek LEED Silver Certification. The total construction value was \$18 million.

City of Suffolk, Suffolk City Hall and Call Center, Suffolk, VA: As Senior Consultant, participated in the design charrette prior to the construction document phase. The project included the construction of a new two-story municipal center and E-911 call center to replace existing facilities and consolidate City offices. The project encompassed 100,000 square feet of office space, the E-911 call center, conference rooms, large public lobbies and meeting spaces, Council Chambers, City Manager's offices, information technology department, and mechanical equipment rooms to service public needs and create a "one-stop-shop" for the residents of Suffolk. The elliptical "one-stop-shop" lobby became a two-story open space with clerestory windows, another Council Chambers became a story and a half, due to the ceiling height required in the council chambers. The roof was a combination of sloped and flat roofs, with mansards designed to shield rooftop equipment from view at street level. Once the new municipal center was constructed the existing municipal center will be demolished for construction of a new parking lot. Site improvements included power, telecommunications, water, sewer, sight lighting, stormwater management, concrete paths, asphalt parking, and landscaping. The total construction value was \$37.5 million.

APPENDIX A. RESUMES

Stacy Tietje, CCM
Project Manager



BACKGROUND

Ms. Tietje is an accomplished construction professional with over 13 years of experience in the industry, boasting a strong background in architectural design. Her expertise encompasses a broad range of projects, from commercial to residential, with a proven track record of managing developments valued between \$300k and \$13M. Ms. Tietje was responsible for the development and construction oversight of the new store construction and renovations of quick-serve restaurants and grocery stores across multiple states before MBP. Her role involves coordinating with a diverse team of professionals, creating strategic plans, and ensuring the successful execution of projects. Ms. Tietje’s leadership extends beyond project management to mentoring teams of Project Managers, Site Superintendents, and Construction Coordinators, showcasing her ability to lead, innovate, and deliver exceptional results in the construction sector.

EDUCATION

M Arch, Architecture, Tulane University, 2005

B Arch, Architecture, Tulane University, 2005

PROFESSIONAL CERTIFICATIONS/REGISTRATIONS

Certified Construction Manager (CCM)

OSHA 30 Hour Course Construction Safety and Health

PROFESSIONAL ASSOCIATIONS

Member, Construction Management Association of America (CMAA)

Associate, American Institute of Architects (AIA)

RELEVANT EXPERIENCE

Dorchester County, Emergency Operations Center, Summerville, SC: As Project Manager, provided oversight and quality assurance services during the construction phase. The project consisted of constructing a state-of-the-art facility to house the EOC and Consolidated Dispatch Center. This new facility was built within the Dorchester County Law Enforcement Complex located in Summerville, SC. This new facility was rated for hurricane-force winds and seismic activity. The total construction value was \$9.8 million.

City of Fayetteville, Fire Station #9, Fayetteville, NC: As Project Manager, provided coordination, oversight and quality assurance services from design through construction. The project consisted of constructing a new approximately 13,000-square-foot fire station utilizing the Construction Manager at Risk (CMaR) delivery method. The facility features three drive-through apparatus bays, individual dorm rooms, a combined kitchen/dining/day room, storage areas, tool and decontamination rooms, a multipurpose room, public and private restrooms, a mezzanine, laundry facilities, a radio/report room, fitness room, and administrative offices. The total construction value was \$10 million.

Cumberland County, Cumberland County Crown Event Center, Fayetteville, NC: As Project Manager, provided coordination, oversight and quality assurance services from design through construction. The project included the construction of an approximately 134,000 square-foot multipurpose event center. The venue was designed as a high-quality, state-of-the-art facility, including key features such as acoustics, stage setup, rigging capacity, and back-of-house areas to accommodate various user needs. The building showcases a three-story main event hall with a seating capacity of 3,000, a second-level VIP area with suites and a lounge, and a rooftop terrace with views of the downtown skyline. Additionally, it offers a separate 4,500-square-foot multipurpose room and other breakout spaces, which can

APPENDIX A. RESUMES

Stacy Tietje, CCM Project Manager

be used either in conjunction with or independently from the main event area, alongside state-of-the-art back-of-house and performer spaces. The total construction value was \$145 million.

North Carolina Department of Transportation, FMD Project Management Support: As Project Manager, provided coordination, oversight and quality assurance services during the design and construction phase of multiple renovation projects within NCDOT facilities. The NCDOT Facilities Management Division received approximately \$14 million from the state to address roofing repairs and replacements. The funds were allocated across all 14 Divisions across the state. The program encompassed hundreds of roofing projects and addressed critical roofing needs to provide much-needed improvements to NCDOT's facilities.

Stanley Martin, Falls Village Clubhouse, Durham, NC: As Project Manager, provided coordination, oversight and quality assurance services during the construction phase. The project involved the construction of a 15,890-square-foot facility, which included a clubhouse, amenity center, and pool. The total construction value was \$5.7 million.

Galloway Ridge at Fearington, Senior Living Renovations, Pittsboro, NC: As Project Manager, provided coordination, oversight and quality assurance services during the construction phase. The project involved renovating the existing facility to include a new bakery kitchen, a-la-carte kitchen, private and upscale dining spaces. The total construction value was \$12.3 million.

East West Alliance Northridge Park, Ltd., Northridge Park Townhome Expansion, Fayetteville, NC: As Project Manager, provided oversight and quality assurance services during the construction phase. The project consisted of constructing two new 4,800-square-foot, 4-unit townhome buildings within The Townes at Northridge Park community. These new homes were built north of the existing community on Green Valley Road in Fayetteville, NC. The total construction value was \$1.67 million.

APPENDIX A. RESUMES

Ron Rose
Construction Manager



PROFESSIONAL CERTIFICATIONS/REGISTRATIONS

VDOT Intermediate Work Zone Traffic Control and Flagger

PROFESSIONAL ASSOCIATIONS

Member, Construction Management Association of America (CMAA)

BACKGROUND

Mr. Rose has 47 years of experience in the construction industry, with 15 years of construction management experience in municipal, federal, and commercial sector projects. He has extensive experience as both a building contractor, as well as an owner’s representative and is experienced in all facets of construction phase requirements including cost estimating, scheduling, quality assurance project management, documentation, and contract administration. He is experienced in job site safety, quality control, field inspections, codes, and project team coordination. Mr. Rose recognizes potential problems early and proactively manages the issues to ensure completion. He is a dynamic, qualified, and highly ethical commercial construction project manager who values hard work, construction expertise, and collaborative working relationships. His extensive experience includes multiple fast track and tight budget projects. He has consistently met owner requirements that projects be completed on-time, within budget, and of the highest quality.

RELEVANT EXPERIENCE

Pender County Schools, J.H. Lea Elementary and J.H. Lea Middle School, Burgaw, NC: As Construction Manager/Owner’s Representative, provided quality assurance inspections, project documentation controls, cost control, and reporting. In addition, performed site visits and coordinated with the general contractor to verify that work as performed according to the plans and specifications and the expected level of quality was being met. Reviewed and provided recommendations to the owner with respect to the general contractor’s pay applications; attended bi-weekly progress meetings, and track the contractor’s schedule to ensure that the project is proceeding on time per the schedule. The project encompassed 290,000 square feet and included both an elementary school (ES) and a middle school (MS) wing. It featured 78 classrooms with a total capacity of 2,312 students between the two wings. Each wing had its own dining room and gymnasium, while the MS wing also contained specialized classrooms for music, dance/drama, art, health, and a STEM lab. Outdoor amenities included a playground, a baseball/softball field, and a multipurpose field. Parking areas accommodated employees, visitors, and buses, and a shared ES/MS courtyard served as a central gathering space. The total construction value was \$135 million.

Dorchester County, Emergency Operations Center, Summerville, SC: As Construction Manager/Owner’s Representative, provided quality assurance inspections, contract administration and support, project documentation controls, scheduling, cost control, and reporting. In addition, performed site visits and coordinated with the general contractor to verify that work as performed according to the plans and specifications and the expected level of quality was being met. Developed a digital picture file and submitted to client upon completion of construction phase services. Reviewed and provided recommendations to the owner with respect to the general contractor’s pay applications; attended bi-weekly progress meetings; coordinated all punchlist items with the owner and general contractor; and collected all closeout

APPENDIX A. RESUMES

Ron Rose Construction Manager

documents required by the owner to include all warranty certificates, operation and maintenance manuals, and as-built drawings. The project consisted of constructing a state-of-the-art facility to house the EOC and Consolidated Dispatch Center. This new facility was built within the Dorchester County Law Enforcement Complex located in Summerville, SC. This new facility was rated for hurricane-force winds and seismic activity. The total construction value was \$9.8 million.

Ashburn Sheriff Station, Ashburn, VA: As Construction Manager/Owner’s Representative, contract administration and support, project documentation controls, scheduling, cost control, and reporting. In addition, performed site visits and ensured level of quality was being met. Reviewed and provided recommendations to the owner with respect to the general contractor’s pay applications and attended progress meetings. The project included the new construction of an 18,450-square-foot one-story structure including sally port and secure detention facilities, administrative offices including a community meeting room and associated support areas. It was constructed with a sloped roof for the purpose of avoiding rain water issues that have become troublesome on many buildings with flat roofs. The building face was designed with thin brick and aluminum panels for aesthetic purposes and for keeping the building congruent with the surrounding community without portraying the appearance of a typical institutional facility and also incorporated ballistic security components. The total construction value was \$14.9 million.

Kirkpatrick West Fire & Rescue Station #27, Loudoun County, VA: As Construction Manager/Owner’s Representative, contract administration and support, project documentation controls, scheduling, cost control, and reporting. In addition, performed site visits and ensured level of quality was being met. Reviewed and provided recommendations to the owner with respect to the general contractor’s pay applications and attended progress meetings. The project consisted of the new construction of a 17,874 square foot, single-story structure with four apparatus bays, apparatus support spaces, bunk rooms, administrative offices, shower and locker areas, kitchen and dining spaces,

and an office for the Loudoun County Sheriff. The total construction value was \$8 million.

North Carolina Department of Transportation Division 3 On-Call, Wilmington, NC: As Construction Manager/Owner’s Representative, provided quality assurance inspections, contract administration and support, project documentation controls, scheduling, cost control, and reporting. In addition, performed site visits and coordinated with the general contractor to verify that work as performed according to the plans and specifications and the expected level of quality was being met. Developed a digital picture file and submitted to client upon completion of construction phase services. Reviewed and provided recommendations to the owner with respect to the general contractor’s pay applications; attended bi-weekly progress meetings; coordinated all punchlist items with the owner and general contractor; and collected all closeout documents required by the owner to include all warranty certificates, operation and maintenance manuals, and as-built drawings. The project consisted of reconstruction of Market Street into a super-street configuration.

North Carolina Department of Transportation Division 3 Castle Hayne, Various, NC: As Construction Manager/Owner’s Representative, provided quality assurance inspections, contract administration and support, project documentation controls, scheduling, cost control, and reporting. In addition, performed site visits and coordinated with the general contractor to verify that work as performed according to the plans and specifications and the expected level of quality was being met. Developed a digital picture file and submitted to client upon completion of construction phase services. Reviewed and provided recommendations to the owner with respect to the general contractor’s pay applications; attended bi-weekly progress meetings; coordinated all punchlist items with the owner and general contractor; and collected all closeout documents required by the owner to include all warranty certificates, operation and maintenance manuals, and as-built drawings. The project involved various Division 3 tasks, including the Shallotte Rest Area.



Swansboro Fire Department

609 W Corbett Ave. Swansboro, NC 28584
(910)326-5908

Mr. Barlow,

Following the completion of the in-person interviews on Monday, May 4th, I recommend selecting MBP to provide Project Management Services for the Town of Swansboro Emergency Operations Center/Public Safety Building Project.

Overall, both firms interviewed were qualified and comparable in many aspects. However, the MBP group distinguished itself through a more in-depth, team-oriented approach, with a clear understanding of the project's technical and operational importance. Their presentation demonstrated not only knowledge of the project management process itself, but also a genuine commitment to working alongside the Town throughout each phase of development.

MBP provided strong insight into the overall process, the key personnel involved, project coordination expectations, and the importance of maintaining forward momentum while ensuring accountability and fiscal responsibility. Their team conveyed a professional yet personable approach that gave confidence they would serve as an advocate for the Town throughout what will likely be one of the largest and most significant capital projects in the Town's history.

An additional strength identified during the interview process was MBP's previous working relationship and project experience with our selected design-build firm, Bobbitt. Their familiarity with Bobbitt's processes, communication style, and project delivery approach provides added confidence in the ability to establish a cohesive working relationship early in the project. That existing professional experience should help streamline coordination, reduce potential communication gaps, and assist with maintaining project momentum while still ensuring the Town's interests remain represented and protected throughout the process.

Equally important, MBP appeared to understand that this project is more than simply constructing a building. The project represents long-term operational readiness, public safety coordination, future growth, and the Town's continued investment in serving the community effectively for years to come. Their engagement during the interview process reflected an understanding of the importance of getting the project right the first time while preparing for the future needs of both the Town and its public safety agencies.

Based on the overall interview process, project understanding, communication style, and demonstrated commitment to partnership and accountability, I respectfully recommend MBP for selection as the Project Management Services provider for this project.

Respectfully,

Jacob Randall
Fire Chief

Third Party Project Manager Summary

On May 4, 2026, Jon Barlow (Town Manager), Jacob Randall (Fire Chief), and I (Dwayne Taylor, Chief of Police), met to interview two candidate companies to serve as Third Party Project Managers for the Town of Swansboro Public Safety Building/Emergency Operations Center Project.

Requests for Qualifications were distributed by the Town, and four companies were initially selected for consideration. Chief Randall and I were each provided with qualification summaries for all four companies and asked to independently select two finalists for formal interviews. Separately, Chief Randall and I both selected the same two companies for final presentations to Jon Barlow, Chief Randall, and me. The two finalists were MBP of Raleigh, NC, and Cumming Group of Raleigh, NC.

Both companies demonstrated strong qualifications and extensive experience with municipal projects, and I believe the Town would be well represented by either firm. However, based on the presentations, MBP distinguished itself more clearly.

MBP was represented by four individuals who demonstrated a strong understanding of their role in the project. Their presentation was polished, organized, and efficient. They clearly articulated the day-to-day responsibilities they would undertake and effectively explained their involvement throughout each phase of the project. Their preparedness and professionalism were evident.

Cumming Group was represented by two individuals. The primary representative was confident and knowledgeable throughout the presentation. However, the secondary representative appeared less prepared and struggled during portions of the presentation, often requiring assistance from the primary representative. While I do not question the representative's competence, this dynamic left me with concerns regarding overall presentation readiness.

Based on the qualifications and presentations of both companies—each of which appears capable and competent—it is my recommendation that MBP be selected as the Third-Party Project Manager for the Town of Swansboro's Public Safety Building/Emergency Operations Center Project.

Sincerely,



Dwayne Taylor
Chief of Police
Swansboro Police Department



May 18, 2026
Revised May 20, 2026

Town of Swansboro
601 W. Corbett Avenue
Swansboro, NC 28584

Attention: Mr. Jonathan Barlow
Town Manager

Reference: **Proposal to provide Advisory Services for the New Swansboro Emergency Services Building Project**

Dear Mr. Barlow

MBP Carolinas, Inc. (MBP) is pleased to submit this revised proposal and contractual agreement, including a fixed-fee proposal (Proposal) to provide the Town of Swansboro (Client/Owner) with Advisory Services for the construction of a new Emergency Services Building in the Town of Swansboro, NC (Project).

SCOPE OF PROJECT

MBP understands that the Project involves the construction of a building that will include a Police Station, Fire Station, and Emergency Operations Center on a 5-acre parcel located on Main Street Extension.

SCOPE OF SERVICES

MBP proposes to provide the following services:

a. General Scope of Services

The Project Management (PM) Consultant shall provide comprehensive services to represent the Owner's interests throughout the remaining construction phases, monitoring the Design-Builder's adherence to project objectives, timelines, and quality standards.

b. Detailed Scope of Services

1. Act as a liaison between the Client/Owner and the Design-Build team.
2. Attend regularly scheduled construction and coordination meetings.
3. Communicate project updates, decisions, and changes to all stakeholders.
4. Monitor construction activities to confirm compliance with contract documents, specifications, and quality standards, and identify in writing any non-conforming work.
5. Confirm all debt instruments (bonds, sureties, and other agreements) are in place in accordance with the LOI
6. Review and recommend monthly progress payments.
7. Track, coordinate, and make recommendations regarding Requests For Information (RFIs), submittals, proposed Change Orders (PCOs), and field directives.
8. Review and recommend cost proposals for changes to the project.
9. Assist with negotiation of change orders and/or claims; summarize claims analysis.
10. Establish a change order monitoring system (log) and link it to the Project Status financial report.

11. Provide on-site support (anticipated as one day per week), to include a daily report for each day on-site.
12. Facilitate and/or participate in the development of recovery schedules, if needed.
13. Monitor the Design-Builder's accurate maintenance of record drawings
14. Provide cursory review and validation of construction schedules.
15. Monitor budget adherence, including contingency usage and cost exposures.
16. Track commissioning activities and verify timely resolution of identified issues.
17. Verify final inspections and the obtaining of necessary certifications, including the Certificate of Occupancy.
18. Verify the collection and verification of as-built drawings, Operations & Maintenance manuals, warranties, and training materials.

PERIOD OF PERFORMANCE

The anticipated date for completion of the Services is June 30, 2028. If the Client/Owner requires Services beyond this date, MBP will provide a proposal for changes in Services pursuant to the "Changes in Services" provision of this Agreement.

COMPENSATION

The Client/Owner shall compensate MBP for performance of the Services in conformance with the requirements of the Agreement on a fixed-fee basis in the amount of **\$254,345.00** as follows:

PHASES	COST
Project Initiation Phase	
Project Kickoff	\$2,140.00
Project Management Plan (memorialize stakeholders, schedule, budget, and scope)	\$4,730.00
Negotiations Phase	
Negotiations Support	\$2,300.00
Technical Contract Review Support	\$3,280.00
Design Phase (12 months)	
D-B Kickoff	\$6,080.00
D-B Project Management, Meetings, Monitoring	\$49,035.00
Review program documents/schedule/budget	\$10,540.00
Review design submissions (3 each - SD, DD, CD)	\$10,935.00
Cost estimate review (3 each - SD, DD, CD)	\$9,255.00
Final GMP Negotiation	\$7,720.00
Construction (12 months)	
Kickoff Meeting	\$4,400.00
Construction Support (12 months): Assumes CM approximately 1 day per week	\$128,530.00
Closeout Support (1 month)	\$13,600.00
Reimbursables	
Mileage Allowance per trip \$150 for Project Exec	\$1,800.00
	\$254,345.00

Non-Labor Expenses

Non-labor expenses, including but not limited to courier, packaging, binding, postage, graphics, or other similar services that may be requested and approved by the Client, are in addition to the labor fees set forth above and will be invoiced at cost plus 10%.

Costs for a field office have not been included in our estimated budget, as it is expected that office space at the Project site, if needed, including furnishings, utilities, and internet service, will be provided by the Client at no cost to MBP.

ADDITIONAL SERVICES

If requested by the Client, MBP can provide additional services as the parties may hereafter mutually agree by a written modification to this agreement.

TERMS AND CONDITIONS

All work will be performed in accordance with the Standard Contract Terms and Conditions attached hereto. This Proposal, together with the Standard Contract Terms and Conditions, constitutes the entire Agreement between MBP and the Client and supersedes all prior written and oral understandings. This Agreement and said attachments may only be amended, supplemented, modified, and canceled by a duly executed written instrument.

MBP is not acting in any respect as the Project's designer of record and assumes no design liability for any part of the Project, regardless of whether any assistance, recommendations, or comments provided by MBP to the Client, Owner, or design team are utilized. Inasmuch as it is not in the best interest of the Owner that MBP's services should relieve the design team of its obligations and responsibilities to the Owner, it is understood that the designer of record shall be and remain solely responsible for all such design documents notwithstanding any Services provided by MBP under this agreement relating to the development or review of design documents, including but not limited to scopes of work, plans, and specifications, requests for proposals, or any other terms and conditions contained therein.

Although MBP shall document any defects or deficiencies in the work being performed of which it becomes aware, as a result of the inherent limitations of any site observations, MBP cannot warrant or guarantee that all non-compliant conditions will be detected or corrected. As it is not in the best interest of the Owner that the presence or duties of MBP personnel at the Project site or otherwise should relieve the Contractor or design team of their obligations and responsibilities to the Owner, it is understood that: MBP shall not supervise, direct or have control over any Contractor work; the Contractor remains responsible for compliance with the Project plans and specifications, construction means, methods, techniques, and sequences, including but not limited to any required health and safety procedures (except that MBP shall be responsible for the safety of its own employees).

MBP's reviews and recommendations regarding the appropriateness of contractor pay applications shall constitute only a representation that, to the best of MBP's knowledge, information, and belief, the Contractor's work has, in general, progressed to the point indicated in the pay application, and that the quality of the work generally is in accordance with the requirements of the construction documents. Any such review and recommendations shall not constitute a representation that MBP has (a) made exhaustive or continuous on-site inspections to check the quality or quantity of the work, (b) reviewed or approved construction means, methods, techniques, sequences or procedures, (c) reviewed copies of requisitions received from contractor and material suppliers and other data requested by Client to substantiate Contractor's right to payment, or (d) ascertained how or for what purpose contractor has used money previously paid on account of the contract amount.

MBP will invoice monthly for the percentage of work completed. All invoices are to be paid in full upon receipt in accordance with the terms and conditions of the Contract.

If the foregoing is acceptable, please so indicate by the signature of an authorized representative in the space provided below and return one signed copy to MBP.

We look forward to working with you and your staff on this and other future projects. If you have any questions, feel free to contact me at 252-717-2750 or by e-mail at amiller@mbpce.com

Sincerely,



Andy Miller, PE, CCM
Service Line Manager

Attachment: MBP's Standard Contract Terms and Conditions

cc: Procurement; P26138

J. Yatzek/MBP

AGREED AND ACCEPTED:

Town of Swansboro

Signature

Title

Printed Name

Date

MBP Carolinas, Inc. ("MBP") has been requested to perform professional services (the "Services") for the Client (both referred to as the "Parties" or individually as a "Party"). These Services will follow the terms and conditions detailed below. The Client's acceptance of MBP's proposal, agreement, or direction to start any Services constitutes acceptance of these terms and conditions.

1. STANDARD OF CARE

The standard of care applicable to MBP's performance will be the degree of skill and care ordinarily used by members of MBP's profession performing the same or similar services under similar circumstances at the same time and in the same locality. MBP is not required to re-perform services that have already been provided unless additional compensation is given, assuming MBP's Services were made in accordance with the relevant standard of care.

2. INVOICING/PAYMENT

The Client shall pay MBP for Services and reimbursable expenses as set forth in this Agreement. Invoices may be submitted monthly and are payable in full within fifteen (15) calendar days of receipt. If Client's payment to MBP is contingent upon receipt of funds from an Owner or third party, Client shall exert reasonable and diligent efforts to collect prompt payment from the Owner. If payment is not received within thirty (30) days of the due date, MBP may, upon written notice to Client, suspend performance of Services without liability. Any amounts not paid when due shall accrue interest at the rate of 1.5% per month (or the maximum rate permitted by law), calculated from the original due date until paid.

3. ASSIGNMENTS/SUBCONTRACTING

This Agreement and the rights and duties hereunder will not be assigned, subcontracted, or transferred by either Party, in whole or in part, without the other Party's prior written approval.

4. WAIVERS

No waiver by either Party of any default by the other Party in the performance of any provision of this Agreement will operate as or be construed as a waiver of any future default.

5. REMEDIES

The rights and remedies provided in this Agreement to either Party shall be cumulative with and in addition to the rights and remedies otherwise available to either Party at law, in equity or elsewhere provided herein.

6. DELAYS

Neither Party is liable for delays or costs due to labor strikes, riots, war, government actions, epidemics, pandemics, weather conditions, natural disasters, or any other causes beyond reasonable control. MBP is not responsible for delays or costs due to Client's failure to provide timely information or approve MBP's Services, or other causes beyond MBP's control.

7. DISPUTES, JURISDICTION AND VENUE

The Parties agree and stipulate that this Agreement is entered into and shall be construed and administered by the laws of the State of North Carolina regardless of any choice of law or conflict of law principles.

8. INSURANCE

MBP shall maintain, at its own expense, adequate professional liability insurance and any other insurance coverage MBP deems appropriate to protect against claims related to the Services performed under this Agreement. MBP shall provide certificates of insurance evidencing such coverage upon request.

9. INDEMNIFICATION

MBP agrees to indemnify and hold harmless the Client from damages and liabilities including reasonable attorney fees arising from claims by third parties ("Claims") to the extent that such Claims are proximately caused by a negligent act, error, or omission of MBP or any party for whom MBP bears legal responsibility, including subconsultants, agents, or representatives. Neither Party shall be liable to the other Party under this Agreement for any indirect, special, incidental, punitive, exemplary or consequential damages.

10. SUSPENSION/TERMINATION

10.1. The Client may suspend or terminate this Agreement for convenience with seven calendar days' written notice to MBP. MBP shall be compensated for Services performed and reasonable costs incurred through the date of suspension or termination for convenience but will not receive any profit or fee for unperformed Services. If a suspension continues for a period exceeding 60 consecutive days, MBP shall have the right to terminate this Agreement by providing written notice to the Client.

10.2. A Party (the "Terminating Party") may terminate this Agreement for default with seven calendar days' written notice to the other Party (the "Party in Default"), detailing the default. The Party in Default shall have 10 calendar days from receipt of

written notice to cure or start curing the default. The Terminating Party may terminate the Agreement if it is not cured within this period. If the Client terminates for default, MBP shall be paid for Services performed up to the termination date. If no default is found, the termination will be treated as one for convenience.

11. CHANGES

If the Client changes the Services within the scope of this Agreement, causing a cost or time adjustment, MBP will receive an equitable change in price and time, and this Agreement shall be modified in writing.

12. PROJECT SAFETY

If or when present on site, MBP shall be responsible solely for the safety of its own employees. MBP is not responsible for implementing, supervising, or coordinating project-wide safety programs or procedures, nor for their adequacy or completeness.

13. SITE OBSERVATIONS

If MBP performs site observations as part of its scope, it will report to the Client any observed defects or deficiencies; however, such observations are inherently limited, and MBP cannot guarantee that all non-compliant conditions will be identified or addressed. MBP does not supervise, direct, or control the Contractor's work, and its presence on site does not relieve the Contractor of full responsibility for construction means, methods, safety, or compliance with project requirements.

14. OWNERSHIP OF REPORTS AND OTHER WORK PRODUCT

Subject to the Client's full compliance with the Agreement, including timely payment, MBP grants a non-exclusive, revocable, royalty-free license to use its Work Product for the specified project. Any other use or modification without MBP's written consent is at the Client's sole risk, and the Client shall indemnify MBP against any such unauthorized use or modification.

15. NO THIRD-PARTY BENEFICIARIES

This Agreement does not create any third-party beneficiary rights. It benefits only the Parties and their successors and permitted assigns, as specifically provided in this Agreement. No other party has rights under this Agreement.

16. MERIT-BASED OPPORTUNITY AND NONDISCRIMINATION

The Parties agree not to discriminate against any employee or applicant for employment based on race, color, religion, sex, national origin (*Title VI and VII of the 1964 Civil Rights Act*), or age (*Age Discrimination in Employment Act of 1967*), marital status (*Virginia*

Human Rights Act), protected veteran status (*Vietnam Era Veterans' Readjustment Assistance Act*), individuals with disabilities (*Americans with Disabilities Act of 1990*), or other characteristics protected by applicable law.

The Parties agree that the obligations, commitments, and language in the equal opportunity clauses for VEVRAA-protected veterans (41 C.F.R. § 60–300.5(a)) and workers with disabilities (41 C.F.R. § 60–741.5(a)) are fully incorporated by reference into this Agreement. Additionally, **the parties shall abide by the requirements of 41 C.F.R. § 60–300.5(a). This regulation prohibits discrimination against qualified protected veterans and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified protected veterans, and the parties shall abide by the requirements of 41 C.F.R. § 60–741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.**

17. COUNTERPARTS

The Agreement and any changes may be signed in multiple copies. Each signed copy is considered part of the original Agreement. Signatures provided by fax, email, or electronic signature platform shall be valid and binding as if original.

18. ENTIRE AGREEMENT

This Agreement and any attachments or exhibits referenced herein form the complete agreement between MBP and the Client and replace all previous written and oral agreements. Any amendments, supplements, modifications, or cancellations to this Agreement must be made through a written document signed by an authorized representative of each Party involved. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Audit Contract-Anderson Smith & Wike, PLLC**

Board Meeting Date: **May 26, 2026**

Prepared By: **Sonia Johnson – Finance Director**

Overview: To award the audit contract to Anderson Smith & Wike, PLLC for audit services.

The Town’s previous auditor notified the town that he will no longer be providing audit services to governmental entities. Therefore, on April 10, 2026, the Finance Department issued Requests for Proposals (RFPs) for audit services and received two proposals.

Staff recommends selecting Anderson Smith & Wike, PLLC to perform the Town’s audit services. The firm has over 25 years of accounting experience, with the majority of those years dedicated to providing services to governmental entities.

Governmental audit and related services are the firm’s primary practice area and represent the primary focus of the firm’s efforts and professional training. The firm is also a member of the North Carolina Association of Certified Public Accountants (NCACPA) and the American Institute of Certified Public Accountants (AICPA).

The proposed fee to audit the fiscal year ending June 30, 2026, is \$26,500 not to exceed \$29,000.

Background Attachment(s): Audit Contract & Engagement Letter

Recommended Action: Approve the Audit Contract with Anderson Smith & Wike, PLLC for period July 1, 2025 thru June 30, 2026 in the amount of \$26,500 not to exceed \$29,000.

Action: _____

The	Governing Board Town Commissioners
of	Primary Government Unit Town of Swansboro
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name Anderson Smith & Wike PLLC
	Auditor Address PO Box 1169, Elon, NC 27244

Hereinafter referred to as Auditor

for	Fiscal Year Ending 06/30/26	Date Audit Will Be Submitted to LGC 12/31/26
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Must be within six months of FYE

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by “U.S. Auditing Standards – AICPA (Clarified),” referred to as generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the Governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types). Budgetary comparison information shall be prepared in accordance with applicable GASB standards. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented as required supplementary information and shall not be included in the basic financial statements. Any other budgetary comparison information shall be presented only as supplementary information for funds required to be budgeted under NCGS Chapter 159, Article 3.

2. At a minimum, the Auditor shall conduct the audit and render the report in accordance with GAAS. If the Governmental Unit expended \$100,000 or more in combined Federal and State financial assistance during the reporting period, the Auditor shall perform the audit in accordance with *Generally Accepted Government Auditing Standards* (GAGAS). The Governmental Unit is subject to federal single audit requirements in accordance with Title 2 US Code of Federal Regulations Part 200 *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F (*Uniform Guidance*) and the State Single Audit Implementation Act. Currently the threshold is \$1,000,000 for federal and state single audits, or such other threshold as applicable for the fiscal year under audit. This audit and all associated audit documentation may be subject to review by federal and State agencies in accordance with federal and State laws, including the staff of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit in accordance with the Uniform Guidance (§200.501) the Auditor and Governmental Unit(s) should discuss, in advance of the execution of this contract, the responsibility for submission of the audit and the accompanying data collection form (form SF-FAC) to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512) to ensure proper submission.

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC Staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards* (2018 revision or subsequent revisions, as applicable) issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he or she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and to the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon the Auditor's receipt of an updated peer review report. If the audit firm receives a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Auditing Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed, and the report of audit submitted to LGC Staff, within six months of fiscal year end. At the time of the execution of this contract, if the parties know that the anticipated submission date of the audit exceeds six months after fiscal year end, a written explanation shall be provided to the Secretary of the LGC on this contract form (see the space provided on Page 7). If it becomes necessary to amend the audit fee or the date that the audit report will be submitted to the LGC, an amended contract along with a written explanation of the change shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as they relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth the Auditor's findings, together with his or her recommendations for improvement. That written report shall include all matters determined to be "significant deficiencies and material weaknesses" in accordance with AU-C §265 "Communicating Internal Control Related Matters Identified in an Audit" of GAAS. The Auditor shall file a copy of that report with the Secretary of the LGC.

For GAAS or *Government Auditing Standards* audits, if an Auditor issues an AU-C §260 report, "Auditor's Communication With Those Charged With Governance," commonly referred to as a "Governance Letter," LGC staff does not require the report to be submitted unless the Auditor cites significant findings or issues from the audit, as defined in AU-C §260 paragraphs 12 - 14. This would include issues such as difficulties encountered during the audit, significant or unusual transactions, uncorrected misstatements, matters that are difficult or contentious for which the Auditor consulted outside the engagement team and, in the Auditor's judgment, are significant and relevant to those charged with governance, and other findings or issues that the Auditor believes are significant and relevant. If matters identified during the audit were required to be reported as described in AU-C §260 paragraphs 12 - 14 and were communicated in a method other than an AU-C §260 letter, the written documentation must be submitted.

8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Approval is also required for the Alternative Compliance Examination Engagement for auditing the Coronavirus State and Local Fiscal Recovery Funds expenditures as allowed by US Treasury. Approval is not required on audit contracts and invoices for system improvements and similar services of a non-auditing nature.
9. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. This also includes any progress billings [G.S. 159-34 and 115C-447]. All invoices for audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to the Auditor to present to the Governmental Unit(s) for payment. This paragraph is not applicable to contracts for audits of hospitals.
10. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC if required, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal Single Audit Act and the State Single Audit Act. This does not include fees for any pre-issuance reviews that may be required by the North Carolina Association of Certified Public Accountants (NCACPA) Peer Review Committee or North Carolina State Board of CPA Examiners (see Paragraph 13).
11. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC Staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC Staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
12. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
13. If the audit firm is required by the Secretary of the Local Government Commission to obtain a pre-issuance review or take corrective action as a result of peer review findings or quality control deficiencies, such corrective action shall be consistent with the authority and requirements of the North Carolina State Board of Certified Public Accountant Examiners, the AICPA Peer Review Program, and established Local Government Commission practice, including the use of report addenda or other remedial measures, as appropriate.

14. In accordance with G.S. 159-34, the Finance Officer of the Unit is responsible for filing the audited financial statements with the Secretary of the Local Government Commission.

The Auditor may upload the audit report and related documents through the LGC's electronic submission system; however, submission shall not be deemed complete until the Finance Officer has reviewed and certified the submission.

The Auditor, Finance Officer, other Unit staff member designated by the Finance Officer, or a third party approved by the Unit may enter all Data Input Report information except the information on the "transmittal doc info" tab. The "transmittal doc info" tab must be completed by the Auditor.

The Finance Officer shall review, approve, and certify the accuracy and completeness of the Data Input Report (DIR) in the LGC's LOGOS system prior to LGC review, regardless of whether the DIR is prepared by the Auditor or the Unit.

Finance Officer certification is required for any corrected or revised submissions.

Finance Officer certification of the DIR shall be completed in a timely manner following notification that the DIR is ready for review and within time frames prescribed by the LGC. Failure to complete certification in a timely manner may result in the audit being considered late due to unit action rather than auditor performance.

The Auditor shall conduct the audit in accordance with generally accepted auditing standards and shall ensure that the financial statements are prepared in accordance with generally accepted accounting principles as of the fiscal year end. Budget-to-actual comparisons at the level of the legally adopted budget ordinance shall be presented in required supplementary information, separate from the basic financial statements, and shall not be included in the audit opinion. The Auditor shall confirm that such information reconciles to the financial statements and is consistent with applicable accounting guidance and any LGC reporting requirements.

The Finance Officer shall certify in a timely manner that all data inputted in LOGOS used for preparation of the financial statements and required supplementary information is complete and accurate.

For audits of units other than hospitals, the audit report should be submitted when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC. These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements and/or the compliance section, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC Staff.

15. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.
16. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing and preaudited if the change includes a change in audit fee (preaudit requirement does not apply to hospitals). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC.
17. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and except for fees, work, and terms not related to audit services, shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Paragraph 30 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.
18. Special provisions should be limited. Please list any special provisions in an attachment.
19. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in The Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the primary government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and Finance Officer also shall be included on this contract.
20. The contract shall be executed, preaudited (preaudit requirement does not apply to hospitals) and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.
21. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.
22. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

23. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

24. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

25. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

26. E-Verify. The Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if the Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.

27. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Government Auditing Standards, 2018 or 2024 Revision* (as applicable). Preparing financial statements in their entirety shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. If the Auditor cannot reduce the threats to an acceptable level, the Auditor cannot complete the audit. If the Auditor is able to reduce the threats to an acceptable level, the documentation of this determination, including the safeguards applied, must be included in the audit workpapers.

All non-attest service(s) being performed by the Auditor that are necessary to perform the audit must be identified and included in this contract. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the services and accept responsibility for the results of the services performed. If the Auditor is able to identify an individual with the appropriate SKE, the Auditor must document and include in the audit workpapers how the Auditor reached that conclusion. If the Auditor determines that an individual with the appropriate SKE cannot be identified, the Auditor cannot perform both the non-attest service(s) and the audit. See "Fees for Audit Services" page of this contract to disclose the person identified as having the appropriate SKE for the Governmental Unit.

28. **Applicable to audits with fiscal year ends of June 30, 2021 and later.** The Auditor shall present the audited financial statements including any compliance reports to the Government Unit's Governing Board or audit committee in an official meeting in open session as soon as the audited financial statements are available but not later than 45 days after the submission of the audit report to the Secretary of the LGC. The Auditor's presentation to the Governing Board or audit committee shall include:

- a) the description of each finding, including all material weaknesses and significant deficiencies, as found by the Auditor, and any other issues related to the internal controls or fiscal health of the Government Unit as disclosed in the management letter, the Single Audit or Yellow Book reports, or any other communications from the Auditor regarding internal controls as required by current auditing standards;
- b) the status of the prior year audit findings;
- c) the values of Financial Performance Indicators based on information presented in the audited financial statements; and
- d) notification to the Governing Board that the Governing Board shall develop a "Response to the Auditor's Findings, Recommendations, and Fiscal Matters," if required under Rule 20 NCAC 03 .0508.

29. Information based on the audited financial statements shall be submitted to the Secretary of the LGC through the LGC's LOGOS system, including completion of the Data Input Report (DIR). Submission is not complete and shall not be accepted by the LGC until the Finance Officer has reviewed and certified the DIR in accordance with Paragraph 14 of this contract.

30. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Paragraph 17 for clarification).

31. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and Units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/state-and-local-government-finance-division/local-government-commission/submitting-your-audit>.

32. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

33. **Applicable to audits with fiscal year ends of June 30, 2025, and later.** The Unit authorizes the LGC to grant access to the LGC's LOGOS system, including the Data Input Report (DIR), to employees of the contracted audit firm who are associated with and acting on behalf of the firm for purposes of performing audit and reporting services under this contract. Such access shall be limited to the scope necessary to perform contracted services and shall not relieve the Auditor or the Unit of their respective responsibilities under this contract.

34. Changes or edits to the text of this contract form are not permitted, except for the Secretary's authority to revise or update this contract form pursuant to LGC Rule 20 NCAC 03. 0502.

For contracts with an anticipated audit submission date exceeding six months after fiscal year end, please use this space to explain the reason for the late submission, as required by Paragraph 6 of this contract form:

FEEES FOR AUDIT SERVICES

1. For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct (as applicable) and *Government Auditing Standards, 2018 Revision*. Refer to Paragraph 27 of this contract for specific requirements. The following information must be provided by the Auditor; contracts presented to the LGC without this information will be not be approved.

Financial statements were prepared by: Auditor Governmental Unit Third Party

If applicable: The individual at the Governmental Unit designated to have the suitable skills, knowledge, and/or experience (SKE) necessary to oversee the non-attest services and accept responsibility for the results of these services:

Name:	Title and Unit / Company:	Email Address:
Sonia Johnson	Finance Officer	sjohnson@ci.swansboro.nc.us

OR Not Applicable (Identification of SKE Individual on the LGC-205 Contract is not applicable for GAAS-only audits or audits with FYEs prior to June 30, 2020.)

2. Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter but may not be included in this contract or in any invoices requiring approval of the LGC. See Paragraphs 8 and 13 for details on other allowable and excluded fees.

3. The audit fee information included in the table below for both the Primary Government Fees and the DPCU Fees (if applicable) should be reported as a specific dollar amount of audit fees for the year under this contract. If any language other than an amount is included here, the contract will be returned to the audit firm for correction.

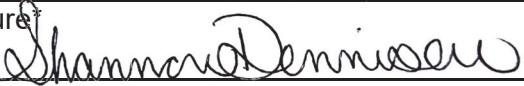
4. Prior to the submission of the completed audited financial report and applicable compliance reports subject to this contract, or to an amendment to this contract (if required) the Auditor may submit interim invoices for approval for services rendered under this contract to the Secretary of the LGC, not to exceed 75% of the billings for the Unit's last annual audit that was submitted to the Secretary of the LGC. All invoices for services rendered in an audit engagement as defined in Rule 20 NCAC .0503 shall be submitted to the Secretary of the LGC for approval before any payment is made. Payment before approval is a violation of law. (This paragraph not applicable to contracts and invoices associated with audits of hospitals).

Primary Government Unit	Town of Swansboro
Audit Fee (financial and compliance if applicable)	\$ 20,000
Fee per Major Program (if not included above)	\$ 2,500
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ 4,000
All Other Non-Attest Services	\$ n/a
TOTAL AMOUNT NOT TO EXCEED	\$ 29,000

Discretely Presented Component Unit	N/A
Audit Fee (financial and compliance if applicable)	\$ n/a
Fee per Major Program (if not included above)	\$ n/a
Additional Fees Not Included Above (if applicable):	
Financial Statement Preparation (incl. notes and RSI)	\$ n/a
All Other Non-Attest Services	\$ n/a
TOTAL AMOUNT NOT TO EXCEED	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm* Anderson Smith & Wike PLLC	
Authorized Firm Representative (typed or printed)* Shannon Dennison	Signature 
Date* 05/21/26	Email Address* sdennison@asw-cpa.com

GOVERNMENTAL UNIT

Governmental Unit* Town of Swansboro	
Date Governing Board Approved Audit Contract* (Enter date in box to right)	05/26/26
Mayor/Chairperson (typed or printed)* William Justice	Signature*
Date	Email Address* bjjustice@ci.swansboro.nc.us

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

Sum Obligated by This Transaction:	\$ 29,000
Primary Governmental Unit Finance Officer* (typed or printed) Sonia Johnson	Signature*
Date of Preaudit Certificate*	Email Address* sjohnson@ci.swansboro.nc.us

**SIGNATURE PAGE – DPCU
(complete only if applicable)**

DISCRETELY PRESENTED COMPONENT UNIT

DPCU* N/A	
Date DPCU Governing Board Approved Audit Contract* (Enter date in box to right)	
DPCU Chairperson (typed or printed)*	Signature*
Date*	Email Address*

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

DPCU – PREAUDIT CERTIFICATE

Required by G.S. 159-28(a1) or G.S. 115C-441(a1). Not applicable to hospital contracts.

This instrument has been preaudited in the manner required by The Local Government Budget and Fiscal Control Act or by The School Budget and Fiscal Control Act.

Sum Obligated by this Transaction:	\$
DPCU Finance Officer (typed or printed)*	Signature*
Date of Preaudit Certificate*	Email Address*

Remember to print this form, and obtain all required signatures prior to submission.

PRINT



ANDERSON SMITH & WIKE PLLC

Certified Public Accountants

May 21, 2026

Town of Swansboro
601 W. Corbett Ave
Swansboro, NC 28584

We are pleased to confirm our understanding of the services we are to provide for the Town of Swansboro for the year ended June 30, 2026.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, including the disclosures, which collectively comprise the basic financial statements, of Town of Swansboro as of and for the year ended June 30, 2026. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the Town of Swansboro's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the Town of Swansboro's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.
2. Budgetary Comparison Schedules, and related notes - General Fund and any other major special revenue fund with a legally adopted annual budget
3. Schedules of the Town's Proportionate Share of the Net Pension liabilities - LGERS
4. Schedules of contributions - LGERS
5. Schedule of changes in total pension liability - LEO
6. Schedule of total pension liability as a percentage of covered payroll - LEO
7. Schedule of changes in total OPEB liability and related ratios

We have also been engaged to report on supplementary information other than RSI that accompanies the Town of Swansboro's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

1. Schedule of expenditures of federal and State awards
2. Combining and individual non-major fund financial statement and budgetary schedules
3. Schedule of Ad Valorem Taxes Receivable
4. Analysis of Current Tax Levy – Town-wide Levy

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal and State statutes, regulations, and the terms and conditions of federal and State awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Guide.

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance and the State Single Audit Implementation Guide, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance and the State Single Audit Implementation Guide, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

In connection with this engagement, we may communicate with you or others via email transmission. As emails can be intercepted and read, disclosed, or otherwise used or communicated by an unintended third party, or may not be delivered to each of the parties to whom they are directed and only to such parties, we cannot guarantee or warrant that emails from us will be properly delivered and read only by the addressee. Therefore, we specifically disclaim and waive

any liability or responsibility whatsoever for interception or unintentional disclosure of emails transmitted in connection with the performance of this engagement. In that regard, you agree that we shall have no liability for any loss or damage to any person or entity resulting from the use of email transmissions, including any consequential, incidental, direct, indirect, or special damages, such as loss of revenues or anticipated profits, or disclosure or communication of confidential or proprietary information.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government’s ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We may also request written representations from your attorneys as part of the engagement.

According to GAAS, significant risks include management override of controls, and GAAS presumes that revenue recognition is a significant risk. Accordingly, we have considered these as significant risks.

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance and the State Single Audit Implementation Guide, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal and State award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance and the State Single Audit Implementation Guide.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance and the State Single Audit Implementation Guide.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Swansboro’s compliance with provisions of applicable laws, regulations, contracts,

and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance and the State Single Audit Implementation Guide requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal and State statutes, regulations, and the terms and conditions of federal and State awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the Town of Swansboro's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the Town of Swansboro's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance and the State Single Audit Implementation Guide.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal and State awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal and State awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is responsible for making drafts of financial statements, schedule of expenditures of federal and State awards, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance and the State Single Audit Implementation Guide; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal and State awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or

others. In addition, you are responsible for identifying and ensuring that the government complies with applicable regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal and State awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible for identifying all federal and State awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal and State awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance and the State Single Audit Implementation Guide. You agree to include our report on the schedule of expenditures of federal and State awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal and State awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal and State awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal and State awards no later than the date the schedule of expenditures of federal and State awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal and State awards in accordance with the Uniform Guidance and the State Single Audit Implementation Guide; (2) you believe the schedule of expenditures of federal and State awards, including its form and content, is stated fairly in accordance with the Uniform Guidance and the State Single Audit Implementation Guide; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal and State awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal and State awards, and related notes of the Town of Swansboro in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal and State awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform

any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, if required, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal and State awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse, if required. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Town of Swansboro; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Anderson Smith & Wike PLLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to an oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Anderson Smith & Wike PLLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by an oversight agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Shannon Dennison is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit in June 2026.

Our fees for the audit and financial statement preparation services will not exceed \$24,000, plus \$2,500 per major program, not to exceed \$29,000. In addition, we will bill separately, at standard hourly rates, for any assistance provided with new GASB implementation disclosures or other nonattest services requested by management that we may provide. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Our audit approach is to work closely with management and communicate frequently. The audit will require the assistance of management and staff to prepare supporting documents, schedules and analyses to be ready no later than the agreed upon dates set out in our email or other communications with management. Failure to meet these timelines or providing incomplete schedules and analyses will result in additional time and audit costs being incurred by our professional staff, who have

to reschedule their planned work due to the delay in receiving complete document requests. Should all items re not be completed on or prior to the dates specified, the Town understands that an increased fee (to be determined prior to proceeding) may be charged to compensate our firm for the incurred changes in professional staff schedules. If the delays result in an extension having to be requested, a minimum 5% fee will be added to the amended contract extension request to compensate the firm for these delays and scheduling changes.

Reporting

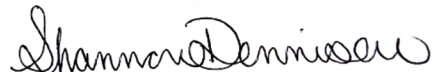
We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Town of Swansboro Commissioners. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Town of Swansboro and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign below and return it to us.

Very truly yours,

Anderson Smith & Wike PLLC



Shannon Dennison, CPA

RESPONSE:

This letter correctly sets forth the understanding of Town of Swansboro.

Finance Officer Signature: _____ Date: _____

Mayor Signature: _____ Date: _____

Report on the Firm's System of Quality Control

To the Partners of Anderson Smith & Wike, PLLC and the Peer Review Committee, Coastal Peer Review, Inc.

We have reviewed the system of quality control for the accounting and auditing practice of Anderson Smith & Wike, PLLC (the firm) in effect for the year ended March 31, 2025. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act, and an audit of an employee benefit plan.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Anderson Smith & Wike, PLLC in effect for the year ended March 31, 2025, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Anderson Smith & Wike, PLLC has received a peer review rating of *pass*.

Dean Dorton Allen Ford, PLLC
Dean Dorton Allen Ford, PLLC
August 28, 2025

**TOWN OF SWANSBORO
FINANCIAL REPORT
(AS OF APRIL 30, 2026)**

REVENUES

EXPENDITURES

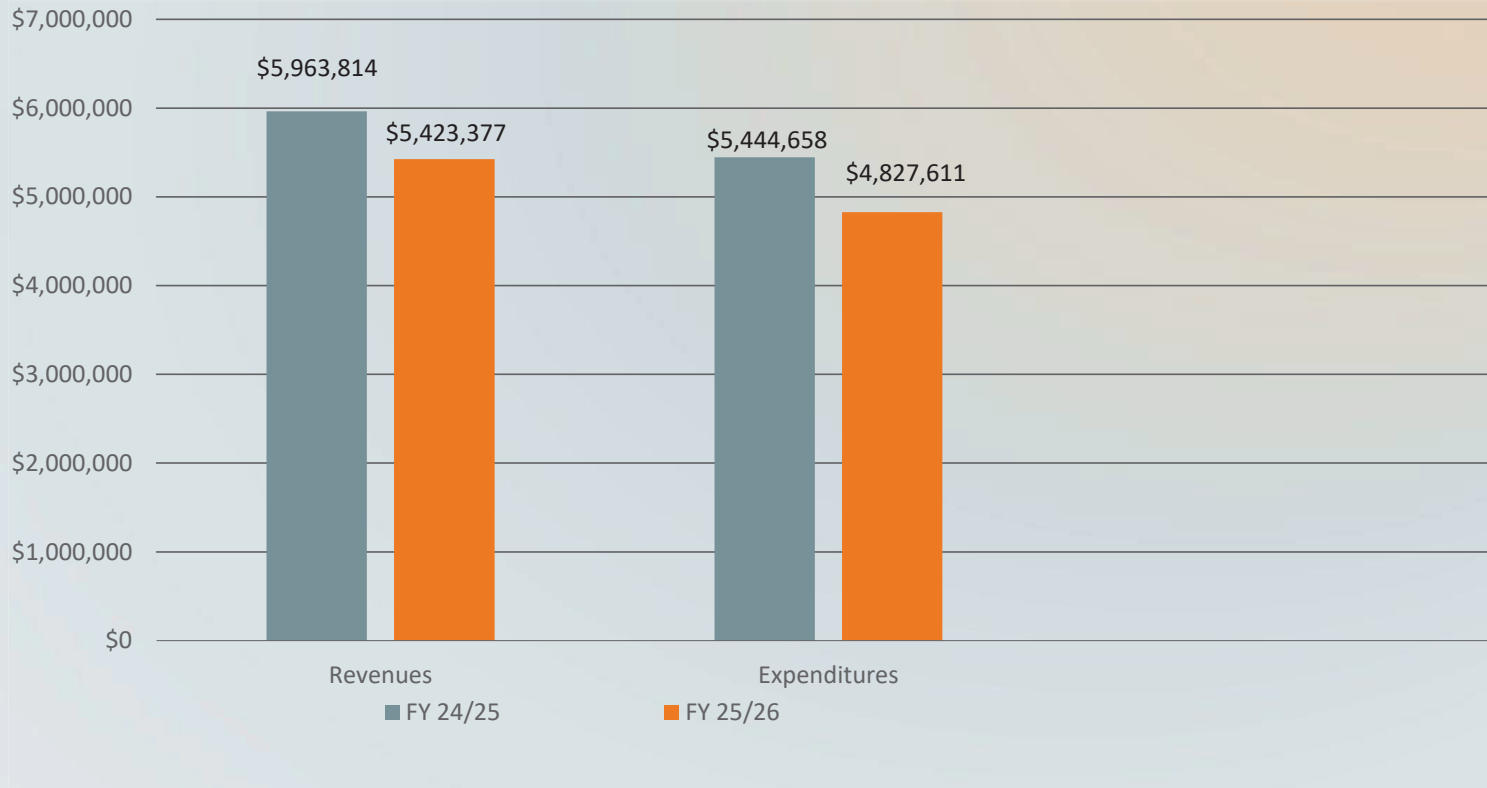
LOAN PAYMENTS

INVESTMENTS

GRANT UPDATE

**TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF APRIL 30, 2026)**

GENERAL FUND



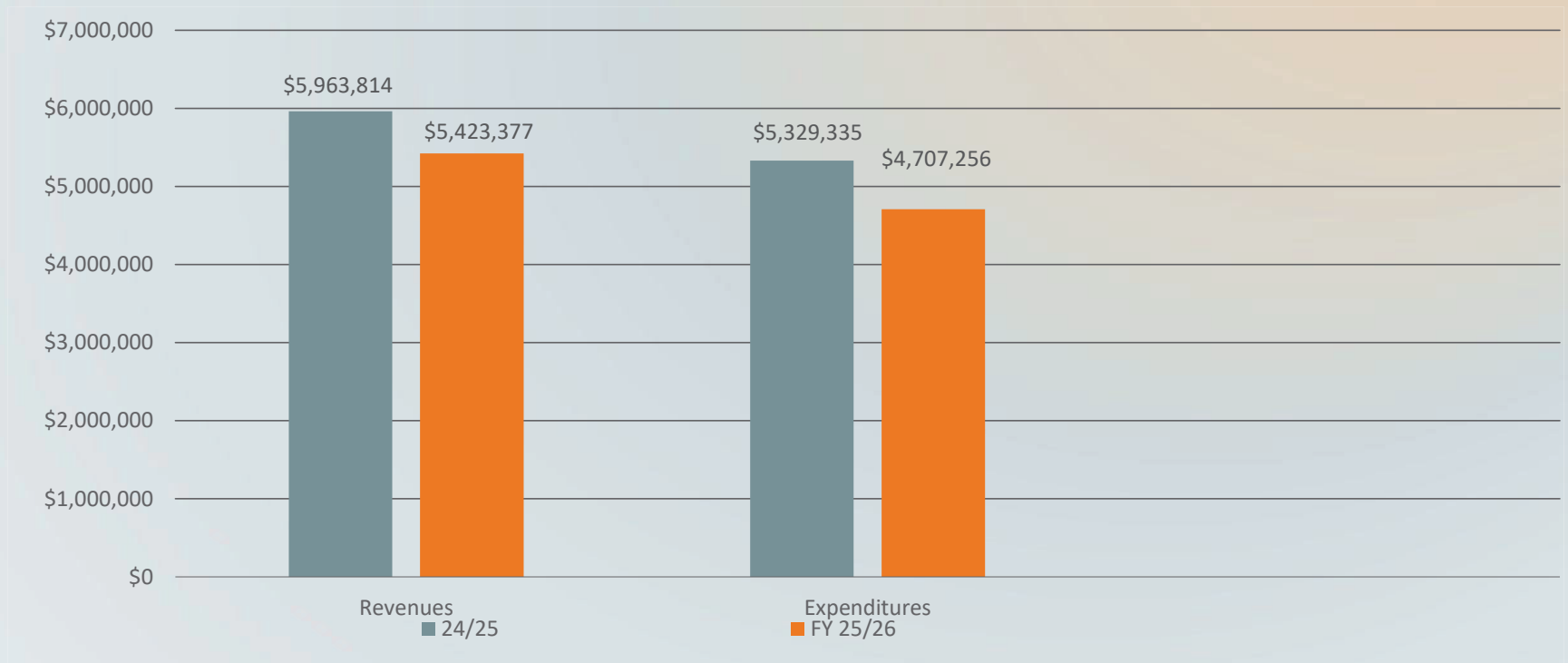
ENCUMBRANCES INCLUDED

Total Excess of Revenues Over Expenditures-\$595,766

**TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF APRIL 30, 2026)**

(ACTUAL)

GENERAL FUND

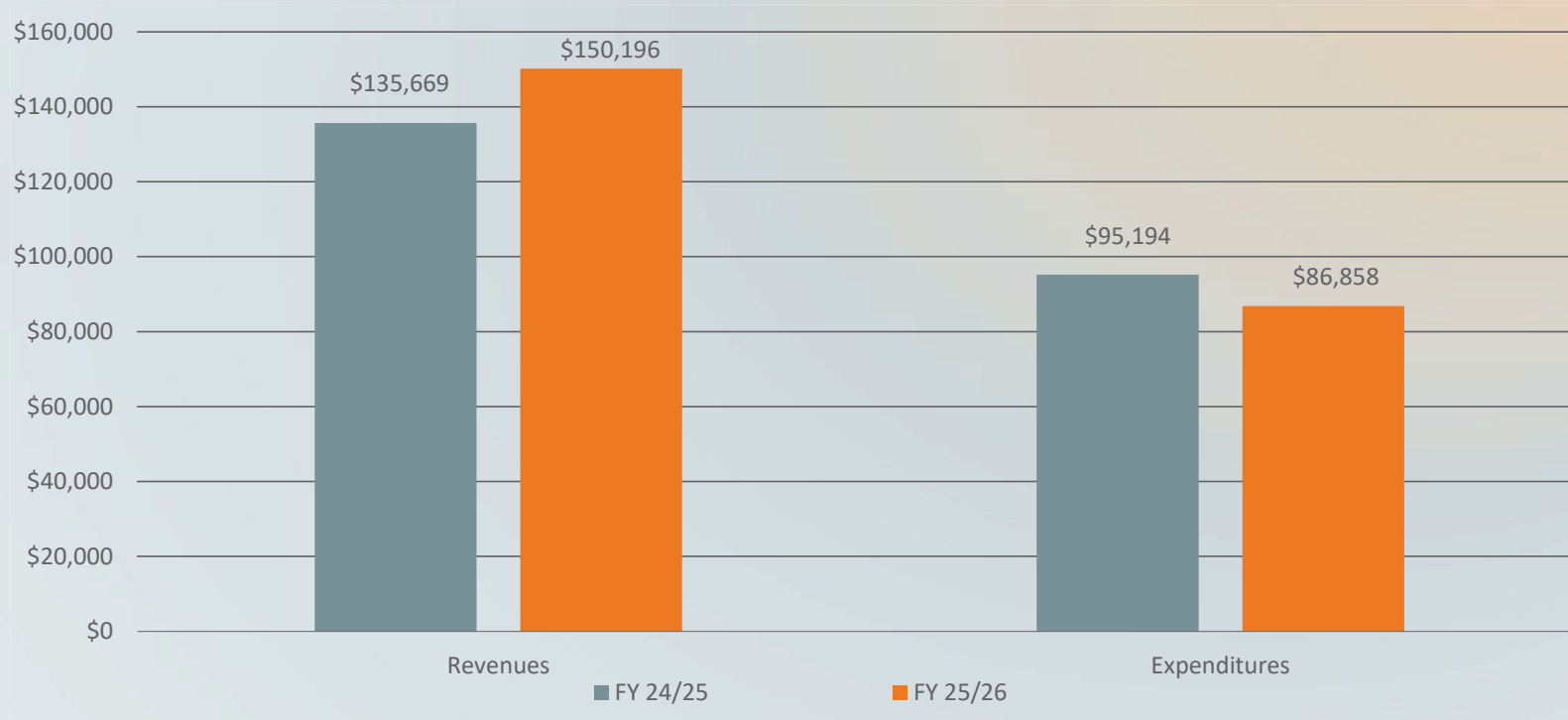


(ENCUMBRANCES NOT INCLUDED)
Total Excess of Revenues Over Expenditures- \$716,121

DEPT.	BUDGET	YTD ACTUAL	(PURCHASE ORDERS) ENCUMBERED BALANCE	SPENT % April 30, 2026
NON DEPARTMENTAL	581,365	456,999	702	78.7%
GOVERNING BODY	297,004	32,668	1,096	11.4%
ADMIN SERVICES	445,135	331,317	909	74.6%
FINANCE	345,320	252,671	3,774	74.3%
LEGAL	59,300	29,904	-	50.4%
PUBLIC BUILDINGS	303,843	234,574	9,095	80.2%
FIRE	1,607,343	1,223,442	35,561	78.3%
PERMITTING	301,128	214,225	1,825	71.7%
PLANNING	92,066	73,567	-	79.9%
POLICE	1,429,971	1,052,279	31,568	75.8%
PUBLIC WORKS-STREETS	840,983	248,108	2,734	29.8%
POWELL BILL-STREETS	126,580	89,985	331	71.4%
PARKS & RECREATION	584,936	287,208	17,495	52.1%
DOWNTOWN FACILITIES	206,211	91,961	2,466	45.8%
FESTIVALS & EVENTS	154,689	79,103	10,951	58.2%
EMERGENCY MANAGEMENT	12,000	9,244	1,850	92.5%
TOTAL	7,387,874	4,707,256	120,355	65.35%

**TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF APRIL 30, 2026)**

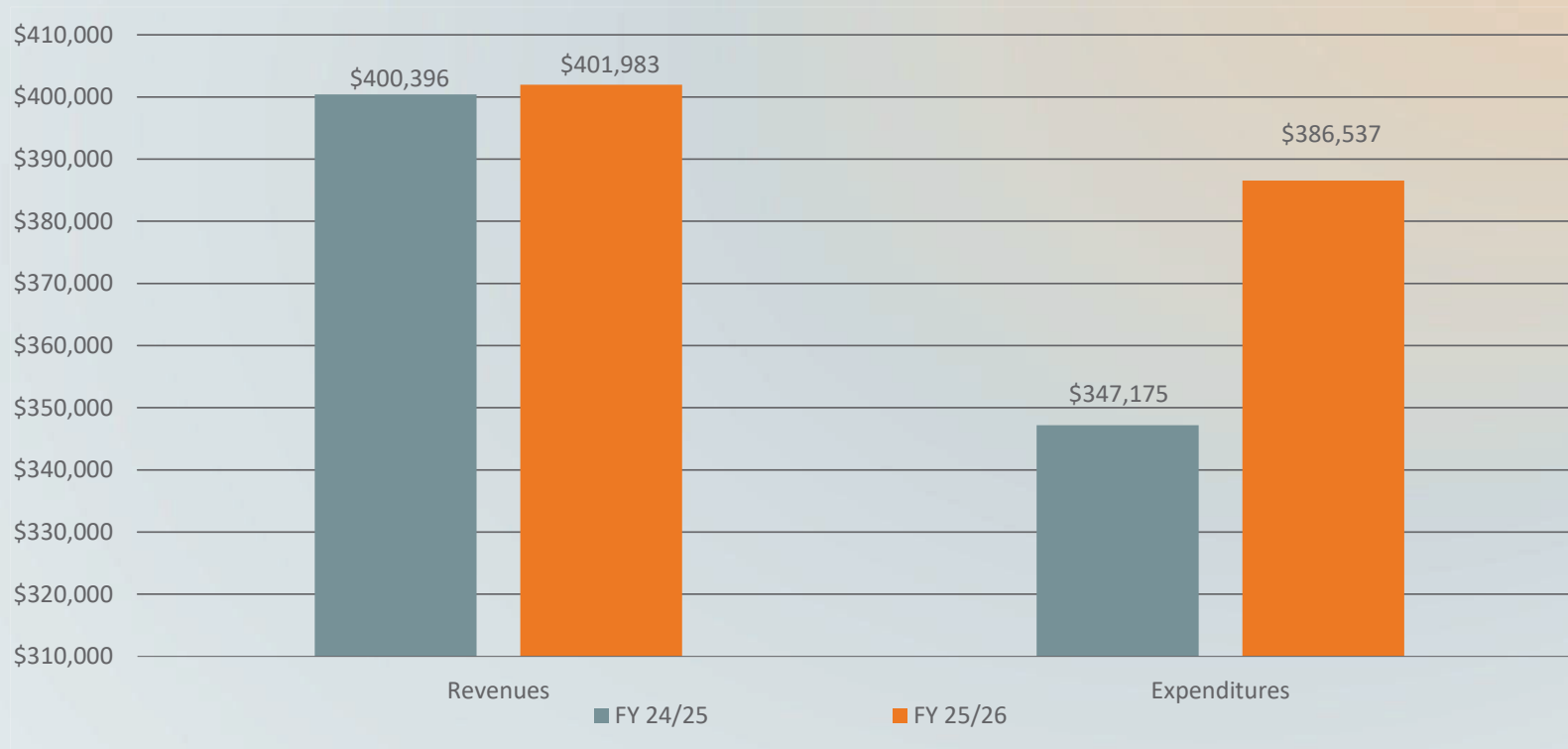
STORMWATER ENTERPRISE FUND



ENCUMBRANCES INCLUDED
Total Excess of Revenues Over Expenditures-**\$63,338**

**TOWN OF SWANSBORO
REVENUES/EXPENDITURES
TWO YEAR COMPARISON
(AS OF APRIL 30, 2026)**

SOLID WASTE ENTERPRISE FUND



ENCUMBRANCES INCLUDED

Total Excess of Revenues Over Expenditures-\$15,446

**TOWN OF SWANSBORO
LOAN REPORT
(AS OF APRIL 30, 2026)**

Item	Principal Balance	Interest Rate	End Date	Annual Debt Service
Town Hall/Tanker	\$162,847	2.69	03/21/2028	\$84,724
Fire Truck	\$46,544	2.08	11/01/2026	\$47,512
Sleeping Quarters	\$25,000	2.43	12/14/2026	\$26,823
Vehicles(Police & Fire Department) & Software	\$22,955	1.84	7/15/2026	\$23,377
Cab Tractor/Dump Truck	\$159,767	4.82	4/3/2029	\$58,491
Jet Vac Truck, Police Vehicle, (2) Fire Chief Vehicles	\$474,425	4.40	12/1/2029	\$131,934
Total Debt	\$891,538			\$372,861

**TOWN OF SWANSBORO
CASH & INVESTMENTS REPORT
(AS OF APRIL 30, 2026)**

CASH & INVESTMENTS

BANK	BALANCE	INTEREST RATE
First Citizens Bank	\$198,161	0.05%
NC CMT-General	\$6,844,705	3.55%
TD Bank (SCIF Funds for EOC & Sidewalks)	\$8,671,522	3.40%

GRANT UPDATE

	Budget	YTD Expenditures	Encumbrances	Unencumbered
American Rescue Plan Act Fund	\$1,102,599	\$1,102,599	\$0.00	\$0.00
Swansboro Bicentennial Park Boardwalk Extension	\$386,650	\$384,314	\$0.00	\$2,336
Emergency Operation Center	\$9,833,123	\$1,370,866	\$0.00	\$8,462,257
Emmerton School Repairs	\$499,000	\$439,441	\$0.00	\$59,559
Stormwater Master Plan	\$400,000	\$374,536	\$0.00	\$25,464
Main Street Dock Replacement	\$170,164	\$9,541	\$0.00	\$160,623
Total Outstanding Grants	\$12,391,536	\$3,681,297	\$0.00	\$8,710,239

Any Questions

?



Board of Commissioners Meeting Agenda Item Submittal

Item To Be Considered: **Future Agenda Topics**

Board Meeting Date: **May 26, 2026**

Prepared By: **Alissa Fender – Town Clerk**

Overview:

The purpose of this memo is to provide the Board with matters that staff anticipate/propose for upcoming meetings. It should be noted that these items are tentatively scheduled for the specified monthly agenda but are subject to change due to preparation of materials, public notice requirements, etc.

In providing this memo each month, we hope it will also provide an opportunity for the Board to introduce items of interest and subsequent direction for placement on future agendas, which will allow staff the opportunity to plan accordingly.

June 9th or 23rd

- * Board Appointments
- * Fire Service Study Update
- * Approval/Award of Bobbitt Contract for EOC/PSB
- * Public Hearing
 - o FY 2026-2027 Budget Ordinance, Tax Rate, Fee Schedule, and Salary Schedule
 - o UDO Text Amendments
- * Monthly Finance Report

July Meeting Dates

14th & 28th

Future Agenda Items

- * Waterfront Access and Development Plan (*review/revision considerations*)
- * Community Presentations (*ongoing monthly*)
- * DOD Grant (*anticipated award date, August 12th*)
- * EMS Plan (*ongoing*)
- * Presentation – Proposal for Heritage Center Museum in Emmerton School Building
- * Senate Bill 382 Down Zoning review
- * Onslow County Fire Contract/Strategic Planning
- * Historic Preservation enforcement
- * Skatepark Update
- * Lease agreements for 502 W. Church Street (Emmerton School/Old Town Hall)
- * Flood Ordinance Updates
- * Sidewalk Priorities Project Update

PROJECTS REPORT

Town Projects/Initiatives Update

May 2026

Submitted By: Jon Barlow, Town Manager

This report is an on-going list of Town projects/Initiatives. New information received since the previous report is provided in **green**. Items will be removed after noting their completion.

Public Safety Building Restoration/Relocation Planning Project/ Swansboro Alternate Emergency Operations Center (Swansboro United Methodist Church-SUMC)

Details from previous reports have been removed as I believe it's the Board's desire to further investigate options for the Emergency Operations Center (EOC) based on conversation from the September 27, 2021, meeting. Specifically, whether a regional facility or partnership with other neighboring jurisdictions that may have a structure that would provide a higher level of protection was possible. It has also been noted that conversation could be had with other local facilities in Swansboro that have buildings with a higher level of protection for space utilization.

The Town has an agreement in place with the SUMC should it be needed on preparatory measures. Public Safety staff and former Manger Seaberg visited the location at SUMC to verify the areas for town use, if needed, and to ensure communications would be available. The structure provides the structural integrity needed but communications during a storm while in the interior rooms would be difficult. Deputy EOC Coordinator/ Chief Degnan shared with me that arrangements for an antenna through Verizon or ATT would be needed. Board members met on December 9 to tour the SUMC site.

A more in-depth discussion with Chief Degnan, Chief Jackson, and Sonia Johnson regarding Public Safety Building Restorations will be had in the near future.

During the Board's Planning Retreat March 2, the Board agreed that the Manager would identify a committee and share that with the Board.

Ten people have been identified as the committee:

Chief Degnan	Chief Jackson	Paula Webb	Jennifer Ansell
Alex Wood, PE	Dusty Rhodes	Larry Philpott	Russ Davis
Alissa Fender	Laurent Meilleur, PLB Rep		

I hope to arrange our first meeting in the last week of March.

Committee established 4/11 with the addition of Commissioner Conaway, Jr Freeman, and Roy Herrick. The Board of Commissioners held special joint meeting with the committee on 4/14 to give purpose and expectations.

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The Committee has met twice with a unanimous consensus gained immediately to proceed with building our own EOC in town, to create a safe place for employees to stand up during emergency operations. Onslow County is no longer interested in a partnership to build a substation since they purchased and are operating the Freedom Way station. Committee members will be making site visits on May 25th and then proceeding to develop an RFP for architect/engineer.

Additional EOC Committee membership changes include removing Russ Davis and Alex Wood; adding Brenda Pugliese, Ed McHale and Jonathan McDaniels.

Board discussion on a written action plan and timeline recommended by Mayor Pro Tem Tursi to be held June 27. The committee will re-convene its meetings once that discussion has occurred.

BOC Action Plan distributed to Committee, site discussions, and draft RFQ provided/discussed July 13, 2022.

Consultant Requests for Qualifications sent out August 9, 2022, to six different firms and was located on the website. Five proposals were received on 9/9. The EOC Committee created an interview panel at its 9/14 meeting and determined an interview schedule, draft questions etc. Once the panel decides on three proposals, interviews will be scheduled.

The interview panel consisting of Larry Philpott, Paula Webb, Chief Degnan, Dusty Rhodes, Jonathan McDaniels, and Brenda Pugliese interviewed three firms on 10/18/2022. The Interview Team will share its recommendation with the full EOC Committee on 10/26/22 and then that recommendation will be forthcoming to the BOC 11/14/22.

The Board of Commissioners selected Becker Morgan as the consulting architectural firm at its November 14, 2022, meeting.

Commissioner Philpott, Conaway and the Manager met in early December with Becker Morgan to review the Board's Action Plan for the EOC/PSB. A tour of our current facilities and potential sites was also made. The contract for the feasibility study was approved on January 9, 2023. Becker Morgan met with EOC Committee on January 12th for introductions and Q&A. Representatives also made additional site visits on January 18, 2023. Staff continuing meetings with Becker Morgan until more details are developed for committee review.

Staff continue to work with Becker Morgan on the feasibility study which we hope to present back to the committee in April.

Ernie Olds/Becker Morgan gave a report to include three options to the committee on April 19. Ernie will firm up the options discussed by the committee and share with the staff. The staff met with Becker Morgan again and BM was to firm up the report per discussions and share final deliverable with the Committee for recommendation to the Board of Commissioners.

The final draft feasibility study was presented to the committee on June 21st. The Committee made some suggested clarification points that Becker Morgan incorporated and then the report was forwarded onto the Board of Commissioners in July 2023. The study included four options that

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captured space needs in differing ways. In all options the EOC will be designed as a highly secure and hardened facility capable of resisting Category 4 hurricane conditions.

Option A is a concept that identifies all the critical functions of each department and places them in a new secure building or in the more recent additions that do meet code. The remaining existing spaces would largely be used for less critical functions such as physical fitness, storage, and minor work areas. This option should provide the least costly alternative while improving safety and addressing the EOC component fully. This option would include certain structural, and exterior envelop enhancements to the existing, original metal building frame housing fire apparatus. Such enhancements cannot bring the original building to current standards but would extend the utility of the present structure to a future date. Option A – \$4.9M in building construction, renovation and demolition costs, 13,658 usable square footage. Site improvements of \$500,000; additional/potential costs of \$374,000 and soft cost of \$540,000. Total budget range (+/- 15%) = \$5.4M to \$7.3M.

Option B is a concept to build a new facility in place of the present Public Safety Facility. This would require demolishing the existing facility and building back a new freestanding building at the same location. This building would incorporate all the needs of each department. Phasing or providing temporary quarters might have to be considered to maintain continuous operations. This option should provide the middle ground in terms of costs as existing utilities, pavements, and stormwater management features are largely in place and adequate. Option B – \$8.8M in building construction, renovation, demolition, and temporary quarters costs, 14,788 usable square footage. Site improvements of \$500,000; additional/potential costs of \$433,000 and soft cost of \$913,000. Total budget range (+/- 15%) = \$9.2M to \$12.5M.

Option C is a concept that also builds a new facility, however, investigates using another location on the town owned site. This eliminates the need to provide temporary quarters or the acquisition of new land while maintaining continuous operation at the existing facility. Once the newly constructed facility is complete, operations can be relocated from the existing building and the building can be demolished or repurposed. This option should also provide middle ground in terms of costs, but may require extension or improvements to existing utilities, and pavements. Option C – \$8.8M in building construction, renovation and demolition costs, 14,788 usable square footage. Site improvements of \$750,000; additional/potential costs of \$376,000 and soft cost of \$922,000. Total budget range (+/- 15%) = \$9.3M to \$12.6M.

Option D is a concept that provides a new free-standing building that incorporates all the needs of each department. Option D would be constructed on a 'greenfield' site, an off-campus location. This option is likely the costliest. Careful consideration will need to be given to site selection regarding impacts and expenses of land acquisition, utilities, drainage, flood plain and emergency response times in addition to the concerns noted previously in the New Site section. Option D – \$8.8M in building construction and renovation costs, 14,788 usable square footage. Site improvements of \$1,500,000; additional/potential costs of \$403,000 and soft cost of \$1.02M. Total budget range (+/- 15%) = \$9.9M to \$13.4M.

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Note, the budget summary does not include land acquisition. Page 11 Swansboro Public Safety Building Feasibility Report – June 2023

The initial expectations for full project costs are in the range of \$5 - 14 million. It will be the Town's obligation to secure funding, administer design and construction above the \$6 million identified and available. The Town may obligate taxpayers through bonds, capital improvements program, or other means. Loans from the U.S. Department of Agriculture are available for up to 40-year terms with no down payment required. Other grants may also be available through the Golden Leaf Foundation, FEMA, and other state or federal sources.

On August 14th, Chairman Philpott gave a briefing on finance options. Due to the length of the meeting, the briefing was added to the August 28th agenda. The Board was asked to provide a firm option selection so that the design schematic and site analysis can be done. Option C was selected, and the staff was asked to layout the design on the ground for better visibility at a future meeting.

At the direction of the Board in July, the Manager forwarded an additional funding request to our local legislative delegation. In September, we learned that the Town was awarded an additional \$3 million dollars toward this project in the state budget adoption.

Becker Morgan provided a *preliminary* exterior design schematic for Option C and that layout was mapped out on the ground for visibility on October 23rd. Becker Morgan has also provided a professional services agreement for the next phase – Design and Construction totaling \$840,500, which is approximately 8% of the estimated building and site construction costs. Authorization for the Manager to proceed was requested October 23rd.

On January 23, 2024, the BOC appointed Keith Walsh as Chairman of the newly recreated EOC/PSB site selection Committee. Mr. Walsh was tasked with identifying potential candidates to serve on the committee to the BOC for consideration. On February 12, 2024, the BOC appointed Roy Herrick, Junior Freeman, Doug Eckendorf, and Melissa Anderson as committee appointees. The newly formed committee conducted its first meeting in February 19, 2024. The committee intends to meet every Monday at 5 pm until a new site is secured.

- EOC/PSB site committee developed a site solicitation packet.
 - 6 entries were submitted by the deadline of May 15, 2024, and 1 after the deadline. 6 entries were eliminated at that time.
 - The property beside the Rotary was the only site remaining from packet entries.
 - *Town engineer researching ingress/egress concerns.
- The EOC/PSB Committee is in the process of developing a portfolio to highlight the work done to date. The portfolio will include the Feasibility Report prepared by Beaker Morgan dated 6/28/2023, a timeline to complete the project, Rotary property maps, and Rotary wetland survey maps.
- Additionally, it will include information on the Design/Build construction option, and a model RFP that will seek proposals from potential construction firms.

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- On 10/14/24 the EOC Committee voted in favor of making a recommendation to the BOC to make an offer to purchase a 5-acre tract of land adjacent to and owned by the Rotary.
- On December 5, 2025, the TOS acquired 5 acres of property located at 768 W. Corbett Ave. for the future EOC/PSB site. The purchase price was \$1.3 million.
- On the January 13, 2026, BOC regular meeting the Land Acquisition Committee was dissolved since its original purpose was satisfied. A resolution formalizing this action will be presented at the January 27, 2026, BOC meeting.
- On the January 27, 2026, BOC regular meeting, the Town Manager requested and received BOC authorization to enter into contract negotiation with Bobbitt for the Design-Build of the EOC/PSB.
- The Town Manager advised the BOC of the grant agreement (#1347) in the amount of \$3 million to be used towards this project is set to expire on June 30, 2026, without any grant extension.
- Construction Project Advisor RPQ's were received April 15, 2026. Upon review of the 4 submittals, 2 firms were chosen to conduct in-person interviews. Both Cumming Group and MBP are based in Raleigh and have vast local government project advisory experience in eastern NC. A recommendation to the BOC should be ready on May 12, 2026.

NC DCM Resilient Coastal Communities Program (RCCP) Grant

On March 17, 2021, the North Carolina Department of Environmental Quality's Division of Coastal Management awarded their first round of RCCP Grant funding. The Town of Swansboro was competitive enough to receive one of the grants. The intent of the grant is to fund efforts in four key phases in their Coastal Communities Resiliency Program:

1. Community Engagement and Risk & Vulnerability Assessment
2. Planning, Project Selection and Prioritization
3. Project Engineering and Design
4. Project Implementation

Through our efforts in the 2019 CAMA Land Use Plan update, Swansboro has effectively covered most of the parameters for phases 1 and 2. This grant will assist in finishing the remaining requirements under phases 1 & 2 so we may move forward with the final 2 phases. Applications for Phases 3 & 4 is expected to be due by the end of this calendar year.

Dewberry, Beth Smyre hosted the first RCCP Committee meeting November 17, 2021, at Town Hall. The committee identified several areas that better planning (resilience) was needed but narrowed the list to the top priorities being stormwater mapping and generator power for schools/nursing homes. The complete list included:

- Disaster Recovery (generators for nursing homes, and schools)
- Stormwater Management/Mapping
- Climate Change
- Hurricane Response/Evacuation
- King Tide Levels

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A community engagement meeting was held on Wednesday, February 23, 2022, from 4-6pm at Town Hall. A community input survey is available from the Town website, at Town Hall and the Swansboro Branch Library through March 9, 2022. The Committee met again on Monday 3/21. Beth shared that 89-online surveys were received and 6 hard copies. Flooding was the number one concern. The committee revisited the original spreadsheet and still identified stormwater mapping as the top priority for the portfolio. Other items still identified but categorized with stormwater mapping were Halls Creek and Hawkins Creek Restoration, development of a wetland restoration plan, and a public education campaign. Development of the portfolio readies the Town for phase 3 – applying for engineer funding, and phase 4 implementation.

On April 4, NCDCM released the Request for Applications for Phase 3 of the Resilient Coastal Communities Program - applications are due June 3.

Our consultant Beth Smyre shares that NCDCM clarified that the focus of the Phase 3 program is on projects with a natural or nature-based component; this can include projects such as green infrastructure improvements, wetland or stream restoration, or living shorelines. Infrastructure mapping, such as Project #1 of our project portfolio, would not be eligible for funding under Phase 3. Therefore, she recommended that we focus your Phase 3 application on either the Halls Creek or Hawkins Creek stream restoration efforts. As Mayor Pro Tem Tursi graciously explained to her, a stream restoration project would be far more complicated scientifically and more expensive. It is doubtful, with all the other projects we have in the works on top of budget preparation, staff would have time to put together a viable application. I did share with her that we do have the Water Street Project (with engineered drawings in hand). She reviewed the plans and is checking with NCDCM to see if this project would qualify.

Beth Smyrna/Dewberry is scheduled to provide an update to the Board May 23, 2022, for Phase 2. We had originally hoped that stormwater mapping would qualify for the next phase, but we are told it does not. Phase 3 includes engineering/design – application deadline early June. Planner Jennifer Ansell and Public Works Director Tank Bates participated in a teleconference this week to seek other opportunities for stormwater mapping. The Town does have engineered plans for the Water Street Rehabilitation and could submit this project for Phase 4 funding. It is noted that the Water Street Rehabilitation project was estimated to cost \$215,000 in 2018. Phase 4 anticipated average funding level: \$45,000 per project, so contribution on the Town's part would be required.

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RCCP Project Portfolio

Project No.	Title	NNBS?
1	Stormwater Mapping	
2	Halls Creek Stream Restoration	Yes
3	Hawkins Creek Stream Restoration	Yes
4	Water Street Rehabilitation	Yes
5	Townwide Wetland Restoration Plan	Yes
6	Public Engagement and Education Campaign	
7	Resize NC 24 Culvert	

6 Swansboro Board of Commissioners Meeting May 23, 2022 Dewberry

As directed during the May 23 regular meeting, and with assistance from Withers and Ravenel, Staff was able to meet the June 3 Phase 3 application deadline for Engineering/Design. If awarded, we could receive up to \$45,000 to design/engineer bio retention areas along Broad Street prior to entering Water Street.

RCCP Phase 3 - \$45,000 was awarded to the Town on July 13, 2022, for the design/engineering of the bioretention swells along Broad Street that will assist in the rehabilitation for Water Street. We expect the design by March 2023. Following two meetings with the Board of Commissioners and the Public in May, the final deliverables were submitted on May 31, 2023, to NCDENR meeting the grant phase deadline.

RCCP Phase 4 – Construction Applications due April 28th. We were disappointed to learn there was only \$1,000,000 to award. Withers and Ravenel reviewing the application and our project criteria. The grant application was submitted to NCDENR on April 28, 2023. Total grant amount \$441,200 (Grant amount requested \$238,220, Local Match \$203,000)

The Town received notification on July 26, 2023, that we were not selected for funding for this phase. We knew at application that the construction phase was under-funded. In conversation with Withers and Ravenel, who assisted with the grant preparation, there are other funding sources we can look for. Steve Marks shared, "...the state has training opportunities the next couple weeks for grants this fall. Same program as the LASII planning grant, but construction projects are potentially eligible. The funding source is unclear at this moment, but DWI is proceeding as though they'll have money for the program. DWI offers low/no interest loans with possible principal forgiveness for green infrastructure projects. It's likely with the addition of the bioretention cells that this would qualify. Also, Golden LEAF could potentially be interested in the project too. Right now, their funding cap is \$250k so that would essentially cover what we were hoping RCCP P4 would fund." We will work with Withers and Ravenel for future funding opportunities.

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August 2020 - NC State Historic Preservation Office Florence and Michael ESHPF Hurricane Disaster Relief Grant – Emmerton School:

The Town submitted an Emergency Supplemental Historic Preservation Fund (ESHPF) Hurricane Disaster Relief application for Emmerton School (AKA Old Town Hall) located at 502 Church Street for remaining Hurricane Florence damage repairs and resiliency measures for future events. The grant request is in the amount of \$424,000 and is established as a 100% reimbursable grant.

We will use the funds for the following projects:

1. Tuck Pointing of the interior and exterior bricks to help stop the water penetration that occurs. This would also include the application of a sealant to the exterior brick.
2. Repair the extensive damage of the crumbling brick work above the south front door and other interior walls.
3. Historic Ceiling repair and repainting – Even though there is a new roof on the facility, some moisture did seep in sometime after the temporary fixes were installed.
4. The installation of a Centralized Dehumidification System
5. Window and Door repairs/replacing/storm proofing – there are a total of 81 windows and doors that are included in this request.
6. Electrical wiring repairs
7. Soffit repairs from Hurricane Florence damages
8. Sealing the crawl space
9. Attic Insulation

We were notified on January 14, 2021, that our application for Emmerton School was awarded 100% funding (\$424,000). Please note that grant activities may not take place until the Grant Contract has been signed. We expect to receive the proposed grant contract in November 2021 and hope to have a quick turnaround on it. Once executed, we can move forward on the 9 action items listed above. **The listed deadline for completion for this project is September 30, 2023,** but are hoping, due to granting agency delays, that extensions may be available if needed.

On 12/1/21, received notification that NCDCCR is drafting a subgrant agreement. The National Park Service has given clearance to begin the project. A budget amendment accepting \$424K was approved on January 10, 2022. The final agreement has now been executed. The project startup meeting has occurred, and the Manager and Planner will begin working with NCDCCR to identify contractors qualified for the work. Staff are preparing a draft RFP, which will then have to be reviewed by the Historic Preservation office before being sent out.

A Request for Qualifications for the Emmerton School Project was approved by the state and submitted on Wednesday afternoon. The deadline for submittals is July 22, 2022.

Four RFQ's were received for construction and are under review by the state. Staff reviewed and provided its comments to the state and a joint interview will be held once the state is ready.

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State Historic representatives and staff will hold interviews with three architectural firms on September 27th.

Following interviews, David Gall Architectural Firm out of Winston Salem was selected. Mr. Gall has already made a couple of site visits and is already working on remediation plans.

The Town, the State Historic Preservation Office and Mr. Gall are still working on contract details. Mr. Gall also had emergency knee surgery during the holidays.

In follow-up with the State last week, the legal team is putting final edits together on the contract with Mr. Gall.

Due to a family medical issue, Mr. Gall contacted the Town on 3/20/23 to decline the contract. I have emailed the State Historic Preservation Office regarding this setback and will share the plan to move forward once we have a chance to discuss it as a group.

Stature Engineering was interviewed on April 10th and selected to complete the work. SHPO working on contract language with Stature Engineering. The contract was executed mid-June, and the engineer has begun his work. Mid-October 2023, Stature Engineering completed 45% of the Schematic Design documents and 100% of the Brick-and-Mortar Sampling and Testing.

On November 1, 2023, Stature Engineering, Staff, and the State Historic Preservation Office met to hold a bid review meeting, and Watertight Systems, Inc. was selected to perform the masonry repairs. The contract was executed early December. The required Quarterly Report for the grant was submitted in early January. Stature Engineering is currently in the process of submitting drawings for window, door, soffit, and interior repair to SHPO for approval.

In February 2024, the engineer's drawings for the window, door, soffit, and interior repairs were approved by SHPO and sent out to bid. On February 28, 2024, Watertight Systems, Inc. performed sample mortar removal and replacement to the site. Staff, the engineer, and SHPO met onsite on March 20, 2024, to review and approve samples. Masonry work began on March 26, 2024, and is still in process. The approved plans are currently out for bid.

Staff, the engineer, and SHPO met onsite on May 23, 2024, to review the progress of the masonry work. SHPO representative discussed options on the progress of masonry work with the engineer.

Staff, engineer, and SHPO had a Teams meeting on June 4, 2024, to discuss remaining budget estimate/ availability of funds for site drainage improvements and other scope of work window, door, soffit, and interior repair. Option 2 was chosen.

Remaining Funds for Site Drainage Improvements (Option 2)

\$314,225	Estimate of remaining funds prior to window/soffit/interior bid
-\$209,000	Base Bid and all Add Alternates except #5 Painting Metal Ceiling Panels
<u>\$ 105,225</u>	Estimate of Remaining Funds for Site Drainage Improvement *

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Staff, Stature Engineer, and SHPO met on site on June 13, 2024, to review progress of masonry work.

June 13, 2024, SHPO stated that upon review, they had concluded that the proposed French Drain installation work would meet the Secretary of Interior Standards and will not adversely affect the National Register-listed property. Engineer met with contractors to begin bids for the French Drain.

June 18, 2024, the NC Historical Commission meet and discussed recommendations for reallocation of available funds of the Emergency Supplemental Historic Preservation Fund (ESHPPF). This was due to the fact that some projects sustained greater damage than expected and budgetary inflation was present as well as an increase in the scope of work. The Commission voted unanimously to accept the staff's recommendation and the funding reallocation for our grant was officially decided in the amount of \$75,000.

On July 8, 2024, the masonry and all required improvements from the SHPO work were completed.

July 12, 2024, Stature Engineering, Staff, and the State Historic Preservation Office selected Carolina EarthWerx LLC to preform French drain installation.

July 18, 2024, a modified Contract with Watertight System, Inc was signed to include Prosoco OH100 stone hardener to interior brick.

Stature Engineering, Staff, and the State Historic Preservation Office met to hold a bid review meeting and Harp Builders, Inc was selected. July 22, 2024, a contract with Harp Builders was signed to preform historic restoration on exterior windows and Ceiling panels, install storm windows and missing attic insulation.

The required Quarterly Report Apr.1- Jun. 30 for the grant was submitted early July.

August 19, 2024, the modified grant contract was signed to modify the period of performance, the amount of grant funds awarded, and adjust the scope of work.

A contract with Carolina EarthWerx, LLC was signed to install the French drain.

Hurricane Grant Specialist Annette Stone informed the town that an easement would need to be established to preserve the historic structure, with the state expected to provide a draft of the easement in the first quarter of 2025.

October 11, 2024, both preconstruction meetings fell through.

- Trench contractor - has been working relief efforts in the mountains. Correspondence just slipped through the cracks with him.
- The interior contractor - had an accident and spent some time in the hospital over the weekend. He wasn't up for traveling for meeting.

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EB Pannkuk and Staff meet onsite for a pre-construction meeting on October 31, 2024, with Harper Builders and EarthWerx.

- The windows and interior construction are expected to begin around the first week of December and is estimated to be completed within 90 days.
- French drain is also scheduled to begin the first week of December and is estimated to be completed within 21 days.

It is expected that Watertight will begin working on the stone hardener in November, but the drawings are being updated before they can move forward.

Staff, Stature Engineer, and SHPO met on site on Dec 5, 2024, to monitor progress to the French drain installation, and Stone Hardner in the interior of the building. While on-site SHPO representatives and Stature Engineer discussed a change order to provide and install 6" diameter schedule 40 PVC at existing roof down spouts. The scope of work will be 204' of PCV line below grade in the current French drain trench. This drain will be connected to eight existing down spouts. The original contract pricing was \$27,998 + \$8,426.27 (6" PVC change order) totaling \$36,424.27 for the project value. The modified contract was signed on December 10, 2024

- Watertight had a delay in obtaining supplies and started work early December and completed the Stone Hardner on Dec 5, 2024
- EarthWerx completed the French drain to include the change order work for the 6" PVC on December 13, 2024
- Watertight completed interior repointing on January 7, 2025
- Harp Builders are scheduled to start the interior repairs on January 15, 2025

January 29, 2025, Staff, Stature engineer, Triple H Carpentry (sub-contractors) and SHPO met on-site to monitor the ongoing work and review the mockups of exterior repairs, and the interior masonry completed repairs.

February 7, 2025, construction project signage was displayed in front of Emmerton School to announce the "Emmerton School Historic Masonry Repair Project."

February 27, 2025, a contract modification with Stature Engineering was signed to add 10 additional construction observation visits in addition to the originally proposed number of 5 construction observations for a total of 15 construction observations for a price of \$15,000.00

March 6, 2025, staff, Triple H Carpentry and West Windows met to discuss storm windows and what materials and designs they were looking for installation. The information discussed will be sent to the engineer by Triple H.

March 11, 2025, staff, Mike Keel from Harp Builders, and Roy Fish from Triple H met for a walk through of the windows they have completed to date and further discuss storm windows. It will be necessary for them to conduct further research in order to make a suitable choice.

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March 17, 2025, a contract modification with Harp Builders was signed to add the following scope of work:

- Add additional structure to the corners of three soffits where the original structure has deteriorated, attach T&G soffit boards and paint T&G soffit. (\$6,083.48)
- Additional labor, materials, and equipment to replace 15 rusted metal ceiling panels. (\$9,348.28)
- Replace and locking mechanisms on window sashes, the locking mechanisms are all rusted and non-operable. (\$1,434.74)
 - o Total amount for this contract modification \$16,866.50

April 2, 2025, Staff Stature Engineer, Tripple H (sub-contractor) and SHPO met on-site to monitor the ongoing work with windows and doors and discussed storm windows and specs they are looking for and review completed work.

May 6, 2025, Staff Stature Engineer, Tripple H (sub-contractor) and SHPO met on-site to monitor the ongoing work. Approximately 75% of the windows have been repaired and reinstalled. Storm windows sample was denied. SHPO discussed with engineer and contractor about sourcing suitable storm sash. CorrVerter has been applied to the underside of metal ceiling panels. The required Quarterly Report for the grant was submitted on April 14, 2025.

July 1, 2025, staff, Stature Engineer, Triple H (sub-contractor), and SHPO met on-site to monitor ongoing work. The metal ceiling panels on the museum side are complete, with the exception of the artifact storage room, which is scheduled for completion by the end of July. Work on the auditorium ceiling is expected to begin in mid-July.

All window repair/installations have been completed. Triple H is developing a storm window mock-up for SHPO's review and approval.

The required Quarterly Report for the grant was submitted on July 7, 2025.

August 28, 2025, Staff, Stature Engineer, Triple H (sub-contractor), and (SHPO) conducted an on-site visit to monitor the progress of ongoing work.

- Adjustments were made to both insulation and window installations to ensure compliance with project requirements and preservation standards.
- A final decision was reached regarding the installation of storm windows, ensuring compliance with SHPO guidelines and project goals.

September 15, 2025: Staff members, Mr. Dan Becker, Grants Manager, and Ms. Annette Stone, Grant Specialist, conducted an on-site visit to review program progress and provide technical assistance for the Emergency Supplemental Historic Preservation Fund (ESHPPF) grant. Areas reviewed included procedures and documentation in the areas of conformity with the approved application, general administration, financial management, procurement, and contractors. Based

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on the sample program materials tested, the program files and supporting documentation that are in the Town of Swansboro's grant records are in good order.

The required state minimum reporting for Emmerton School Repairs FY 2024-2025 was submitted on September 25, 2025.

The required Quarterly Report for the grant was submitted on October 2, 2025.

October 9, 2025, Storm windows were delivered to Emmerton School. Triple H estimates that installation will begin in early November.

December 2, 2025, Staff, Stature Engineer, Triple H (sub-contractor), and (SHPO) conducted an on-site visit to monitor the progress of ongoing work. The following was reviewed and addressed:

- Of the 52 storm windows installed, a total of 8 will need to be replaced due to damage upon arrival and incorrect sizing. Triple H (subcontractor) has reordered the replacement storm windows, with an estimated arrival in late December.
- Wood panels between windows will need to be sanded and repainted.
- All storm windows installed require final adjustment to level and seat properly in the frames.
- Attic work incomplete; additional converter application required.

The required Quarterly Report for the grant was submitted on January 15, 2026

February 26, 2026, staff, Stature Engineer, Harp, Triple H (subcontractor), and SHPO conducted an on-site visit to review and approve completed work related to window restoration, ceiling panels, Corr Verter application, and attic insulation. The reviewed work was approved as meeting the required standards at the time of inspection.

The project is expected to be completed by August 30, 2026. The remaining work includes repairing and replacing select doors and painting the ceiling panels. These final items are being coordinated to wrap up and close out the project.

The required Quarterly Report for the grant was submitted on April 20, 2026.

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Sidewalk Projects

Sidewalk Priority Project List updated and reordered By BOC as of August 27, 2024



- Location: Main St. Extension from One Harbor Church to Old Hammock Road, then Old Hammock Road to High-Speed Gear
- Easements: NOT obtained
- Design or survey work Complete
- Estimated Sidewalk Length: 2,008 FT



- Location: Southside Hwy. 24 from Walmart to Queens Creek Road Intersection, then Intersection to Swansboro High School/Queens Creek Elementary School entrance
- Easements: NOT obtained
- Design or survey work Complete
- Estimated Sidewalk Length: 2,483 FT

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- Location: Hammocks Beach Road from Moore's BBQ to Park Place, and Soccer Association to Cormorant Drive
- Easements: 2 out of 5 acquired. All 3 easements remaining are from Mr. Charles Rawls
- Design or survey work Complete
- Estimated Sidewalk Length: 976 FT



- Location: Pineland Drive parcel to connect to the existing sidewalk at the Cottages
- Easements: Obtained
- Town obtained an engineered crossing design for the project. There might be a utility pipe conflict
- Design or survey work Complete
- Estimated Sidewalk Length: 153 FT

Town of Swansboro, NC Manager's Report



- Location: Gaps on Northside of Hwy 24 from Old Hammocks Road to Downtown
- Easements: NOT obtained
- Design or survey work Complete
- Estimated Sidewalk Length: 1,411 FT.
- Southside: complete

RFQ's from qualified Engineering firms to assist in the design and construction of the new 5 project priority areas. Only one firm Arendell Engineers from Morehead City submitted an RFQ by the February 17, 2025, submission date. On March 11, 2025, the Town Board of Commissioners agreed to enter into contract negotiations with Arendell for design and construction administration services. A proposed contract will be presented at a future BOC meeting for consideration.

On March 11, 2025, the Board of Commissioners agreed to enter into contract negotiations with Arendell Engineers, Morehead City NC to provide services for the design, surveying and construction administration of the above-described project areas. Arendell was the only firm to submit an RFQ to the Town to provide project engineering services. On July 22, 2025, the Town entered into a services contract with Arendell Engineers for the Surveying, design, bidding and construction administration of 5 project areas.

As of January 13, 2026, survey field work is complete, and design work is approximately 80% complete. Once design is complete all 5 project areas will be put out for bid. Funding decisions will be made once bids are received.

Engineered plans for the 5 priority project areas were received from the Engineer on February 13, 2026. The next steps include identifying easements and developing cost estimates prior to seeking construction bids.

Town of Swansboro, NC Manager's Report

Visitor's Center Improvement Update

Andrew Wilson of Crystal Coast Engineering has prepared a draft building layout for the Visitor's Center based on several suggestions he received. You may recall that the Town had reached out to John Wood, Restoration Specialist, with the NC State Historic Preservation Office to determine if the structure had retained its contributing historic status when moved to its present location, which would have allowed an exemption under the Flood Damage Prevention Ordinance. On January 6, 2022, Mr. Wood provided that due to the structure being moved from its original location, handicap ramp addition, and elevation; the structure was no longer a contributing historic structure. It should be noted that the elevation was required because the structure was in the flood zone, and the handicap ramp had to be added for ADA compliance. What this ultimately means is that we will have to follow a phased plan for improvements because the building is valued at \$57,000. If the renovation cost exceeds 50% of that value, a Substantial Improvement, the entire structure must be brought into compliance with the current ordinance and Building Code requirements. A second phase could not be started until one year after the final inspection on phase one.

Another alternative would be to raise the building to the current flood elevation (approximately 5 more feet) to bring it into compliance with the current regulations, including breakaway wall construction for the foundation due to the Coastal A flood zone designation. This would require HPC approval. This item will be added to the Planning Retreat for discussion/guidance. As a reminder the Town was awarded \$20,000 through the Onslow County TDA and must be used by June 30 or requested again in the next grant cycle.

Staff met with John Wood on Tuesday, March 1. As reported at the March 2 Planning Retreat, John Wood indicated that if we moved the side entrance steps back to the front of the building as they originally were when the building sat further down Water Street and clearly identify those as new construction using certain materials and raised flower beds to camouflage, the building's historic status could be returned. Planner Ansell has sought engineered drawings and elevation certificate. Additional reviews by the Historic Preservation Commission and Flood Appeals Board will still be required. Once the contributing status is re-instated, the building would qualify for an exemption under the definition of Substantial Improvement and allow the Town to apply for a variance from the Flood Damage Prevention Ordinance requirements through the Flood Appeals Board.

Tidewater has been engaged to provide the elevation certification and existing conditions survey. Larion Engineering has been engaged to provide engineered re-design to remove the side entry and re-instate the entry to the front of the building and flood analysis. All will aid in the return of the contributing status to the building which will in turn relieve the Town from the flood requirement to raise the structure. The design will be scheduled for review by the Historic Preservation Commission for the demolition of the steps/deck and construction of the new steps as soon as the plans are received from Larion thereafter, a variance will be sought from the Flood Appeals Board from the elevation requirement. Public Works will demolish the side entry, however, based on workload we will most likely utilize a contractor to install the front entry.

On May 17, the HPC reviewed the side entrance demo and re-location of the front entrance as recommended by Restoration Specialist John Wood. HPC member Kim Kingrey volunteered to

Town of Swansboro, NC Manager's Report

search for photos from years back to see if the hand railings were wooden or if any were ever present. Once final minor work approval is granted, the work performed and contributing status re-instated, we would then qualify for an exemption under the definition of Substantial Improvement which would allow the Town to apply for a variance from the Flood Damage Prevention Ordinance requirements through the Flood Appeals Board.

As previously reported (Manager's Brief June 16), demo of the stairs at the Visitors Center is complete. Visitors are still able to use the handicap ramp access at the rear to gain access to the restrooms. The railing has also been re-constructed by Public Works on the front porch. Once the wood dries out, it will be painted white.



At the BOC's request, a progress update was given July 25th, 2022.

What's Been Done to Date

- Working to re-establish Historic Contributing Status
- Awarded FY 21/22 Onslow County TDA Funding \$20,000 – paid for side steps demo identified as reason historic contributing status rescinded, required engineering of front steps re-construction due to flood zone location, some interior fixtures purchased for future renovations
- RFP awarded to Rufus Murray for side steps demo May 2022 - *completed*

What's Remaining to do on the Exterior

- RFP to reconstruct front entry steps due August 1, 2022 (breakaway design)
- Once the front entry steps are constructed, the final V-Zone Certificate can be prepared. The next step is to obtain the variance from the Flood Appeals Board and obtain a letter from the State Historic Preservation Office that the Contributing Status has been re-instated.

Interior Renovations - The estimated costs provided by former Public Works Director in 2021 was \$60,870. Of that amount, he indicated that the Public Works Crew could perform about \$15,000 of that work (walls, sheetrock, painting, flooring). Swansboro TDA has agreed to fund a portion of the interior renovations. Once we have settled on an interior design, we will be able to determine whether any water/sewer improvements will be needed, or whether just a certified engineered letter will be required so that the current infrastructure can handle the improvements.

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Eight vendors were notified of the RFP to re-construct the stairs at the Visitors Center and it was posted on the website. RFPs were due by August 1 and only one was received (Rufus Murray) for \$23,300. We plan to proceed utilizing the allocated ARP funding so we can keep this project moving forward.

Rufus Murray was awarded the contract to re-construct the exterior stairs etc. On hold until after the Mullet Festival so we don't have a construction site during the festival. A pre-construction meeting was held on Monday, October 17 and the contractor plans to get started immediately. The Visitor's Center will remain open during the exterior construction.

As reported in the Manager's Weekly Brief on December 1- exterior renovations are complete. We will prepare a letter to the National Parks System to have contributing status re-considered.



In an email from John Wood on December 13, he indicated he would forward our exterior improvement work to the National Parks Service and request re-instatement for us. Followed up January 10 as we would like to make application for tourism funding (application due by March 1, 2023) for the interior and need to apply for the Flood Ordinance exemption. John felt confident that our contributing status would be restored before that date and encouraged us to proceed with the final elements.

The Flood Board heard and approved the variance request from the definition "Substantial Improvement" on February 21st. I will be making an application to Onslow County for tourism dollars for interior renovations by March 1st.

Application was submitted to Onslow County on 2/28/23 for \$30,000 to assist with future interior renovations. \$30,000 will be included in the Swansboro TDA budget for FY 23/24 as they had already made a commitment. As previously shared, Onslow County did not fund our request this year. Swansboro TDA awarded the Town \$30,000 in July.

Town of Swansboro, NC Manager's Report

Mid-October, met with electrical and mechanical contractors, and still waiting to hear from plumber. It would be our hope to begin the interior renovations in late November unless the contractors are ready before.

Town staff recently noticed the growth of mold in numerous areas inside the Visitors Center. This condition has necessitated the need to close the building until the problem can be remediated. As a result, mold remediation companies in the area were contacted and Right Coast Solutions responded and agreed to inspect the building to determine the source(s) of the problem and develop a remediation plan.

Upon inspection, mold was found in the kitchen, office area, outlets, crawl space, and HVAC duct work. In the interior, remediation would include removing the bottom 24" of drywall and applying mold blocking primer and foam insulation to block air intrusion from crawlspace. In the attic, an electric exhaust fan would be installed. In the crawl space, insulation and mold blocking primer would be applied. HVAC ducts, grates and vents would all be cleaned.

The total cost to perform the proposed work is \$15,250. A budget amendment would be required.

September 10, 2024, the Board of Commissioners requested staff to investigate further to identify more precisely the type of mold and best method to remediate.

During the Board of Commissioners' regular meeting on November 12, 2024, the Board approved remediation to use the \$45,000 already approved plus \$15,000 more, resulting in a total of \$60,000 to repair the visitor center.

January 28, 2025, The Board of Commissioners approved to Town Manager to enter into contract with Green House solutions.

On October 28, 2025, the Board of Commissioners agreed to move forward with the renovation of the VC to include facilities for transient boaters in addition to public restroom facilities.

John Freswater, Crystal Coast Engineers, has been reengaged to design a new floor plan based on the approval of the BOC to upfit the VC to include transient boater facilities. It is expected that a revised floor plan will be ready to present at the February 10, 2026 BOC regular meeting.

BOC gave authorization to proceed in obtaining cost estimates based on the new floor plan from Crystal Coast Engineering. Depending on the construction estimates additional funding may be necessary.

On April 9, 2026, the Town submitted a grant application to the Onslow County TDA for an additional grant of \$21,000. A final determination of grant award will not be known until the County adopts its annual FT26/27 Budget. In the meantime, on April 14, 2026, the Town of Swansboro BOC authorized a total renovation project of \$97,760 and awarded a contract RWS Construction in the amount of \$79,940 for interior renovations. A contract was entered into with RWS on April 23, 2026.

Town of Swansboro, NC Manager's Report

LSAII/Stormwater Mapping Grant

Following adoption of a support resolution on September 12, 2022, the Town entered into contract with Withers Ravenel (\$5000), who will prepare the grant application for Local Assistance for Stormwater Infrastructure Investments through the NC Division of Water Infrastructure in hopes of receiving up to \$400,000 to assist with stormwater mapping in the Town. The application deadline is September 30, 2022, with grant awards to be announced in February 2023. On February 9th Withers Ravenel shared that our application had been recommended for approval. We should receive the final award by the end of February.

Grant award was received April 5, 2023. Staff held a scoping meeting with Withers Ravenel on October 18th to review the draft agreement for services.

Two rounds of RFQs were sent out, with final submittals in August. WithersRavenel was selected to complete the project in October of 2023, and the contract was executed in early December. On December 18, 2023, kickoff meeting with staff and WithersRavenel, a public outreach meeting included a survey was scheduled for mid-March. The data collection portion of the project is projected to start early June.

WithersRavenel and Staff continue to attend monthly check-in meetings for the project. On March 11, 2024, WithersRavenel and Staff held a public outreach meeting that included a brief summary of the project, time for public questions, as well as maps for the public to mark stormwater issues around Town. A public input survey was released to the public to indicate problem areas around Town as well. The survey was opened one week prior to and one week after the public outreach meeting. Survey crews are projected to begin data collection early June.

WithersRavenel and Staff met via Zoom on May 21, 2024, to discuss survey collection coordination. WithersRavenel requested that Town post in social media, and constant contact to notify citizens of surveyors being out in Town. They estimate that data collection could take a couple of months, possibly by the end of the year.

On June 3, 2024, data collection started.

June 17, 2024, WithersRavenel shared a data dashboard that has all of the survey information collected this far.

WithersRavenel and Staff met via Zoom on June 24, 2024. The survey team has made an initial pass on all the structures, and it's anticipated that all initial field work will be finalized within the next week and at that time data collected will be reviewed and processed.

WithersRavenel and Staff met via Zoom on July 22, 2024, initial field survey has been collected. The data is in review. Once in-office review is completed, additional surveys may be required to verify spots flagged during the data review process.

WithersRavenel and Staff met via Zoom on August 26, 2024, Jill Carter will be replacing Monica Chevalier with funding administration. Any correspondence will go through Jill Carter moving forward.

Town of Swansboro, NC

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Fieldwork has been completed and the team is now reviewing internally and migrating to the new database for town. Once the initial review is completed, they anticipate that a few places will need a second round of survey to a few isolated locations. The rest of 2024 is scheduled for database.

WithersRavenel and Staff met via Zoom on September 23, 2024, there continues to be an internal review of data collected as they flag areas that need additional verification. Should have more concrete updated on the next field date within the next month

Staff discussed pros and cons options with Tyler Christian for the Town to host/ view data when complete. The following software options were discussed:

Dimond maps software

- Inexpensive monthly cost.
- Provide good customer service and GIS support.
- Cloud-based, Town doesn't have to store data locally.
- Town can view/edit data. They can also make attribute updates in the field for asset and track work/maintenance. Can also add photos or documents.
- GPS integration to map new features.
- Supports multiple users and can have specific permissions for certain users.
- Less customization of viewer/map.
- No spatial analysis is available.

ESRI/ArcGIS Online Platform

- More costly yearly subscriptions to maintain licenses and credits for hosting data in ESRI's cloud.
- Provides all the same benefits as Diamond Maps but allows for more customized online maps.
- The WR GIS team would setup the online maps and upload data. Would provide training at the end of the project.
- Allows spatial analysis and mapping tools to perform more in- depth spatial analysis.
- Allows editing, new feature collection, and can integrate GPS unit for more accurate mapping of new assets.

Gerald Bates (Tank) will be researching Brightly's software as a potential option. Tank and Tyler discussed that Diamond Maps or Brightly seemed to be the Town's best option moving forward. It was discussed that as they get more traction and confidence with Diamond Maps/Brightly that an ESRI-based solution could be an option down the road if they were to outgrow those platforms and needed more capability.

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WithersRavenel and Staff met via Zoom on October 28, 2024, data should be wrapped up by the end of this year. The internal review is in its final phase, and the final field work should take place in November for one day. The last step is to look at slopes. Once all is in place, they will begin looking at the hydraulic/hydrologic side of things and narrowing down the areas for capacity analysis. A final presentation for board approval should be early 2025.

WithersRavenel and Staff met via Zoom on November 25, 2024, they are working to have final database ready by the end of the year. Shawn with GIS and field crew will come out December 2, 2024, to look at the high traffic areas on Corbitt Avenue and double-check the survey in the area.

WithersRavenel and Staff met via Zoom on December 16, 2024, the discussion focused on justification for needing software to host GIS database. They will provide a write-up covering the different ways to view GIS data. The stormwater group is starting to review the data to identify where we can focus the modeling in Concept development should begin later in the spring/early summer 2025.

WithersRavenel and Staff met via Zoom on January 27, 2025, The GIS Team is doing final QAQC on inventory dataset. Stormwater has a dataset to begin the H&H analysis (hydrologic and Hydraulic) After QAQC WithersRavenel will send it over, and work to get it uploaded to a hosting system that the Town decides upon. It was further discussed that WithersRavenel will provide write-up for the level of service that existing conditions will be evaluated against the following:

- 10-year event for closed network storm system and ditches
- 25-year event for roadway stream crossings (increased if NCDOT street that has higher design event)

Due to budgetary constraints, the model will not include every pipe. WithersRavenel will review the budget and propose study limits.

WithersRavenel and Staff met via Zoom on February 24, 2025, the GIS team visited and collected additional data on February 17, 2025, to incorporate it in the survey, review it, and run slopes. The final quality assurance of the full inventory dataset is to be completed, and once it has been QAQCed, they will send it over and work on uploading it to a hosting system to be selected by the Town.

Proposed 10-year model for closed network and increased to a 25-year model for main roadway stream crossings and even higher 50- or 100-year model if it's NCDOT with higher standards.

Next Steps include the following:

Town of Swansboro, NC Manager's Report

- Start building detailed existing condition models in the Halls Creek area, Hammock Beach Rd and with a secondary focus on the downtown water commercial area.
- They will provide model results and discuss potential improvements then design and review cost benefit ratios vs. cost implement improvements.
- Once all is done, they will create a presentation and show that to the board.

WithersRavenel and Staff met via Zoom on March 24, 2025, discussed update on ways to host GIS database. Existing conditions model continues to be on track to be completed early May 2025.

WithersRavenel and Staff met via Zoom on April 28, 2025, discussed wrapping up existing conditions modeling and anticipating results at the end of May 2025.

- Existing Conditions of Hydrologic and Hydraulic Modeling	102d	02/04/25	06/25/25
+ Prepare Hydrology	60d	02/04/25	04/28/25
+ Prepare Hydraulics	60d	02/04/25	04/28/25
+ Internal Model QA/QC	5d	05/01/25	05/07/25
+ PAOCS Identification	5d	05/08/25	05/14/25
+ Exhibits	10d	05/15/25	05/28/25
+ Share Draft Exhibits with Town	1d	05/29/25	05/29/25
+ Existing Conditions Model Review Meeting	3d	06/09/25	06/11/25
+ Model Finalization	10d	06/12/25	06/25/25
+ Conceptual Projects	71d	06/26/25	10/02/25
+ Project Prioritization	42d	10/03/25	12/01/25
+ Public Outreach 2	47d	12/02/25	02/04/26
+ Master Plan Report	293d	12/02/25	01/14/27

WithersRavenel and Staff met via Zoom on May 29, 2025, Conditions modeling and anticipated results were pushed back a few weeks to mid-June.

WithersRavenel and Staff met via Zoom on June 23, 2025, and reviewed the following existing conditions model results:

- Deer Run Neighborhood - confirmed problem area
 - Wetlands downstream have trouble draining
 - A multi-use shopping area is currently being built on PARID #000762 (per Onslow GIS)
- Main St. Ext
 - DOT road
 - All pipes seem to be undersized

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- School Road
 - May be a maintenance issue
 - WithersRavenel to add back into the model during finalization stage
- Phillips Drive
 - 24" to Holly Ln discharging to Halls Branch is a confirmed problem area
 - No flooding across Phillips Drive
- Forest Ridge Neighborhood – confirmed problem area
 - Neighborhood built on wetlands
 - Pipes likely undersized
- Water St – confirmed problem area
 - Being resurfaced the weekend of June 28th
- Front St – confirmed problem area
 - Pipe at outfall (24") is always full of water
 - Residents often raise concern of flooding on Walnut St (from Broad St to Church St) but no confirmed visual evidence from town staff

WithersRavenel and Staff met via Zoom on July 28, 2025, Tyler GIS WithersRavenel Project Manager spoke with the ESRI representative and confirmed that we can use their account for storm water. Chief Randall has provided WithersRavenel with access to their ArcGIS Online account, and WithersRavenel is currently working on the data viewers. A draft viewer should be ready soon.

August 25, 2025, representatives from WithersRavenel met with Town staff via Zoom. WithersRavenel presented five key areas for consideration, each aligned with specific Areas of Concern (AOC) to explore potential grant opportunities. The town decided to prioritize the following:

1. Forest Ridge neighborhood
2. Philips Drive to Holly Lane
3. Broad St and Marina

September 22, 2025, representatives from WithersRavenel met with Town staff via Zoom. WithersRavenel continues to work on proposed concepts for the selected locations.

November 3, 2025, representatives from WithersRavenel met with Town staff via Zoom. WithersRavenel continue to work on proposed Concepts for selected locations.

- Downtown area challenges:
 - Tidal boundary significantly impacts drainage.
 - Testing solutions like pipe upsizing, pumping, and backflow prevention.
 - Considering timing scenarios for rain vs. tide peaks.

Town of Swansboro, NC Manager's Report

- Other areas expected to be easier due to absence of tidal influence.
- No major prior efforts on downtown drainage beyond a Broad Street bioretention schematic.
- Existing infrastructure includes old clay pipes, some with adverse slopes.
- Fire Chief exploring portable dams for flood events

Updated timeline:

- End of 2025: Concepts and cost estimate ready.
- January 2026: Work on prioritization and draft report
- February 2026: Incorporate Town feedback to finalize

November 24, 2025, representatives from WithersRavenel met with Town staff via Zoom. WithersRavenel continue to work on proposed Concepts for selected locations:

- proposed drainage concepts for selected locations, focusing on downtown, Forest Lane/Brook Crossing Rd., and Phillips D/Holly Ln.
- Downtown area faces challenges and the need for more information about the flood wall locations and specifications. WithersRavenel will follow up with the Fire Chief for additional details.
- Discussed Preliminary Concepts and limits of work outside the right-of-way.

December 15, 2025, representatives from WithersRavenel met with Town staff via Zoom. Discussed Capital Improvement Plan including the following categories:

1. Condition of infrastructure
2. Project Cost
3. Severity of Flooding
4. Project drainage area served
5. Potential private property easement acquisition

January 26, 2026, representatives from WithersRavenel met with Town staff via Zoom to review the Finalized Concept and Cost Fact Sheets as part of the Stormwater Master Plan.

Area 2- Holly Lane

- Discussed the cost-benefit of the 42" pipe proposed around empty parcel at Phillips Dr & Holly Ln

Area 3-Downtown

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- Reviewed the proposal for a pumping plan for this area in conjunction with emergency flood protection measures
- Discussed the potential inclusion of the Church Street Gazebo property (147 Front Street) in the project design.
- WithersRavenel will refine the proposed raster between Spring St and Broad St where flooding appears to have worsened.
 - It was clarified that the apparent increase in flooding is due to added model detail and hydrology calculation adjustments, not proposed improvements.
 - A note will also be added to plan to explain this increase level of modeling in detail.

Easements

- WithersRavenel has assumed all construction will occur within existing right-of-way (ROW) and/or drainage easements.
- If temporary easements are required, associated costs can be addressed through contingency funding.

The following Capital Improvement (CIP) was discussed:

- Review current draft prioritization
- Severity of flooding scoring.
 - Roadway category being split between residential, combined residential, commercial, and public use.

February 23, 2026, representatives from WithersRavenel met with Town staff via Zoom to review the draft report previously provided to the Town. The meeting included discussion of the final draft and preparations for the upcoming Board presentation scheduled for March.

March 24, 2026, Representatives from WithersRavenel presented to the Board of Commissioners and based on their discussion the following revisions were made to the Swansboro LASII Stormwater Master Plan Draft.

- Public Input: Add more detail regarding participants and ensure related items are included in the appendix.
 - New section on page 6 and additional appendix (Appendix 2) with Public Input data
- Concept Areas: Provide further detail on the factors used to select the three concept areas.
 - More detail added to section on page 12
- Recommendations: Highlight resources for citizen LID (Low Impact Development) actions on private lots.

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- LID resources highlighted in "Watershed Restoration Plan and Historic District Preservation" recommendation on pages 25-26 and additional appendix (Appendix 8) includes pdfs of the resources
- Funding: Include additional grant options.
 - New section titled "Potential Funding Opportunities" within the Recommendations portion of report (page 27)
- Downtown Benefits: Elaborate on the specific benefits and flooding considerations for the downtown area.
 - More detail added on pages 19-20

A final copy of the Master Plan Report has been provided to the Town for review. WithersRavenel's next steps include preparing the Executive Summary and other documents required for project close-out. They will follow up once those documents have been completed.

North Carolina Division of Coastal Management Main Street Dock Replacement Project

The Main Street dock is the oldest Town owned dock. Originally constructed in 1988, the Town received a North Carolina Division of Coastal Management grant for its construction. An addition to the dock was made in 1992 using the same source of funding.

In February 2025, Carteret Marine conducted an extensive inspection of the dock. The inspection findings determined the structure was unsafe, leading to its closure for both pedestrian and boater use.

Using the inspection report, Arendell Engineers from Morehead City estimated the demolition and construction of a replacement dock of the same size would cost \$143,314. Engineering, permitting, surveying and construction administration would add \$26,850 for a total project cost of \$170,164.

The Town of Swansboro submitted a grant application to the North Carolina Division of Coastal Management for replacement of the Main Street Dock and was awarded the following:

- Grant: \$127,623.00
- Cash Match: \$35,041.00
- In-Kind Match: \$7,500.00
- Total: \$170,164.00**

On August 25, 2025, the TOS was awarded an NCCM grant in the amount of \$170,164 for the replacement of the dock. It is expected that NCCM will release contract documents to grant recipients in the Spring of 2026. In the meantime, Town staff is working with project consultant Kathy Vionson of Coastal Planning to prepare and submit an application for a major CAMA permit which is required for this project.

Completed Projects/Planning Items

Sidewalk Project

The Town of Swansboro partnered with NCDOT beginning on December 5, 2019, to construct priority sidewalk improvements totaling \$483,302. The project was divided into three phases due to funding limitations and faced challenges including easement acquisition, drainage issues, and utility conflicts.

Priorities 1, 2, 4, and 5 have been successfully completed, with Priority 2 supported by an additional \$100,000 state grant. Priority 6 is underway but pending utility conflict/pipe extension, while Priority 3 was deferred due to easement delays and funding constraints and will require Town-funded engineering if pursued. Additional future priorities (7–9) remain unfunded.

As of 2024, the Town is working with NCDOT and JUMPO to restart remaining projects using potential federal funding (80/20 split), with design and permitting planned for 2024–2025 and construction anticipated in 2026.

Completed: Priorities 1, 2, 4, 5

Priority 3 (easement delays; require new funding & Town-led design)

2020 NC Public Beach Coastal Waterfront Access Grant Project

The Town of Swansboro was awarded a \$142,350 grant on November 3, 2020, to construct a boardwalk extension and public day dock at Bicentennial Park, with a total project cost of approximately \$158,350. \$7,000 of the required \$16,000 town match was non-cash/in-kind. The project included a wooden boardwalk, floating dock, gangway, and boat slips to enhance public waterfront access.

Implementation was delayed and costs increased due to design revisions, regulatory permitting (CAMA, NCDOT), required dredging, and significant deterioration of the existing bulkhead, which necessitated a \$101,450 replacement. Construction bids exceeded available funding, requiring value engineering and additional financial support, including contributions from the Swansboro Tourism Development Authority.

Following redesign and funding adjustments, the project was awarded to Carteret Marine for approximately \$211,200. Construction began in October 2024, and the project was completed and issued a certificate of Compliance on April 23, 2025.

The finished project successfully provides enhanced public access to the waterfront, supporting recreation, boating, and tourism, while overcoming substantial engineering, environmental, and financial challenges.

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Flybridge Project (1481 W Corbett Avenue)

The Flybridge development proposed a mixed-use project at 1481 W. Corbett Avenue, consisting of 324 multi-family units and six commercial outparcels on approximately 39 acres within the Town of Swansboro's extraterritorial jurisdiction.

An initial request for a CAMA Land Use Plan amendment and conditional rezoning was denied, and the applicant withdrew the rezoning request in February 2025. A second application was submitted on August 5, 2025, seeking both a Future Land Use Map amendment and conditional rezoning.

Following review, the Planning Board recommended denial of both requests in September 2025. The Board of Commissioners subsequently denied both applications at their September 23, 2025, meeting.

Outcome: The proposed Flybridge development did not receive the required land use or zoning approvals and was ultimately not approved to move forward.

DCIP Grant- Public safety Complex & Sidewalk

Applied June 14, 2024 (hard copies provided by Chief Randall TM office)

The Town of Swansboro was not selected to advance to the next phase of the DCIP grant. Chief Randall has requested a meeting to discuss and review the submittal on September 30, 2024.

Project 1 (Public Safety Complex): Town of Swansboro Public Safety Complex for Camp Lejeune - 28584-8451 – Applied July 3, 2025- Denied

Project 2 (Sidewalks): Town of Swansboro Transportation Infrastructure Construction for Camp Lejeune - 28584-8451 – Applied July 3, 2025- Denied

Fire Grants

- SAFER Grant (6) Firefighter - Applied April 12, 2024 -Denied
- Big Rock Foundation- Fire Department Boat - Pending Application Submittal (hard copies created 7.11.2024 TM Office). -Denied
- Regional Grant for Radio Equipment with Hubert Volunteer Fire Department - Applied March 8, 2024- Denied
- AFG Grant
 - Grant- EMW-2024-FG-04065- Vehicle Acquisition
 - Brush Truck- Denied
 - Grant- EMW-2024-FG-00566- Operations & Safety
 - Fire Hose (Attack and Supply)- Denied

Town of Swansboro, NC Manager's Report

Main Street Urgent Care 1058 W Corbett Ave

- This project is a use by right in B-1 zoning district.
- Site Plan and Building Plans have been approved.
- Building Permits have been pulled.
- Project is currently under construction across from old ABC store.
- The project has received final inspections and has been issued a temporary CO. They plan to open soon.
- Project was completed and issued Certificate of Occupancy on April 9, 2025.

Mavis Tire 1411 W Corbett Ave

- This project is a use by right in B-1 zoning district.
- Site Plan and Building Plans have been approved.
- Building Permits have been pulled.
- Project is currently under construction at its site in front of Food Lion.
- The project has received final inspections and has been issued a temporary CO. They plan to open soon.
- Project was completed and issued Certificate of Occupancy on April 30, 2025.

Future Planning Matters

Bamboo Restaurant and shops 768 W Corbett Avenue

- This project is a use by right in B-1 zoning district.
- Site Plan for project was approved on 12/6/24.
- Site Work (grading, tree clearing, etc.) has begun.
- The next step is the Building Plan review in order to obtain permits to begin construction, these have not yet been submitted.
- In March of 2025, Bamboo submitted for review of a revision to the previously approved Site Plan for a change to the parking lot layout, this has not yet been approved.
- Revised site plan was approved.
- Building plans were approved September of 2025
- Permit has been issued as of March 18th

Wawa Convenience Store and Gas Station 1071 & 1073 W Corbett Avenue

- This project is a use by right in B-1 zoning district.
- Site Plan for project was approved on 1/15/25.
- Building Plans are currently under review.
- The next step is to obtain Building Plan approval, pull Building Permits, and begin construction at old ABC store and car wash site.
- Building plans approved January 20, 2026
- Site work began February of 2026

Brezza Lofts (Mixed-used development Lot 8 of Ward Farm Town Center)

- This project is not a use by right in B-1 zoning district, it required UDO text amendments and a Special Use Permit, which have all been approved by the Board of Commissioners in October of 2024.
- The beginning of project construction is currently on hold due to redesign and additional approvals needed.
- New plans for a mixed-use development have been submitted in January of 2026. They will need to go through TRC then the minor special use permit will need to be reviewed and approved by the Planning Board and Board of Adjustments.
- The Planning Board recommended approval of the Minor Special Use Permit at their March 3, 2026, regular meeting.
- The Minor Special Use Permit for this project was approved by the Board of Adjustment at their April 6th, special meeting.

**Town of Swansboro, NC
Manager's Report**

Swansboro Family Dental 1129 Hammocks Beach Road

- This project is a use by right in B-1 zoning district.
- A Site Plan was submitted for internal review in April of 2025, TRC review, and comments are to follow.
- Site Plan was approved in August of 2025
- Permit was issued and site work has begun.

Havens At Hammocks Beach (Minor Subdivision)

- This minor subdivision is 7 lots and considered a use by right in R-20SF zoning district.
- The minor subdivision plat was submitted for internal review in February of 2025. TRC review and comments are to follow.

School Street Phase one (Multi-Use Store Front) 1121 W Corbett Avenue

- This project is a use by right in the B-1 zoning district
- A Site Plan was submitted for internal review in June of 2025. TRC review and comments are to follow.
- A second Site Plan submittal and TRC review was held in October of 2025.
- Building plans dropped off March 17, 2026, and have been approved. Building permits are pending.

1017 W Corbett Avenue (Multi-Use Store Front)

- This project is a use by right in the B-1 zoning district.
- A Site Plan was submitted for internal review in October of 2025. TRC review and comments are to follow.
- All permits (stormwater, NCDOT Driveway) have been received, and Traffic Impact Analysis has been approved. Site Plan will be approved soon and building plan submittal will follow shortly after.
- Site plan is pending approval on DOT permit,
- Building plans for shell have been approved. Permit issuance pending on site plan approval.
- Permits have been issued, and construction has begun.
 - Navy Federal Credit Union- Upfit plans are under review as one of the tenants.

Fire Grants

Duke Energy Grant - 16432- Side Scan Sonar (Watercraft) Grant amount requested \$13263.72 Grant application is under consideration and anticipated award notification date range June 1, 2026-July 31, 2026.

Department of the Interior- office of Wildland Fire- Slip-on Tanker Unit -on Tanker Unit- Grand #14606189 Grant amount requested \$18,875. Grant application is pending agency review and anticipated award notification dates are May 15, 2026-September 15, 2026.



Department Reports for April 2026

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Administrative Services

- Phone Records Report for April: 2,031 calls
 - Internal – 378 Town Hall – 314 Parks and Recreation – 361
 - Police Department – 466 Fire Department – 82 Outgoing totals – 430
- Building permits sold for April: 40 residential/commercial combined; \$6,584.05 total fees collected (includes 5 re-inspections)
- 97 Building inspections processed/19 Fire Inspections processed
- 124 Various receipts processed
- 4 Code enforcement violations
- 337 ONWASA payments processed, 2 New Service Setups, 0 Other transactions
- 5 Work Orders generated for Public Works
- 3 Notarization's performed
- 23 Beer & Wine Privilege Licenses renewed
- US Census Report Submitted – Permits
- Finalized March Departments Report
- Developed monthly and special meeting notices/hearings, agenda items, packets, and minutes/distributed for meetings. A staff representative(s) attended each meeting and prepared meeting minutes/follow-up.
- Fulfilled Public Records Request
 - Construction Monitor – Building Permits issued with values March 2025
 - Constriction on the Rise – Building Permits issued with values March 2025
 - Henderson – Building Permits issued with values March 2025
 - Carolina Permits – New Homes building in March 2025
 - Alex Jeromel - Incident Details Related to an individual's arrest to include Body Worn – Camera Footage, Police Dashcam, Footage (if available), any associated incident reports, CAD Logs, or radio communications
 - Partner Assessment Corporation – 758 W. Corbett Avenue
 - Town of Surf City – Salary detail request
 - Carla Mikhail – 622 Barbour Point Road
 - Brian Archer – 115 Forest Lane
 - Hunter Dees – 233 River Reach Drive
 - Fred Torbush – 215 Knightheads Drive
- Received and responded to 5 emails from Jimmy Williams for information
- Received and handled 6 “Contact Us” request from the Website
- Continued FY 26/27 Budget Preparations
- Clean Sweep Week
 - Answered numerous calls, Facebook messages and comments and emails about coverage
 - Posted daily details related to the event for visibility
- Attended PirateFest Logistics meeting
- Attended Arts by the Sea Logistics meeting



Department Reports for April 2026

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- Met with individuals from the Veterans Memorial Gardens
- Issued New Releases/Constant Contact for:
 - BOC 4/14/2026 Meeting
 - BOC 4/28/2026 Meeting
 - News Release – May 1st Water Fight Event Cancellation
 - News Release – Hammocks Beach Road Closure
- Town website updates continue (including Homepage articles/minutes/agendas/calendar, special events, projects, plans, etc.).

Website Home Page: 1,236 views.

Top 5 pages viewed – Employment Opportunities: 499 | Departments-Permitting: 173
Contacts: 170 | Departments - Police: 142 | Government: 142

Finance

- Sales & Use Tax received in April 2026 is \$111,830
- Accounts Payable Summary for April 2026:
 - 180 Invoices-Totaling: \$220,310
 - 27 Purchase Orders Issued
- Processed payroll-4/3/2026 & 4/17/2026
- PEV ChargePoint Station-Accumulated (kWh) for April 2026:(705)
- Session fees collected-\$128
- Stormwater Fees Collected-April 2026-\$1,528
- Attended staff meeting.
- March 2026 Bank Reconciliation-Town accounts
- March 2026 Bank Reconciliation-Swansboro TDA
- Swansboro TDA-Prepared and submitted the Budget Message/Proposed Budget for FY 26/27 to the Swansboro TDA members
- Processed Swansboro TDA checks
- Updating and preparing the Request for Proposals (RFP) for Audit Services
- HR-related items estimated at 10 hours
- Gathered financial information for 4/28/2026 regular meeting session
- Preparing Year End Projections FY 25/26 and updating operating budget spreadsheet.
- Updating Capital Improvement Plan
- Submitted the following expenditure reports: (Grant Funds)
 - Office of State Budget & Management-State Capital and Infrastructure Fund Directed Grant (SCIF Grant) for quarter ending 3/30/2026
 - US Treasury- State and Local Fiscal Recovery Funds (SLFRF) for period 4/01/2025 - 3/30/2026
- Submitted the following reports:
 - Submitted HUBSCO for quarter ending 3/31/2026- (Historically Underutilized Businesses State Construction Office) Construction Reporting System



Department Reports for April 2026

- Swansboro TDA – Meeting was held on Thursday, April 9, 2026. Prepared the Agenda and quarterly financial report. The next meeting is scheduled to be held on Thursday, July 9, 2026 at 2:30 pm in the Community Room

Fire Department

Inspection Type	Monthly	Annual
Standard Fire Inspection	11	31
<i>Initial Inspection</i>	<i>6</i>	<i>14</i>
<i>Reinspection {1st Revisit}</i>	<i>5</i>	<i>15</i>
<i>Reinspection {2nd + Revisit}</i>	<i>0</i>	<i>2</i>
New Business Inspection	2	7
<i>Initial Inspection</i>	<i>1</i>	<i>4</i>
<i>Reinspection</i>	<i>1</i>	<i>3</i>
Fire Suppression – Hoods	7	36
<i>Initial Inspection</i>	<i>2</i>	<i>31</i>
<i>Reinspection</i>	<i>5</i>	<i>5</i>
Special Event – Tents	0	1
Foster Home	0	1
Plan Review	5	9
Code Violation/Complaint	0	0
Total	25	85

SFD Incidents - All Response Areas 137	SFD - Fire Incidents (All) 13	SFD Fire Incidents (Primary Response Area) 4
SFD Incidents - Primary Response Area (Town 17A) 91	SFD - Medical Incidents (All) 88	SFD - Medical Incidents (Primary Response Area) 88
SFD Incidents - Primary Response Area (County 17B) 27	SFD - Rescue Incidents (All) 13	SFD - Rescue Incidents (Primary Response Area) 12
SFD Aid Incidents - Aid Given 19	SFD - Public Service Incidents (All) 18	SFD - Public Service Incidents (Primary Response Area) 12
SFD Incidents - Aid Received 8	SFD - Hazardous Situation Incidents (All) 2	SFD - Hazardous Situation Incidents (Primary Response Area) 2
SFD - Total Unit Responses 185	SFD - Law Enforcement Support Incidents (All) 0	SFD - Other Incidents (Outside Service/Aid Provided) 3
SFD - Total Incidents (A Shift) 43	SFD - Total Incidents (B Shift) 54	SFD - Total Incidents (C Shift) 40
SFD - Working Fire (All) 2	SFD - Working Fires (Primary Response Area) 0	OCEMS Transports - (SFD Primary Response Area) 62



Department Reports for April 2026

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Parks and Recreation

DIRECTOR'S REPORT

Festivals

- Festival website updates are ongoing.
- Collecting 2026 sponsorships
- Assistant Director continues to secure in-kind sponsorships.
- Continuing to coordinate sponsor benefits, marketing materials and plans.
- Met with WITN-7 to review marketing plan for Arts by the Sea, these were funds that were won while attending a workshop hosted by WITN.
- Met with new owner of Ward Farm Town Center and establish in-kind sponsorship/partnership to continue to use property for satellite parking during festivals.

Miscellaneous

- Interviewed part time staff position.
- Attended Onslow County Senior Games Opening Ceremony. Facilitated several athletic events; softball throw, swimming events, and bowling events.
- Continue to work on the pickleball courts project. Exploring grant options.
- Continual planning meetings with Onslow County Parks and Recreation for annual PirateFest event to be held in May.
- Presented to the Swansboro Tourism Develop Authority and requested \$2000 for advertising funds for PirateFest and \$6500 for Swansboro Festivals. Both requests were approved.
- Attended County Parks and Recreation Director's Meeting.
- Managing special event applications.
- Manage on-going reservations.
- Attend bi-weekly departmental managers' meeting.
- Continue to manage staff timesheets, hours tracking, and schedules.
- Continue to manage and monitor budget and funds.
- Continue to manage on-going weekly and monthly reservations.
- Continue to manage parks, repairs, and work with the Public Works Department for maintenance.
- Manage community service work program.
- Recreation Center-answer phone calls, assist in managing Pickleball League, process dock, room, and park reservations, process memberships, and oversee day-to-day operations of the Recreation Center.
- Serve on the Onslow County Senior Games Committee, meetings held once a month.
- Attend weekly Zoom meetings with NCRPA (North Carolina Recreation and Park Association) Director's call.
- Serve on the Jacksonville Onslow Sports Commission board as a liaison. Attend quarterly meetings, update the board on the department's programs, events, and festivals.
- Attend quarterly meetings for the Onslow County Tourism Board
- Attend Board of Commissioner meetings.
- Conduct Parks Advisory Board meetings.



Department Reports for April 2026

Activity Report

Organization Activity					
From 4/4/2026 to 5/4/2026					
	Registrations	Reservations	Memberships	Check-Ins	Profiles Created
All	211	92	11	0	209
Resident	27	8	6	0	13
Non-Resident	184	83	5	0	196
No Residency Set	0	0	0	0	0
Demographics					
18	46	1	2	0	29
18 - 65	122	77	7	0	158
65+	43	12	2	0	21
Male	70	65	8	0	99
Female	141	26	3	0	110
Other Genders	0	0	0	0	0
Online vs In-House					
Online	106	0	0	N/A	99
In-Person	105	91	11	N/A	110

Metrics-social media

Media Outlet	Followers	Views	Viewers	Content Interactions	Page Visits	New Followers
Facebook-Parks & Rec	19,179	260,500	37,200	2,100	6,500	128
Facebook-Festivals	9,351	3,900	2,000	22	263	12

Revenue

Slip Fee - Town Dock	\$5,543
Rental Fees-Parks	\$1,230
Rentals Rooms	\$1,440
Rec Program Fees	\$2,240
Gym Memberships	\$405
Dog Park Memberships	\$0
Festival Vendor Fees	\$2,285
Arts by the Sea Wine Tasting	\$180

ASSISTANT DIRECTOR MONTHLY REPORT

- Processed Payments/Refunds for programs and special events
- Emailed monthly distribution list the upcoming programs/events for the department
- Compiled daily deposits



Department Reports for April 2026

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- Advertised/promoted all programs/special events on social media platforms: Facebook, Instagram
- Created all programs/events in RecDesk for registration
- Completed instructor payouts for recently finished programs
- Completed monthly reservation receipts
- Ordered supplies for upcoming programs and events
- Handled staff scheduling for Rec Center, events, and reservations
- Planned and executed Tiny Olympics and Sprout-lympics for the month
- Executed Easter Egg Hunt
- Began promoting new pickleball program, Dinko De Mayo
- Organized Fellowship Night bowling trip
- Held interview for part time position
- Put together festival and event binder for Parks & Recreation staff
- Submitted PO and check requests for upcoming events
- Created PirateFest treasure hunt
- Collaborated with Onslow County Parks and Recreation staff for new PirateFest map
- Created and posted all Touch-A-Truck social media posts
- Began contacting local restaurants for Arts by the Sea Wine and Food Tasting
- Confirmed new program Paws by the Sea with Onslow County Animal Services
- Met with Swansboro Police Department for National Night Out
- Confirmed all Arts by the Sea entertainment
- Met with Fire Chief to continue working on Festival Emergency Management plans
- Planned and executed Mother's Day Tea Party
- Attended Supervisor's Workshop
- Submitted Health Department application for Arts by the Sea
- Began planning new programs and events for Parks and Recreation Month
- Submitted Health Department application for PirateFest
- Put together new Memorial Bench program including the brochure
- Event Manager for Senior Games Cycling
- Completed contracts for PirateFest
- Attended WITN Sprout Scouts promotion
- Oversaw Earth Day programs
- Attended upcoming Threads of Hope logistical meeting
- Attended BOC meeting and presented 2025 Parks and Recreation overview
- Finalized PirateFest responsibilities with Onslow County Parks & Recreation
- Held first logistical meeting for Arts by the Sea
- Attended Onslow County Tourism Awards Luncheon
- Handled all refunded for cancelled program due to weather



Department Reports for April 2026

Planned Programs and Events

Tiny Olympics – April 11th

- 13 registered and 13 attended

Sprout-lympics – April 17th

- 20 registered and 15 attended

Walking Through Swansboro – April 2026

- 18 registered and 1 waitlisted

Earth Day Suncatcher – April 22nd

- 20 registered and 17 attended
- 1 waitlisted

Tai Chi – April 23rd and May 28th

- 13 registered and 6 waitlisted

Touch-A-Truck – April 25th

- 36 organizations registered and 33 attended
- 3 vendors
- Estimated 2,000+ in attendance

Mother’s Day Tea Party – April 29th

- 19 moms registered and 18 attended; 40 people totaled

Permitting

Board of Adjustment

- The Board of Adjustment’s special meeting was on Monday, April 6, 2026.
 - Brezza Lofts Minor Special Use Permit- Lot 8 Ward Farm Town Center. Lot 8 of the Ward Farm Town Center is a 1.22-acre parcel and is zoned B-3, Traditional Business. The applicant is asking to construct a mixed-use development of condos and retail space which is permitted in B-3 zoning with issuance of a Minor Special Use Permit.

Planning Board

- The Planning Board's regular meeting on April 7, 2026, was cancelled due to lack of agenda items.

Swansboro Historic Preservation Commission

- The Swansboro Historic Preservation Commission's regular meeting was on April 21, 2026.
 - Certificate of Appropriateness/114 Elm Street. The owner of 114 Elm Street or the “Jonathan Greene House” has requested a Certificate of Appropriateness for exterior alteration to the home of a new cedar shake shingle roof. This home is contributing to the Swansboro Historic District and is zoned R-6SF.



Department Reports for April 2026

- Certificate of Appropriateness/Bartley House Privy/Post Office (114 Main Street). The Swansboro Historic Association has requested a Certificate of Appropriateness for an exterior alteration to the Bartley House Privy & Post Office that was recently relocated to 114 Main Street.
- Preston's Corner Rooftop Bar Discussion. Preston's Corner Bar & Grill located at 106 Front Street has requested discussion for the SHPC opinion on an addition of a rooftop bar to the restaurant.

Routine Activities:

- Discussed code requirements with new commercial developments.
- Attended monthly transportation meeting with JUMPO.
- Attended TCC P8 Subcommittee meeting with JUMPO.
- Attended festival logistics meetings.
- Continue working with development and zoning inquiries.
- Continue resolving code enforcement issues.
- Continue assisting the Projects Coordinator with ongoing grant projects.
 - Continued work with ongoing Stormwater Master Plan grant and Emmerton School rehabilitation grant.
- Reviewed and approved zoning and floodplain development permits.
- Attended budget workshop meetings.

Police Department

Patrol:

- 849 Calls for Service
- 216 Reportable Events
- 37 Wrecks
- 1 Felony Arrest
- 23 Misdemeanor Arrests
- 11 Arrest by Warrant Service
- 6 DWI Arrests
- 18 Arrests with Transport to the Onslow County Detention Center
- 248 Citations
- 179 Verbal/Written Warnings
- 7 Felonies Investigated (3-Obtaining Property By False Pretenses; 2-Fraud; 1-Extortion/Blackmail; 1-Sexual Battery)
- 30 Misdemeanors Reported (10-Property Damage; 5-Larcenies; 3-Assaults; 3-Narcotics Related; 2-Tresassing; 2-Illegal Dumping; 1-Sexual Battery; 1-Cyberstalking; 1-Animal Cruelty; 2-Traffic Related)
- 4 Disputes/Public Disturbances
- 13 Alarm/Open Door
- 4 Domestic
- 2 Crisis Intervention with Mental Subject



Department Reports for April 2026

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- 2 Deaths
- 2 Drug Overdoses
- 26 Suspicious Incident/Person/Vehicle
- 12 Vehicle Unlocks
- 9 Town Ordinance Violations
- 125 Requests by Other Agencies for Assistance
- 91 Requests by Citizens for non-Crime Related Assistance20 Residence Checks.

Community Service/Training:

- 3 Funeral Escorts.
- 12 Requests for Fingerprinting.
- 50 Business Closing Standbys.
- 410 Business Checks.
- 2 RU Ok? Participants.
- Provided security weekly for One Harbor Church services.
- Provided security for the weekly First Baptist Church services.
- Participated in the Annual Touch-a-Truck Event at the Municipal Park.
- Provided security for one event held at the Rotary Civic Center.

Admin Services:

- Answered 376 phone calls during business hours.
- Assisted 149 walk-in requests for assistance during business hours.
- Took 104 requests for report copies during business hours.

Public Works

No report provided