The Portland State University General Conditions for Public Improvement Agreements ("PSU General Conditions") apply to all designated public improvement contracts. Changes to the PSU General Conditions (including any additions, deletions or substitutions) should only be made by attaching Supplemental General Conditions. The text of these PSU General Conditions should not otherwise be altered.

### TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>A.</td>
<td>GENERAL PROVISIONS</td>
<td></td>
</tr>
<tr>
<td>A.1</td>
<td>DEFINITION OF TERMS</td>
<td>3</td>
</tr>
<tr>
<td>A.2</td>
<td>SCOPE OF WORK</td>
<td>4</td>
</tr>
<tr>
<td>A.3</td>
<td>INTERPRETATION OF CONTRACT DOCUMENTS</td>
<td>4</td>
</tr>
<tr>
<td>A.4</td>
<td>EXAMINATION OF PLANS, SPECIFICATIONS, AND SITE</td>
<td>5</td>
</tr>
<tr>
<td>A.5</td>
<td>INDEPENDENT CONTRACTOR STATUS</td>
<td>5</td>
</tr>
<tr>
<td>A.6</td>
<td>RETIREMENT SYSTEM STATUS AND TAXES</td>
<td>5</td>
</tr>
<tr>
<td>A.7</td>
<td>GOVERNMENT EMPLOYMENT STATUS</td>
<td>5</td>
</tr>
<tr>
<td>B.</td>
<td>ADMINISTRATION OF THE AGREEMENT</td>
<td>5</td>
</tr>
<tr>
<td>B.1</td>
<td>OWNER’S ADMINISTRATION OF THE CONTRACT</td>
<td>5</td>
</tr>
<tr>
<td>B.2</td>
<td>CONTRACTOR’S MEANS AND METHODS; MITIGATION OF IMPACTS</td>
<td>6</td>
</tr>
<tr>
<td>B.3</td>
<td>MATERIALS AND WORKMANSHIP</td>
<td>6</td>
</tr>
<tr>
<td>B.4</td>
<td>PERMITS</td>
<td>6</td>
</tr>
<tr>
<td>B.5</td>
<td>COMPLIANCE WITH GOVERNMENT REGULATIONS</td>
<td>6</td>
</tr>
<tr>
<td>B.6</td>
<td>SUPERINTENDENCE</td>
<td>7</td>
</tr>
<tr>
<td>B.7</td>
<td>INSPECTION</td>
<td>7</td>
</tr>
<tr>
<td>B.8</td>
<td>SEVERABILITY</td>
<td>7</td>
</tr>
<tr>
<td>B.9</td>
<td>ACCESS TO RECORDS</td>
<td>7</td>
</tr>
<tr>
<td>B.10</td>
<td>WAIVER</td>
<td>7</td>
</tr>
<tr>
<td>B.11</td>
<td>SUBCONTRACTS AND ASSIGNMENT</td>
<td>7</td>
</tr>
<tr>
<td>B.12</td>
<td>SUCCESSORS IN INTEREST</td>
<td>8</td>
</tr>
<tr>
<td>B.13</td>
<td>OWNER’S RIGHT TO DO WORK</td>
<td>8</td>
</tr>
<tr>
<td>B.14</td>
<td>OTHER CONTRACTS</td>
<td>8</td>
</tr>
<tr>
<td>B.15</td>
<td>GOVERNING LAW</td>
<td>8</td>
</tr>
<tr>
<td>B.16</td>
<td>LITIGATION</td>
<td>8</td>
</tr>
<tr>
<td>B.17</td>
<td>ALLOWANCES</td>
<td>8</td>
</tr>
<tr>
<td>B.18</td>
<td>SUBMITTALS, SHOP DRAWINGS, PRODUCT DATA AND SAMPLES</td>
<td>8</td>
</tr>
<tr>
<td>B.19</td>
<td>SUBSTITUTIONS</td>
<td>9</td>
</tr>
<tr>
<td>B.20</td>
<td>USE OF PLANS AND SPECIFICATIONS</td>
<td>9</td>
</tr>
<tr>
<td>B.21</td>
<td>FUNDS AVAILABLE AND AUTHORIZED</td>
<td>9</td>
</tr>
<tr>
<td>B.22</td>
<td>NO THIRD PARTY BENEFICIARIES</td>
<td>9</td>
</tr>
<tr>
<td>C.</td>
<td>WAGES AND LABOR</td>
<td>9</td>
</tr>
<tr>
<td>C.1</td>
<td>MINIMUM WAGE RATES ON PUBLIC WORKS</td>
<td>9</td>
</tr>
<tr>
<td>C.2</td>
<td>PAYROLL CERTIFICATION AND FEE REQUIREMENTS</td>
<td>10</td>
</tr>
<tr>
<td>C.3</td>
<td>PROMPT PAYMENT AND CONTRACT CONDITIONS</td>
<td>10</td>
</tr>
<tr>
<td>C.4</td>
<td>PAYMENT FOR MEDICAL CARE</td>
<td>10</td>
</tr>
<tr>
<td>C.5</td>
<td>HOURS OF LABOR</td>
<td>10</td>
</tr>
<tr>
<td>D.</td>
<td>CHANGES IN THE WORK</td>
<td>11</td>
</tr>
<tr>
<td>D.1</td>
<td>CHANGES IN WORK</td>
<td>11</td>
</tr>
<tr>
<td>D.2</td>
<td>DELAYS</td>
<td>12</td>
</tr>
<tr>
<td>D.3</td>
<td>CLAIMS REVIEW PROCESS</td>
<td>13</td>
</tr>
</tbody>
</table>
A. DEFINITION OF TERMS

In the Agreement Documents the following terms shall be as defined below:

AGREEMENT, means the written agreement between the Owner and the Contractor comprised of the Agreement Documents which describe the Work to be done and the obligations between the parties.

AGREEMENT DOCUMENTS, means the Solicitation Document and addenda thereto, Instructions to Bidders, Supplemental Instructions to Bidders, the PSU Public Improvement Agreement, PSU General Conditions, Supplemental General Conditions, if any, the accepted Bid, Plans, Specifications, Change Orders, and Construction Change Directives.

AGREEMENT PERIOD, as set forth in the Agreement Documents, means the total period of time beginning with the full execution of this Agreement and, if applicable, the issuance of a Notice to Proceed and concluding upon Final Completion.

AGREEMENT PRICE, means the total of the awarded Bid amount, as increased or decreased by the price of approved alternates, as indicated in the Agreement Documents.

AGREEMENT TIME, means any incremental period of time allowed under the Agreement to complete any portion of the Work as reflected in the project schedule.

APPLICABLE LAWS, means federal, state and local laws, codes, rules, regulations and ordinances applicable to the Work and to the Agreement.

ARCHITECT/ENGINEER, means the Person appointed by the Owner to make drawings and specifications and, to provide administration of the Work contemplated by the Agreement to the extent provided herein or by supplemental instruction of Owner (under which Owner may delegate responsibilities to the Architect/Engineer), in accordance with ORS Chapter 671 (Architects) or ORS Chapter 672 (Engineers) and administrative rules adopted thereunder.

BID, means an offer binding on the Bidder and submitted in response to an Instructions to Bidders or a proposal in connection with a Request for Proposals.

BIDDER, means an Entity that submits a Bid in response to Instructions to Bidders or a proposer in connection with a Request for Proposals.

CHANGE ORDER, means a written order which, when fully executed by the Parties to this Agreement, constitutes a change to the Agreement Documents. Change Orders shall be issued in accordance with the changes provisions in Section D and, if applicable, establish an Agreement Price or Agreement Time adjustment. A Change Order shall not be effective until executed as a Change Order.

CLAIM, means a demand by Contractor pursuant to Section D.3 for review of the denial of Contractor’s initial request for an adjustment of Agreement terms, payment of money, extension of Agreement Time or other relief, submitted in accordance with the requirements and within the time limits established for review of Claims in these PSU General Conditions.

CONSTRUCTION CHANGE Directive, means a written order by the Owner to the Contractor requiring a change in the Work within the general scope of the Agreement Documents, issued under the changes provisions of Section D.

CONTRACTOR, means the Person awarded the Agreement for the Work contemplated.

DAYS, are calendar days, including weekdays, weekends and holidays, unless otherwise specified.

DIRECT COSTS, means, unless otherwise provided in the Agreement Documents, the cost of materials, including sales tax, cost of delivery; cost of labor, including social security, Medicare and unemployment insurance, and fringe benefits required by agreement or custom; worker’s compensation insurance; project specific insurance (including, without limitation, Builder’s Risk Insurance and Builder’s Risk Installation Floater); bond premiums, rental cost of equipment, and machinery required for execution of the Work; Owner’s costs to correct defective Work; and the additional costs of field personnel directly attributable to the Work.

FINAL COMPLETION, means the final completion of all requirements under the Agreement, including Agreement Closeout as described in Section K but excluding Warranty Work as described in Section I.2, and the final payment and release of all retainage, if any, released.

FORCE MAJEURE, means an act, event or occurrence caused by fire, riot, war, acts of God, nature, sovereign, or public enemy, strikes, freight embargoes or any other act, event or occurrence that is beyond the control of the party to this Agreement who is asserting Force Majeure.

MWESB REPORT, means an accurate report by the Contractor to the Owner identifying all Minority, Women and Emerging Small Business (MWESB) enterprises, as those terms are defined in ORS 200.005, receiving contracts throughout the course of the Work. An initial MWESB report is required (see Section E.2.9) and MWESB Reports are required annually (see Section E.2.9) and as a condition of final payment (see Section K.1). The initial report shall be in the form required by PSU and as posted from time to time on the PSU website and shall include the total number of contracts and subcontracts awarded to MWESB enterprises and the dollar value of their respective contracts and subcontracts. The annual reports shall include the total number of contracts and subcontracts awarded to MWESB enterprises and the dollar value of their respective contracts and subcontracts awarded to MWESB enterprises, the dollar value of each, and the expenditure toward each agreement and subcontract during the previous twelve (12) months. The final report shall include the total number of contracts and subcontracts awarded to MWESB enterprises and the dollar value of their respective contracts and subcontracts including all Change Orders incorporated during the course of the project. The reports shall only include enterprises certified with the State of Oregon as MWESB enterprises and shall include individual identification of each enterprise as a Minority business enterprise, a Women business enterprise, and/or an Emerging Small Business Enterprise, as applicable.
NOTICE TO PROCEED, means the official written notice from the Owner stating that the Contractor is to proceed with the Work defined in the Agreement Documents. Notwithstanding the Notice to Proceed, Contractor shall not be authorized to proceed with the Work until all initial Agreement requirements, including the Agreement, performance bond and payment bond, and certificates of insurance, have been fully executed and submitted to Owner in a suitable form.

OVERHEAD, means those items which may be included in the Contractor’s markup (general and administrative expense and profit) and that shall not be charged as Direct Cost of the Work, including without limitation such Overhead expenses as wages or salary of personnel above the level of foreman (i.e., superintendents and project managers), expenses of Contractor’s offices and supplies at the job site (e.g. job trailer) and at Contractor’s principal place of business and including expenses of personnel staffing the job site office and Contractor’s principal place of business, and Commercial General Liability Insurance and Automobile Liability Insurance.

OWNER, means the State of Oregon acting by and through the Oregon State Board of Higher Education, in its own right or on behalf of one of its institutions as identified in the Solicitation Document, also known as Portland State University (PSU). Owner may elect, by written notice to Contractor, to delegate certain duties to more than one party, including without limitation, to an Architect/Engineer. However, nothing in these PSU General Conditions is intended to abrogate the separate design professional responsibilities of Architects under ORS Chapter 671 or of Engineers under ORS Chapter 672.

PERSON, means a natural person or entity doing business as a sole proprietorship, a partnership, a joint venture, a corporation, a limited liability company or partnership, or any other entity possessing the legal capacity to contract.

PLANS, means the drawings which show the location, type, dimensions, and details of the Work to be done under the Agreement.

PUNCH LIST, means the list of Work yet to be completed or deficiencies which need to be corrected in order to achieve Final Completion of the Agreement.

RECORD DOCUMENT, means information depicting the project as constructed and reflecting each and every change, modification, and deletion made during construction. These include as-built Plans, Specifications, testing and inspection records, product data, samples, manufacturer and distributor/supplier warranties evidencing transfer of ownership to Owner, operational and maintenance manuals, shop drawings, Construction Change Directives, MWESB Reports, correspondence, certificate(s) of occupancy, and other documents listed in Section B.9.1 of these PSU General Conditions.

SOLICITATION DOCUMENT, means Instructions to Bidders or Bidders or a Request for Proposal or a Request for Quotes.

SPECIFICATION, means any description of the physical or functional characteristics of the Work, or of the nature of a supply, service or construction item. Specifications may include a description of any requirement for inspecting, testing or preparing a supply, service or construction item for delivery and the quantities or qualities of materials to be furnished under the Agreement. Specifications generally will state the results or products to be obtained and may, on occasion, describe the method and manner of doing the Work to be performed. Specifications may be incorporated by reference and/or may be attached to the Agreement.

SUBCONTRACTOR, means a Person having a direct agreement with the Contractor, or another Subcontractor, to perform one or more items of the Work.

SUBSTANTIAL COMPLETION, means the date when the Owner accepts in writing the construction, alteration or repair of the improvement to real property constituting the Work or any designated portion thereof as having reached that state of completion when it may be used or occupied for its intended purpose. Substantial Completion of facilities with operating systems occurs only after thirty (30) continuous Days of successful, trouble-free operation of the operating systems as provided in Section K.4.2.

SUBSTITUTIONS, means items that in function, performance, reliability, quality, and general configuration are the same or better than the product(s) specified. Approval of any substitute item shall be solely determined by the Owner. The decision of the Owner is final.

PUBLIC IMPROVEMENT SUPPLEMENTAL GENERAL CONDITIONS, means those conditions that remove from, add to, or modify these PSU General Conditions. Public Improvement Supplemental General Conditions may be included in the Solicitation Document or may be a separate attachment to the Agreement.

WORK, means the furnishing of all materials, equipment, labor, transportation, services and incidentals necessary to successfully complete any individual item or the entire Agreement and the carrying out of duties and obligations imposed by the Agreement Documents.

A.2 SCOPE OF WORK
The Work contemplated under this Agreement includes all labor, materials, transportation, equipment and services for, and incidental to, the completion of all construction work in connection with the project described in the Agreement Documents. The Contractor shall perform all Work necessary so that the project can be legally occupied and fully used for the intended use as set forth in the Agreement Documents.

A.3 INTERPRETATION OF CONTRACT DOCUMENTS
A.3.1 Unless otherwise specifically defined in the Agreement Documents, words which have well-known technical meanings or construction industry meanings are used in the Agreement Documents in accordance with such recognized meanings. Agreement Documents are intended to be complementary. Whatever is called for in one is interpreted to be called for in all. However, in the event of conflicts or discrepancies among the Agreement Documents, interpretations will be based on the following descending order of precedence:
   a. Agreement Change Orders and Construction Change Directives, with those of later date having precedence over those of an earlier date;
   b. The Public Improvement Supplemental General Conditions;
   c. The PSU Public Improvement Agreement;
   d. The PSU General Conditions;
   e. Division 01 (General Requirements) of the Specifications;
   f. Detailed Schedules of finishes, equipment and other items included in the Specifications;
   g. Plans and Specifications (other than Division 01 and the Detailed Schedules to the Specifications);
   h. Large-scale drawings on Plans;
   i. Small-scale drawings on Plans;
   j. Dimension numbers written on Plans which shall prevail and take precedence over dimensions scaled from Plans;
   k. The Solicitation Document, and any addenda thereto;
   l. The accepted Bid.
A.3.2 In the case of an inconsistency between Plans and Specifications or within either document not clarified by addendum, the better quality or greater quantity of Work shall be provided in accordance with the Owner’s interpretation in writing.

A.3.3 If the Contractor finds discrepancies in, or omissions from the Agreement Documents, or if the Contractor is in doubt as to their meaning, the Contractor shall at once notify the Owner. Matters concerning and interpretation of requirements of the Agreement Documents will be decided by the Owner, who may delegate that duty in some instances to the Architect/Engineer. Responses to Contractor’s requests for interpretation of Agreement Documents will be made in writing by Owner (or the Architect/Engineer) within any time limits agreed upon or otherwise with reasonable promptness. Interpretations and decisions of the Owner (or Architect/Engineer) will be consistent with the intent of and reasonably inferable from the Agreement Documents. Contractor shall not proceed without direction in writing from the Owner (or Architect/Engineer).

A.3.4 References to standard specifications, manuals, codes of any technical society, organization or association, to the laws or regulations of any governmental authority, whether such reference be specific or by implication, shall mean the latest standard specification, manual, code, laws or regulations in effect in the jurisdiction where the project is occurring on the date of Bid submission, except as may be otherwise specifically stated.

A.4 EXAMINATION OF PLANS, SPECIFICATIONS, AND SITE

A.4.1 It is understood that the Contractor, before submitting a Bid, has made a careful examination of the Agreement Documents; has become fully informed as to the quality and quantity of materials and the character of the Work required; and has made a careful examination of the location and conditions of the Work and the sources of supply for materials. The Owner will in no case be responsible for any loss or for any unanticipated costs that may be suffered by the Contractor as a result of the Contractor’s failure to acquire full information in advance in regard to all conditions pertaining to the Work. No oral agreement or conversation with any officer, agent, or personnel of the Owner, or with the Architect/Engineer either before or after the execution of this Agreement, shall affect or modify any of the terms or obligations herein contained.

A.4.2 Should the Plans or Specifications fail to particularly describe the materials, kind of goods, or details of construction of any aspect of the Work, Contractor shall have the duty to make inquiry of the Owner and Architect/Engineer as to what is required prior to performance of the Work. Absent Specifications to the contrary, the materials or processes that would normally be used to produce first quality finished Work shall be considered a part of the Agreement requirements.

A.4.3 Any design errors or omissions noted by the Contractor shall be reported promptly to the Owner, including without limitation, any nonconformity with Applicable Laws.

A.4.4 If the Contractor believes that adjustments to cost or Agreement Time is involved because of clarifications or instructions issued by the Owner (or Architect/Engineer) in response to the Contractor’s notices or requests for information, the Contractor must submit a written request to the Owner, setting forth the nature and specific extent of the request, including all time and cost impacts against the Agreement as soon as possible, but no later than thirty (30) Days after receipt by Contractor of the clarifications or instructions issued. If the Owner denies Contractor’s request for additional compensation, additional Agreement Time, or other relief that Contractor believes results from the clarifications or instructions, the Contractor may proceed to file a Claim under Section D.3, Claims Review Process. If the Contractor fails to perform the obligations of Sections A.4.1 to A.4.3, the Contractor shall pay such costs and damages to the Owner as would have been avoided if the Contractor had performed such obligations.

A.5 INDEPENDENT CONTRACTOR STATUS

The service or services to be performed under this Agreement are those of an independent contractor as defined in ORS 670.600. Contractor represents and warrants that it is not an officer, employee or agent of the Owner as those terms are used in ORS 30.265.

A.6 RETIREMENT SYSTEM STATUS AND TAXES

Contractor represents and warrants that it is not a contributing member of the Public Employees’ Retirement System and will be responsible for any federal or state taxes applicable to payment received under this Agreement. Contractor will not be eligible for any benefits from these Agreement payments of federal Social Security, employment insurance, workers’ compensation or the Public Employees’ Retirement System, except as a self-employed individual. Unless the Contractor is subject to backup withholding, Owner will not withhold from such payments any amount(s) to cover Contractor’s federal or state tax obligations.

A.7 GOVERNMENT EMPLOYMENT STATUS

A.7.1 If this payment is to be charged against federal funds, Contractor represents and warrants that it is not currently employed by the Federal Government. This does not preclude the Contractor from holding another agreement with the Federal Government.

A.7.2 Contractor represents and warrants that Contractor is not an employee of the State of Oregon for purposes of performing Work under this Agreement.

B. ADMINISTRATION OF THE AGREEMENT

B.1 OWNER’S ADMINISTRATION OF THE CONTRACT

B.1.1 The Owner shall administer the Agreement as described in the Agreement Documents (1) during construction (2) until final payment is due and (3) during the one-year period for correction of Work. The Owner will act as provided in the Agreement Documents, unless modified in writing in accordance with other provisions of the Agreement. In performing these tasks, the Owner may rely on the Architect/Engineer or other consultants to perform some or all of these tasks.

B.1.2 The Owner will visit the site at intervals appropriate to the stage of the Contractor’s operations (1) to become generally familiar with and to keep the Owner informed about the progress and quality of the portion of the Work completed, (2) to endeavor to guard the Owner against defects and deficiencies in the Work, and (3) to determine in general if Work is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Agreement Documents. The Owner will neither have control over or charge of, nor be responsible for the construction means, methods, techniques, sequences or procedures in connection with the Work. The Owner will not have control of, or be responsible for, the Contractor’s
safety program. However, the Contractor shall cooperate with the Owner’s designated Safety Officer, providing access to the job site, conducting joint jobsite walkthroughs, and appropriate meetings.

B.1.3 Except as otherwise provided in the Agreement Documents or when direct communications have been specifically authorized, the Owner and Contractor shall communicate with each other about matters arising out of or relating to the Agreement. Communications by and with the Architect/Engineer’s consultants shall be through the Architect/Engineer. Communications by and with Subcontractors and material suppliers shall be through the Contractor. Communications by and with separate contractors and consultants shall be through the Owner.

B.1.4 Based upon the Architect/Engineer’s evaluations of the Contractor’s Application for Payment, or unless otherwise stipulated by the Owner, the Architect/Engineer will review and certify the amounts due the Contractor and will issue Certificates for Payment in such amounts.

B.2 CONTRACTOR’S MEANS AND METHODS; MITIGATION OF IMPACTS

B.2.1 The Contractor shall supervise and direct the Work, using the Contractor’s best skill and attention. The Contractor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under the Agreement, unless the Agreement Documents give other specific instructions concerning these matters. If the Agreement Documents give specific instructions concerning construction means, methods, techniques, sequences or procedures, the Contractor shall evaluate the jobsite safety thereof and, except as stated below, shall be fully and solely responsible for the jobsite safety of such means, methods, techniques, sequences or procedures.

B.2.2 The Contractor is responsible to protect and maintain the Work during the course of construction and to mitigate any adverse impacts to the project, including those caused by authorized changes, which may affect cost, schedule, or quality.

B.2.3 The Contractor is responsible for the actions of all its personnel, laborers, suppliers, and Subcontractors on the project. The Contractor shall enforce strict discipline and good order among Contractor’s employees and other persons carrying out the Work. The Contractor shall not permit employment of persons who are unfit or unskilled for the tasks assigned to them.

B.3 MATERIALS AND WORKMANSHIP

B.3.1 The intent of the Agreement Documents is to provide for the construction and completion in every detail of the Work described. All Work shall be performed in a professional manner and unless the means or methods of performing a task are specified elsewhere in the Agreement Documents, Contractor shall employ methods that are generally accepted and used by the industry, in accordance with industry standards.

B.3.2 The Contractor is responsible to perform the Work as required by the Agreement Documents. Defective Work shall be corrected at the Contractor's expense.

B.3.3 Work done and materials furnished shall be subject to inspection and/or observation and testing by the Owner to determine if they conform to the Agreement Documents. Inspection of the Work by the Owner does not relieve the Contractor of responsibility for the Work in accordance with the Agreement Documents.

B.3.4 Contractor shall furnish adequate facilities, as required, for the Owner to have safe access to the Work including without limitation walkways, railings, ladders, tunnels, and platforms. Producers, suppliers, and fabricators shall also provide proper facilities and access to their facilities.

B.3.5 The Contractor shall furnish Samples of materials for testing by the Owner and include the cost of the Samples in the Agreement Price.

B.4 PERMITS

Contractor shall obtain and pay for all necessary permits and licenses, except for those specifically excluded in the Supplemental General Conditions, for the construction of the Work, for temporary obstructions, enclosures, opening of streets for pipes, walls, utilities, environmental Work, etc., as required for the project. Owner shall obtain and pay for the general building permit. Contractor shall be responsible for all violations of the law, in connection with the construction or caused by obstructing streets, sidewalks or otherwise. Contractor shall give all requisite notices to public authorities. The Contractor shall pay all royalties and license fees. The Contractor shall defend all suits or claims for infringement of any patent or other proprietary rights and save harmless and blameless from loss, on account thereof, the State of Oregon, and its departments, divisions, members and employees.

B.5 COMPLIANCE WITH GOVERNMENT REGULATIONS

B.5.1 Contractor shall comply with Applicable Laws pertaining to the Work and the Agreement. Failure to comply with such requirements shall constitute a breach of Agreement and shall be grounds for Agreement termination. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following, as applicable:

(i) Title VI and VII of Civil Rights Act of 1964, as amended; (ii) Section 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Health Insurance Portability and Accountability Act of 1996; (iv) the Americans with Disabilities Act of 1990, as amended; (v) ORS Chapter 659A; as amended; (vi) all regulations and administrative rules established pursuant to the foregoing laws; and (vii) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.

B.5.2 Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations, and

a. Contractor shall not discriminate against Disadvantaged, Minority, Women or Emerging Small Business enterprises, as those terms are defined in ORS 200.005, or a business enterprise that is owned or controlled by or that employs a disabled veteran, as that term is defined in ORS 408.225, in the awarding of subcontracts.

b. Contractor shall maintain, in current and valid form, all licenses and certificates required by Applicable Laws or this Agreement when performing the Work.

B.5.3 Unless contrary to federal law, Contractor shall certify that it shall not accept a bid from Subcontractors to perform Work as described in ORS 701.005 under this Agreement unless such Subcontractors are registered with the Construction Contractors Board in accordance with ORS 701.03S to 701.05S at the time they submit their bids to the Contractor.
B.5.4 Unless contrary to federal law, Contractor shall certify that each landscape contractor, as defined in ORS 671.520(2), performing Work under this Agreement holds a valid landscape contractor’s license issued pursuant to ORS 671.560.

B.5.5 The following notice is applicable to Contractors who perform excavation Work. “ATTENTION: Oregon law requires you to follow rules adopted by the Oregon Utility Notification Center. Those rules are set forth in OAR 952-001-0010 through OAR 952-001-0090. You may obtain copies of the rules by calling the center at (503)232-1987.”

B.5.6 Failure to comply with any or all of the requirements of B.5.1 through B.5.5 shall be a breach of Agreement and constitute grounds for Agreement termination. Damages or costs resulting from such noncompliance shall be the responsibility of Contractor.

B.6 SUPERINTENDENCE
Prior to the start of field work, Contractor shall submit name and qualifications of superintendent and necessary assistants to Owner for approval. The personnel identified shall be considered Key Persons and shall not be replaced during the Project without the written permission of Owner, which shall not be unreasonably withheld. If the Contractor intends to substitute personnel, a request must be given to Owner at least 30 Days (or such shorter period as permitted by Owner) prior to the intended time of substitution.

Contractor shall keep on the site, during the progress of the Work, a competent superintendent and any necessary assistants who shall be satisfactory to the Owner and who shall represent the Contractor on the site. Directions given to the superintendent by the Owner shall be confirmed in writing to the Contractor.

B.7 INSPECTION

B.7.1 Owner shall have access to the Work at all times.

B.7.2 Inspection of the Work will be made by the Owner at its discretion. The Owner will have authority to reject Work that does not conform to the Agreement Documents. Any Work found to be not in conformance with the Agreement Documents, in the discretion of the Owner, shall be removed and replaced at the Contractor’s expense.

B.7.3 Contractor shall make or obtain at the appropriate time all tests, inspections and approvals of portions of the Work required by the Agreement Documents or by Applicable Laws or orders of public authorities having jurisdiction. Unless otherwise provided, the Contractor 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. Tests or inspections conducted pursuant to the Agreement Documents shall be made promptly to avoid unreasonable delay in the Work. The Contractor 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. Required certificates of testing, inspection or approval shall, unless otherwise required by the Agreement Documents, be secured by the Contractor and promptly delivered to the Owner.

B.7.4 As required by the Agreement Documents, Work done or material used without required inspection or testing and/or without providing timely notice to the Owner may be ordered removed at the Contractor’s expense.

B.7.5 If directed to do so any time before the Work is accepted, the Contractor shall uncover portions of the completed Work for inspection. After inspection, the Contractor shall restore such portions of Work to the standard required by the Agreement. If the Work uncovered is unacceptable or was done without required testing or inspection or sufficient notice to the Owner, the uncovering and restoration shall be done at the Contractor’s expense. If the Work uncovered is acceptable and was done with sufficient notice to the Owner, the uncovering and restoration will be paid for pursuant to any Change Orders.

B.7.6 If any testing or inspection reveals failure of the portions of the Work to comply with requirements established by the Agreement Documents, all costs made necessary by such failure, including those of repeated procedures and compensation for the Owner’s and Architect/Engineer’s services and expenses, shall be at the Contractor’s expense.

B.7.7 When the United States government participates in the cost of the Work, or the Owner has an agreement with other public or private organizations, or if any portion of the Work is being performed for a third party or in close proximity to third party facilities, representatives of these organizations shall have the right to inspect the Work affecting their interests or property. Their right to inspect shall not make them a party to the Agreement and shall not interfere with the rights of the parties of the Agreement. Instructions or orders of such parties shall be transmitted to the Contractor, through the Owner.

B.8 SEVERABILITY
If any provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular provision held to be invalid.

B.9 ACCESS TO RECORDS

B.9.1 Contractor shall keep, at all times on the Work site, one record copy of the complete Agreement Documents, including the Plans, Specifications, Construction Change Directives and addenda, in good order and marked currently to record field changes and selections made during construction, and one record copy of Shop Drawings, Product Data, Samples and similar submittals, and shall at all times give the Owner access thereto.

B.9.2 Contractor shall retain and the Owner and its duly authorized representatives shall have access, for a period not less than ten (10) years, to all Record Documents, financial and accounting records, and other books, documents, papers and records of Contractor which are pertinent to the Agreement, including records pertaining to Overhead and indirect costs, for the purpose of making audit, examination, excerpts and transcripts. If for any reason, any part of the Work or this Agreement shall be subject to litigation, Contractor shall retain all such records until all litigation is resolved and Contractor shall continue to provide Owner and/or its agents with full access to such records until such time as all litigation is complete and all periods for appeal have expired and full and final satisfaction of any judgment, order or decree is recorded and Owner receives a record copy of documentation from Contractor.

B.10 WAIVER
Failure of the Owner to enforce any provision of this Agreement shall not constitute a waiver or relinquishment by the Owner of the right to such performance in the future nor of the right to enforce any other provision of this Agreement.
B.11 SUBCONTRACTS AND ASSIGNMENT

B.11.1 Contractor shall require each Subcontractor, to the extent of the Work to be performed by the Subcontractor, to be bound by the terms and conditions of these PSU General Conditions, and to assume toward the Contractor all of the obligations and responsibilities which the Contractor assumes toward the Owner thereunder, unless (1) the same are clearly inapplicable to the subcontract at issue because of legal requirements or industry practices, or (2) specific exceptions are requested by Contractor and approved in writing by Owner. Where appropriate, Contractor shall require each Subcontractor to enter into similar agreements with sub-subcontractors at any level.

B.11.2 At Owner’s request, Contractor shall submit to Owner prior to their execution either Contractor’s form of subcontract, or the subcontract to be executed with any particular Subcontractor. If Owner disapproves such form, Contractor shall not execute the form until the matters disapproved are resolved to Owner’s satisfaction. Owner’s review, comment upon or approval of any such form shall not relieve Contractor of its obligations under this Agreement or be deemed a waiver of such obligations of Contractor.

B.11.3 Contractor shall not assign, sell, or transfer its rights, or delegate its responsibilities under this Agreement, in whole or in part, without the prior written approval of the Owner. No such written approval shall relieve Contractor of any obligations of this Agreement, and any transferee shall be considered the agent of the Contractor and bound to perform in accordance with the Agreement Documents. Contractor shall remain liable as between the original parties to the Agreement as if no assignment had occurred.

B.12 SUCCESSORS IN INTEREST
The provisions of this Agreement shall be binding upon and shall accrue to the benefit of the parties to the Agreement and their respective permitted successors and assigns.

B.13 OWNER’S RIGHT TO DO WORK
Owner reserves the right to perform other or additional work at or near the project site with other forces than those of the Contractor. If such work takes place within or next to the project site, Contractor shall coordinate work with the other contractors or forces, cooperate with all other contractors or forces, carry out the Work in a way that will minimize interference and delay for all forces involved, place and dispose of materials being used so as not to interfere with the operations of another, and join the Work with the work of the others in an acceptable manner and perform it in proper sequence to that of the others. The Owner will resolve any disagreements that may arise between or among Contractor and the other contractors over the method or order of doing all work (including the Work). In case of unavoidable interference, the Owner will establish work priority (including the Work) which generally will be in the sequence that the contracts were awarded.

B.14 OTHER CONTRACTS
In all cases and at any time, the Owner has the right to execute other contracts related to or unrelated to the Work of this Agreement. The Contractor of this Agreement shall fully cooperate with any and all other contractors without additional cost to the Owner in the manner described in Section B.13.

B.15 GOVERNING LAW
This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon without regard to principles of conflict of laws.

B.16 LITIGATION
Any Claim between Owner and Contractor that arises from or relates to this Agreement and that is not resolved through the Claims Review Process in Section D.3 shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon, unless stated otherwise in the Agreement Documents, provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. In no event shall this Section be construed as a waiver by the State of Oregon of any form of defense or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court. CONTRACTOR, BY EXECUTION OF THIS CONTRACT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF THE COURTS REFERENCED IN THIS SECTION B.16.

B.17 ALLOWANCES

B.17.1 The Contractor shall include in the Agreement Price all allowances stated in the Agreement Documents. Items covered by allowances shall be supplied for such amounts and by such persons or entities as the Owner may direct.

B.17.2 Unless otherwise provided in the Agreement Documents:
   a. When finally reconciled, allowances shall cover the cost to the Contractor of materials and equipment delivered at the site and all required taxes, less applicable trade discounts;
   b. Contractor’s costs for unloading and handling at the site, labor, installation costs, Overhead, profit and other expenses contemplated for stated allowance amounts shall be included in the Agreement Price but not in the allowances;
   c. Whenever costs are more than or less than allowances, the Agreement Price shall be adjusted accordingly by Change Order. The amount of the Change Order shall reflect (i) the difference between actual costs and the allowances under Section B.17.2.a and (ii) changes in Contractor’s costs under Section B.17.2.b.
   d. Unless Owner requests otherwise, Contractor shall provide to Owner a proposed fixed price for any allowance work prior to its performance.

B.18 SUBMITTALS, SHOP DRAWINGS, PRODUCT DATA AND SAMPLES

B.18.1 The Contractor shall prepare and keep current, for the Architect’s/Engineer’s approval (or for the approval of Owner if approval authority has not been delegated to the Architect/Engineer), a schedule and list of submittals which is coordinated with the Contractor’s construction schedule and allows the Architect/Engineer reasonable time to review submittals. Owner reserves the right to finally approve the schedule and list of submittals. Submittals include, without limitation, Shop Drawings, Product Data, and Samples which are described below:
   a. Shop Drawings are drawings, diagrams, schedules and other data specially prepared for the Work by the Contractor or a Subcontractor (including any sub-subcontractor), manufacturer, supplier or distributor to illustrate some portion of the Work.
   b. Product Data are illustrations, standard schedules, performance charts, instructions, brochures, diagrams and other information furnished by the Contractor to illustrate materials or equipment for some portion of the Work.
c. Samples are physical examples which illustrate materials, equipment or workmanship and establish standards by which the Work will be judged.

B.18.2 Shop Drawings, Product Data, Samples and similar submittals are not Agreement Documents. The purpose of their submittal is to demonstrate for those portions of the Work for which submittals are required by the Agreement Documents the way by which the Contractor proposes to conform to the information given and the design concept expressed in the Agreement Documents. Review of submittals by the Architect/Engineer 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, or for approval of safety precautions or, unless otherwise specifically stated by the Architect/Engineer, of any construction means, methods, techniques, sequences or procedures, all of which remain the responsibility of the Contractor as required by the Agreement Documents. The Architect/Engineer’s review of the Contractor’s submittals shall not relieve the Contractor of its obligations under the Agreement Documents. The Architect/Engineer’s approval of a specific item shall not indicate approval of an assembly of which the item is a component. Informational submittals upon which the Architect/Engineer is not expected to take responsive action may be so identified in the Agreement Documents. Submittals which are not required by the Agreement Documents may be returned by the Architect/Engineer without action.

B.18.3 The Contractor shall review for compliance with the Agreement Documents, approve and submit to the Architect/Engineer Shop Drawings, Product Data, Samples and similar submittals required by the Agreement Documents with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of the Owner or of separate contractors. Submittals which are not marked as reviewed for compliance with the Agreement Documents and approved by the Contractor may be returned by the Architect/Engineer without action.

B.18.4 By approving and submitting Shop Drawings, Product Data, Samples and similar submittals, the Contractor represents that the Contractor has determined and verified materials, field measurements and field construction criteria related thereto, or will do so, and has checked and coordinated the information contained within such submittals with the requirements of the Work and of the Agreement Documents.

B.18.5 The Contractor shall perform no portion of the Work for which the Agreement Documents require submittal and review of Shop Drawings, Product Data, Samples or similar submittals until the respective submittal has been approved by the Architect/Engineer.

B.18.6 The Work shall be in accordance with approved submittals except that the Contractor shall not be relieved of responsibility for deviations from requirements of the Agreement Documents by the Architect/Engineer’s review or approval of Shop Drawings, Product Data, Samples or similar submittals unless the Contractor has specifically informed the Architect/Engineer in writing of such deviation at the time of submittal and (i) the Architect/Engineer has given written approval to the specific deviation as a minor change in the Work, or (ii) a Change Order or Construction Change Directive has been executed by Owner authorizing the deviation. The Contractor shall not be relieved of responsibility for errors or omissions in Shop Drawings, Product Data, Samples or similar submittals by the Architect/Engineer’s review or approval thereof.

B.18.7 In the event that Owner elects not to have the obligations and duties described under this Section B.18 performed by the Architect/Engineer, or in the event no Architect/Engineer is employed by Owner on the project, all obligations and duties assigned to the Architect/Engineer hereunder shall be performed by the Owner.

B.19 SUBSTITUTIONS
The Contractor may make Substitutions only with the consent of the Owner, after evaluation by the Owner and only in accordance with a Change Order or Construction Change Directive. Substitutions shall be subject to the requirements of the Bid documents. By making requests for Substitutions, the Contractor: represents that the Contractor has personally investigated the proposed substitute product; represents that the Contractor will provide the same warranty for the Substitution that the Contractor would for the product originally specified unless approved otherwise; certifies that the cost data presented is complete and includes all related costs under this Agreement including redesign costs, and waives all claims for additional costs related to the Substitution which subsequently become apparent; and will coordinate the installation of the accepted Substitution, making such changes as may be required for the Work to be completed in all respects.

B.20 USE OF PLANS AND SPECIFICATIONS
Plans, Specifications and related Agreement Documents furnished to Contractor by Owner or Owner’s Architect/Engineer shall be used solely for the performance of the Work under this Agreement. Contractor and its Subcontractors and suppliers are authorized to use and reproduce applicable portions of such documents appropriate to the execution of the Work, but shall not claim any ownership or other interest in them beyond the scope of this Agreement, and no such interest shall attach. Unless otherwise indicated, all common law, statutory and other reserved rights, in addition to copyrights, are retained by Owner.

B.21 FUNDS AVAILABLE AND AUTHORIZED
Owner reasonably believes at the time of entering into this Agreement that sufficient funds are available and authorized for expenditure to finance the cost of this Agreement within the Owner’s appropriation or limitation. Contractor understands and agrees that, to the extent that sufficient funds are not available and authorized for expenditure to finance the cost of this Agreement, Owner’s payment of amounts under this Agreement attributable to Services performed after the last day of the current biennium is contingent on Owner receiving from the Oregon Legislative Assembly appropriations, limitations or other expenditure authority sufficient to allow Owner, in the exercise of its reasonable administrative discretion, to continue to make payments under this Agreement.

B.22 NO THIRD PARTY BENEFICIARIES
Owner and Contractor are the only parties to this Agreement and are the only parties entitled to enforce its terms. Nothing in this Agreement gives, is intended to give, or shall be construed to give or provide any benefit or right, whether directly, indirectly, or otherwise, to third persons unless such third persons are individually identified by name herein and expressly described as intended beneficiaries of the terms of this Agreement.

C. WAGES AND LABOR

C.1 MINIMUM WAGE RATES ON PUBLIC WORKS
Contractor shall comply fully with the provisions of ORS 279C.800 through 279C.870. Documents establishing those conditions, as determined by the Commissioner of the Bureau of Labor and Industries (BOLI), are included as attachments to or are incorporated by reference in the Agreement Documents. Pursuant to ORS 279C.890(1)(d), Contractor shall pay workers at not less than the specified minimum hourly rate of wage, and shall include that requirement in all subcontracts. If the Work is subject to both the state prevailing wage rate law and the federal Davis-Bacon Act, Contractor shall pay the higher of the applicable state or federal prevailing rate of wage. Contractor shall provide written notice to all workers of the number of hours per day and days per week such workers may be required to work.
C.2 PAYROLL CERTIFICATION AND FEE REQUIREMENTS

C.2.1 In accordance with ORS 279C.845, the Contractor and every Subcontractor shall submit written certified statements to the Owner, on the form prescribed by the Commissioner of the Bureau of Labor and Industries, certifying the hourly rate of wage paid each worker which the Contractor or the Subcontractor has employed on the project and further certifying that no worker employed on the project has been paid less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the Agreement, which certificate and statement shall be verified by the oath of the Contractor or the Subcontractor that the Contractor or Subcontractor has read the certified statement, that the Contractor or Subcontractor knows the contents of the certified statement, and, that to the Contractor’s or Subcontractor’s best knowledge and belief, the certified statement is true. The certified statements shall set out accurately and completely the payroll records for the prior week, including the name and address of each worker, the worker’s correct classification, rate of pay, daily and weekly number of hours worked, deductions made, and actual wages paid. Certified statements for each week during which the Contractor or Subcontractor has employed a worker on the project shall be submitted once a month, by the fifth business day of the following month. The Contractor and Subcontractors shall preserve the certified statements for a period of ten (10) years from the date of completion of the Agreement.

C.2.2 Pursuant to ORS 279C.845(7), the Owner shall retain 25 percent of any amount earned by the Contractor on this public works project until the Contractor has filed the certified statements required by Section C.2.1. The Owner shall pay to the Contractor the amount retained under this subsection within 14 days after the Contractor files the required certified statements, regardless of whether a Subcontractor has failed to file certified statements.

C.2.3 Pursuant to ORS 279C.845(8), the Contractor shall retain 25 percent of any amount earned by a first-tier Subcontractor on this public works project until the first-tier Subcontractor has filed with the Owner the certified statements required by C.2.1. Before paying any amount retained under this subsection, the Contractor shall verify that the first-tier Subcontractor has filed the certified statement. Within 14 days after the first-tier Subcontractor files the required certified statement the Contractor shall pay the first-tier Subcontractor any amount retained under this subsection.

C.2.4 In accordance with statutory requirements and administrative rules promulgated by the Commissioner of the Bureau of Labor and Industries, the fee required by ORS 279C.825(1) will be paid by Owner to the Commissioner.

C.3 PROMPT PAYMENT AND CONTRACT CONDITIONS

C.3.1 As a condition to Owner’s performance hereunder, the Contractor shall:

- a. Make payment promptly, as due, to all persons supplying to Contractor labor or materials for the prosecution of the Work provided for in this Agreement.
- b. Pay all contributions or amounts due the State Industrial Accident Fund from such Contractor or Subcontractor incurred in the performance of the Agreement.
- c. Not permit any lien or claim to be filed or prosecuted against the Owner on account of any labor or material furnished. Contractor will not assign any claims that Contractor has against Owner, or assign any sums due by Owner, to Subcontractors, suppliers, or manufacturers, and will not make any agreement or act in any way to give Subcontractors a claim or standing to make a claim against the Owner.
- d. Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

C.3.2 As a condition to Owner’s performance hereunder, if Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the Contractor of a Subcontractor by any person in connection with the project as such claim becomes due, the proper officer(s) representing the Owner may pay the claim and charge the amount of the payment against funds due or to become due Contractor under this Agreement. Payment of claims in this manner shall not relieve the Contractor or the Contractor’s surety from obligation with respect to any unpaid claims.

C.3.3 Contractor shall include in each subcontract for property or services entered into by the Contractor and a first-tier subcontractor, including a material supplier, for the purpose of performing construction services, a payment clause that obligates the Contractor to pay the first-tier Subcontractor for satisfactory performance under its subcontract within ten (10) Days of out such amounts as are paid to the Contractor by the public contracting agency under such agreement.

C.3.4 All employers, including Contractor, that employ subject workers who work under this agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers’ Compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its Subcontractors complies with these requirements.

C.4 PAYMENT FOR MEDICAL CARE

As a condition to Owner’s performance hereunder, Contractor shall promptly, as due, make payment to any person, partnership, association or corporation furnishing medical, surgical, and hospital care or other needed care and attention, incident to sickness or injury, to the employees of such Contractor, all sums of which the Contractor agrees to pay for such services and all moneys and sums which the Contractor has collected or deducted from the wages of personnel pursuant to any law, contract or agreement for the purpose of providing or paying for such services.

C.5 HOURS OF LABOR

As a condition to Owner’s performance hereunder, no person shall be employed to perform Work under this Agreement for more than ten (10) hours in any one day or forty (40) hours in any one week, except in cases of necessity, emergency or where public policy absolutely requires it. In such instances, Contractor shall pay the employee at least time and a half pay:

- a. For all overtime in excess of eight (8) hours a day or forty (40) hours in any one week when the work week is five consecutive Days, Monday through Friday;
- b. For all overtime in excess of ten (10) hours a day or forty (40) hours in any one week when the work week is four consecutive Days, Monday through Friday; and
- c. For all Work performed on Saturday and on any legal holiday specified in ORS 279C.540.

This Section C.5 will not apply to Contractor’s Work under this Agreement to the extent Contractor is currently a party to a collective bargaining agreement with any labor organization. This Section C.5 shall not excuse Contractor from completion of the Work within the time required under this Agreement.
D. CHANGES IN THE WORK

D.1 CHANGES IN WORK

D.1.1 The terms of this Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever, without prior written agreement and then only after any necessary approvals have been obtained. A Change Order is required, which shall not be effective until its execution by the parties to this Agreement and all approvals required by public contracting laws have been obtained.

D.1.2 It is mutually agreed that changes in Plans, quantities, or details of construction are inherent in the nature of construction and may be necessary or desirable during the course of construction. Within the general scope of this Agreement, the Owner may at any time, without notice to the sureties and without impairing the Agreement, require changes consistent with this Section D.1. All changes to the Work shall be documented and Change Orders shall be executed under the conditions of the Agreement Documents. Such changes may include, but are not limited to:

a. Modification of specifications and design.

b. Increases or decreases in quantities.

c. Increases or decreases to the amount of Work.

d. Addition or elimination of any Work item.

e. Change in the duration of the project.

Deductive changes are those that reduce the scope of the Work, and shall be made by mutual agreement whenever feasible. In cases of suspension or partial termination under Section J, Owner reserves the right to unilaterally impose a deductive change and to self-perform such Work, for which the provisions of B.13 (Owner’s Right to Do Work) shall then apply. Adjustments in compensation shall be made under the provisions of D.1.3, in which costs for deductive changes shall be based upon a Direct Costs adjustment together with the related percentage markup specified for profit, Overhead and other indirect costs, unless otherwise agreed to by Owner.

d. Acceleration or delay in performance of Work.

g. Deductive changes.

The Owner and Contractor agree that adjustments to or deletions from the Work shall be administered and compensated according to the following:

a. Unit pricing may be utilized at the Owner’s option when unit prices or solicitation alternates were provided that established the cost for adjustments to Work, and a binding obligation exists under the Agreement on the parties covering the terms and conditions of the adjustment to Work.

b. If the Owner elects not to utilize unit pricing, or in the event that unit pricing is not available or appropriate, fixed pricing may be used for adjustments to or deletions from the Work. In fixed pricing the basis of payments or total price shall be agreed upon in writing between the parties to the Agreement, and shall be established before the Work is done whenever feasible. Notwithstanding the foregoing, the mark-ups set forth in D.1.3(c) shall be utilized in establishing fixed pricing, and such mark-ups shall not be exceeded. Cost and price data relating to adjustments to or deletions from the Work shall be supplied by Contractor to Owner upon request, but Owner shall be under no obligation to make such requests.

c. In the event that unit pricing and fixed pricing are not utilized, then adjustments to or deletions from the Work shall be performed on a cost reimbursement basis for Direct Costs. Such Work shall be compensated on the basis of the actual, reasonable and allowable cost of labor, equipment, and material furnished on the Work performed. In addition, the following markups shall be added to the Contractor’s or Subcontractor’s Direct Costs as full compensation for profit, Overhead and other indirect costs for Work directly performed with the Contractor’s or Subcontractor’s own forces:

On Labor*..........................15%
On Equipment..................10%
On Materials.....................10%

*Labor includes time for non-supervisory Contractor employees, including craftpersons, and other personnel working exclusively on the project job site.

d. When adjustments to or deletions from the Work under D.1.3(c) are invoiced by an authorized Subcontractor at any level, each ascending tier Subcontractor or Contractor will be allowed a supplemental mark-up on each piece of subcontract Work covered by an Change Order as follows:

5% for each tier

Payments made to the Contractor shall be complete compensation for Overhead, profit, and all costs that were incurred by the Contractor or by other forces furnished by the Contractor, including Subcontractors, for adjustments to or deletions from the Work pursuant to a Change Order. Owner may establish a maximum cost for additional Work under this Section D.1.3, which shall not be exceeded for reimbursement without additional written authorization from Owner in the form of a Change Order. Contractor shall not be required to complete such additional Work without additional authorization.

D.1.4 Any necessary adjustment of Agreement Time that may be required as a result of adjustments to or deletions from the Work must be agreed upon by the parties before the start of the revised Work unless Owner authorizes Contractor to start the revised Work before agreement on Agreement Time adjustment. Contractor shall submit any request for additional compensation (and additional Agreement Time if Contractor was authorized to start Work before an Agreement Time was approved) as soon as possible but no later than thirty (30) Days after receipt of Owner’s request for additional work. If Contractor’s request for additional compensation or adjustment of Agreement Time is not made within the thirty (30) Day time limit, Contractor’s requests pertaining to that additional Work shall be barred. The thirty (30) Day time limit for making requests shall not be extended for any reason, including without limitation Contractor’s claimed inability to determine the amount of additional compensation or adjustment of Agreement Time, unless an extension is granted in writing by Owner. If the Owner denies Contractor’s request for additional compensation or adjustment of Agreement Time, Contractor may proceed to file a Claim under Section D.3, Claims Review Process. No other reimbursement, compensation, or payment will be made, except as provided in Section D.1.5 for impact claims.

D.1.5 If any adjustment to Work under Section D.1.3 causes an increase or decrease in the Contractor’s cost of, or the Agreement Time required for the performance of any other part of the Work under this Agreement, Contractor shall submit a written request to the Owner, setting forth the nature and specific extent of the request, including all time and cost impacts against the Agreement as soon as possible, but no later than thirty (30) Days after receipt of Owner’s request for adjustments to or deletions from the Work by Contractor.
The thirty (30) Day time limit applies to claims of Subcontractors, suppliers, or manufacturers who may be affected by Owner’s request for adjustments to or deletions from the Work and who request additional compensation or an extension of Agreement Time to perform; Contractor has responsibility for contacting its Subcontractors, suppliers, or manufacturers within the thirty (30) Day time limit, and including their requests with Contractor’s requests. If the request involves Work to be completed by Subcontractors, or materials to be furnished by suppliers or manufacturers, such requests shall be submitted to the Contractor in writing with full analysis and justification for the adjustments to compensation and Agreement Time requested. The Contractor shall analyze and evaluate the merits of the requests submitted by Subcontractors, suppliers, and manufacturers to Contractor prior to including those requests and Contractor’s analysis and evaluation of those requests with Contractor’s requests for adjustments to compensation or Agreement Time that Contractor submits to the Owner. Failure of Subcontractors, suppliers, manufacturers or others to submit their requests to Contractor for inclusion with Contractor’s requests submitted to Owner within the time period and by the means described in this Section shall constitute a waiver of these Subcontractor claims. The Owner will not consider direct requests or claims from Subcontractors, suppliers, manufacturers or others not a party to this Agreement. The consideration of such requests and claims under this Section does not give any Person, not a party to the Agreement the right to bring a claim against Owner, whether in this claims process, in litigation, or in any dispute resolution process.

If the Owner denies the Contractor’s request for adjustment to compensation or Agreement Time, the Contractor may proceed to file a Claim under Section D.3, Claims Review Process.

D.1.6 No request or Claim by the Contractor for additional costs or an adjustment of Agreement Time shall be allowed if made after receipt of final payment application under this Agreement. Final payment application must be made by Contractor within the time required under Section E.6.4.

D.1.7 It is understood that changes in the Work are inherent in construction of this type. The number of changes, the scope of those changes, and the effect they have on the progress of the original Work cannot be defined at this time. The Contractor is notified that numerous changes may be required and that there will be no compensation made, unless and only to the extent otherwise provided in the Agreement Documents, to the Contractor directly related to the number of changes. Each change will be evaluated for extension of Agreement Time and increase or decrease in compensation based on its own merit.

D.2 DELAYS

D.2.1 Delays in construction include “Avoidable Delays”, which are defined in Section D.2.1.a, and “Unavoidable Delays”, which are defined in Section D.2.1.b. The effect of Avoidable Delays is described in Section D.2.2 and the effect of Unavoidable Delays is described in Section D.2.3.

a. Avoidable Delays include any delays other than Unavoidable Delays, and include delays that otherwise would be considered Unavoidable Delays but that:
1. Could have been avoided by the exercise of care, prudence, foresight, and diligence on the part of the Contractor or its Subcontractors.
2. Affect only a portion of the Work and do not necessarily prevent or delay the prosecution of other parts of the Work or the completion of the whole Work within the Agreement Time.
3. Do not impact activities on the accepted critical path schedule.
4. Are associated with the reasonable interference of other contractors employed by the Owner that do not necessarily prevent the completion of the whole Work within the Agreement Time.

b. Unavoidable Delays include delays other than Avoidable Delays that are:
1. To the extent caused by any actions of the Owner, or any other employee or agent of the Owner, or by separate contractor employed by the Owner.
2. To the extent caused by any site conditions which differ materially from what was represented in the Agreement Documents or from conditions that would normally be expected to exist and be inherent to the construction activities defined in the Agreement Documents. The Contractor shall notify the Owner immediately of differing site conditions before the area has been disturbed. The Owner will investigate the area and make a determination as to whether or not the conditions differ materially from either the conditions stated in the Agreement Documents or those which could reasonably be expected in execution of this particular Agreement. If Contractor and the Owner agree that a differing site condition exists, any adjustment to compensation or Agreement Time will be determined based on the process set forth in Section D.1.5 for adjustments to or deletions from Work. If the Owner disagrees that a differing site condition exists and denies Contractor’s request for additional compensation or Agreement Time, Contractor may proceed to file a Claim under Section D.3, Claims Review Process.
3. To the extent caused by Force Majeure acts, events or occurrences that could not have been avoided by the exercise of care, prudence, foresight, and diligence on the part of the Contractor or its Subcontractors.
4. To the extent caused by adverse weather conditions. Any adverse weather conditions must be substantiated by documentary evidence that weather conditions were abnormal for the specific time period claimed, could not have been anticipated by the Contractor, and adversely impacted the project in a manner that could not be avoided by rescheduling the Work or by implementing measures to protect against the weather so that the Work could proceed. A rain, windstorm, high water, or other natural phenomenon for the specific locality of the Work, which might reasonably have been anticipated from the previous 10-year historical records of the general locality of the Work, shall not be construed as abnormal. The parties agree that rainfall greater than the following levels cannot be reasonably anticipated:
   i. daily rainfall equal to, or greater than, 0.50 inch during a month when the monthly rainfall exceeds the normal monthly average by twenty-five percent (25%) or more.
   ii. daily rainfall equal to, or greater than, 0.75 inch at any time.

   The Office of the Environmental Data Service of the National Oceanic and Atmospheric Administration of the U.S. Department of Commerce nearest the project site shall be considered the official agency of record for weather information.

D.2.2 Contractor shall not be entitled to additional compensation or additional Agreement Time for Avoidable Delays.

D.2.3 In the event of Unavoidable Delays, based on principles of equitable adjustment, Contractor may be entitled to the following:

a. Contractor may be entitled to additional compensation or additional Agreement Time, or both, for Unavoidable Delays described in Section D.2.1.b.1 and Section D.2.1.b.2.

b. Contractor may be entitled to additional Agreement Time for Unavoidable Delays described in Section D.2.1.b.3 and Section D.2.1.b.4.
In the event of any requests for additional compensation or additional Agreement Time, or both, as applicable, arising under this Section D.2.3 for Unavoidable Delays, other than requests for additional compensation or additional Agreement Time for differing site conditions for which a review process is established under Section D.2.1.b.2 Contractor shall submit a written notification of the delay to the Owner within two (2) Days of the occurrence of the cause of the delay. This written notification shall state the cause of the potential delay, the project components impacted by the delay, and the anticipated additional Agreement Time extension or the additional compensation, or both, as applicable, resulting from the delay. Within seven (7) Days after the cause of the delay has been mitigated, or in no case more than thirty (30) Days after the initial written notification, the Contractor shall submit to the Owner, a complete and detailed request for additional compensation or additional Agreement Time, or both, as applicable, resulting from the delay. If the Owner denies Contractor’s request for additional compensation or adjustment of Agreement Time, the Contractor may proceed to file a Claim under Section D.3, Claims Review Process.

If Contractor does not timely submit the notices required under this Section D.2, then unless otherwise prohibited by law, Contractor’s Claim shall be barred.

D.3 CLAIMS REVIEW PROCESS

D.3.1 All Contractor Claims shall be referred to the Owner for review. Contractor’s Claims, including Claims for adjustments to compensation or Agreement Time, shall be submitted in writing by Contractor to the Owner within five (5) Days after a denial of Contractor’s initial request for an adjustment of Agreement terms, payment of money, extension of Agreement Time or other relief, provided that such initial request has been submitted in accordance with the requirements and within the time limits established in these PSU General Conditions. Within thirty (30) Days after the initial Claim, Contractor shall submit to the Owner a complete and detailed description of the Claim (the “Detailed Notice”) that includes all information required by Section D.3.2. Unless the Claim is made in accordance with these time requirements, it shall be waived by Contractor.

D.3.2 The Detailed Notice of the Claim shall be submitted in writing by Contractor and shall include a detailed, factual statement of the basis of the Claim, pertinent dates, Agreement provisions which support or allow the Claim, reference to or copies of any documents which support the Claim, the dollar value of the Claim, and the Agreement Time adjustment requested for the Claim. If the Claim involves Work to be completed by Subcontractors, the Contractor will analyze and evaluate the merits of the Subcontractor claim prior to forwarding it and that analysis and evaluation to the Owner. The Owner will not consider direct claims from Subcontractors, suppliers, manufacturers, or others not a party to this Agreement. Contractor agrees that it will make no agreement, covenant, or assignment, nor will it commit any other act that will permit or assist any Subcontractor, supplier, manufacturer, or other to directly or indirectly make a claim against Owner.

D.3.3 The Owner will review all Claims and take or one or more of the following preliminary actions within ten (10) Days of receipt of the Detailed Notice of a Claim: (1) request additional supporting information from the Contractor; (2) inform the Contractor and Owner in writing of the time required for adequate review and response; (3) reject the Claim in whole or in part and identify the reasons for rejection; (4) based on principles of equitable adjustment, recommend approval of all or part of the Claim; or (5) propose an alternate resolution.

D.3.4 The Owner’s decision shall be final and binding on the Contractor unless appealed by written notice to the Owner within fifteen (15) Days of receipt of the decision. The Contractor must present written documentation supporting the Claim within fifteen (15) Days of the notice of appeal. After receiving the appeal documentation, the Owner shall review the materials and render a decision within thirty (30) Days after receiving the appeal documents.

D.3.5 The decision of the Owner shall be final and binding unless the Contractor delivers to the Owner its request for mediation, which shall be a non-binding process, within fifteen (15) Days of the date of the Owner’s decision. The mediation process will be considered to have commenced as of the date the Contractor delivers the request. Both parties acknowledge and agree that participation in mediation is a prerequisite to commencement of litigation of any disputes relating to the Agreement. Both parties further agree to exercise their best efforts in good faith to resolve all disputes within sixty (60) Days of the commencement of the mediation through the mediation process set forth herein.

In the event that a lawsuit must be filed within this sixty (60) Day period in order to preserve a cause of action, the parties agree that, notwithstanding the filing, they shall proceed diligently with the mediation to its conclusion prior to actively prosecuting the lawsuit, and shall seek from the Court in which the lawsuit is pending such stays or extensions, including the filing of an answer, as may be necessary to facilitate the mediation process. Further, in the event settlements are reached on any issues through mediation, the plaintiff shall promptly cause to be entered by the Court a stipulated general judgment of dismissal with prejudice, or other appropriate order limiting the scope of litigation as provided in the settlement.

D.3.6 Should the parties arrive at an impasse regarding any Claims or disputed Claims, it is agreed that the parties shall participate in mediation as specified in Section D.3.5. The mediation process will be considered to have been commenced as of the date one party delivers to the other its request in writing to mediate. The mediator shall be an individual mutually acceptable to both parties, but in the absence of agreement each party shall select a temporary mediator and the temporary mediators shall jointly select the permanent mediator. Each party shall pay its own costs for the time and effort involved in mediation. The cost of the mediator shall be split equally between the two parties. Both parties agree to exercise their best effort in good faith to resolve all disputes in mediation. Participation in mediation is a mandatory requirement of both the Owner and the Contractor. The schedule, time and place for mediation will be mutually acceptable, or, failing mutual agreement, shall be as established by the mediator. The parties agree to comply with Owner’s administrative rules governing the confidentiality of mediation, if any, and shall execute all necessary documents to give effect to such confidentiality rules. In any event, the parties shall not subpoena the mediator or otherwise require the mediator to produce records, notes or work product, or to testify in any future proceedings as to information disclosed or representations made in the course of mediation, except to the extent disclosure is required by law.

D.3.7 Unless otherwise directed by Owner, Contractor shall proceed with the Work while any Claim, or mediation or litigation arising from a Claim, is pending. Regardless of the review period or the final decision of the Owner, the Contractor shall continue to diligently pursue the Work as identified in the Agreement Documents. In no case is the Contractor justified or allowed to cease or Delay Work, in whole or in part, without a written stop work order from the Owner.

E. PAYMENTS

The Contractor shall submit, at least ten (10) Days prior to submission of its first application for progress payment, a schedule of values ("Schedule of Values") for the contracted Work. This schedule shall provide a breakdown of values for the contracted Work and will be the basis for progress payments. The breakdown shall
demonstrate reasonable, identifiable, and measurable components of the Work. Unless objected to by the Owner, this schedule shall be used as the basis for reviewing Contractor’s applications for payment. If objected to by Owner, Contractor shall revise the schedule of values and resubmit the same for approval of Owner.

E.2 APPLICATIONS FOR PAYMENT

E.2.1 Owner shall make progress payments on the Agreement monthly as Work progresses, in accordance with the requirements of this Section E.2. Applications for payment shall be based upon estimates of Work completed and the Schedule of Values. As a condition precedent to Owner’s obligation to pay, all applications for payment shall be approved by the Owner. A progress payment shall not be considered acceptance or approval of any Work or waiver of any defects therein. Owner shall pay to Contractor interest for overdue invoices at the rate of two-thirds of one percent per month on the progress payment, not including retainage, due the Contractor. Overdue invoices will be those that have not been paid within forty five (45) days from the latest of:
   a. The date of the receipt of the accurate invoice;
   b. The date Owner receives the correct application for payment if no invoice is received;
   c. The date all goods and services have been received; or
   d. The date a Claim is made certain by agreement of the parties or by operation of law.

Notwithstanding the foregoing, in instances when an application for payment is filled out incorrectly, or when there is any defect or impropriety in any submitted application or when there is a good faith dispute, Owner shall so notify the Contractor within fifteen (15) Days stating the reason or reasons the application for payment is defective or improper or the reasons for the dispute. A defective or improper application for payment, if corrected by the Contractor within seven (7) Days of being notified by the Owner, shall not cause a payment to be made later than specified in this Section unless interest is also paid. Payment of interest will be postponed when payment on the principal is delayed because of disagreement between the Owner and the Contractor.

Owner reserves the right, instead of requiring the Contractor to correct or resubmit a defective or improper application for payment, to reject the defective or improper portion of the application for payment and pay the remainder of the application for such amounts which are correct and proper.

Owner, upon written notice to the Contractor, may elect to make payments to the Contractor only by means of Electronic Funds Transfers (EFT) through Automated Clearing House (ACH) payments. If Owner makes this election, the Contractor shall arrange for receipt of the EFT/ACH payments.

E.2.2 Contractor shall submit to the Owner an application for each payment and, if required, receipts or other vouchers showing payments for materials and labor including payments to Subcontractors. Contractor shall include in its application for payment a schedule of the percentages of the various parts of the Work completed, based on the Schedule of Values which shall aggregate to the payment application total, and shall include, on the face of each copy thereof, a certificate in substantially the following form:

"I, the undersigned, hereby certify that the above bill is true and correct, and the payment therefore, has not been received.

Signed: _______________________
Dated: _______________________

E.2.3 Generally, applications for payment will be accepted only for materials that have been installed. Under special conditions, applications for payment for stored materials will be accepted at Owner’s sole discretion. Such a payment, if made, will be subject to the following conditions:

a. The request for stored material shall be submitted at least thirty (30) Days in advance of the application for payment on which it appears. Applications for payment shall be entertained for major equipment, components or expenditures only.

b. The Contractor shall submit applications for payment showing the quantity and cost of the material stored.

c. The material shall be stored in a bonded warehouse and Owner shall be granted the right to access the material for the purpose of removal or inspection at any time during the Agreement Period.

d. The Contractor shall name the Owner as co-insured on the insurance policy covering the full value of the property while in the care and custody of the Contractor until it is installed. A certificate noting this coverage shall be issued to the Owner.

e. Payments shall be made for materials and equipment only. The submitted amount in the application for payment shall be reduced by the cost of transportation from the storage site to the project site and for the cost of an inspector to verify delivery and condition of the goods at the storage site. The cost of storage and inspection shall be borne solely by the Contractor.

f. Within sixty (60) Days of the application for payment, the Contractor shall submit evidence of payment covering the material and/or equipment stored and of payment for the storage site.

g. Payment for stored materials and/or equipment shall in no way indicate acceptance of the materials and/or equipment or waive any rights under this Agreement for the rejection of the Work or materials and/or equipment not in conformance with the Agreement Documents.

h. All required documentation shall be submitted with the respective application for payment.

E.2.4 The Owner reserves the right to withhold all or part of a payment, or may nullify in whole or part any payment previously made, to such extent as may be necessary in the Owner’s opinion to protect the Owner from loss because of:

a. Work that is defective and not remedied, or that has been demonstrated or identified as failing to conform with Applicable Laws or the Agreement Documents,

b. third party claims filed or evidence reasonably indicating that such claims will likely be filed unless security acceptable to the Owner is provided by the Contractor;

c. failure of the Contractor to make payments properly to Subcontractors or for labor, materials or equipment (in which case Owner may issue checks made payable jointly to Contractor and such unpaid Persons under this provision, or directly to Subcontractors and suppliers at any level under Section C.3.2);

d. reasonable evidence that the Work cannot be completed for the unpaid balance of the Agreement Price;

e. damage to the Work, Owner or another contractor;

f. reasonable evidence that the Work will not be completed within the Agreement Time required by the Agreement, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

g. failure to carry out the Work in accordance with the Agreement Documents; or
E.2.5 Subject to the provisions of the Agreement Documents, the amount of each progress payment shall be computed as follows:
a. Take that portion of the Agreement Price properly allocable to completed Work as determined by multiplying the percentage completion of each portion of the Work by the share of the total Agreement Price allocated to that portion of the Work in the Schedule of Values, less retainage as provided in Section E.5. Pending final determination of cost to the Owner of changes in the Work, no amounts for changes in the Work can be included in applications for payment until the Agreement Price has been adjusted by a Change Order;
b. Add that portion of the Agreement Price 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 pursuant to Section E.2.3, suitably stored off the site at a location agreed upon in writing), less retainage as provided in Section E.5;
c. Subtract the aggregate of previous payments made by the Owner; and
d. Subtract any amounts for which the Owner has withheld or nullified payment as provided in the Agreement Documents.

E.2.6 Contractor’s applications for payment shall not include requests for payment for portions of the Work for which the Contractor does not intend to pay to a Subcontractor or material supplier.

E.2.7 The Contractor warrants to Owner that title to all Work covered by an application for payment will pass to the Owner no later than the time of payment. The Contractor further warrants that upon submittal of an application for payment all Work for which payments are received from the Owner shall be free and clear of liens, claims, security interests or encumbrances in favor of the Contractor, Subcontractors, material suppliers, or other persons or entities making a claim by reason of having provided financing, labor, materials and equipment relating to the Work.

E.2.8 If Contractor disputes any determination by Owner with regard to any application for payment, Contractor nevertheless shall continue to expeditiously perform the Work. No payment made hereunder shall be or be construed to be final acceptance or approval of that portion of the Work to which such partial payment relates or shall relieve Contractor of any of its obligations hereunder.

E.2.9 Contractor shall submit its initial MWESB Report within ten (10) Days of Contractor’s execution of the Agreement. Contractor shall submit annual MWESB Reports on June 30 of each year the Agreement is active. Contracts - first executed by Contractor within ninety (90) Days before June 30 of the year of execution by Contractor may at the discretion of Owner be exempt from submitting the annual MWESB Report otherwise due on that June 30. The final MWESB Report shall be filed with the application for final payment. Timely receipt of MWESB Reports by Owner shall be a condition precedent to Owner’s obligation to pay any progress payments or final payment otherwise due.

E.3 PAYROLL CERTIFICATION REQUIREMENT
Owner’s receipt of payroll certification pursuant to Section C.2 of this Agreement shall be a condition precedent to Owner’s obligation to pay any progress payments or final payment otherwise due.

E.4 DUAL PAYMENT SOURCES
Contractor shall not be compensated for Work performed under this Agreement from any state agency other than the agency that is a party to this Agreement.

E.5 RETAINAGE

E.5.1 Retainage shall be withheld and released in accordance with the requirements set forth in OAR 580-063-0045.

a. Owner may reserve as retainage from any progress payment an amount not to exceed five percent of the payment. As Work progresses, Owner may reduce the amount of retainage on or may eliminate retainage on any remaining monthly Agreement payments after 50 percent of the Work under the Agreement is completed if, in the Owner’s discretion, such Work is progressing satisfactorily. Elimination or reduction of retainage shall be allowed only upon written application by the Contractor, which application shall include written approval of Contractor’s surety; except that when the Work is 97-1/2 percent completed the Owner may, at its discretion and without application by the Contractor, reduce the retained amount to 100 percent of the value of the Work remaining to be done. Upon receipt of written application by the Contractor, Owner shall respond in writing within a reasonable time.

b. Contractor may request in writing:
1. to be paid amounts which would otherwise have been retained from progress payments where Contractor has deposited acceptable bonds and securities of equal value with Owner or in a custodial account or other mutually-agreed account satisfactory to Owner, with an approved bank or trust company to be held in lieu of the cash retainage for the benefit of Owner;
2. for construction projects over $1,000,000, that retainage be deposited in an interest bearing account, established through the State Treasurer for state agencies, in a bank, savings bank, trust company or savings association for the benefit of Owner, with earnings from such account accruing to the Contractor; or
3. that the Owner allow Contractor to deposit a surety bond for the benefit of Owner, in a form acceptable to Owner, in lieu of all or a portion of funds retained, or to be retained. Such bond and any proceeds therefrom shall be made subject to all claims in the manner and priority as set forth for retainage.

When the Owner has accepted the Contractor’s election of option (a) or (b), Owner may recover from Contractor any additional costs incurred through such election by reducing Contractor’s final payment. Where the Owner has agreed to Contractor’s request for option (c), Contractor shall accept like bonds from Subcontractors and suppliers on the project from which Contractor has required retainages.

c. The retainage held by Owner shall be included in and paid to the Contractor as part of the final payment of the Agreement Price. The Owner shall pay to Contractor interest at the rate of two-thirds of one percent per month on the final payment due Contractor, interest to commence forty five (45) Days after the date which Owner receives Contractor’s final approved application for payment and Work under the Agreement has been completed and accepted and to run until the date when final payment is tendered to Contractor. The Contractor shall notify Owner in writing when the Contractor considers the Work complete and deliver to Owner its final application for payment and Owner shall, within thirty (30) Days after receiving the written notice and the application for payment, either accept the Work or notify the Contractor of Work yet to be performed on the
Agreement. If Owner does not within the time allowed notify the Contractor of Work yet to be performed to fulfill contractual obligations, the interest provided by this subsection shall commence to run forty five (45) Days after the end of the 30-Day period.

d. Owner will reduce the amount of the retainage if the Contractor notifies the Owner that the Contractor has deposited in an escrow account with a bank or trust company, in a manner authorized by the Owner, bonds and securities of equal value of a kind approved by the Owner and such bonds and securities have in fact been deposited in accordance with Applicable Laws.

e. Contractor agrees that if Contractor elects to reserve a retainage from any progress payment due to any Subcontractor or supplier, such retainage shall not exceed five percent of the payment, and such retainage withheld from Subcontractors and suppliers shall be subject to the same terms and conditions stated in Subsection E.5 as apply to Owner’s retainage from any progress payment due to Contractor.

E.6 FINAL PAYMENT

E.6.1 Upon completion of all the Work under this Agreement, the Contractor shall notify the Owner, in writing, that Contractor has completed Contractor’s obligations under the Agreement and shall prepare its application requesting final payment. Upon receipt of such notice and application for payment, the Owner will inspect the Work, and, if acceptable, submit to Contractor a recommendation as to acceptance of the completed Work and the final estimate of the amount due the Contractor. If the Work is not acceptable, Owner will notify Contractor within fifteen (15) Days of Contractor’s request for final payment. Upon approval of this final application for payment by the Owner and compliance by the Contractor with provisions in Section K, and Contractor’s satisfaction of other provisions of the Agreement Documents as may be applicable, the Owner shall pay to the Contractor all monies due under the provisions of these Agreement Documents.

E.6.2 Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Owner (1) a certificate evidencing that insurance required by the Agreement Documents to remain in force after final payment is currently in effect and will not be canceled or allowed to expire until at least thirty (30) Days’ prior written notice has been given to the Owner, (2) a written statement that the Contractor knows of no substantial reason that the insurance will not be renewable to cover the period required by the Agreement Documents, (3) consent of surety if any, to final payment and (4), if required by the Owner, other data establishing payment or satisfaction of obligations, such as receipts, releases and waivers of liens, claims, security interests or encumbrances arising out of the Agreement, to the extent and in such form as may be designated by the Owner. If a Subcontractor refuses to furnish a release or waiver required by the Owner, the Contractor may furnish a bond satisfactory to the Owner to indemnify the Owner against such lien. If such lien remains unsatisfied after payments are made, the Contractor shall refund to the Owner all money that the Owner may be compelled to pay in discharging such lien, including all costs and reasonable attorneys’ fees.

E.6.3 Acceptance of final payment by the Contractor, a Subcontractor or material supplier shall constitute a waiver of claims by that payee except those previously made in writing and identified by that payee as unsettled at the time of final application for payment.

E.6.4 Contractor agrees to submit its final payment application within ninety (90) Days after Substantial Completion, unless written extension is granted by Owner. Contractor shall not delay final payment application for any reason, including without limitation nonpayment of Subcontractors, suppliers, manufacturers or others not a party to this Agreement, or lack of resolution of a dispute with Owner or any other person of matters arising out of or relating to the Agreement. If Contractor fails to submit its final payment application within ninety (90) Days after Substantial Completion, and Contractor has not obtained written extension by Owner, all requests or Claims for additional costs or an extension of Agreement Time shall be waived.

F.  JOB SITE CONDITIONS

F.1 USE OF PREMISES
Contractor shall confine equipment, storage of materials and operation of Work to the limits indicated by Agreement Documents, Applicable Laws, permits or directions of the Owner. Contractor shall follow the Owner’s instructions regarding use of premises, if any.

F.2 PROTECTION OF WORKERS, PROPERTY AND THE PUBLIC

F.2.1 Contractor shall maintain continuous and adequate protection of all of the Work from damage and shall protect the Owner, workers and property from injury or loss arising in connection with this Agreement. Contractor shall remedy acceptably to the Owner any damage, injury, or loss, except such as may be directly due to errors in the Agreement Documents or caused by authorized representatives or personnel of the Owner. Contractor shall adequately protect adjacent property as provided by law and the Agreement Documents.

F.2.2 Contractor shall take all necessary precautions for the safety of all personnel on the job site or otherwise engaged in the undertaking of the Work and shall comply with the Agreement Documents, best practices and all applicable provisions of federal, state and municipal safety laws and building and fire codes to prevent accidents or injury to persons on, about or adjacent to the premises where the Work is being performed. Contractor shall erect and properly maintain at all times, as required by the conditions and progress of the Work, all necessary safeguards for protection of workers and the public against any hazards created by construction. Contractor shall designate a responsible employee or associate on the Work site, whose duty shall be the prevention of accidents. The name and position of the person designated shall be reported to the Owner. The Owner has no responsibility for Work site safety. Work site safety shall be the responsibility of the Contractor.

F.2.3 Contractor shall not enter upon private property without first obtaining permission from the property owner or its duly authorized representative. Contractor shall be responsible for the preservation of all public and private property along and adjacent to the Work contemplated under the Agreement and shall use every precaution necessary to prevent damage thereto. In the event the Contractor damages any property, the Contractor shall at once notify the property owner and make, or arrange to make, full restitution. Contractor shall, immediately and in writing, report to the Owner, all pertinent facts relating to such property damage and the ultimate disposition of the claim for damage.

F.2.4 Contractor shall be responsible for protection of adjacent work areas including impacts brought about by activities, equipment, labor, utilities, vehicles and materials on the site.

F.2.5 Contractor shall at all times direct its activities in such a manner as to minimize adverse effects on the environment. Handling of all materials shall be conducted so no release will occur that may pollute or become hazardous.
In an emergency affecting the safety of life or limb or of the Work or of adjoining property, the Contractor, without special instruction or authorization from the Owner, shall act reasonably to prevent threatened loss or injury, and shall so act, without appeal, if instructed by the Owner. Any compensation claimed by the Contractor on account of emergency work shall be determined in accordance with Section D.

**F.3 CUTTING AND PATCHING**

F.3.1 Contractor shall be responsible for coordinating all cutting, fitting, or patching of the Work to make its several parts come together properly and fit to receive or be received by work of other contractors or Subcontractors shown upon, or reasonably implied by, the Agreement Documents.

F.3.2 Contractor shall be responsible for restoring all cut, fitted, or patched surfaces to an original condition; provided, however, that if a different condition is specified in the Agreement Documents, then Contractor shall be responsible for restoring such surfaces to the condition specified in the Agreement Documents.

**F.4 CLEANING UP**

From time to time as may be prudent or ordered by the Owner and, in any event, immediately after completion of the Work, the Contractor shall, at its own expense, clean up and remove all refuse and unused materials of any kind resulting from the Work. If Contractor fails to do so within twenty-four hours after notification by the Owner the work may be done by others and the cost charged to the Contractor and deducted from payment due the Contractor.

**F.5 ENVIRONMENTAL CONTAMINATION**

F.5.1 Contractor shall be held responsible for and shall indemnify, defend (with counsel of Owner’s choice), and hold harmless Owner from and against any costs, expenses, damages, claims, and causes of action, (including attorney fees), or any of them, resulting from all spills, releases, discharges, leaks and disposal of environmental pollution, including storage, transportation, and handling during the performance of the Work or Contractor’s obligations under the Agreement which occur as a result of, or are contributed by, the negligence or actions of Contractor or its personnel, agents, or Subcontractors or any failure to perform in accordance with the Agreement Documents (except to the extent otherwise void under ORS 30.140). Nothing in this Section F.5.1 shall limit Contractor’s responsibility for obtaining insurance coverages required under Section G.3 of this Agreement, and Contractor shall take no action that would void or impair such coverages.

a. Contractor agrees to promptly dispose of such spills, releases, discharge or leaks to the satisfaction of Owner and regulatory agencies having jurisdiction in a manner that complies with Applicable Laws. Cleanup shall be at no cost to the Owner and shall be performed by properly qualified and, if applicable, licensed personnel.

b. Contractor shall obtain the Owner’s written consent prior to bringing onto the Work site any (i) environmental pollutants or (ii) hazardous substances or materials, as the same or reasonably similar terms are used in any Applicable Laws. Notwithstanding such written consent from the Owner, the Contractor, at all times, shall:
   1. properly handle, use and dispose of all environmental pollutants and hazardous substances or materials brought onto the Work site, in accordance with all Applicable Laws;
   2. be responsible for any and all spills, releases, discharges, or leaks of (or from) environmental pollutants or hazardous substances or materials which Contractor has brought onto the Work site; and
   3. promptly clean up and remEDIATE, without cost to the Owner, such spills, releases, discharges, or leaks to the Owner’s satisfaction and in compliance with all Applicable Laws.

F.5.2 Contractor shall report all reportable quantity releases, as such releases are defined in Applicable Laws, including but not limited to 40 CFR Part 302, Table 302.4 and in OAR 340-142-0050, to applicable federal, state, and local regulatory and emergency response agencies. Upon discovery, regardless of quantity, Contractor must telephonically report all releases to the Owner. A written follow-up report shall be submitted to Owner within 48 hours of the telephonic report. Such written report shall contain, as a minimum:

a. Description of items released (identity, quantity, manifest numbers, and any and all other documentation required by law.)

b. Whether amount of items released is EPA/DEQ reportable and, if so, when reported.

c. Exact time and location of release, including a description of the area involved.

d. Containment procedures initiated.

e. Summary of communications about the release between Contractor and members of the press or State, local or federal officials other than Owner.

f. Description of cleanup procedures employed or to be employed at the site, including disposal location of spill residue.

g. Personal injuries, if any, resulting from, or aggravated by, the release.

**F.6 ENVIRONMENTAL CLEAN-UP**

F.6.1 Unless disposition of environmental pollution is specifically a part of this Agreement, or was caused by the Contractor (reference F.5 Environmental Contamination), Contractor shall immediately notify Owner of any hazardous substance(s) which Contractor discovers or encounters during performance of the Work required by this Agreement. “Hazardous substance(s)” means any hazardous, toxic and radioactive materials and those substances defined as “hazardous substances,” “hazardous materials,” “hazardous wastes,” “toxic substances,” or other similar designations in any federal, state, or local law, regulation, or ordinance, including without limitation asbestos, polychlorinated biphenyl (PCB), or petroleum, and any substances, materials or wastes regulated by 40 CFR, Part 261 and defined as hazardous in 40 CFR S 261.3. In addition to notifying Owner of any hazardous substance(s) discovered or encountered, Contractor shall immediately cease working in any particular area of the project where a hazardous substance(s) has been discovered or encountered if continued work in such area would present a risk or danger to the health or wellbeing of Contractor’s or any Subcontractor’s work force, property or the environment.

F.6.2 Upon being notified by Contractor of the presence of hazardous substance(s) on the project site, Owner shall arrange for the proper disposition of such hazardous substance(s).
F.7 FORCE MAJEURE
A party to this Agreement shall not be held responsible for delay or default due to Force Majeure acts, events or occurrences unless they could have been avoided by the exercise of reasonable care, prudence, foresight, and diligence by that party. The Owner may terminate this Agreement upon written notice after determining that delay or default caused by Force Majeure acts, events or occurrences will reasonably prevent successful performance of the Agreement.

G. INDEMNITY, BONDING, AND INSURANCE

G.1 RESPONSIBILITY FOR DAMAGES / INDEMNITY

G.1.1 Contractor shall be responsible for all damage to property, injury to persons, and loss, expense, inconvenience, and delay that may be caused by, or result from, the carrying out of the Work to be done under this Agreement, or from any act, omission or neglect of the Contractor, its Subcontractors, employees, guests, visitors, invitees and agents.

G.1.2 To the fullest extent permitted by law, Contractor shall indemnify, defend (with counsel approved by Owner) and hold harmless the Owner, Architect/Engineer, Architect/Engineer’s consultants, and their respective officers, directors, agents, employees, partners, members, stockholders and affiliated companies (collectively “Indemnitees”) from and against all liabilities, damages, losses, claims, expenses (including reasonable attorney fees), demands and actions of any nature whatsoever which arise out of, result from or are related to, (a) any damage, injury, loss, expense, inconvenience or delay described in this Section G.1., (b) any accident or occurrence which happens or is alleged to have happened in or about the project site or any place where the Work is being performed, or in the vicinity of either, at any time prior to the time the Work is fully completed in all respects, (c) any failure of the Contractor to observe or perform any duty or obligation under the Agreement Documents which is to be observed or performed by the Contractor, or any breach of any agreement, representation or warranty of the Contractor contained in the Agreement Documents or in any subcontract, (d) the negligent acts or omissions of the Contractor, a Subcontractor or anyone directly or indirectly employed by them or any one of them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder (except to the extent otherwise void under ORS 30.140), and (e) any lien filed upon the project or bond claim in connection with the Work. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in this Section G.1.2.

G.1.3 In claims against any person or entity indemnified under Section G.1.2 by an employee of the Contractor, a Subcontractor, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, the indemnification obligation under Section G.1.2 shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers’ compensation acts, disability benefit acts or other employee benefit acts.

G.2 PERFORMANCE AND PAYMENT SECURITY; PUBLIC WORKS BOND

G.2.1 When the Agreement Price is $100,000 or more (or $50,000 or more in the case of Contracts for highways, bridges and other transportation projects), the Contractor shall furnish and maintain in effect at all times during the Agreement Period a performance bond in a sum equal to the Agreement Price and a separate payment bond also in a sum equal to the Agreement Price. Contractor shall furnish such bonds even if the Agreement Price is less than the above thresholds if otherwise required by the Agreement Documents.

G.2.2 Bond forms furnished by the Owner and notarized by awarded Contractor’s surety company authorized to do business in Oregon are the only acceptable forms of performance and payment security, unless otherwise specified in the Agreement Documents.

G.2.3 Before execution of the Agreement the Contractor shall file with the Construction Contractors Board, and maintain in full force and effect, the separate public works bond required by Oregon Laws 2005, Chapter 360, and OAR 839-025-0015, unless otherwise exempt under those provisions. The Contractor shall also include in every subcontract a provision requiring the Subcontractor to have a public works bond filed with the Construction Contractors Board before starting Work, unless otherwise exempt, and shall verify that the Subcontractor has filed a public works bond before permitting any Subcontractor to start Work.

G.3 INSURANCE

Insurance carried by Contractor under this Agreement shall be the primary coverage. The coverages indicated are minimums unless otherwise specified in the Agreement Documents. Owner may adjust the insurance amounts required in this Section based upon institution specific risk assessments. The coverages and minimum limits required herein are a reflection of the perceived risk potential that the activities of the Contractor impose upon Owner but in no way limits the liability of Contractor.

G.3.1 Workers’ Compensation: All employers, including Contractor, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers’ Compensation coverage, unless such employers are exempt under ORS 656.126. This shall include Employer’s Liability insurance with coverage limits of not less than the minimum amount required by statute for each accident. Contractors who perform the Work without the assistance or labor of any employee need not obtain such coverage if the Contractor certifies so in writing. Contractor shall ensure that each of its Subcontractors complies with these requirements. The Contractor shall require proof of such Workers’ Compensation coverage by receiving and keeping on file a certificate of insurance from each Subcontractor or anyone else directly employed by either the Contractor or its Subcontractors.

G.3.2 Commercial General Liability: Upon execution of this Agreement, Contractor shall obtain, and keep in effect at Contractor’s expense for the term of this Agreement, Commercial General Liability Insurance covering bodily injury and property damage in a form satisfactory to Owner. This insurance shall include personal injury liability, products and completed operations, and contractual liability coverage for the indemnities provided under this Agreement (to the extent contractual liability coverage for the indemnities is available in the marketplace), and shall be issued on an occurrence basis.
   a. For Agreement amounts under $1,000,000: $1,000,000 per claim and $2,000,000 annual aggregate
   b. For Agreement amounts $1,000,000 and over: $5,000,000 per claim and $5,000,000 annual aggregate

G.3.3 Automobile Liability: Contractor shall obtain, at Contractor’s expense, and keep in effect during the term of this Agreement, Automobile Liability Insurance covering owned, and/or hired vehicles, as applicable. The coverage may be written in combination with the Commercial General Liability
Insurance. Contractor and its Subcontractors shall be responsible for ensuring that all non-owned vehicles maintain adequate Automobile Liability insurance while on site.

a. For Agreement amounts under $25,000: Statutory Limits
b. For Agreement amounts $25,000 and over: $1,000,000 Combined Single Limit

G.3.4 **Pollution Liability (if required by Owner due to type of Work):** Contractor shall obtain, at Contractor's expense, and keep in effect during the term of this Agreement, Pollution liability Insurance in minimum amounts of $1,000,000, naming Owner as "additional insured," as noted in the additional insured section below. The policy must cover the Contractor's completed operations.

G.3.5 **Builder's Risk Insurance:**

Builder's Risk Insurance shall be required per Sections A.1.5.b and A.1.5.c below. Such insurance shall be maintained until Owner has occupied the facility. A loss insured under the Builder's Risk insurance shall be adjusted by the Owner and made payable to the Owner as loss payee. The Contractor shall pay Subcontractors their just shares of insurance proceeds received by the Contractor, and by appropriate agreements, written where legally required for validity, shall require Subcontractors to make payments to their Sub-subcontractors in similar manner. The Owner shall have power to adjust and settle a loss with insurers.

a. **Builder's Risk Insurance for New Construction:** For Agreements in the amount of $25,000 and over, during the Agreement Term, the Contractor shall obtain and keep in effect Builder's Risk insurance on all risk forms, including earthquake and flood, for an amount equal to the full amount of the Agreement, plus any changes in values due to modifications, Change Orders and loss of materials added. Such Builder's Risk shall include, in addition to earthquake and flood, theft, vandalism, mischief, collapse, debris removal, and architect's fees ("soft costs") associated with delay of project due to insured peril. Any deductible shall not exceed $50,000 for each loss, except the earthquake and flood deductible which shall not exceed 2 percent of each loss or $50,000, whichever is greater. The deductible shall be paid by Contractor if Contractor is negligent. The policy will include as loss payees Owner, the Contractor and its Subcontractors as their interests may appear.

b. **Builder's Risk Installation Floater:** For Agreements in the amount of $25,000 and over, for Work other than new construction, Contractor shall obtain and keep in effect during the term of this Agreement, a Builder's Risk Installation Floater for coverage of the Contractor's labor, materials and equipment to be used for completion of the Work performed under this Agreement. The minimum amount of coverage to be carried shall be equal to the full amount of the Agreement. The policy will include as loss payees Owner, the Contractor and its Subcontractors as their interests may appear. Owner may waive this requirement at its sole and absolute discretion.

G.3.6 **Umbrella Liability:** Contractor's primary and umbrella liability limits may be added together to meet the minimum required limits for an individual line of coverage.

G.3.7 **"Tail" Coverage:** If any of the required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Agreement for a duration of 36 months or the maximum time period available in the marketplace if less than 36 months. Contractor shall furnish certification of "tail" coverage as described or continuous "claims made" liability coverage for 36 months following Final Completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage provided its retroactive date is on or before the effective date of this Agreement. Owner's receipt of the policy endorsement evidencing such coverage shall be a condition precedent to Owner's obligation to make final payment and to Owner's final acceptance of Work or services and related warranty (if any).

G.3.8 **Additional Insured:** The general liability insurance coverage, professional liability, umbrella, and pollution liability if required, shall include the Owner as additional insureds, only with respect to the Contractor's activities to be performed under this Agreement. Contractor must provide Owner with an Additional Insured Endorsement naming Portland State University and its officers, agents, employees, and trustees as additional insureds.

If Contractor cannot obtain an insurer to name the Owner as additional insureds, Contractor shall obtain at Contractor's expense, and keep in effect during the term of this Agreement, Owners and Contractors Protective Liability Insurance, naming the Owner as additional insureds with not less than a $2,000,000 limit per occurrence. This policy must be kept in effect for 36 months following Final Completion. As evidence of coverage, Contractor shall furnish the actual policy to Owner prior to execution of the Agreement.

G.3.9 **Notice of Cancellation or Change:** If the Contractor receives a non-renewal or cancellation notice from an insurance carrier affording coverage required herein, or receives notice that coverage no longer complies with the insurance requirements herein, Contractor agrees to notify Owner within five (5) business days with a copy of the non-renewal or cancellation notice, or written specifics as to which coverage is no longer in compliance. When notified by Owner, the Contractor agrees to stop Work pursuant to this Agreement, unless all required insurance remains in effect. Any failure to comply with the reporting provisions of this insurance, except for the potential exhaustion of aggregate limits, shall not affect the coverages provided to the Owner and its institutions, divisions, officers, and employees.

Owner shall have the right, but not the obligation, of prohibiting Contractor from entering the Work site until a new certificate(s) of insurance is provided to Owner evidencing the replacement coverage. The Contractor acknowledges and agrees that Owner reserves the right to withhold payment to Contractor until evidence of reinstated or replacement coverage is provided to Owner.

G.3.10 **Certificate(s) of Insurance:** As evidence of the insurance coverage required by this Agreement, the Contractor shall furnish certificate(s) of insurance to the Owner prior to execution of the Agreement. The certificate(s) will specify all of the parties who are additional insureds or loss payees for this agreement. Insurance coverage required under this Agreement shall be obtained from insurance companies or entities acceptable to the Owner and that are eligible to provide such insurance under Oregon law. The Contractor shall be financially responsible for all deductibles, self-insured retentions and/or self-insurance included hereunder. Any deductible, self-insured retention and/or self-insurance in excess of $50,000 shall be subject to approval by the Owner in writing and shall be a condition precedent to the effectiveness of this Agreement.

H. **SCHEDULE OF WORK**

H.1 **CONTRACT PERIOD**

H.1.1 Time is of the essence. The Contractor shall at all times carry on the Work diligently, without delay and punctually fulfill all requirements herein. If required by the Agreement Documents, Contractor shall commence Work on the site within fifteen (15) Days of Notice to Proceed, unless directed otherwise.
H.1.2 Unless specifically extended by Change Order, all Work shall be complete by the date contained in the Agreement Documents. The Owner shall have the right to accelerate the completion date of the Work, which may require the use of overtime. Such accelerated Work schedule shall be acceleration in performance of Work under Section D.1.2.1 and shall be subject to the provisions of Section D.1.

H.1.3 The Owner shall not waive any rights under the Agreement by permitting the Contractor to continue or complete in whole or in part the Work after the date described in Section H.1.2 above.

H.2 SCHEDULE

H.2.1 Contractor shall provide, by or before the pre-construction conference, the initial as-planned schedule for review and acceptance by the Owner. The submitted schedule must illustrate Work by project components, with labor trades, and long lead items broken down by building and/or floor where applicable. If Owner shall so elect, Contractor shall provide the schedule in critical path method (CPM) format showing the graphical network of planned activities, including a reasonably detailed list of all activities required to complete the Work; the time and duration that each activity will take to completion; and the dependencies between the activities. Schedules lacking adequate detail, or unreasonably detailed, will be rejected.

The schedule shall include the following:

a. Critical schedule milestones as defined in the Agreement documents
b. Notice to Proceed or the date the Work commences, if no Notice to Proceed is issued by Owner
c. Subcontractor and supplier procurement activities
d. Submittal activities
e. Equipment and material lead times
f. Permitting and critical inspection dates
g. Construction activities
h. Key utility interruptions and tie ins
i. Key dates on the Academic Calendar
j. Partial occupancy
k. Full occupancy
l. Substantial Completion
m. Final Completion.

Schedules shall be updated monthly, unless otherwise required by the Agreement Documents, and submitted with the monthly application for payment. Updates indicating failure to meet critical milestones shall be accompanied by Schedule recovery plans. Receipt of the Schedule and Schedule updates by the Owner does not constitute agreement by the Owner to the Contractor’s sequencing, means, methods, or durations. Contractor and Owner shall work together in good faith to ensure that schedules issued achieve critical schedule milestones.

Any positive difference between the Contractor’s scheduled completion and the Agreement completion date is float owned by the Owner. Owner reserves the right to negotiate the float if it is deemed to be in Owner’s best interest to do so. In no case shall the Contractor make a claim for delays if the Work is complete within the Agreement Time but after Contractor’s scheduled completion.

H.3 PARTIAL OCCUPANCY OR USE

H.3.1 The Owner may occupy or use any completed or partially completed portion of the Work at any stage, provided such occupancy or use is consented to by public authorities having jurisdiction over the Work. Such partial occupancy or use may commence whether or not the portion is substantially complete, provided the Owner and Contractor have reasonably accepted in writing the responsibilities assigned to each of them for payments, retainage, if any, security, insurance or self-insurance, maintenance, heat, utilities, and damage to the Work, and have agreed in writing concerning the period for correction of the Work and commencement of warranties required by the Agreement Documents with respect to such portion of the Work. Approval by the Owner to partial occupancy or use shall not be unreasonably withheld. Immediately prior to such partial occupancy or use, the Owner and Contractor shall jointly inspect the area to be occupied or portion of the Work to be used in order to determine and record the condition of the Work. Partial occupancy or use of a portion or portions of the Work shall not constitute acceptance of Work not complying with the requirements of the Agreement Documents.

I. CORRECTION OF WORK

I.1 CORRECTION OF WORK BEFORE FINAL PAYMENT

The Contractor warrants to the Owner that materials and equipment furnished under the Agreement will be of good quality and new unless otherwise required or permitted by the Agreement Documents, that the Work will be free from defects, and that the Work will conform to the requirements of the Agreement Documents. Work failing to conform to these requirements shall be deemed defective. Contractor shall promptly remove from the premises and replace all defective materials and equipment as determined by the Owner, whether incorporated in the Work or not. Removal and replacement shall be without loss or expense to the Owner, and Contractor shall bear the cost of repairing all Work destroyed or damaged by such removal or replacement. Contractor shall be allowed a period of no longer than thirty (30) Days after Substantial Completion for completion of defective (Punch List) work. At the end of the thirty-day period, or earlier if requested by the Owner, Contractor shall arrange for inspection of the Work by the Architect/Engineer. Should the work not be complete, and all corrections made, the costs for all subsequent re-inspections shall be borne by the Contractor. If Contractor fails to complete the Punch List work within the thirty (30) Day period, Owner may perform such work and Contractor shall reimburse Owner all costs of the same within ten (10) Days after demand without affecting Contractor’s obligations.

I.2 WARRANTY WORK

I.2.1 Neither the final certificate of payment nor any provision of the Agreement Documents shall relieve the Contractor from responsibility for defective Work and, unless a longer period is specified, Contractor shall correct all defects that appear in the Work within a period of one year from the date of issuance of the written notice of Substantial Completion by the Owner except for latent defects which will be remedied by the Contractor at any time they become apparent. The Owner shall give Contractor notice of defects with reasonable promptness. Contractor shall perform such warranty work within a reasonable time after Owner’s demand. If Contractor fails to complete the warranty work within such period as Owner determines reasonable, or at any
time in the event of warranty work consisting of emergency repairs, Owner may perform such work and Contractor shall reimburse Owner all costs of the same within ten (10) Days after demand, without affecting Contractor’s obligations. The Contractor shall perform the warranty Work by correcting defects within twenty-four (24) hours of notification by Owner, unless otherwise specified in the Agreement Documents. Should the Contractor fail to respond within the specified response time, the Owner may, at its option, complete the necessary repairs using another contractor or its own forces. If Owner completes the repairs using Owner’s own forces, Contractor shall pay Owner at the rate of one and one-half (1½) times the standard hourly rate of Owner’s forces, plus related overhead and any direct non-salary costs. If Owner completes the repairs using another contractor, Contractor shall pay Owner the amount of Owner’s direct costs billed by the other contractor for the work, plus the direct salary costs and related overhead and direct non-salary expenses of Owner’s forces who are required to monitor that contractor’s work. Work performed by Owner using Owner’s own forces or those of another contractor shall not affect the Contractor’s contractual duties under these provisions, including warranty provisions.

I.2.2 Nothing in this Section I.2 shall negate guarantees or warranties for periods longer than one year including, without limitation, such guarantees or warranties required by other sections of the Agreement Documents for specific installations, materials, processes, equipment or fixtures.

I.2.3 In addition to Contractor’s warranty, manufacturer’s warranties shall pass to the Owner and shall not take effect until such portion of the Work covered by the applicable warranty has been accepted in writing by the Owner.

I.2.4 The one-year period for correction of Work shall be extended with respect to portions of Work performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work, and shall be extended by corrective Work performed by the Contractor pursuant to this Section, as to the Work corrected. The Contractor shall remove from the site portions of the Work which are not in accordance with the requirements of the Agreement Documents and are neither corrected by the Contractor nor accepted by the Owner.

I.2.5 Nothing contained in this Section I.2 shall be construed to establish a period of limitation with respect to other obligations which the Contractor might have under the Agreement Documents. Establishment of the period for correction of Work as described in this Section I.2 relates only to the specific obligation of the Contractor to correct the Work, and has no relationship to the time within which the obligation to comply with the Agreement Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the Contractor’s liability with respect to the Contractor’s obligations other than specifically to correct the Work.

I.2.6 If the Owner prefers to accept Work which is not in accordance with the requirements of the Agreement Documents, the Owner may do so instead of requiring its removal and correction, in which case the Agreement Price will be reduced as appropriate and equitable. Such adjustment shall be effected whether or not final payment has been made.

J. SUSPENSION AND/OR TERMINATION OF THE WORK

J.1 OWNER’S RIGHT TO SUSPEND THE WORK

J.1.1 The Owner has the authority to suspend portions or all of the Work due to the following causes:
   a. Failure of the Contractor to correct unsafe conditions;
   b. Failure of the Contractor to carry out any provision of the Agreement;
   c. Failure of the Contractor to carry out orders;
   d. Conditions, in the opinion of the Owner, which are unsuitable for performing the Work;
   e. Time required to investigate differing site conditions;
   f. Any reason considered to be in the public interest.

J.1.2 The Owner shall notify Contractor and the Contractor’s Surety in writing of the effective date and time of the suspension, and Owner shall notify Contractor and Contractor’s surety in writing to resume Work.

J.2 CONTRACTOR’S RESPONSIBILITIES

J.2.1 During the period of the suspension, Contractor is responsible to continue maintenance at the project just as if the Work were in progress. This includes, but is not limited to, protection of completed Work, maintenance of access, protection of stored materials, temporary facilities, and clean-up.

J.2.2 When the Work is recommenced after the suspension, the Contractor shall replace or renew any Work damaged during the suspension, remove any materials or facilities used as part of temporary maintenance, and complete the Work in every respect as though its prosecution had been continuous and without suspension.

J.3 COMPENSATION FOR SUSPENSION

J.3.1 Depending on the reason for suspension of the Work, the Contractor or the Owner may be due compensation by the other party. If the suspension was required due to acts or omissions of Contractor, the Owner may assess the Contractor actual costs of the suspension in terms of administration, remedial work by the Owner’s forces or another contractor to correct the problem associated with the suspension, rent of temporary facilities, and other actual costs related to the suspension. If the suspension was caused by acts or omissions of the Owner, the Contractor may be due compensation which shall be defined using Section D, Changes in Work. If the suspension was required through no fault of the Contractor or the Owner, neither party shall owe the other for the impact.

J.4 OWNER’S RIGHT TO TERMINATE AGREEMENT

J.4.1 The Owner may, without prejudice to any other right or remedy, and after giving Contractor seven (7) Days’ written notice and an opportunity to cure, terminate the Agreement in whole or in part in accordance with the following conditions:
   a. If Contractor should, voluntarily or involuntarily, seek protection under the United States Bankruptcy Code and Contractor as debtor-in-possession or the Trustee for the estate fails to assume the Agreement within a reasonable time;
   b. If Contractor should make a general assignment for the benefit of Contractor’s creditors;
c. If a receiver should be appointed on account of Contractor’s insolvency;
d. If Contractor should repeatedly refuse or fail to supply an adequate number of skilled workers or proper materials to carry on the Work as required by the Agreement Documents, or otherwise fail to perform the Work in a timely manner;

e. If Contractor should repeatedly fail to make prompt payment to Subcontractors or for material or labor, or should disregard laws, ordinances or the instructions of the Owner; or

f. If Contractor is otherwise in breach of any part of the Agreement.
g. If Contractor is in violation of Applicable Laws, either in the conduct of its business or in its performance of the Work.

J.4.2 At any time that any of the above occurs, Owner may exercise all rights and remedies available to Owner at law or in equity, and, in addition, Owner may take possession of the premises and of all materials and appliances and finish the Work by whatever method it may deem expedient. In such case, the Contractor shall not be entitled to receive further payment until the Work is completed. If the Owner’s cost of finishing the Work exceeds the unpaid balance of the Agreement Price, Contractor shall pay the difference to the Owner.

J.5 TERMINATION FOR CONVENIENCE

J.5.1 Owner may terminate the Agreement in whole or in part whenever Owner determines that termination of the Agreement is in the best interest of Owner or the public.

J.5.2 The Owner shall provide the Contractor with seven (7) Days prior written notice of a termination for Owner’s or for public convenience. After such notice, the Contractor shall provide the Owner with immediate and peaceful possession of the premises and materials located on and off the premises for which the Contractor received progress payment under Section E. Compensation for Work terminated by the Owner under this provision will be according to Section E. In no circumstance shall Contractor be entitled to lost profits for Work not performed due to termination.

J.6 ACTION UPON TERMINATION

J.6.1 Upon receiving a notice of termination, and except as directed otherwise by the Owner, Contractor shall immediately cease placing further subcontracts or orders for materials, services, or facilities. In addition, Contractor shall terminate all subcontracts or orders to the extent they relate to the Work terminated and, with the prior written approval of the Owner, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts and orders.

J.6.2 As directed by the Owner, Contractor shall, upon termination, transfer title and deliver to the Owner all Record Documents, information, and other property that, if the Agreement had been completed, would have been required to be furnished to the Owner.

J.6.3 Upon Owner’s notice of termination pursuant to either Section J.4 or J.5, if Owner shall so elect, Contractor shall assign to the Owner such subcontracts and orders as Owner shall specify. In the event Owner elects to take assignment of any such subcontract or order, Contractor shall take such action and shall execute such documents as Owner shall reasonably require for the effectiveness of such assignment and Contractor shall ensure that no contractual arrangement between it and its subcontractors or suppliers of any tier or sub-tier shall prevent such assignment.

K. AGREEMENT CLOSE OUT

K.1 RECORD DOCUMENTS
As a condition of final payment (and subject to the provisions of Section E.6), Contractor shall comply with the following: Contractor shall provide Record Documents for the entire project to Owner. Record Documents shall depict the project as constructed and shall reflect each and every change, modification, and deletion made during the construction. Record Documents are part of the Work and shall be provided prior to the Owner’s issuance of final payment. Electronic record documents must be submitted in acceptable formats. Record Documents shall include:

a. Title and date of Project, Owner’s Project Number
b. Table of Contents
c. Record (as-built) drawings
d. Shop drawings
e. Inspection Reports, as applicable
f. Operations and Maintenance Manuals
g. Approved and stamped Shop Drawings, Product Data and Samples

K.2 OPERATIONS AND MAINTENANCE MANUALS
As part of the Work, Contractor shall submit two completed operation and maintenance manuals ("O&M Manuals") for review by the Owner prior to submission of any pay request for more than 75% of the Work. Owner’s receipt of the O&M Manuals shall be a condition precedent to any payment thereafter due. The O&M Manuals shall contain:

a. A complete set of all submittals, in order by submittal number, and indicating accepted product
b. All product data sheets clearly identifying products used on project
c. Training information including videos as appropriate
d. Telephone, email list and other contact information for all consultants, manufacturers, installer and suppliers
e. Sequence of operations
f. Bill of materials and/or replacement parts list
g. Schematic diagrams of systems
h. Appropriate equipment indices
i. Warranties and bonds.

The Owner shall review and return one O&M Manual for any modifications or adjustments required. Prior to submission of its final pay request, Contractor shall deliver one complete and approved set in electronic form and three complete and approved hard copy sets of O&M Manuals as derived from and organized identical to the electronic files to the Owner and Owner’s receipt of the O&M Manuals shall be a condition precedent to Owner’s obligation to make final payment.
K.3 COMPLETION NOTICES

K.3.1 Contractor shall provide Owner written notice of both Substantial and Final Completion. The certificate of Substantial Completion shall state the date of Substantial Completion, the responsibilities of the Owner and Contractor for security, maintenance, heat, utilities, damage to the Work and insurance, and the time within which the Contractor shall finish all items on the Punch List accompanying the Certificate. Both completion notices must be signed by the Contractor and the Owner to be valid. The Owner shall provide the final signature on the approved notices. The notices shall take effect on the date they are signed by the Owner.

K.3.2 Substantial Completion of a facility with operating systems (e.g., mechanical, electrical, HVAC) shall be that degree of completion that has provided a minimum of thirty (30) continuous Days of successful, trouble-free operation, which period shall begin after all performance and acceptance testing has been successfully demonstrated to the Owner. All equipment contained in the Work, plus all other components necessary to enable the Owner to operate the facility in the manner that was intended, shall be complete on the Substantial Completion date. The Contractor may request that a Punch List be prepared by the Owner with submission of the request for the Substantial Completion notice.

K.4 TRAINING
As part of the Work, and prior to submission of the final application for payment, the Contractor shall schedule with the Owner training sessions for all equipment and systems as required by the Agreement Documents. Contractor shall schedule training sessions at least two weeks in advance of the date of training to allow Owner to provide its personnel with adequate notice. The O&M Manual shall be used as a basis for training. Training shall be a formal session conducted at the Work site, or as required by the Agreement Documents, after the equipment and/or system is completely installed and operational in its normal operating environment.

K.5 EXTRA MATERIALS
As part of the Work, Contractor shall provide spare parts, extra maintenance materials, and other materials or products. Quantities specified in the Agreement Documents shall be delivered on-site prior to final payment. Delivery point for extra materials shall be designated by the Owner.

K.6 ENVIRONMENTAL CLEAN-UP
As part of the Final Completion notice, or as a separate written notice submitted with or before the notice of Final Completion, the Contractor shall notify the Owner that all environmental and pollution clean-up, remediation and closure have been completed in accordance with all Applicable Laws and pursuant to the authority of all agencies having jurisdiction, and Contractor shall provide Owner with any and all documentation related to the same, including but not limited to directives, orders, letters, certificates and permits related to or arising from such environmental pollution. The notice shall reaffirm the indemnification given under Section F.5.1 above. Contractor’s completion of its obligations under this Section K.6 and Owner's receipt of documents evidencing such completion shall be a condition precedent to Owner’s obligation to make final payment.

K.7 CERTIFICATE OF OCCUPANCY
Owner’s receipt of an unconditioned certificate of occupancy from the appropriate state and/or local building officials shall be a condition precedent to Owner’s obligation to make final payment, except to the extent failure to obtain an unconditional certificate of occupancy is due to the fault or neglect of Owner.

K.8 OTHER CONTRACTOR RESPONSIBILITIES
The Contractor shall be responsible for returning to the Owner all property of Owner issued to Contractor during construction such as keys, security passes, site admittance badges, and all other pertinent items. Upon notice from Owner, Contractor shall be responsible for notifying the appropriate utility companies to transfer utility charges from the Contractor to the Owner. The utility transfer date shall not be before Substantial Completion and may not be until Final Completion, if the Owner does not take beneficial use of the facility and the Contractor’s forces continue with the Work.

K.9 SURVIVAL
All warranty and indemnification provisions of this Agreement, and all of Contractor’s other obligations under this Agreement that are not fully performed by the time of Final Completion or termination, shall survive Final Completion or any termination of the Agreement.