

## 5. Attachment C.2. Specification Section – Supplementary Conditions – Addendum #2

RFCP for Pre-Construction Services  
YT Block 6.6 Juniper Apartment Construction Project  
Section 00800  
Seattle Washington  
SHA Contract #5454

Supplementary Conditions

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.
  - \$10,000,000 each Occurrence Premise/Operations, Bodily Injury, Property Damage Combined Single Limit (CSL) Personal/Advertising Injury, Products/Completed Operations – (CSL) and may be in any combination of primary and umbrella/excess liability policies.
  - \$10,000,000 aggregate in any combination of primary and umbrella/excess liability policies.
- 2) Employers Liability or Washington Stop Gap Liability. A policy of Employers Liability or a Washington Stop Gap Liability insurance endorsement with the following minimum coverage:
  - \$1,000,000 Bodily injury by Accident, Bodily Injury by Disease – Each Employee, Bodily Injury by Disease – Policy Limit; Employers Liability or Washington Stop Gap
- 3) Commercial Automobile Liability Insurance.
  - \$1,000,000 combined single limit coverage
- 4) 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.
- 5) Contractor's Pollution Liability.
  - \$1,000,000 Contractor's Pollution Liability
- 6) Professional Liability, Errors and Omissions.

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

### 1) SC PART 2 INSURANCE AND BONDS

#### **Add the following to PART 2.03 Insurance Coverage Endorsements and Certificates :**

Contractor shall include “The City of Seattle, its officers, elected officials, employees, agents, and volunteers” as additional insureds for primary and non-contributory limits of liability per

- ISO CG 20 26 or its equivalent for designated additional insured endorsement on CGL and Auto Liability policies, and
- ISO CG 20 37 or its equivalent for additional insured completed operations on CGL policy.

#### **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, affiliate partners, and lenders/investors as required 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 **\$2,100/day the first month, \$2,600/day in the second month and \$3,300/day for the third month.**

### 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

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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.

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- (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:

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- (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.

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- (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