

ADDENDUM NO 1
Issued December 11, 2019

FROM: Seattle Housing Authority
190 Queen Anne Avenue North
P.O. Box 19028
Seattle, WA 98109

TO: All Planholders

This Addendum No. 1, containing the following revisions, additions, deletions and/or clarifications, is hereby made a part of the Contract Documents for the above-named project. Proposers shall take this Addendum into consideration when preparing and submitting their response to this solicitation.

Receipt of this Addendum shall be acknowledged by inserting its number in the space provided in Cost Proposal Form in Attachment A. Failure to do so may deem the proposer as non-responsive.

The following are attached to and hereby made a part of this Addendum No. 1. It is described further in the Addendum below:

- ATTACHMENT C Section 00800 Supplementary Conditions
- ATTACHMENT D Construction Contract

CHANGES TO THE PROJECT MANUAL

Section 00800 Supplementary Conditions:

DELETE Attachment C, Section 00800 Supplementary Conditions and **REPLACE** with attached updated Attachment C, Section 00800 Supplementary Conditions.

This section adds changes to Part 3 Section 7.02B – Change Order Pricing – Fixed Price

Attachment D Construction Contract:

DELETE Attachment D, Construction Contract and **REPLACE** with Attached updated Attachment D, Construction Contract

This updated draft contract adds clarifying language to the contract.

TECHNICAL QUESTIONS AND RESPONSES
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ADMINISTRATIVE AND TECHNICAL QUESTIONS:

1. **Question:** Bid Guaranty – Section M. Bid Guaranty on page 5 of 31 indicates that each proposal must be accompanied by a surety company bid bond, or a certified or cashier's check payable to the order of Seattle Housing Authority (SHA) for a sum not less than five percent (5%) of the total amount of the proposal. In order to do this, each proposer would be basing the total cost proposal on a budget number for the MACC. Is this correct or does SHA wish the bid guaranty to be calculated and based on another method?

Response: *The Bid Guaranty should be based on 5% of the Preconstruction Services Lump Sum Amount.*

2. **Question:** Proposal Evaluation – Article 6, Section F Proposal Evaluation paragraph 3 indicates the weighting for each section of the proposal. This paragraph conflicts with the table listed in same section as well as the weighting listed in Article 7. It is assumed that the table and Article 7 weighting are correct. Please clarify.

Response: *The table and Article 7 are correct. Please use the Weighting found in the table and in Article 7 when looking for max points.*

3. **Question:** Article 5, section D notes that six (6) copies are required to be submitted for certain sections, including Part 2.C. This section cannot be found in the RFCP. Please clarify that this section does not exist and therefore, six (6) copies of Part 2.C. are not required to be submitted.

Response: *That is correct. Please delete reference to 2.C.*

4. **Question:** Article 4, section C. (page 19 of 31) first paragraph, calls out copy requirements for Part 3. It is assumed this was meant to be "Part 4". Please clarify.

Response: *That is correct. Please replace "Part 3" in the first paragraph of Section C. Part 4 – Community Participation Plan with "Part 4".*

5. **Question:** Please confirm that this project has no Design/Build components to it relative to mechanical, electrical, plumbing and fire protection (MEPF). The Design Team for the project will include design for the MEPF.

Response: *There are no design build components.*

**ALL ADDENDA MUST BE ACKNOWLEDGED IN BID FORM
END OF ADDENDUM NO 1**

The following supplements shall modify, delete, and/or add to the Bid Documents, including but not limited to Section 00700 General Conditions. Where any article, paragraph, or subparagraph in the General Conditions is supplemented by one of the following paragraphs, the provisions of such article, paragraph, or subparagraph shall remain in effect and the supplemental provisions shall be considered as added thereto. The supplements referenced within this section are identified with the same number and title used for that topic in the General Conditions.

MODIFICATIONS TO SECTION 00700 GENERAL CONDITIONS

1) SC PART 2 INSURANCE AND BONDS

Delete PART 2.02 in its entirety and replace with the following:

PART 2 – INSURANCE and BONDS:

2.02 COVERAGE LIMITS

The minimum coverage limits shall be as follows:

1) Commercial General Liability Insurance.

- \$5,000,000 each Occurrence Combined Single Limit Bodily Injury and Property Damage (CSL) except \$1,000,000 each Offense Personal/Advertising Injury and \$1,000,00 each Accident/Disease-Policy Limit/Disease-each Employee Stop Gap or Employer's Liability
- \$5,000,000 aggregate

2) Commercial Automobile Liability Insurance.

- \$1,000,000 combined single limit coverage

3) Workers Compensation. A policy of Workers Compensation. As respects Workers Compensation insurance in the State of Washington, the Prime Contractor shall secure its liability for industrial injury to its employees in accordance with the provisions of Title 51 of the Revised Code of Washington (RCW). If the Prime Contractor is qualified as a self-insurer in accordance with Chapter 51.14 RCW, the Prime Contractor shall so certify by a letter signed by a corporate officer, indicating that it is a qualified self-insured, and setting forth the limits of any policy of excess insurance covering its employees, or any similar coverage required.

4) Contractor's Pollution Liability.

- \$1,000,000 Contractor's Pollution Liability

5) Professional Liability, Errors and Omissions.

- \$1,000,000 Professional Liability, Errors and Omissions

Add the following to PART 2.04 :

2.04 PAYMENT AND PERFORMANCE BONDS

C. The Contractor will be required to add the Limited Partnership, of which SHA is the managing partner and affiliate partners as multiple obligees as a requirement for funding the project.

2) SC PART 3 – TIME AND SCHEDULE

1.07 Damages for Failure to Achieve Timely Completion

Delete Part 3.07 Paragraph A. Liquidated Damages in its entirety and replace with the following:

A. Liquidated Damages

1. Timely performance and completion of the Work is essential to Owner and time limits stated in the Contract are of the essence. Owner will incur serious and substantial damages if Substantial Completion and Final Completion of the Work does not occur within the Contract Time. However, it would be difficult if not impossible to determine the exact amount of such damages. Consequently, liquidated damages of **\$5,742.05**

3) SC PART 3 CHANGES IN THE CONTRACT SUM

7.02 Changes in the Contract Sum

Delete Paragraph 7.02B and all its subparagraphs in its entirety and replace with the following:

B. Change Order Pricing -- Fixed Price

When the fixed price method is used to determine the value of any Work covered by a Change Order, or of a request for an equitable adjustment in the Contract Sum, the following procedures shall apply:

1. Contractor's Change Order Proposal, or request for adjustment in the Contract Sum, shall be accompanied by a complete itemization of the costs, including labor, material, subcontractor costs, and overhead and profit. The costs shall be itemized in the manner set forth below, and shall be submitted on breakdown sheets in a form approved by Owner.
2. All costs shall be calculated based upon appropriate industry standard methods of calculating current Contractor labor rates for the Project and local material prices and local equipment costs.
3. If any of Contractor's pricing assumptions are contingent upon anticipated actions of Owner, Contractor shall clearly state them in the proposal or request for an equitable adjustment.
4. The cost of any additive or deductive changes in the Work shall be calculated as set forth below, except that overhead and profit shall not be included on deductive changes in the Work. Where a change in the Work involves additive and deductive work by the same Contractor or Subcontractor, small tools, overhead, profit, bond and insurance markups will apply to the net difference.
5. If the total cost of the change in the Work or request for equitable adjustment does not exceed \$2,500, Contractor may submit a breakdown in the following level of detail if the description of the change in the Work or if the request for equitable adjustment is sufficiently definitive to permit the Owner to determine fair value:
 - a. lump sum labor;

- b. lump sum material;
 - c. lump sum equipment usage;
 - d. overhead and profit as set forth below; and
 - e. insurance and bond costs as set forth below.
6. Any request for adjustment of Contract Sum based upon the fixed price method shall include only the following items:
- a. Craft labor costs: These are the labor costs determined by multiplying the estimated or actual additional number of craft hours needed to perform the change in the Work by the hourly labor costs. Craft hours should cover direct labor, as well as indirect labor due to trade inefficiencies. The hourly costs shall be based on the following:
 - (1) Basic wages and benefits: Hourly rates and benefits according to applicable prevailing wages. Direct supervision shall be a reasonable percentage not to exceed 15% of the cost of direct labor. No supervision markup shall be allowed for a working supervisor's hours.
 - (2) Worker's insurance: Direct contributions to the state of Washington for industrial insurance; medical aid; and supplemental pension, by the class and rates established by the State Department of Labor and Industries.
 - (3) Federal insurance: Direct contributions required by the Federal Insurance Compensation Act; Federal Unemployment Tax Act; and the State Unemployment Compensation Act.
 - (4) Safety: Cost incurred due to the Washington Industrial Safety and Health Act, which shall be a reasonable percentage not to exceed 2% of the sum of the amounts calculated in (1), (2), and (3) above.
 - b. Material costs: This is an itemization of the quantity and cost of materials needed to perform the change in the Work. Material costs shall be developed first from actual known costs, second from supplier quotations or if these are not available, from standard industry pricing guides for the local area. Material costs shall consider all available discounts. Freight costs, express charges, or special delivery charges, shall be itemized.
 - c. Equipment costs: This is an itemization of the type of equipment and the estimated or actual length of time the construction equipment appropriate for the Work is or will be used on the change in the Work. Costs will be allowed for construction equipment only if used entirely and exclusively for the changed Work, or for additional rental costs actually incurred by the Contractor. Equipment charges shall be computed on the basis of actual invoice costs or if owned, from the current edition of one of the following sources in the order in which they are listed:
 - (1) Associated General Contractors - Washington State Department of Transportation Equipment Rental Agreement; latest edition;

- (2) The state of Washington Utilities and Transportation Commission for trucks used on highways.
- (3) The National Electrical Contractors Association for equipment used on electrical work.
- (4) The Mechanical Contractors Association of America for equipment used on mechanical work.

The most recent edition of the Data Quest Rental Rate (Blue Book) shall be used as a basis for establishing rental rates of equipment not listed in the above sources. The maximum rate for standby equipment shall not exceed that shown in the AGC WSDOT Equipment Rental Agreement, latest edition.

- d. Allowance for small tools, expendables & consumable supplies: Small tools consist of tools which cost \$250 or less and are normally furnished by the performing contractor. The maximum rate for small tools shall not exceed the following:

- (1) For Contractor, 1% of direct labor costs.
- (2) For Subcontractors, 2% of direct labor costs.

Expendables and consumable supplies directly associated with the change in Work must be itemized.

- e. Subcontractor costs: This is defined as payments Contractor makes to Subcontractors for changed Work performed by Subcontractors of any tier. The Sub contractors' cost of Work shall be calculated and itemized in the same manner as prescribed herein for Contractor.

- f. Allowance for Specified General Conditions: This is defined as costs of any kind, except Fee and Overhead, attributable to direct and indirect delay, acceleration, or impact, added to the total direct cost to Owner of any change in the Contract Sum but not to the cost of any change in the Contract Time for which contractor has been, or could have been (had contractor filed a sufficient, timely claim), compensated pursuant to the conditions set forth in Section 7.03. This allowance shall compensate Contractor for all increased costs for items identified in the contract as Specified General Conditions, directly attributable to the change in the Work. It shall be strictly limited in all cases to a reasonable amount, mutually acceptable, or if none can be agreed upon to an amount not to exceed the rates below:

- (1) For Contractor, for any Work actually performed by Contractor's own forces, 3% of the cost.
- (2) For each Subcontractor for any Work actually performed by its own forces, 5% of the cost.
- (3) For Contractor, for any Work performed by its Subcontractor(s), 3% of the cost.
- (4) For each Subcontractor, for any Work performed by its Subcontractor(s) of any lower tier, no additional percentage allowance.

- (5) The cost to which Specified General Conditions is to be applied shall be determined in accordance with subparagraphs a.-e. above.

g. Allowance for Contractor's Fee: This is an amount to be added to the direct cost of any change in contract sum, but not to the cost of change in Contract Time for which contractor has been, or could have been (had contractor filed a sufficient, timely claim), compensated pursuant to the conditions set forth in section 7.03. It shall be limited to a reasonable amount, mutually acceptable, or if none can be agreed upon, to an amount not to exceed the rates below:

- (1) For Contractor for work performed by Contractor's own forces, the cost developed in accordance with 7.02B.6a.- e. above multiplied by the Contractor's Fee % stated in the contract.
- (2) For Contractor for work performed by its Subcontractor(s), the Subcontractor cost developed in accordance with 7.02B.6a. – e, less the Subcontractor(s)' profit, multiplied by the Contractor's Fee % stated in the contract.
- (3) For subcontractors of any tier, for work performed by its own forces, 5% of the cost developed in accordance with 7.02.B.6a-e above.
- (4) For Subcontractors of any tier for work performed by a subcontractor of a lower tier, no additional percentage allowance.

h. Cost of change in bond premium: This is defined as:

- (1) Public works bond(s): The cost of the additional premium, if any, for Contractor's bond(s) arising directly from the changed Work, as evidenced by a rider to the original contract bond(s)

i. Contractor's Overhead: This is an amount to be added to all other costs of any change in contract sum, but not to the cost of change in Contract Time for which contractor has been, or could have been (had contractor filed a sufficient, timely claim), compensated pursuant to the conditions set forth in section 7.03. This amount shall be calculated after Fee and Specified General Conditions are agreed to or calculated in accordance with subparagraphs f. through i. above, by applying the Overhead % stated in the Contract. This amount is allowed to the Contractor and subcontractors of any tier.

END OF SECTION 00800

Contract #5313
For
Yesler Terrace Phase V –Construction
For
Sawara
Draft Revision December 11 2019

In consideration of the mutual covenants and agreements of the parties herein contained, the Contractor agrees to furnish all material, labor, tools, equipment, apparatus, facilities, etc., necessary to perform and complete in an acceptable manner the work called for in the Contract Documents for the following amounts:

Description	Phase 2
Hard Construction Cost (MACC)	\$TBD
Fee _____%	\$0
Overhead _____%	\$0
Fixed Amount for Specified General Conditions	\$0
Negotiated General Conditions	\$0
Estimated Sales Tax on Material _____%	\$0
Preconstruction - Completed	\$0
Total (GCC) TDB	\$TBD

ARTICLE 1
DEFINITIONS

Except as provided in this Article 1, capitalized terms shall have the meaning set forth in the Housing Authority of the City of Seattle General Conditions, Attachment C of the SHA Request for Competitive Proposals # 5313 as fully attached to this Contract as Exhibit C.

- 1.01 "Buyout" The cost of the awarded subcontractor bid for a particular bid package.
- 1.02 "Buyout Savings" The total approved Subcontract Plan bid package estimates minus the cost of the awarded subcontracts for the bid packages in the approved Subcontract Plan.
- 1.03 "Contract Documents" The Contract Documents in this Contract; **ATTACHMENT A.** MACC Estimate, MACC VE Cost Log; **ATTACHMENT C.** 00700 General Conditions of the Contract for Construction and 00800 Supplemental Conditions ; **ATTACHMENT D.** Community Participation Plan; **ATTACHMENT E.** Contractor Evaluation Program and Form; **ATTACHMENT F.** Prevailing Wage Rates; **ATTACHMENT G.** 100% Construction Document List; **ATTACHMENT H.** Key Personnel; **ATTACHMENT I.** MACC Construction Schedule ; **ATTACHMENT J.** SDCI Permits; **ATTACHMENT K.** SIP Permit.
- 1.04 "Contract Sum" - The Contract Sum set forth in the General Conditions, Exhibit C to this Contract and the Guaranteed Contract Cost.
- 1.05 "Guaranteed Contract Cost" ("GCC") The sum of the MACC + Contractor's Fee + Overhead + Fixed Amount for Specified General Conditions + Negotiated General Conditions + Washington State Sales Tax on Materials Only.
- 1.06 "Maximum Allowable Construction Cost" ("MACC") The amount required to complete all Work as described in the Contract Documents, but excluding the Preconstruction Work, Contractor's Fee, Overhead, Fixed Amount for Specified General Conditions work, Negotiated General Conditions, and applicable Washington State Sales Tax on Materials Only.

- 1.07 "MACC Contingency Account" The amount funded from Buyout Savings and savings from the Negotiated General Conditions. In the amount not to exceed 3% of the MACC excluding the Negotiated General Conditions
- 1.08 "Owner's Project Manager" The individual designated by the Owner to oversee the Work, administer this contract and /or terminate the Work in accordance with the Contract Documents and make all the required determinations and findings.
- 1.9 "Project" All work on the Yesler Terrace Phase V Housing Construction Project. Construction Project as described in the Contract Documents.
- 1.10 "Contractor's Fee" means: All profit of the Contractor for this Project, and all regional and home office overhead expenses, including labor and materials, travel, phone, cellular phone, facsimile, postage and other incidental office expenses attributable to work on this Project that is not specifically identified in the Specified General Conditions work.
- 1.11 "Contractor's Overhead" means: All expenses of the Contractor whether direct or through consultants, for participation in and support of the subcontractor bidding process of the Project that are not paid for as Specified General Conditions work, all taxes, including B&O, owed by the Contractor except retail sales tax on the Work, and All insurance required of the Contractor under the Contract.
- 1.12 "Specified General Conditions" means: the cost of all personnel, equipment, facilities, supplies, as well as performance and payment bonds, which are identified in the General Conditions and this Construction Contract required to successfully carry out all of the construction management and general contracting responsibilities of the Contractor during construction, which management and administration responsibilities include, without limitation, those more particularly identified in the Construction Documents
- 1.13 Matrix of Contractor's Fee, Overhead, Fixed Amount for Specified General Conditions, Negotiated General Conditions, and MACC: The following matrix defines which costs are covered by Contractor's Fee, Overhead, Fixed Amount for Specified General Conditions, Negotiated General Conditions and MACC:

ITEM	Fee	Overhead	Specified General Conditions	Negotiated General Conditions	MACC
All profit of the Contractor for this Project.	X				
All regional and home office overhead expenses, including labor and materials, travel, phone, cellular phone, facsimile, postage and other incidental office expenses attributable to work on this Project that is not specifically identified in the Specified General Conditions work.	X				
All expenses of the Contractor whether direct or through consultants, for participation in and support of the subcontractor bidding process of the		X			

Project that are not paid for as Specified General Conditions work.					
All taxes, including B&O, owed by the Contractor except retail sales tax on the Work.		X			
Insurance		X			
Construction Photographs per specifications with aerial monthly			X		
Field Office Equipment and Supplies including postage, printing costs			X		
Field Staff equipment and supplies including employee ID system, delivery, travel, expediting, and fuel			X		
Final Cleaning					X
Contractor Staffing to carry out all of the construction management and general contracting responsibilities of the Contractor during Construction, which management and administration responsibilities include, without limitation, those more particularly identified in the Construction Contract			X		
Hoisting					X
Bonds			X		
Permits (excluding building permit) & Fees					X
Street use fees					X
Swing Stage/Scaffold					X
Temporary Controls – Barriers/Roof Fall Protection				X	
Temporary Controls – Dumpster Service				X	
Temporary Controls – Dust Control				X	
Temporary Controls – Exterior Enclosures				X	
Temporary Controls – Fencing					X
Temporary Controls – Interior Enclosures				X	
Temporary Controls – Pollution Control				X	
Temporary Controls – Progress Cleaning			X		
Temporary Controls – Protection Of Existing Finishes					X
Temporary Controls – Protection Of Installed Work					X
Temporary Controls – 24 Hour Security via approved monitored security camera system or watchperson			X		
Temporary Controls – Storage				X	
Temporary Controls – Traffic Control					X
Temporary Controls – Vegetation Damage Control					X
Temporary Controls – Water Control				X	

Temporary Controls-Ventilation					X
Temporary Heat					X
Temporary Power				X	
Temporary Toilets					X
Window Washing					X

ARTICLE 2

THE CONTRACT DOCUMENTS

The Contract Documents constitute the Contract, which represents the entire and integrated agreement between the parties and supersedes prior negotiations, representation or agreements, either written or oral, except for the separately executed contract for Preconstruction Services between the parties. The order of precedence of the Contract Documents shall be as stated in section 1.02 of the General Conditions, Exhibit C to this Contract.

ARTICLE 3

WORK OF THIS CONTRACT

- 3.1 General. The Contractor shall perform and complete the entire work described in the Contract Documents, except to the extent that work is specifically indicated in the Contract Documents to be the responsibility of others. The Contractor shall provide construction management ("CM") services, including but not limited to: assistance in planning and design, and life cycle cost-engineering; scheduling; cost-estimating; determining constructability; assessing alternative construction options for cost savings including assistance to the Owner with development tasks necessary to support the construction effort; and preparation of subcontractor bid packages. CM services shall be provided throughout the Project under both the Preconstruction Services Contract and this Contract, and shall be closely coordinated with the Architects, Engineers, Design Team and Owner's Project Manager. The Contractor shall provide full general contracting services for construction of the Project. The Contractor shall work collaboratively and proactively with the Owner's Project Manager, Architect, Engineers and Design Team on the planning, design, and development of the work. The entire cost of providing Construction Management and General Contracting services under this Contract are included in the Fixed Amount for Specified General Conditions.
- 3.2 Supplemental Contract Documents. The Contractor acknowledges that the Contract Documents may not be fully completed or developed when this Contract is executed. The Contractor will cooperate with the Owner and the Architect to satisfy the Owner's requirements for the Project and to include in the Contract Documents to be completed or developed hereafter, all the work needed to complete the Project. The Contractor and the Owner recognize that construction may commence on the basis of incomplete Contract Documents, and in such event, Contract Documents will be prepared and issued, from time to time, for purposes of construction which will detail more completely all requirements of the work. In signing this Contract, the Contractor represents to the Owner that the Contract Documents available at the time of execution of this Contract are sufficiently complete to enable the Contractor to commit to performing the Work for the Guaranteed Construction Cost, and additions or modifications to the Contract Documents will not affect the GCC unless there is a change in the scope of the work. Work described in modifications to the Contract Documents shall not be construed to be a change in the scope of the work if the work described in the modification was necessary or appropriate under the Contract Documents in existence at the time of execution of this Contract, or was reasonably foreseeable by a prudent contractor. During performance of the work the Contractor will use its best efforts, and exercise its best judgment, to accomplish the work in conformance with, and as required or described by, the Contract Documents.

The relationship between the Contractor, the Architect and the Owner's Project Manager shall be collaborative and proactive.

3.3 Construction.

A. Construction Administration and Management

The Contractor shall:

1. The Contractor shall provide all services required of a general contractor to manage all aspects of the Project. Specific details of the Work are provided below but they shall in no way limit the Contractor's overall duty to provide Contractor services. The scope of services to be provided will include soil remediation and legal disposal of contaminated soil, construction, construction management, procurement, fit out, QA/QC coordination, commissioning support, coordination of as-built drawings, and related activities.
2. Coordinate all on-site activities. The Contractor shall plan, order, prepare and coordinate all necessary on-site support staff, services, and equipment, and shall manage, direct, oversee and coordinate the work of the subcontractors and suppliers who perform the Work specified in the Contract documents and in accordance with the approved schedule. The Contractor shall; provide on-going coordination between crafts, quality control, settle disputes between subcontractors, negotiate any change order proposals with the subcontractors, negotiate change order proposals with the Owner, revise and forward submittals and RFI's to the Owner's Project Manager/Architect for action, and respond to all correspondence related to the effort required for any procurement activities that arise from a subcontractor's inability or unwillingness to perform. The Contractor shall also negotiate with subcontractors but Owner reserves the right to reject any subcontractor proposal.
3. Minimize disruption and control construction: The Contractor shall plan, coordinate and sequence the Work to minimize disruption to adjacent properties through careful planning and control of construction activities in all areas. The Contractor shall control construction activities such that construction activity is performed only according to the approved Progress Schedule, unless authorization to vary from the Progress Schedule is reviewed with and approved in writing by the Owner's Project Manager.
4. Hold regular meetings and conduct tours. The Contractor shall attend construction oversight meetings with representatives from the Owner and the Design Team as required, conduct weekly progress meeting(s) and weekly subcontractor meeting(s), and keep and maintain adequate minutes for all meetings. The Contractor shall conduct site tours for the Owner and other officials as requested by Owner.
5. Coordinate general layout, including layout work provided by separate trades for their own work, to insure that there is no conflict with or between the trades using required software Autodesk BIM 2018.
6. Implement the approved Community Participation Plan, attached hereto as Attachment D. The approved Community Participation Plan will reflect any updates made to the Contractor's original Community Participation Plan submitted in response to the RFCP. Such updates shall include, but not be limited to, projected number of Section 3 new hires, women and minority workforce goals, and restatement of commitments regarding 14% women and minority (WMBE) subcontracting goal, 10% Section 3 Business subcontracting goal, and 15% apprenticeship goal, and details concerning application of the Community Participation Plan to any subcontracts awarded. Prepare and submit monthly reports related to the implementation of the Plan and attend monthly Section 3 Advisory Committee meetings.
7. Develop a site safety plan, including traffic control and site security, and manage jobsite safety. The Contractor shall have complete responsibility for jobsite safety and security. At Owner's request, the Contractor shall provide the Owner a copy of the security and site safety plan.
8. Provide sufficient project managers, field engineers, superintendents, engineers, construction quality control representatives, testing engineers, scheduling engineers, cost engineers, clerical and accounting personnel, and related personnel to ensure that:

- a. Change order proposals are submitted to the Owner/Architect within ten (10) working days of receipt of the subcontractor's proposal by the Contractor. Only those change order proposals result from negotiations between Contractor and subcontractor(s) shall be submitted to the Owner.
 - b. RFIs are reviewed and forwarded to the Owner's Project Manager/Architect within five (5) working days of receipt, unless a shorter period of review is required to avoid delay.
 - c. Submittals are reviewed for completeness and forwarded to the Owner's Project Manager/Architect within five (5) working days of receipt.
 - d. Replies to correspondence from subcontractors, Owner/Architect, and other outside agencies are provided within five (5) working days.
 - e. Daily project reports are completed and submitted in an Owner approved format on a daily basis.
 - f. After substantial completion, staff, authorized to act on behalf of their firms, remain engaged with the Owners Representative to coordinate and insure that any outstanding work items, punchlists, testing and commissioning are completed, and warranty issues are addressed in a timely manner at no additional cost to the Owner.
9. Administer all construction correspondence and maintain a document tracking and filing system for the Project.
 10. Notify, inform, coordinate and plan, with adjacent property owners and Seattle Housing Authority staff, to minimize and mitigate the impacts due to the Contractor's operations. Participate in community meetings, meetings with regulatory agencies, Seattle Housing Authority Board of Commissioners and other meetings as requested.
 11. Coordinate construction-related permit conditions and special inspections. The Contractor shall perform all work required to make permit changes and updates.

B. Subcontract Bidding

1. The Contractor shall organize and solicit bids for subcontractors to complete the Work in the most efficient and cost-effective manner possible. The Contractor may not use any alternates that are inconsistent with the Contract Documents without the prior, written approval of the Owner.
2. The Contractor shall be responsible for issuing bid packages that segregate the Work into logical and distinct packages that do not overlap and do not create gaps in the Work that are not included within any package. By issuing a bid package, the Contractor assumes responsibility for the package costs being within the MACC. If any package cost causes total Project costs to exceed the MACC, the Contractor shall bear the added cost, and no additional compensation shall be sought from, or provided by, the Owner.
3. The Contractor shall conduct the solicitation of bids and bid openings, evaluate bids, and conduct and/or coordinate hearings of any bid protests. The Contractor shall be responsible for all costs associated with the subcontracting process including, but not limited to:
 - a. Developing solicitations for Subcontract packages.
 - b. Reproduction of bid documents.
 - c. Up to 4 Site tours.
 - d. Responding to questions from bidders.
 - e. Providing bid opening facility.
 - f. Contract award.

4. The Contractor shall include the language of subcontractor responsibility criteria in each of its first tier subcontracts, and shall require each of its subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. Upon request of the Owner, the Contractor shall promptly provide documentation to the Owner demonstrating that the subcontractor meets the subcontractor responsibility criteria below. The requirements of this section apply to all subcontractors regardless of tier.

At the time of subcontract execution, the Contractor shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:

- a. At the time of subcontract bid submittal, have a current certificate of registration in compliance with chapter 18.27 RCW, which must be in effect at the time of the bid submittal;
 - b. Have a current Washington Unified Business Identifier (UBI) number;
 - c. If applicable:
 - Have Industrial Insurance (workers' compensation) coverage for the bidder's employees working in Washington, as required in Title 51 RCW;
 - Have a Washington Employment Security Department number, as required in Title 50 RCW;
 - Have a Washington Department of Revenue state excise tax registration number, as required in Title 82 RCW;
 - Electrical Contractor License, if required by Chapter 19.28 RCW
 - Elevator Contractor License, if required by Chapter 70.87 RCW
 - d. Not be disqualified from bidding on any public works contract under RCW 39.06.01 or RCW 39.12.065(3)
 - e. Has not more than one violation of the off-Site prefabricated non-standard, project specific Items reporting requirements of RCW 39.04.370 (Applicable until December 31, 2013)
 - f. Has not been debarred, suspended, or otherwise ineligible to contract with SHA and is not included on the Excluded Parties List System (EPLS) on GSA's SAM (System for Award Management) <https://www.sam.gov/portal/public/SAM/> or the Department of Housing and Urban Development's "Limited Denial of Participation" list.
5. Approval of Sub-Contractors: Seattle Housing Authority retains the right of final approval of any subcontractor of the selected General Contractor. The General Contractor shall inform all sub-contractors of this provision.

C. Cost Reporting.

The Contractor has:

1. Prepared a detailed construction budget for the Project known as the MACC Documentation. The Contractor shall update the budget each month, showing a complete, detailed, and current accounting for the cost of the work including subcontractor buyout versus the approved Subcontract Plan for each bid package, the actual costs versus Negotiated General Conditions costs and actual costs versus allowances.
2. Prepare a monthly progress report narrative including construction activity summary, progress schedule update, and community participation plan status.
3. Establish pay request procedures and prepare and submit monthly pay requests.
4. Prepare independent cost estimates for subcontractor change orders and document and track all change order payments.

5. Resolve subcontractor claim issues.
6. At the conclusion of the Project, prepare a final accounting for the Project including subcontractor buyout, and prepare and submit a final payment request; provided that, except as provided for in negotiated and executed change orders to this Contract, the Owner shall not pay the Contractor more than the Guaranteed Contract Cost established in this Contract.

D. Schedule.

The Contractor shall:

1. Develop and maintain an up-to-date, detailed master critical path construction Progress Schedule, in industry standard project scheduling software, for the Project that includes concurrent design, permitting, procurement, and construction activities.
2. Monitor construction progress and update the Progress Schedule every week, prepare a three-week look-ahead schedule every week, and discuss any need for corrective action with the Owner's Project Manager in the weekly coordination meetings.
3. Provide project progress schedules showing daily activities occurring on the site. Schedules shall be updated weekly and provided to the Owner at the weekly coordination meeting.
4. Prepare a monthly summary schedule with the monthly progress report.

E. Quality Control/Quality Assurance.

1. Special inspections required by the appropriate permitting officials and regulatory agencies will be provided by the Owner and coordinated by the Contractor. The Contractor shall ensure that the Owner's inspectors and other officials are given notice and are afforded timely and appropriate access to the work as needed.
2. Prior to the commencement of construction, the Contractor shall develop and submit a QA/QC plan for the Project to complement the Owner's Project Manager's independent testing and inspection. The QA/QC plan shall be approved by the Owner's Project Manager. Approval of the plan does not relieve the Contractor of its responsibility for complying with all requirements of the Contract Documents. QA/QC shall be conducted as further described in Division 1 and the Contract Documents.
3. The Contractor shall review the Owner's Special Inspectors testing and inspection reports, log and track issues and, where required, take appropriate remedial actions. The Design Team will also review reports and advises accordingly the Owner and Contractor.
4. The Contractor shall, in cooperation with the Owner's Project Manager and Architect, develop a system for reporting and correcting deficiencies in the work.

F. Substantial Completion, Commissioning and Close Out.

Substantial Completion, for purposes of Section 6.07 of the General Conditions, Exhibit C, and Article 5 of this Contract, is the stage in the progress of the Work (or portion thereof designated and approved by Owner) when the construction is sufficiently complete, in accordance with the Contract Documents, includes those commissioning activities necessary to obtain regulatory approvals and fully operational use of all systems and areas of the Project so Owner can fully occupy the Work (or the designated portion thereof) for the use for which it is intended. All Work other than incidental corrective or punch list work shall have been completed. Substantial Completion shall not have been achieved if: all systems and parts are not functional, **including systems and parts not required by code**; utilities are not connected, tested and operating normally; all required occupancy permits have not been issued; or the Work is not accessible by normal vehicular and pedestrian traffic routes. A Certificate of Occupancy is not by itself evidence of Substantial Completion. The date Substantial Completion is achieved shall be established in writing by Owner. Contractor may request an early date of Substantial Completion which must

be approved by Change Order. Owner's occupancy of the Work or designated portion thereof does not necessarily indicate that Substantial Completion has been achieved. .

1. The Contractor shall assist the Owner in obtaining regulatory approvals and the required permits necessary for the Owner to beneficially use and/or occupy the facilities improved in this Project.
2. The Contractor shall prepare and/or coordinate all requirements for turning building systems and areas over to the Owner on completion of the work. Working in conjunction with Owner's personnel, the Contractor shall direct the checkout of utilities, operations systems, and equipment.
3. The Contractor shall schedule and conduct training sessions for all operations personnel as needed.
4. The Contractor shall prepare and/or coordinate the preparation of all operations and maintenance manuals.
5. The Contractor shall assemble and coordinate all vendor manuals, warranties, guarantees, affidavits, releases, bonds waivers, regulatory approvals, and related documents.
6. The Contractor shall administer and coordinate preparation of all vendor shop drawings.
7. Working in conjunction with Architect's field staff and the Owner's Project Manager, the Contractor shall develop a protocol for preparing as-built drawings in accordance with the requirements of Exhibit C General Conditions.
8. The Contractor shall coordinate timely completion of punch list work. Contractor acknowledges that the Construction Work is likely to be completed in phases requiring phased punch lists and phased acceptance of portions of the work.
9. The Contractor shall prepare close-out documentation acceptable to the Owner's Project Manager.

ARTICLE 4

RELATIONSHIP OF THE PARTIES

- 4.1 **General.** The Contractor acknowledges that a relationship of trust and confidence is to be established and maintained under this Contract and covenants with the Owner to cooperate with the Architect and Owner through every phase of the Work; to utilize the Contractor's best skill, efforts and judgment in furthering the interests of the Owner; to furnish efficient business administration and supervision; to use best efforts to furnish at all times an adequate supply of workers and materials; and to perform the Work in the most expeditious and economical, and cost effective manner. The Owner agrees to exercise best efforts to help the Contractor perform the Work in the most expeditious, economical and cost effective manner by timely furnishing and approving information required by the Contractor and by making payments to the Contractor in accordance with the requirements of the Contract Documents. The Contractor acknowledges that the Owner has a separate agreement with the Architect to design the Project and to provide certain construction administration services necessary to ensure that the construction conforms to the Drawings and Specifications. The Contractor further acknowledges that, for the Project to be completed on time and within the GCC, the Contractor, the Architect and the Owner must closely cooperate on a regular basis to revise plans, drawings, specifications, materials, methods, estimates and budgets as necessary to meet the Owner's objectives and financial constraints as established in the GCC.
- 4.2 **Non-Representation:** The relationship between the Contractor and the Owner by reason of this Contract shall be that of independent contractor, and the Contractor shall not be the agent or legal representative of the Owner for any purpose whatsoever. The Contractor is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of the Owner or to bind the Owner in any manner whatsoever.

4.3 Authority of Owner's Project Manager:

- A. Owner's Project Manager. The Owner's Project Manager is authorized to act on behalf of the Owner in all matters pertaining to the Work and the Contract Documents. The Owner's Project Manager may delegate all or part of this authority to others and will communicate this authorization in writing. No representative or employee of the Owner, other than the Owner's Project Manager, shall have authority to obligate the Owner for any purpose unless authorized in writing to do so by the Owner's Project Manager. The Owner's Project Manager shall have the authority to reject defective material and suspend work that is not consistent with the Contract Documents.

For all purposes under this Contract, the decision of the Owner's Project Manager shall be final, except for those matters requiring execution a Change Order, in which case the final decision shall be made by SHA's Executive Director. The Owner's decisions, as delegated to Owner's Project Manager shall be final on all issues including, but not limited to, the following:

1. quality and acceptability of materials and Work, as specified by the Contract Documents;
 2. measurement of unit price work;
 3. acceptability of rates of progress on the Work;
 4. interpretation of Drawings and Specifications;
 5. determination as to the existence of changed or differing site conditions;
 6. fulfillment of the Contract by the General Contractor;
 7. payments under the Contract;
 8. issuance of a Change Order; and
 9. Substantial Completion and Final Acceptance
- B. Approval of Owner's Project Manager. The Owner's Project Manager has no obligation to provide the Contractor with direction or advice on how to do the Work. Although an Owner's Project Manager may inform the Contractor of any faulty work or materials, or infringements of the terms of the Contract Documents, failure of the Owner's Project Manager to do so shall not constitute acceptance or approval of any faulty or defective work or materials. If the Owner's Project Manager approves or recommends any method or manner for doing the Work or producing materials, the approval or recommendation shall not:
1. constitute a representation that following the method or manner employed by Contractor will result in compliance with the Contract,
 2. relieve the Contractor of any risks or obligations under the Contract, or
 3. create any liability for the Owner.
- C. Inspectors and Consultants. The Owner may appoint inspectors, or designate Consultants, to assist in determining whether work performed and materials furnished comply with the Contract Documents. Designated Inspectors and Consultants may exercise only such authority as may be delegated to them in writing by the Owner's Project Manager. Inspectors and Consultants are not authorized to approve or accept any Work or materials, or to issue instructions or advice except as specifically authorized by the Contract Documents or the Owner's Project Manager in writing. In the event of a conflict between the Owner's Project Manager and any Inspector or Consultant, the Owner's Project Manager's decision shall be the final decision of the Owner and binding on the Contractor.

ARTICLE 5

DATE OF COMMENCEMENT, TIME OF COMPLETION, INCENTIVE, AND LIQUIDATED DAMAGES

- 5.1 Time is of the Essence. It is understood that time is of the essence in performing the Work, and the Contractor shall provide the necessary equipment, personnel and services to commence the Work

on the date this Contract is executed and be substantially complete within the applicable time established with this Contract set forth as ATTACHMENT I. MACC Construction Schedule.

- 5.2 Date of Commencement. The date of commencement of work to be performed under this Contract, other than Construction Work, shall be the date this Contract is signed by both parties. Any work performed by the Contractor prior to execution of this Contract, other than the Preconstruction Work described in the separate Preconstruction Services Contract shall be at the Contractor's sole risk and expense unless the Owner has directed the Contractor, by change order to the Preconstruction Services Contract, to proceed with preparation of selected subcontractor packages, material procurement or limited scope released.

The date of commencement of the Construction Work shall be established by issuance of the Notice to Proceed for the Construction Work. If the Notice to Proceed for part or all of the Construction Work is not issued, work reasonably performed by the Contractor in connection with preparation and bidding of authorized subcontractor packages as described in this Contract, shall be at Owner's expense. Any Construction Work performed prior to issuance of the Notice to Proceed for construction shall be at the Contractor's sole risk and expense.

Notwithstanding anything to the contrary in the Contract Documents, if a Notice to Proceed for construction is not issued by the Owner for all or any part of the Project, the Contractor's damages shall be limited to authorized costs actually incurred by the Contractor, plus the percentage for the Contractor's Profit shown in the Table on page 1 of this Contract, on those costs.

5.3 Substantial Completion and Final Acceptance.

The following is the date by which the parties agree that Substantial Completion and Final Acceptance of all elements of the Project will occur:

Substantial Completion will be achieved by: TBD

Final Acceptance will be achieved by: TBD

- 5.4 Liquidated Damages. Timely performance and completion of the Work is essential to the Owner and time limits are of the essence. See General Conditions Exhibit C Section 3.07.
- 5.5 Incentives. Incentives shall be paid only with funds from the MACC/Contractor Contingency Account established in 6.2.3. Incentives will be paid from the Incentive Pool. The Incentive Pool shall be an amount not to exceed 1% of the MACC funded from the amount available in the MACC Contingency Account at Substantial Completion. All funds in the MACC Contingency Account at Substantial Completion that are not earned by the Contractor as incentives will be returned to the Owner through a Change Order. Incentives will be paid for meeting established objectives in four categories:

Management Incentive-The Contractor will receive the incentive for superior management of the project. The Contractor's Project Management will be evaluated for each of the periods listed below. Incentive periods will be intervals equally spaced within the project scheduled duration.

Period	Percent of Incentive
1	20%
2	20%
3	20%
4	20%
5	20%

1. The Contractor's performance will be evaluated for incentive fee purposes based upon the criteria listed below (Incentive Evaluation Criteria), and no others. The Incentive Evaluation Criteria are:
 - A. The effectiveness of the Contractor's efforts in implementing its Community Participation Plan and achieving its commitment goals as stated in its Plan

- B. The effectiveness of the Contractor's management of costs;
 - C. The effectiveness of the Contractor's team-building efforts;
 - D. The effectiveness of the Contractor's management of the construction schedule.
2. The Owner will establish an incentive fee evaluation committee (Committee) consisting of the Senior Development Manager, the Purchasing Manager, the Project Manager. The Committee will evaluate the Contractor's performance during each period. Within ten (10) calendar days after the end of an evaluation period, the Contractor and the Owner's Project Manager each shall separately prepare and submit to the Committee the incentive evaluation form evaluating the Contractor's performance during the period based upon the Incentive Evaluation Criteria. The committee may invite, or, upon request by either the Contractor or the Owner, allow the Contractor and the Owner each to make an oral presentation of a limited duration determined by the Committee. After receiving the evaluation forms and hearing any oral presentations, the Committee will evaluate the Contractor's performance based upon the Incentive Evaluation Criteria, and will make written determination of the amount of the available incentive fee the Contractor is to receive for the evaluation period in question. The Committee's determination shall be made within thirty (30) calendar days after the end of the evaluation period and shall be in writing and set forth the reasons for the determination.
3. The Incentive Evaluation Criteria by which the Contractor will be evaluated by the Committee for as stated in paragraph 5.5 A., B., C and D. shall use the following scoring and weighting system:
- A. The effectiveness of the Contractor's efforts to implement and achieve commitment goals stated in the Community Participation Plan a
 - 1. Section 3 hiring program;
 - 2. Apprenticeship utilization;
 - 3. WMBE business utilization;
 - 5. Section 3 business utilization
 - 4. Women and Minority employment program;
 - B. The effectiveness of the Contractor's management of costs:
 - 1. Timely/cost effective resolution of changes;
 - 2. Proactive identification of cost issues;
 - 3. Accurate cost to complete forecasting;
 - 4. Integrity of accounting and cost control processes; and
 - 5. Proactive Construction Cost avoidance.
 - C. The effectiveness of the Contractor's team-building efforts:
 - 1. Focus on a non-adversarial and open environment;
 - 2. Enforcement of values of trust, respect and honesty;
 - 3. Dispute resolution;
 - 4. Maintaining clear lines of communication and decision making within levels of team; and
 - 5. Forecasting and reinforcement of project goals.
 - 6. Retention of key Contractor personnel
 - D. The effectiveness of the Contractor's management of the construction schedule:
 - 1. Schedule updating and maintenance;
 - 2. Schedule communication;
 - 3. Schedule decision making;
 - 4. Performance to critical milestones; and
 - 5. Final Close Out and Submittal of Project Record Documents and As build drawings per Contract
4. The following weighting of scores will be used to evaluate each of the evaluation criteria and their respective score will be used:

- A. Excellent – Regularly exceeds requirements, initiates improvements, excels in specific objectives, and goals;
 - B. Good – Usually exceeds requirements and performance standards;
 - C. Fair – Meets all normal requirements and performance standards;
 - D. Poor – Fails to meet performance standards.
5. The intent of this incentive is to reward to the contractor for performance in excess of the minimum requirements, not to pay for performance that only meets the minimum requirements. Accordingly, a score of “Fair” in any particular area means that no incentive will be paid for that area. In addition, a score of “Poor” in any area shall terminate the evaluation for that time period, for all areas. No fee shall be paid. A rating of “Excellent” shall entitle the contractor to 100% of the available amount. A rating of “Good” shall entitle the contractor to 50% of the available amount.
6. The Committee’s determinations of incentive fees shall be based upon good faith and consideration of the facts presented. However, the determinations within, are wholly discretionary and not subject to challenge. The Contractor hereby expressly waives its right to seek judicial review of a determination by the Committee. The Committee’s determinations are not subject to the dispute resolution provisions of this Contract.

ARTICLE 6

GUARANTEED CONTRACT COST

6.1 Determination. The Guaranteed Contract Cost (GCC) has been determined through a negotiation of the MACC conducted prior to the execution of this Contract, and is set forth in the table on page 1 of this Contract. The MACC negotiations are separate from Preconstruction Work that is the subject of a separate contract between the Contractor and the Owner. The Contractor shall not be reimbursed for any expense or efforts related to MACC negotiations. By executing this Contract, the Contractor represents and acknowledges that the GCC is reasonable compensation for all the Work of this Contract; that the Contract Time and schedule is adequate for the performance of the Work; and that it has carefully examined the Contract Documents and the Project sites, including any existing structures, and has satisfied itself as to the nature, location, character, quality and quantity of the Work, the labor, materials, equipment, goods, supplies, work, services and other items to be furnished and all other requirements of the Contract Documents, as well as the pre-existing surface conditions and subsurface conditions from reports provided by Owner and other matters that may be encountered at the Project sites or affect performance of the Work or the cost or difficulty thereof, including but not limited to those conditions and matters affecting: transportation, access, disposal, handling and storage of materials, equipment and other items; availability and quality of labor, water, electric power and utilities; availability and condition of roads; normal climatic conditions and seasons; physical conditions at the Project sites and the surrounding locality; topography; and equipment and facilities needed preliminary to and at all times during the performance of the Work.

6.2 Maximum Allowable Construction Cost.

6.2.1 The MACC is the amount mutually agreed to between the Owner and Contractor that is required to complete all Work as described in the Contract Documents. The negotiated MACC shall include funds for all costs through the life of the Project, except those required for:

- 1. Preconstruction Services
- 2. Overhead %
- 3. Contractor Fee %
- 4. Fixed Amount for Specified General Conditions including bond and insurance %
- 5. WA State Sales Tax on materials %

6.2.2 The Contractor shall be responsible for all costs related to subcontractor claims or charges that result from:

- 1) mistakes or omissions in the Subcontract Plan or in the Negotiated General Conditions,

- 2) coordination errors and omissions in the Construction Documents which the Contractor reasonably should have detected, and
- 3) conflicts of any nature and kind between subcontractors and the Contractor or between subcontractors and other subcontractors.
- 4) all risk and/or cost overruns occasioned by a subcontractor's inability to perform or a subcontractor's cost overruns

The Contractor may use funds in the MACC/Contractor Contingency Account established in paragraph 6.2.3 to pay for such charges/claims arising from the circumstances specified in this paragraph 6.2.2.

6.2.3 "MACC Contingency Account." The Contractor risk contingency in an amount not to exceed 3% of the Direct Costs from the MACC excluding the Negotiated General Conditions. The MACC Contingency Account is funded solely from Buyout Savings and savings in the Negotiated General Conditions, up to a maximum funding of 3% of the MACC. The Buyout Savings and the Negotiated General Conditions savings shall be added together to determine the total savings. Any Buyout savings or Negotiated General Conditions savings or in excess of the total limit of 3% of the MACC shall be utilized to fund additional scope as directed by the owner or shall be returned to the Owner

a) MACC Contingency Account authorized uses.

Funds from the MACC Contingency Account may be used to pay for charges/claims arising from the circumstances specified in paragraph 6.2.2. The Owner must approve the Contractor's use of the MACC Contingency Account prior to the Contractor's use of the funds. The Contractor shall provide the Owner with monthly updates of the MACC Contingency Account use. No Contractor overhead, profit or any other mark ups are allowed on work funded from the MACC Contingency Account.

If funds are available in the MACC Contingency Account at the time of Final Completion, they may be used for the incentive payments to the Contractor or returned to the Owner as described in paragraph 5.5.

b.) MACC Contingency Account sources of funds.

1) Buy out savings. If the Contractor is successful in awarding contracts for all the approved Subcontract Plan, in the amount less than the MACC minus the General Conditions, then the Contractor may with the Owner's approval retain the savings up to the not to exceed limit, only for uses as specified in paragraph 6.2.2 for the MACC Contingency Account.

2) Negotiated General Conditions Savings

If the Contractor provides Negotiated General Conditions services and facilities for an amount less than the Negotiated General Conditions identified in the MACC, then the Contractor may with the Owner's approval retain the savings with any Buyout savings up to the not to exceed limit only for uses as specified in paragraph 6.2.2 for the MACC Contingency Account.

6.2.4 Negotiated General Conditions. The Contractor shall provide services and facilities which logistically support the construction of the Work. These services and facilities are identified in the MACC as the Negotiated General Conditions. The Contractor shall provide the Owner with monthly updates of the actual cost of providing these services and facilities including supporting documentation of the expenses.

6.3 Contractor's Profit, Overhead and Fixed Amount for Specified General Conditions.

6.3.1 Contractor's Profit. The Contractor's Profit shall be that amount stated on page 1 of this Contract, and shall only be earned as a percentage on the MACC identified on page 1 of this Contract. The Contractor's Profit shall not increase as a result of any change orders to this

Contract. Allowances for the Contractor's overhead and profit on change orders are described in the General Conditions- Exhibit C. The Contractor's Profit shall cover the following:

1. All profit or loss of the Contractor for this Project.
2. All home or regional office overhead expenses of the Contractor, including labor and materials, travel, phone, cellular phone, facsimile, postage, and other incidental office expenses attributes to work on this Project that is not specifically identified in the Specified General Conditions Work.

6.3.2 Contractor's Overhead. The Contractor's Overhead shall be that amount stated on page 1 of this Contract and shall only be earned as a percentage on the MACC identified on page 1 of this Contract.

1. All expenses of the Contractor, whether direct or through consultants, for participation in and the support of the subcontractor bidding process that are not paid for as Specified General Conditions Work.
2. All taxes, including B&O, owed by the Contractor except retail sales on the Work.

6.3.3 Fixed Amount for Specified General Conditions. The dollar amount for the "Fixed Amount for Specified General Conditions Work" is that amount stated on Page 1 of this Contract. The Fixed Amount for Specified General Conditions shall include the cost of all personnel, equipment, facilities, supplies, bonds, and insurance required to successfully carry out all of the construction management and general contracting responsibilities of the Contractor during Construction, which management and administration responsibilities include, without limitation, those more particularly identified in this Contract.

The Fixed Amount for Specified General Conditions shall not increase as a result of any change orders to this Contract. The General Conditions, Exhibit C describe the process for establishing change order amounts.

6.4 Subcontract Buyout Procedure.

6.4.1 Prior to subcontract bidding, Contractor shall submit and the Owner shall approve the Subcontract Plan, including final bid package estimates for all subcontract bid packages. During subcontract bidding, the Contractor may request a change in its Subcontract Plan and the Owner will not unreasonably withhold approval. The Owner shall not pay the Contractor for any costs incurred in excess of the MACC, even if the final bid package estimates in the approved Subcontract Plan and Negotiated General Conditions exceed the MACC.

6.5 Contractor Subcontract Buyout Cost Accounting

6.5.1 Starting with the award of the first bid package, the Contractor shall provide a monthly report to the Owner for review of expenditures, tracking of subcontractors, and contract changes. The format of the report shall be developed by the Contractor and reviewed and approved by the Owner's Project Manager. It shall contain columns which include the following information:

1. FINAL BID PACKAGE ESTIMATE. Once the Final Bid Package Estimate is agreed to, these values, as shown in the designated column on the monthly report do not change. At an appropriate point in the Project, with approval of the Owner's Project Manager, this column need not be printed in each monthly report. This column must, however, be maintained and be available upon the Owner's request.
2. FINAL BID PACKAGE ESTIMATE ADJUSTMENTS. To be used to record adjustments in the Final Bid Package Estimate.
3. REVISED BID PACKAGE ESTIMATE. The sum of the "Final Bid Package Estimate" and "Adjustments"

4. SUBCONTRACT. This column shall reflect the amounts encumbered less change orders.
5. CHANGE ORDER. (Two columns) One column shall reflect the value of Change Orders paid from the MACC Contingency Account and one column shall reflect the value of change orders paid from the Owner's contingency.
6. REVISED SUBCONTRACT AMOUNT. This column shall reflect the total of "Subcontracts" and "Change Orders."
7. BUYOUT VARIANCE. This column shall reflect the revised bid package estimate less the subcontract, less change orders.
8. EXPENDED TO DATE. This column shall reflect the amount paid to the Contractor from the Owner.
9. EXPENDED PRIOR PERIOD. This column shall reflect the amount recorded in the month report immediately preceding the current report as "EXPENDED TO DATE."
10. EXPENDED THIS PERIOD. This column shall reflect the amount expended to date less the amount reported in all previous periods.
11. PERCENT OF BUDGET. This column shall reflect the amount of the MACC that has been expended and is the amount "Expended to Date" divided by the sum of "Revised Bid Package Estimates" and "Change Orders" expressed as a percentage.
12. ANTICIPATED COST TO COMPLETE. This column shall reflect the amount the Contractor believes shall be required to finish the work.
13. BALANCE. This column shall reflect the difference between the sum of the amount "Expended to Date" and the "Anticipated Cost to Complete" and the budget as adjusted

6.5.2. The Owner and the Contractor, at monthly construction oversight meetings, shall review the monthly report. Proposed bid package revisions and MACC Contingency Account expenditures must be approved by the Owner prior to implementation. Notwithstanding the Owner's approval of any revisions of bid packages, the Contractor is responsible for ensuring that the MACC is not exceeded, and any costs in excess of the MACC shall be the sole responsibility of the Contractor.

ARTICLE 7

MISCELLANEOUS PROVISIONS

- 7.1. Contractor's Liability for Damages and Injury. The Contractor shall defend, indemnify, and hold the Owner, its commissioners, officers, agents and employees from all claims as set forth in Sections 5.03 and 5.22 of the General Conditions - Exhibit C.
- 7.2. Insurance. The Contractor shall provide to the Owner, in accordance with Part 2 of the General Conditions – Exhibit C, or unless modified by 00800 Supplementary Conditions, proof of required insurance.
- 7.3. Performance and Payment Bonds: Prior to the signing of this Contract and within 7 days of Owner's request, the Contractor shall deliver to the Owner Performance and Payment bonds for the full GCC, in a form acceptable to the Owner. The costs of such bonds shall be included in the costs for Fixed Amount for Specified General Conditions as set forth in Subsection 6.3.2.
- 7.4. Governing Law and Venue. This contract shall be governed in all respects by the laws of the State of Washington. Venue for any action filed under this contract shall be limited to King County, Washington at Seattle or the Western District of Washington at Seattle.

- 7.5 Notices and Substitutions: Any and all notices required under this Contract (each, a "Notice") shall be in writing to the addresses specified below and shall be delivered per see General Conditions Section 10.10.

If to the Owner:
Seattle Housing Authority
190 Queen Anne Ave North
P.O. Box 19028
Seattle WA 98109-1028
Attention: Lori Stehlik
Email: Lori.Stehlik@seattlehousing.org
Fax: (206) 615-3539

If to the Contractor:
Contractor's Name _____
Address: _____

Attention: _____
Email: _____
Fax: _____

- 7.6 Assignment: It is anticipated that a portion of this Contract may be assigned to a private for-profit limited partnership or similarly structured corporate body. The Contractor hereby consents to assignment of this Contract, and agrees to abide by the terms and conditions of this Contract. In the event of default by the assignee, Owner shall remain fully liable for its obligations under the Contract.
- 7.7 MACC Cost Documentation: Attached hereto as **Exhibit A** is the MACC Cost Estimate, MACC VE Cost Log.
- 7.8 General Conditions: Attached hereto as **Exhibit C** are the General Conditions of the Construction Contract.
- 7.9 Supplemental Conditions: Attached hereto as **Exhibit C** are the Supplemental Conditions
- 7.10 Community Participation Plan: Attached hereto as **Exhibit D** is the Community Participation Plan.
- 7.11 Contractor Evaluation Program and Form: Attached hereto as **Exhibit E** is the Contractor Evaluation Program and Form.
- 7.12 Prevailing Wage Rate Schedules: Attached hereto as **Exhibit F** is the Prevailing Wage Decision.
- 7.13 List of Design Documents: Attached hereto as **Exhibit G** is the 100% Construction Document List.
- 7.14 Key Personnel: Attached hereto as **Exhibit H** is the list of Contractor Key Personnel. The Contractor's key personnel is considered to be essential to the work effort. Prior to diverting or substituting any of the specified individuals, the Contractor shall notify the Owner reasonably in advance and shall submit justification, including proposed substitutions, in sufficient detail to permit evaluation of the impact on this Contract. Any proposed substitute must have qualifications equal to or better than the key personnel being replaced. No diversion or substitution of such key personnel shall be made by the Contractor without the prior written consent of the Owner
- 7.15 MACC Construction Schedule: Attached hereto as **Exhibit I** is the MACC Construction schedule. This schedule start date to coincide with the projects finance closing date adjusted to remove Early Work scopes completed prior to closing.
- 7.16 Building Permits: Attached hereto as **Exhibit J** Building Permit number.
- 7.17 Street Improvement Permit: Attached hereto as **Exhibit K** lists the SIP Permit number.

IN WITNESS WHEREOF, the parties hereto have executed this Contract by having their representatives affix their signatures below.

COMPANY
ADDRESS

By _____ Date _____

Print Name _____

Title _____

Housing Authority of the City of Seattle
190 Queen Anne Avenue North
P.O. Box 19028
Seattle WA 98109-1028

By: _____ Date _____

Andrew J. Lofton
Executive Director

Housing Authority of the City of Seattle
190 Queen Anne Avenue North
P.O. Box 19028
Seattle, WA 98109-1028

By: _____ Date _____

Andrew J. Lofton
Executive Director

Attachments:

1. ATTACHMENT A. MACC Estimate
2. ATTACHMENT A. MACC VE Cost Log
3. ATTACHMENT B. Construction Contract
4. ATTACHMENT C 00700 General Conditions of the Contract for Construction
5. ATTACHMENT C 00800 Supplemental Conditions
6. ATTACHMENT D. Community Participation Plan
7. ATTACHMENT E. Contractor Evaluation Program and Form
8. ATTACHMENT F. Prevailing Wage Rates
9. ATTACHMENT G. 100% Construction Document List
10. ATTACHMENT H. Key Personnel
11. ATTACHMENT I. MACC Construction Schedule
12. ATTACHMENT J. SDCI Building Permit #
13. ATTACHMENT K. SIP Permit #

(End of Construction Contract #5313)