

**AGREEMENT FOR  
DESIGN CONSULTANT SERVICES**

BETWEEN

**BRUNSWICK COUNTY BY AND THROUGH ITS AUTHORIZED AGENT,  
BRUNSWICK COUNTY BOARD OF EDUCATION**

hereinafter referred to as the Owner

AND

**BECKER MORGAN GROUP, INC.**

hereinafter referred to as the Design Consultant

PROJECT: North Brunswick High School Addition and Site Improvements

DATE: September 7, 2022

# AGREEMENT FOR DESIGN CONSULTANT SERVICES

## TABLE OF CONTENTS

Article 1	Definitions	Page 03
Article 2	Relationship of the Parties	Page 04
Article 3	Basic Services	Page 06
Article 4	Compensation	Page 25
Article 5	Period of Services	Page 28
Article 6	Owner's Responsibilities	Page 28
Article 7	Additional Services	Page 29
Article 8	Notices	Page 31
Article 9	Insurance	Page 31
Article 10	Termination of Agreement	Page 33
Article 11	Successors/Assignment	Page 34
Article 12	Ownership of Documents/ Confidential Information	Page 34
Article 13	Additional Provisions	Page 35
Article 14	Exhibits	Page 37
Exhibit A	Construction Contract Award Price	Page A1
Exhibit B	Program of Requirements	Page B1
Exhibit C	Management Plan	Page C1
Exhibit D	Owner and Construction Manager at Risk Agreement	Page D1
Exhibit E	Design Consultant's Fee Schedule	Page E1
Exhibit F	Owner's Sexual Offender Registry Check Certification Form	Page F1
Exhibit G	Owner and Construction Manager at Risk Agreement	Page G1

## AGREEMENT FOR DESIGN CONSULTANT SERVICES

This Agreement is made this 7th day of September, 2022 between the Owner Brunswick County by and through its authorized agent, Brunswick County Board of Education, and the Design Consultant, Becker Morgan Group, Inc. for Professional Services in connection with the Project known as:

### North Brunswick High School Addition and Site Improvements

The Owner and the Design Consultant agree as set forth below:

#### ARTICLE 1

#### DEFINITIONS

The following words and phrases where appearing in initial capitalization, shall for the purposes of this Agreement have the following meanings:

- 1.1 Project. The project will consist of a 2-story 12-classroom addition, a bid alternate band room, and provisions for a future 4-classroom expansion. The site layout will generally conform with but not be limited by the District's Master Plan for the site, which locates the new addition, relocates the fire apparatus access road, relocates the existing tennis courts (adding lighting, a restroom/package concession building) relocates the softball field, dugouts, press box, and lighting, and constructs 3 new irrigated practice fields of various sizes. Demolition of the certain existing athletic amenities and sections of the existing fire apparatus access road will be required. Offsite local road improvement and new staff parking for the addition if required are also included. Other miscellaneous items necessary to complete items above may be required
- 1.1.1 The new North Brunswick School addition square footage is to be approximately 24,000 square feet.
- 1.1.2 Project Parameters
- 1.1.2.1 The physical parameters are: the new North Brunswick High School addition and site improvements will be constructed on the site owned by Brunswick County located at 114 Scorpion Dr., Leland, NC 28451.
- 1.1.2.2 Overview of Design Consultant's Scope: The Design Consultant's fee includes the complete design of a new facility including all architectural, sitework, extensions of utilities, civil, structural, mechanical, plumbing, electrical, landscape, fire suppression, food service, technology infrastructure (including all required cabling, but excluding servers, smartboards, laptops, phones, cameras, flat panel TVs, and other such devices), and any other work required for a complete set of design documents. The Design Consultant's fee shall also include structured cabling and raceways for phone system, paging system, data systems, intrusion detection system, video surveillance system, audio systems and video distribution system.
- 1.2 Design Consultant. Design Consultant as used herein shall mean the architect or engineer identified above.
- 1.3 Sub-Consultant. Sub-Consultant as used herein shall mean any consultant or sub-consultant retained by or on the behalf of the Design Consultant for the performance of any Services pursuant to this Agreement. The Design Consultant's use of a Sub-Consultant shall not relieve the Design Consultant of any responsibility for providing the Services outlined in this Agreement.
- 1.4 Services. The Services to be performed by the Design Consultant under this Agreement shall consist of the Basic Services described in Article 3, any Additional Services under Article 7, and any other obligations of the Design Consultant included in this Agreement.
- 1.5 Construction Contract. The Construction Contract shall consist of the plans and specifications prepared by the Design Consultant, and any addenda and change orders thereto, and the Owner and Construction Manager at Risk Agreement, and all General Conditions, Amended Conditions, and Supplemental Conditions

thereto, all of which shall be compatible and consistent with this Agreement. In the event of any conflict between the terms of this Agreement and the Owner-Construction Manager Agreement, the terms of this Agreement shall control.

- 1.6 Construction Contract Award Price. The amount established in the Design, Construction and Equipment Budget, attached as Exhibit A, for the total cost of the work to be performed by the Construction Manager pursuant to the Construction Contract shall be referred to as the Construction Contract Award Price or CCAP. The CCAP shall include the cost of the work, CM fee, CM contingency, CM's general conditions, and bonds/insurance. The cost of the work shall be defined as the construction bids received by the CM for all portions of the work.
- 1.7 Construction Manager. The Owner intends to hire a Construction Manager at Risk ("CM") for the Project pursuant to N.C. Gen. Stat. Sec. 143-128.1. The term "Construction Manager" or "CM" means the Construction Manager or its authorized representative. The Construction Manager's services shall be as stated in this Agreement and generally in the form Owner-Construction Manager Agreement attached to this Agreement as Exhibit G and incorporated by reference. If and when the Owner selects a Construction Manager, the Design Consultant shall have the opportunity to consult with the Owner on the final Agreement prior to execution.
- 1.8 Program of Requirements. The Program of Requirements or "Program" is the detailed written summary of the requirements of the facility which sets forth the Owner's design objectives, constraints and criteria, including space requirements and relationships, quality levels, flexibility and expandability, special equipment and systems and site requirements, as described in Exhibit B.
- 1.9 Management Plan. The Management Plan is the description and definition of the phasing, sequencing and timing of the major project activities for design, construction procurement, construction and occupancy as described in Exhibit C. The Management Plan shall be incorporated into the CM's schedule for the Project.
- 1.10 Design Phase Change Order. A Design Phase Change Order is the form of documentation from the Owner approving and authorizing a modification to Exhibits A, B and/or C attached hereto, or previously approved Design Phase documents.

## ARTICLE 2

### RELATIONSHIP OF THE PARTIES

- 2.1 Design Consultant Services. The Design Consultant shall provide professional architectural/engineering services for the Project in accordance with the terms and conditions of this Agreement. The Design Consultant's performance of the Services shall be as professional consultant to the Owner and as a cooperating partner with the Construction Manager to carry out the activities of Project design and construction administration and to provide the technical documents and supervision to achieve the Owner's Project objectives. The Design Consultant may employ Sub-Consultants to provide discreet portions of the Services pursuant to this Agreement. The Design Consultant shall ensure that all services provided by a Sub-Consultant are provided in accordance with the terms and conditions of this Agreement. The Design Consultant shall coordinate the services of any Owner provided professional consultants and any vendors for furniture and equipment to design spaces.
  - 2.1.1 The consultants retained at the Design Consultant's expense include the following:
 

Structural:	Woods Engineering
Plumbing:	CBHF Engineers, PLLC
Mechanical:	CBHF Engineers, PLLC
Electrical:	CBHF Engineers, PLLC
Civil/Landscape:	Paramounte Engineering
  - 2.1.2 The Design Consultant shall require each of its consultants to execute an agreement similar to the agreement attached as Exhibit D certifying that the consultant has read and is thoroughly familiar with the terms of this

Agreement and that the pertinent provisions of this Agreement shall govern the work performed by the consultant.

- 2.2 Owner Representation. The Owner shall employ and assign a Project Manager from the Brunswick County Board of Education to serve as the Owner's Representative on the Project ("Owner's Representative"). The Owner's Representative has no design responsibilities of any nature. None of the activities of the Owner's Representative supplant or conflict with the design, budget or any other services and responsibilities customarily furnished by the Design Consultant or Sub-Consultant in accordance with generally accepted architectural/engineering practices except as otherwise modified by this Agreement. Instructions by the Owner to the Design Consultant relating to the Services will be issued or made by or through and in accordance with procedural, organizational, and documentation standards established by the Owner's Representative. Communications and submittals of the Design Consultant to the Owner and Construction Manager shall be in writing and issued or made in accord with similar procedural and documentation standards established by the Owner's Representative. The Owner's Representative shall have the authority to establish procedures, consistent with this Agreement, to be followed by the Design Consultant and Construction Manager and to call periodic conferences to be attended by the Design Consultant, its Sub-Consultants, the CM and the CM's contractors, throughout the term of this Agreement.
- 2.3 Other Consultants. The Owner may provide drawings, consultation, recommendations, suggestions, data and/or other information relating to the Project from other consultants under separate contract with the Owner, including but not limited to: Land Surveying Consultant, Geotechnical Consultant, and/or Materials Testing Consultant.
- 2.4 Design Consultant Representation.
- 2.4.1 The Design Consultant shall provide a list to the Owner and the Construction Manager of all Sub-Consultants which the Design Consultant intends to utilize relating to the Project prior to commencing work on the Project. The list shall include such information on the qualifications of the Sub-Consultants as may be requested by the Owner or Construction Manager. The Owner will review the Sub-Consultants proposed. The Design Consultant shall not retain a Sub-Consultant to which the Owner has a reasonable objection. The Design Consultant shall be and use only individuals or firms that are properly licensed in North Carolina and regularly engaged in the fields of expertise required for this Project. In addition, the Design Consultant shall use an individual or firm with specific expertise in roofing certified by licensure as a Registered Roofing Consultant for the design of roofing system.
- 2.4.2 The Design Consultant shall provide to the Owner and the Construction Manager a list of the proposed key project personnel of the Design Consultant by position, including Sub-Consultants, to be assigned to the Project. This list shall include such information on the professional background of each of the assigned personnel as may be requested by the Owner or Construction Manager, through the Owner's Representative. Such key personnel and consultants shall be satisfactory to the Owner and shall not be changed except with the consent of the Owner unless said personnel cease to be employed.
- 2.4.3 The Design Consultant shall include normal structural, plumbing, mechanical, electrical and other engineering services necessary to produce a reasonably complete and accurate set of Construction Documents. All consultants who will perform services required by this Agreement shall execute an agreement with the Design Consultant with terms not inconsistent with this Agreement.
- 2.4.4 The Design Consultant shall require each of its consultants to execute an agreement similar to the agreement attached as Exhibit D certifying that the consultant has read and is thoroughly familiar with the terms of this Agreement and that the pertinent provisions of this Agreement shall govern the work performed by the consultant.
- 2.4.5 The Design Consultant represents and warrants that at the time of execution of this Agreement he has and will retain all licenses and certifications required of him to perform the services and other work identified in this Agreement and associated contract documents. The Design Consultant further represents and warrants that it is lawfully licensed to practice architecture in the jurisdiction where the project is located. The Design

Consultant shall keep this licensure in good standing without lapse throughout the term of this Agreement. The Design Consultant shall provide proof of this licensure to the Owner and/or Contractor upon request.

- 2.5 Division of Responsibilities/Services. The Design Consultant understands and agrees that should the Owner's Representative, Construction Manager, or consultant retained by the Owner provide the Design Consultant with any estimating assistance, cost or time control recommendations or other consultation, recommendations or suggestions, any or all such activities on the part of the Owner or any other representative of the Owner shall in no way relieve the Design Consultant of the responsibility of fulfilling its obligations and responsibilities under this Agreement.
- 2.6 Design Consultant's Relationship with the Construction Manager. The Design Consultant acknowledges that the Owner shall employ a Construction Manager for the Project. The Construction Manager shall perform all the Construction Manager's Services outlined in the agreement between the Construction Manager and the Owner attached as Exhibit G (Owner-Construction Manager Agreement). The Construction Manager's Basic Services shall include the pre-design phase, design phase, procurement phase, construction phase and post-construction phase services. During the performance of the Services the Design Consultant shall cooperate and work in good faith with the Construction Manager as a cooperating partner with the Construction Manager (so long as such cooperation serves the Owner's best interests and the Owner's Project objectives) on all relevant issues including those associated with constructability, construction cost, sequence of construction, construction duration, time for construction, separation of the Project contracts for various categories of work and any other services reasonably necessary to assist the Construction Manager with the pre-construction services of the Project within the CCAP. If and when the Owner executes a CM-at-Risk Agreement, the tenets of cooperation as outlined in this paragraph shall carry forward.

### ARTICLE 3

#### BASIC SERVICES

- 3.1 Scope of Services. The Basic Services, as defined in this Article, to be provided by the Design Consultant shall be performed in the phases described hereinafter and shall include architectural, landscape architectural, civil engineering, structural engineering, mechanical engineering, electrical engineering, roofing engineering, and all other services customarily furnished by an architect/engineer on similar projects in accordance with generally accepted architectural and engineering practices consistent with the terms of this Agreement. The Design Consultant shall utilize an individual or firm with specific expertise in acoustics for any middle or high school auditorium or music room. The Basic Services to be performed by the Design Consultant consist of professional tasks which have as their objective design, production of technical documents and construction administration to provide the Owner with a complete and properly functioning facility. The Basic Services shall be performed in accordance with the standard of care set forth in this Agreement. The facility shall be suitable for the Owner's purposes, be structurally sound, satisfy the Owner's requirements, comply with all applicable codes and laws, and be completed on a timely basis and within the approved CCAP. To provide the optimal constructed value, the Design Consultant shall analyze alternative materials and building systems at the appropriate phases throughout the Basic Services phases.
- 3.1.1 This Agreement describes the Design Consultant's Basic Services in seven (7) phases. Each of these phases (Design Narrative, Schematic Design, Design Development, Construction Contract, Permitting and Bid/Negotiation, Construction, and Post Construction) may be divided to facilitate bidding of separate trade contracts or phased construction activities. The Owner and/or the Construction Manager shall have the right to determine early, late and other separate contract awards and may modify the Management Plan to change the number and times of issue of various contract document packages at no additional compensation to the Design Consultant so long as there are no more than two (2) bid packages for the various portions of the Project (which packages do not include individual material purchase orders, bid package alternates and rework by the Design Consultant of documents already completed, which shall be provided at no additional cost).
- 3.1.1.1 The Services described below are under the Project phases in which they customarily occur. This order is for convenience only and does not necessarily reflect the sequence in which a service will actually be performed, or necessarily limit the Project, or a designated portion of the Project, to one of each phase. The

Owner, through its Representative and/or the Construction Manager, reserves the right to designate the phasing of segregated portions of the Services and to modify the Management Plan, within the terms and conditions of this Agreement.

### 3.1.2 Design Narrative Phase.

- 3.1.2.1 The Design Consultant shall examine and analyze available information provided by the Owner and Construction Manager and shall advise and recommend as to additional information necessary to begin specific design work on the Project.
- 3.1.2.2 Upon analysis of all available information and prior to initiating any design tasks, the Design Consultant shall participate in a pre-design Project analysis on the dates specified in the Management Plan contained in Exhibit C or as may subsequently be approved. The Design Consultant shall have in attendance the individuals who will represent the primary architectural and engineering disciplines on the Project and others as may be requested by the Owner's Representative or Construction Manager. The Design Consultant shall take and transcribe minutes of the sessions.
- 3.1.2.3 Upon conclusion of the pre-design Project analysis and in accordance with the Management Plan, the Design Consultant shall prepare a report to the Owner and Construction Manager (hereinafter referred to as the Design Narrative) which is the Design Consultant's interpretation of the Project requirements, design parameters and objectives, and results of the pre-design Project analysis. To the maximum extent possible, the Design Narrative will contain diagrammatic studies and pertinent text relative to: design concept; Program of Requirements; analysis of alternatives; internal functions; human, vehicle and material flow patterns; general space allocations; detailed review of operating functions; studies of adjacency, vertical and horizontal affinities; and outline descriptions of major building components and systems.
- 3.1.2.4 Upon written authorization from the Owner to proceed, and based on the approved Design Narrative, the CCAP, Program of Requirements, and the Management Plan (Exhibit C), the Design Consultant shall prepare Schematic Design studies consisting of drawings and other documents illustrating the design concept, scale and relationship of the Project components for approval by the Owner.
- 3.1.2.5 The Owner and the Design Consultant recognize the volatility of the current construction marketplace and agree that in the event that during the Design Narrative phase, the statement of probable construction cost predicts a CCAP beyond the target budget, that the parties will work together in good faith to address the scope and budget of the Project. Any proposed resolution shall be subject to the approval of the governing boards of Brunswick County and the Board of Education.

### 3.1.3 Schematic Design Phase.

- 3.1.3.1 The Design Consultant shall periodically provide the Owner's Representative and the Construction Manager with copies of Schematic Design studies for their review during the Schematic Design Phase. The Design Consultant shall review any recommendations from the Construction Manager, including any recommendations regarding the constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction and separation of the Project contracts for various categories of construction, to confirm that they are architecturally sound and do not adversely impact the scope, functionality or requirements of the Project. The Design Consultant's review of these recommendations shall not relieve or in any way diminish the Construction Manager's responsibilities pursuant to the Owner-Construction Manager Agreement. At the end of the Schematic Design Phase, the Design Consultant shall provide the Owner's Representative with up to two (2) full size complete sets of the drawings and other documents for approval by the Owner. The Design Consultant also shall provide the Construction Manager with two (2) full size complete sets of the drawings and other documents identical to those provided to the Owner.
- 3.1.3.2 The Design Consultant, and the relevant Sub-Consultants, shall participate as requested in meetings with Owner's staff and/or the Construction Manager to review the project, receive the Owner's and the Construction Manager's input and provide responses to input.

- 3.1.3.3 The Design Consultant shall prepare the necessary documents and make presentations as scheduled to the Board of Education and/or its committees as determined by the Facility Planning & Construction Department. Documents required for presentation shall include mounted and colored site plans, floor plans and elevations.
- 3.1.3.4 Documents prepared by the Design Consultant for final Schematic Design Phase submittal shall include drawings and a written report. The drawings shall include, but not be limited to, a proposed site utilization study of the property of the Project, schematic plans of all floor plan conditions, and simplified elevations indicating the fundamentals of the architectural concept. The report shall include the status of the work in accordance with Exhibit C – Management Plan, a summary of programmed versus actual square footage by room or area and net to gross comparisons in a format defined by the Owner; such discussion of design factors, if any, as are pertinent in the opinion of the Design Consultant; and descriptions of proposed engineered systems, proposed construction methods, proposed materials and proposed work to be included in the construction contracts. Further, the report should include any minutes from meetings or telephone conferences with, or letters from review agencies with responses, and responses to all review comments from the Owner and the Construction Manager from previous reviews. The Design Consultant shall submit its estimate and breakdown of the anticipated construction cost no later than two (2) business days in advance of the scheduled Schematic Design review meeting. The Design Consultant shall prepare such estimates to assure that the Project cost is within the CCAP or include specific alternates to the design that do not impact the scope of the Project to bring the Project estimate into alignment with the CCAP.
- 3.1.3.5 A statement from the Design Consultant with the final Schematic Design Phase submittal shall be included that acknowledges that Design Consultant has reviewed all of the applicable Design Guidelines and Educational Specifications and confirms that they have been incorporated in the documents unless specifically noted in writing.
- 3.1.3.6 The Design Consultant shall submit a written statement indicating that local governing authorities are aware of the Project, and the necessary requirements of such agency will be met.
- 3.1.3.7 To be considered acceptable for final Schematic Design Phase submittal, the documents shall contain all of the following unless otherwise agreed in writing:
- 3.1.3.7.1 Architectural
- (i) Plans (at 1/8" scale) showing complete building layout, and identifying areas, room by room, showing square footage with comparisons to program standards, and core areas and their relationships.
  - (ii) Preliminary building section and elevations indicating location and size of fenestration.
  - (iii) Preliminary furniture layouts of critical spaces (i.e. dining area, media center).
  - (iv) Site plan(s) with building located and an overall grading plan with a minimum of 1'-0" contour lines. All major site development such as orientation, access road paving, walls, and outside support buildings, structured parking facilities, programmed play areas, and paved parking lots, along with preliminary stormwater management and erosion control features should be shown.
  - (v) Gross and net area calculations separated to show conformance with the Program of Requirements.
  - (vi) Preliminary Building Code Summary.
- 3.1.3.7.2 Structural
- (i) Narrative of structural system (precast, structural steel with composite deck, structural steel with bar joists, etc.).



- (ii) Identification of foundation requirements (fill requirements, piles, caissons, spread, footings, etc.).

#### 3.1.3.7.3 Mechanical

- (i) Block heating, ventilating and cooling loads calculations including skin versus internal loading.
- (ii) Single-line drawings of all mechanical equipment spaces, duct chases and pipe chases.
- (iii) Location of all major equipment in allocated spaces.
- (iv) Location of all service entrances.

#### 3.1.3.7.4 Electrical

- (i) Lighting fixtures outlined in the plan and roughly scheduled showing types of fixtures to be used.
- (ii) Major electrical equipment roughly scheduled indicating size and capacity.
- (iii) Complete preliminary one-line electrical distribution diagrams with indications of final location of service entry, transformers and emergency generator, if required.
- (iv) Description of specialized electrical systems (fire alarm, intercom, voice/data, MATV).
- (v) Legend showing all symbols used on drawings.
- (vi) Projected energy use.

3.1.3.8 Documents not complying with Subparagraph 3.1.3.7 shall be returned to the Design Consultant for correction at no additional charge to the Owner and with no change to the overall Project design schedule.

3.1.3.9 Upon Owner acceptance and approval of the Schematic Design, the structural bay sizes, floor elevations and exterior wall locations (building "footprint") may not be changed except by a design phase change order. Interior wall locations shall not be changed unless approved in writing by the Owner.

#### 3.1.4 Design Development Phase.

3.1.4.1 The Design Consultant shall prepare from the approved Schematic Design Studies, for further approval by the Owner, the Design Development documents consisting of drawings and other documents to fix and describe the size and character of the entire Project as to structural, mechanical and electrical systems, materials and such other essentials as may be appropriate.

3.1.4.2 Design Development documents prepared by the Design Consultant shall include drawings and a written report in more detail than the Schematic Design documents and shall take into account the Owner's and the Construction Manager's comments on the previous submittal. The report shall include the status of the Services in accordance with the Management Plan, a summary of programmed versus actual square footage by room or area in a format defined by the Owner, such discussion of design factors, if any, as are pertinent in the opinion of the Design Consultant; and outline descriptions of proposed engineered systems, proposed construction methods, proposed materials and proposed work to be included in the construction contracts. Drawings shall include dimensioned site development plan, floor plans, elevations, and typical sections indicating proposed construction. Drawings shall also include information on major finishes as well as diagrammatic drawings illustrating fundamentals of major engineered systems, i.e., structural, mechanical and electrical. The Design Consultant, in conjunction with the Construction Manager, shall submit its estimate and breakdown of the anticipated construction cost no later than two (2) business days in advance of the scheduled Design Development review meeting. The Design Consultant, in conjunction with the Construction Manager, shall prepare such estimates in the form prescribed by the Owner to assure itself that the project cost is within the CCAP.

- 3.1.4.3 A statement from the Design Consultant with the final Design Development Phase submittal shall be included that acknowledges that Design Consultant has reviewed all of the applicable Design Guidelines and Educational Specifications and confirms that they have been incorporated in the documents unless specifically noted in writing. The Design Consultant shall not incorporate asbestos-containing materials in the Project.
- 3.1.4.4 The Design Consultant shall submit the final Design Development package, meeting minutes, etc. to show how review comments made in Schematic Design have been addressed. It should be clear from the notes where the specific item was incorporated into the Design Development submittal or an explanation if it was not incorporated.
- 3.1.4.5 The Design Consultant shall provide the Owner's Representative and the Construction Manager periodically with copies of in-progress Design Development documents during the Design Development Phase. The Design Consultant shall review any recommendations from the Construction Manager, including any recommendations regarding the constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction and separation of the Project contracts for various categories of construction, to confirm that they are architecturally sound and do not adversely impact the scope, functionality or requirements of the Project. The Design Consultant's review of these recommendations shall not relieve or in any way diminish the Construction Manager's responsibilities pursuant to the Owner-Construction Manager Agreement. At the end of the Design Development Phase the Design Consultant shall provide the Owner's Representative with up to two (2) full size complete sets of the drawings and design phase report for approval by the Owner at no charge to Owner. The report shall incorporate the status of the work in accordance with Exhibit C—Management Plan and a summary of programmed versus actual square footage in a format defined by the Owner by room or area. The Design Consultant also shall provide the Construction Manager with two (2) full size complete sets of the drawings and other documents identical to those provided to the Owner. The Design Consultant shall work cooperatively with the Construction Manager at Risk on the preparation of their respective Project estimates at the conclusion of the design development phase. The documents for this final Design Development Phase submittal shall contain all of the following unless otherwise agreed in writing:

3.1.4.5.1 Architectural

- (i) Project phasing plan.
- (ii) Building Code Summary Sheet.
- (iii) Life safety plans showing all fire walls and egress calculations.
- (iv) Site plan(s) with building located and an overall grading plan with a minimum of 1'-0" contour lines. All major site development such as orientation, access road paving, walls and outside support buildings, structured parking facilities, programmed play areas, and paved parking lots, along with preliminary stormwater management and erosion control features should be shown.
- (v) Floor plans (at 1/8" scale) with final room locations including all openings.
- (vi) Roof plan (at 1/8" scale) indicating structural slope, drainage areas and drain locations.
- (vii) Wall sections showing final dimensional relationships, materials and component relationships.
- (viii) Identification of all fixed and loose equipment, furniture, and furnishings.
- (ix) Room inventory data sheets showing locations of furniture and equipment for each room. Owner will provide lists of furniture and equipment and format to Design Consultant. Hard copies and digital formats (if desired) will be provided to the Design Consultant.
- (x) Finish schedule identifying all finishes.

- (xi) Preliminary door and window and hardware schedule showing final quantity plus type and quality levels.
- (xii) Virtually complete site plan including grading and drainage.
- (xiii) Preliminary development of details, including millwork details and large scale blow-ups.
- (xiv) Legend showing all symbols used on drawings.
- (xv) Outline specifications of materials to be specified in the Construction Contract Phase.
- (xvi) Reflective ceiling development including ceiling grid and all devices that penetrate the ceiling (i.e., light fixtures, sprinkler heads, ceiling register or diffusers, etc.).

#### 3.1.4.5.2 Structural

- (i) Plan drawings with all structural members located and sized.
- (ii) Final building elevations.
- (iii) Outline of materials to be specified in the CD phase.
- (iv) Foundation drawings.

#### 3.1.4.5.3 Plumbing

- (i) Piping, fixtures and equipment substantially located and sized.
- (ii) Outline specifications of materials to be specified in the Construction Contract Phase.

#### 3.1.4.5.4 Mechanical

- (i) Heating and cooling load calculations for each space and major duct or pipe runs sized to interface structural.
- (ii) Major mechanical equipment scheduled indicating size and capacity.
- (iii) Ductwork and piping substantially located and sized.
- (iv) Above ceiling and/or mechanical room layouts to verify all, structural, mechanical, plumbing, electrical and fire protection systems fit in available spaces.
- (v) Location of devices in ceiling.
- (vi) Legend showing all symbols used on drawings.
- (vii) Outline specifications of materials to be specified in the Construction Contract Phase.
- (viii) Completed life cycle cost analysis in a format acceptable to the Owner and Design Consultant.

#### 3.1.4.5.5 Electrical

- (i) All power consuming equipment and load characteristics.
- (ii) Total electric load.
- (iii) Major electrical equipment (switchgear, distribution panels, emergency generator, transfer switches, UPS system, etc.) dimensioned and drawn to scale into the space allocated.

- (iv) Preliminary site lighting design coordinated with the power company.
- (v) Outline specifications of materials to be specified in the Construction Contract Phase.
- (vi) Lighting, power, telecommunications and office automation devices and receptacles shown in plan.
- (vii) Preliminary light fixture schedule.
- (viii) One line diagram of specialized electrical systems (fire alarm, intercom, voice/data, MATV) showing location of control equipment/panels and devices.
- (ix) Interior electrical loads estimate for systems furniture, receptacles, lighting, food service equipment, and any other special use areas, etc.

#### 3.1.4.5.6 Fire Protection

- (i) Provide flow test information.
- (ii) Provide narrative of proposed fire protection system.

3.1.4.6 Upon Owner acceptance and approval of the Design Development Phase, the structural bay sizes, floor elevations and exterior wall locations (building "footprint") may not be changed except by a Design Phase Change Order. Interior wall locations shall not be changed unless approved in writing by the Owner.

3.1.4.7 Documents not complying with Subparagraph 3.1.4.5 shall be returned to the Design Consultant for correction at no additional charge to the Owner and with no change to the overall Project design schedule.

#### 3.1.5 Construction Contract Phase.

- 3.1.5.1 Upon written authorization from the Owner to proceed, the Design Consultant shall prepare from the approved Design Development documents, working drawings and specifications setting forth in detail the requirements for the construction of the entire Project. In bidding the Project, the Construction Manager will be responsible for providing the bidders the conditions of the contract, advertisement for bids, instructions to bidders, time control specification provisions, bid proposal forms, and a form agreement between the Construction Manager and the contractors to the bidders.
- 3.1.5.2 Construction Contract documents shall be completed within the time prescribed in Exhibit C – Management Plan.
- 3.1.5.3 Detailed drawings shall cover all work included in the Project or designated portion thereof. It is the responsibility of the Design Consultant to assure that the Construction Contract requires that no asbestos-containing materials are to be incorporated in the Project.
- 3.1.5.4 Detailed drawings suitable for use by the Construction Manager for the contractors shall be prepared by the Design Consultant.
- 3.1.5.5 Specifications shall be prepared using the Construction Specifications Institute 33 division format. Specifications for products, materials and equipment shall be written in full compliance with N. C. Gen. Stat. § 133-3 and all other relevant laws and building codes. Brand names may be used to specify a particular product to be bid as an alternate only in accordance with North Carolina law.
- 3.1.5.6 The Design Consultant shall work with the Owner to show preliminary furniture and equipment layouts as needed and requested by the Owner for each room to coordinate with electrical and technology service layouts. Furniture design and procurement is not within the Basic Services of the Design Consultant. When preliminary layouts are completed, final hard copies and digital information will be provided by the Design Consultant to the Owner and Construction Manager.

3.1.5.7 The Design Consultant shall provide to the Owner and the Construction Manager a preliminary color board with exterior and interior color selection for review, approval and use by the Owner. The approved color board shall be submitted for use by the Owner with, or before, the 80% Construction Contract documents submittal.

3.1.5.8 The Design Consultant shall provide the Owner's Representative and the Construction Manager periodically with copies of in-progress Construction Contract documents during this phase. The Design Consultant shall review any recommendations from the Construction Manager, including any recommendations regarding the constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction and separation of the Project contracts for various categories of Services, to confirm that they are architecturally sound and do not adversely impact the scope, functionality or requirements of the Project. The Design Consultant's review of these recommendations shall not relieve or in any way diminish the Construction Manager's responsibilities pursuant to the Owner-Construction Manager Agreement. Additionally, and in accordance with the Management Plan, the Design Consultant shall submit to the Owner up to four (4) full complete sets, and to the Construction Manager two (2) full size complete sets, of the drawings of preliminary Construction Contract documents at the stage of 60% completeness along with the design phase report for approval by the Owner. The report shall incorporate the status of the Services in accordance with Exhibit C – Management Plan and a summary of programmed versus actual square footage in a format defined by the Owner by room or area. The Design Consultant shall submit its estimate and breakdown of the anticipated construction cost no later than two (2) business days in advance of the scheduled 60% Construction Contract documents review meeting. The Design Consultant shall prepare such estimates to assure that the Project cost is within the CCAP or include specific alternates to the design that do not impact the scope of the Project to bring the Project estimate into alignment with the CCAP. The documents for this 60% Construction Contract submittal shall, at a minimum, satisfy all of the requirements of the Design Development Phase, plus all of the following unless otherwise agreed in writing:

3.1.5.8.1 General

- (i) Complete index of drawings.
- (ii) Vicinity plan.
- (iii) Building Code Summary.
- (iv) Life safety plans.
- (v) Energy data.
- (vi) Accessibility summary.
- (vii) U.L. details.
- (viii) Outline specifications of materials to be specified in Construction Contract Phase.

3.1.5.8.2 Civil / Landscaping

- (i) Copy of the Site Survey.
- (ii) Site plan satisfactory for site plan approval.
- (iii) Site demolition plan.
- (iv) Staking plan.
- (v) Erosion control plan.
- (vi) Grading plan.
- (vii) Site utility plan.
- (viii) Storm drainage plan, details and schedule.

- (ix) Paving plans and details.
- (x) Landscaping plans and details, plant schedule.
- (xi) Outline specifications of materials to be specified in the Construction Contract Phase.

#### 3.1.5.8.3 Architectural

- (i) Demolition plans.
- (ii) Key plans with final room numbers as approved by Owner.
- (iii) Critical sections and details identified and drawn.
- (iv) Roof plan with all penetrations.
- (v) Kitchen layout and equipment schedule.
- (vi) Exterior elevations with control joints located.
- (vii) Enlarged toilet room layout with all fixtures and dimensions.
- (viii) Toilet room elevations.
- (ix) Reflected ceiling plan with all fixtures located and ceiling height identified.
- (x) Bulkhead and lintel details.
- (xi) Finish plan and schedule.
- (xii) Door and hardware schedule, elevations, and head and jamb details.
- (xiii) Masonry details.
- (xiv) Roof details.
- (xv) Stair details.
- (xvi) Elevator sections and details if applicable.
- (xvii) Furniture layout.
- (xviii) Casework elevations.
- (xix) Air Barrier System details for all penetrations and terminations.
- (xx) Outline specifications of materials to be specified in the Construction Contract Phase.

#### 3.1.5.8.4 Structural

- (i) Demolition plans.
- (ii) Footing plans and details.
- (iii) Reinforcing steel plans.
- (iv) Structural steel plans.

- (v) Outline specifications of materials to be specified in the Construction Contract Phase.

#### 3.1.5.8.5 Plumbing

- (i) Demolition plan.
- (ii) Fixture schedule.
- (iii) Plumbing plans.
- (iv) Enlarged toilet room plans.
- (v) Riser diagrams for waste and vent, water, storm drainage, and gas.
- (vi) Plumbing site plan.
- (vii) Plumbing details.
- (viii) Outline specifications of materials to be specified in the Construction Contract Phase.

#### 3.1.5.8.6 Mechanical

- (i) Demolition plan.
- (ii) Ductwork and piping completely located and sized.
- (iii) Complete equipment schedules.
- (iv) Mechanical room enlarged plans and sections.
- (v) Schematic control diagrams.
- (vi) Mechanical details.
- (vii) Outline specifications of materials to be specified in the Construction Contract Phase

#### 3.1.5.8.7 Electrical

- (i) Demolition plan.
- (ii) Fixture schedule.
- (iii) Electrical site plan.
- (iv) Power plan with panels located and identified.
- (v) Lighting plan.
- (vi) Complete plans for auxiliary systems including but not limited to, fire alarm, voice/data, intercom, MATV, and security.
- (vii) Riser diagrams for all systems.
- (viii) Panel schedule.
- (ix) Outline specifications of materials to be specified in the Construction Contract Phase.

### 3.1.5.8.8 Fire Protection

- (i) Demolition plan.
- (ii) Fire protection plan with location of all hose and valve cabinets identified.
- (iii) Preliminary fire protection design calculations.
- (iv) Outline specifications of materials to be specified in the Construction Contract Phase.

3.1.5.9 Documents not complying with Subparagraph 3.1.5.8 shall be returned to the Design Consultant for correction at no additional charge to the Owner and with no change to the overall Project design schedule.

3.1.5.10 After review and approval of the 60% Construction Contract documents by the Owner, the Design Consultant shall continue with preparation of final Construction Contract and bid documents, including final specifications for all authorized work on the Project and shall incorporate in those final documents the comments and any modifications and changes desired by the Owner and any modifications required for compliance with all applicable codes, regulations, standards, the approved program, and prior written approvals and instructions of the Owner. The resulting final Construction Contract submittal is to be a complete, fully coordinated, integrated package, suitable for bidding distribution, without any significant addenda or further significant clarification required. If the Project is a prototype that has been previously constructed, the Design Consultant shall verify that all applicable change orders from previous projects have been incorporated into the bidding documents.

3.1.5.11 The Design Consultant, and any relevant Sub-Consultants, shall participate in such reviews and meetings as are necessary to ensure that the Project design conforms to all applicable codes and all requirements of responsible agencies and will make any changes to the Construction Contract which are required for issuance of all permits and legal authorizations needed to construct the Project.

3.1.5.12 The Design Consultant shall submit all relevant applications for all required building permits within a reasonable time to receive final comments in time to issue any required addenda to the bidding documents.

3.1.5.13 At the completion of the Construction Contract Phase, the Design Consultant shall submit to the Owner up to four (4) full size complete sets of the drawings and design phase report at 100% completeness prepared by the Design Consultant for final Construction Contract Phase submittal which shall include the final working drawings and specifications. At this same time, the Design Consultant also shall submit to the Construction Manager two (2) full size sets of 100% complete documents identical to those provided to the Owner.

3.1.5.14 A statement from the Design Consultant with the final Construction Contract Phase submittal shall be included that acknowledges that Design Consultant has reviewed all of the applicable Design Guidelines and Educational Specifications and represents that they have been incorporated in the documents, and that the actual versus programmed square footage has not changed from the approved Schematic Design and 60% Construction Contract submittals unless specifically noted in writing.

3.1.5.15 The Design Consultant shall submit with the final Construction Contract package, meeting minutes, etc. to show how review comments made in Design Development have been addressed. It should be clear from the notes if the specific item was incorporated into the Construction Contract submittal or not (with an explanation).

### 3.1.6 Permitting and Bidding/Negotiation Phase.

3.1.6.1 There may be more than one Permitting and Bidding/Negotiation Phase at no additional compensation to the Design Consultant so long as there are no more than two (2) bid packages for the various portions of the Project (which packages do not include individual material purchase orders, bid package alternates and rework by the Design Consultant of documents already completed, which shall be provided at no additional cost).



- 3.1.6.2 The Design Consultant shall facilitate the filing of applications, endeavor to expedite and coordinate obtaining all necessary permits, licenses and approvals, required for the construction, use or occupancy of permanent structures. The Owner will pay all fees. Copies of all correspondence and applications shall be provided to the Owner. The Owner shall reimburse the Design Consultant for the actual cost of any fees or assessments paid by the Design Consultant pursuant to this subparagraph if needed to expedite approvals.
- 3.1.6.3 After receiving written authorization from the Owner, the Construction Manager will proceed with bidding and negotiation of the construction contracts for the Project. The Construction Manager shall coordinate and document the reproduction, distribution and retrieval of the bidding documents. Further, the Construction Manager will coordinate and document the collection and return of deposits or payments. The Design Consultant shall be responsible for submitting the relevant Construction Contract documents to all required code authorities and others, as the Owner designates.
- 3.1.6.4 The Design Consultant shall prepare such clarifications and addenda to the bidding documents as may be required. The Design Consultant will provide these to the Owner and the Construction Manager for review prior to issuance to all holders of bid documents. The Design Consultant shall review any recommendations from the Construction Manager, including any recommendations regarding the constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction and separation of the Project contracts for various categories of Services, to ensure that they are architecturally sound and do not adversely impact the scope, functionality or requirements of the Project. The Design Consultant will incorporate into the addenda comments of the Owner and Construction Manager as appropriate and provide the Owner and the Construction Manager with final addenda for the Construction Manager's distribution to all holders of bid documents.
- 3.1.6.5 The Construction Manager will schedule and conduct Pre-Bid Conferences with bidders to review the Project requirements. The Design Consultant shall provide knowledgeable representatives, including Sub-Consultants, to participate in these conferences as requested by the Construction Manager to explain and clarify the bidding documents. Within two (2) days after the Pre-Bid Conference the Design Consultant shall deliver to the Owner and Construction Manager, if needed, an addendum, incorporating any changes required from the Pre-Bid Conference. The Design Consultant shall issue any required final addendum at least three (3) days prior to the bid date.
- 3.1.6.6 The Design Consultant shall assist the Owner and Construction Manager in obtaining bids.
- 3.1.6.7 Should first bidding or negotiation produce prices in excess of the approved CCAP, the Design Consultant shall participate with the Owner and Construction Manager in such re-bidding, re-negotiation, and re-design, at no additional expense to the Owner, as may be necessary to obtain price(s) within the approved CCAP or price(s) acceptable to the Owner. The Owner and Construction Manager will assist in re-design decisions. All re-design must be approved by the Owner.
- 3.1.6.8 Should the Design Consultant re-design under its responsibilities set out in the preceding paragraph, its Construction Phase and Post Construction Services shall be extended to take re-design/re-bid delays into account at no additional expense to the Owner.
- 3.1.6.9 At the conclusion of bidding, the Design Consultant shall provide a copy of the conformed bid drawings and specifications (not 100% review set or bid set), in a source file format, with file names consistent with the Owner's requirements, for the Owner's use in updating its property accounting drawings for the Project.
- 3.1.7 Construction Phase.
- 3.1.7.1 The Construction Phase for each portion of the Project will commence with the establishment of the Guaranteed Maximum Price, as defined in the Owner-Construction Manager Agreement, and will terminate when the Construction Manager achieves final completion of the Project.
- 3.1.7.2 The Design Consultant and Owner shall consult with the Construction Manager and participate in all decisions as to the acceptability of contractors and other persons and organizations proposed by the Construction Manager for various portions of the construction.

- 3.1.7.3 The Design Consultant shall review and approve shop drawings, samples, and other submissions of the Construction Manager and its contractors for conformance with the design concept of the Project and for compliance with the Construction Contract. The Design Consultant shall prepare one final color board for the use by the Owner and one to be kept on the jobsite containing the Owner-approved submittal samples. The review and return of submittals shall be accomplished by the Design Consultant within fourteen (14) calendar days from date of receipt except when otherwise authorized by the Owner's Representative.
- 3.1.7.4 The Design Consultant shall provide necessary Project drawings, in electronic format, to the Construction Manager for use on the Project.
- 3.1.7.5 The Design Consultant shall adhere to the procedures established by the Owner's Representative and/or the Construction Manager for review and processing of all shop drawings, catalog submissions, project reports, test reports, maintenance manuals, and other necessary documentation, as well as requests for changes and applications for extensions of time.
- 3.1.7.6 The Design Consultant shall, when requested by the Owner's Representative, prepare documentation related to change orders between the Owner and Construction Manager.
- 3.1.7.7 The Design Consultant shall render to the Owner's Representative, within two (2) working days unless otherwise authorized by the Owner's Representative, interpretations of requirements of the Construction Contract. The Design Consultant shall make all interpretations consistent with the intent of and reasonably inferable from the Construction Contract. The Design Consultant's decision in matters relating to artistic effect shall be final if consistent with the intent of the Construction Contract.
- 3.1.7.8 Should errors, omissions or conflicts in the drawings, specifications or other Construction Contract documents by the Design Consultant be discovered, the Design Consultant will prepare and submit to the Owner's Representative and the Construction Manager, within two (2) working days unless otherwise authorized by the Owner's Representative, such amendments or supplementary documents and provide consultation as may be required, for which the Design Consultant shall make no additional charges to the Owner.
- 3.1.7.9 The Owner's Representative shall be the point of contact for the Owner, except when the Owner shall direct otherwise by Board policy or in writing. All instructions to the Construction Manager shall be issued by the Design Consultant except when directed otherwise by the Owner's Representative.
- 3.1.7.10 The Design Consultant, including Sub-Consultants, will have access to the Project site at all times. All site visits, observations and other activities by the Design Consultant shall be coordinated with the Construction Manager and a written report of such visits shall be made promptly to the Construction Manager and Owner's Representative.
- 3.1.7.11 The Design Consultant, including Sub-Consultants, shall make such periodic visits to the Project site as may be necessary to familiarize themselves generally with the progress and quality of the construction and to determine in general if the construction is proceeding in accordance with the Construction Contract. On the basis of such on-site observations, the Design Consultant, including Sub-Consultants, shall take reasonable steps to guard the Owner against defects and deficiencies in the construction of the Construction Manager or its contractor(s). If the Design Consultant or a Sub-Consultant observes any construction that does not conform to the Construction Contract, the Design Consultant shall immediately make an oral and written report of all such observations to the Construction Manager and Owner's Representative. The Design Consultant and its Sub-Consultants shall not be required to make exhaustive or full-time on-site observations to check the quality or quantity of the Construction Manager's work but shall make as many observations as may be reasonably required to fulfil their obligations to the Owner. The Design Consultant shall not be responsible for construction means, methods, techniques, sequences or procedures, or safety precautions and programs in connection with the construction.
- 3.1.7.12 Periodic visits by the Design Consultant shall be not less than once weekly. Each Sub-Consultant shall make periodic visits not less than once every two weeks, during the course of the Project applicable to its discipline. During critical construction phases, each Sub-Consultant may be required to make periodic visits weekly.

The Sub-Consultants shall prepare and submit a report on each visit, submitted via the Design Consultant to the Owner's Representative and the Construction Manager within three (3) working days of the visit.

- 3.1.7.13 The Design Consultant shall render written field reports relating to the periodic visits and observations of the Project required by Subparagraph 3.1.7.11 within three (3) working days to the Owner's Representative and the Construction Manager in the form required by the Owner's Representative.
- 3.1.7.14 The Design Consultant and the relevant Sub-Consultants shall attend weekly construction progress meetings scheduled by the Construction Manager.
- 3.1.7.15 The Design Consultant shall review payment applications made by the Construction Manager to determine whether the construction reflected in the payment application has been satisfactorily completed as represented on the payment application. The Design Consultant's signing of a certificate of payment shall constitute a representation by the Design Consultant to the Owner, based upon the Design Consultant's observations at the Project site and the data comprising the application for payment, that the construction has progressed to the point indicated, that to the best of the Design Consultant's knowledge, information and belief, the quality of the construction appears to be in accordance with the Construction Contract (subject to: an evaluation of the Project for conformance with the Construction Contract upon substantial completion, as defined in the Owner-Construction Manager Agreement; the results of any subsequent tests required by the Construction Contract; minor deviations from the Construction Contract correctable prior to completion; and to any specific qualifications stated in the certificate for payment), and that the Construction Manager is entitled to payment in the amount certified. By signing a certificate for payment to the Owner, the Design Consultant shall not be deemed to represent that it has made any examination to ascertain how and for what purpose the Construction Manager has used the monies paid since the previous pay application, except the Design Consultant shall inquire into and notify the Owner of the status of any payment issues of which it is aware.
- 3.1.7.16 The Design Consultant and the Owner shall have authority to reject the Construction Manager's work when in the Owner's or the Design Consultant's opinion the work does not conform to the Construction Contract. Whenever in the Owner's or the Design Consultant's reasonable opinion it is considered necessary or advisable to enforce the proper implementation of the intent of the Construction Contract, the Owner shall have the authority to require special inspection or testing of the Construction Manager's work in accordance with the provisions of the Construction Contract whether or not such work is fabricated, installed or completed.
- 3.1.7.17 When the Construction Manager notifies the Design Consultant that it considers the construction or a designated portion of the construction substantially complete, the Design Consultant and its Sub-Consultants, after notice to the Owner, shall review and evaluate the construction and prepare and submit to the Owner and the Construction Manager punch lists of the construction which is not in conformance with the Construction Contract. When the Design Consultant and the Construction Manager on the basis of an inspection determine that the construction or designated portion thereof is substantially complete, the Design Consultant will then prepare a certificate of substantial completion which shall state the responsibilities of the Owner and the Construction Manager for security, maintenance, heat, utilities, damage to the construction and insurance. Should the Design Consultant determine that the construction or a designated portion thereof is not substantially complete after the Construction Manager notifies the Design Consultant that it considers such construction to be substantially complete, the Design Consultant shall provide the Construction Manager with written notice stating why the construction or designated portion is not substantially complete. The Owner may request that the Design Consultant review and evaluate the construction and prepare a punch list on any portion of the Project.
- 3.1.7.18 The Design Consultant shall obtain governing agency occupancy approval if any exceptions arise related to the design or specified materials.
- 3.1.7.19 The Design Consultant shall review requests by the Owner or the Construction Manager for changes in the Project including adjustments to the Construction Contract sum or time and shall promptly make a recommendation to the Owner who may authorize such changes in writing.

- 3.1.7.20 The Design Consultant shall render initial decisions on claims, disputes or other matters in question between the Owner and the Construction Manager as provided in this Agreement and the Construction Contract.
- 3.1.7.21 The Design Consultant shall be a point of contact with the Construction Manager, except when the Owner shall direct the Design Consultant otherwise. All instructions to the Construction Manager shall be issued by the Design Consultant, except when directed otherwise by the Owner.
- 3.1.7.22 The Design Consultant and the relevant Sub-Consultant shall review test data to determine that equipment is performing in accordance with the requirements of the design. In addition, the Design Consultant and the relevant Sub-Consultant will witness the Construction Manager's demonstration to the Owner of all such systems.
- 3.1.7.23 The Design Consultant and the relevant Sub-Consultant shall provide assistance in the original operation of any equipment or system such as initial start-up, testing, adjusting and balancing.
- 3.1.7.24 The Design Consultant and the relevant Sub-Consultant shall observe, review test data, and certify the original operation of any equipment or system such as initial start-up testing, adjusting and balancing to make sure that all equipment and systems are properly installed and functioning in accordance with the design and specifications.
- 3.1.7.25 The Design Consultant and its Sub-Consultants shall conduct up to two (2) comprehensive substantial completion inspections and two (2) final completion inspections pursuant to the Construction Contract. If more than two (2) substantial completion or two (2) final completion inspections are required, through no fault of the Design Consultant, the additional inspections shall be paid as Additional Services and reimbursed by the Construction Manager.
- 3.1.7.26 The Design Consultant shall make a recommendation in writing to the Owner regarding liquidated damages as may be applicable. If requested by the Owner or the CM, the Design Consultant shall certify in writing the date that the building is enclosed as defined in the Contract Documents.
- 3.1.7.27 Upon correction of the deficiency reports (punch lists), and acceptance of all other close-out submittals and certificates from the Construction Manager, the Design Consultant shall review and approve the application for final payment prepared by the Construction Manager and forward it to the Owner for execution. Simultaneously, the Design Consultant shall confirm in writing that the Project conforms to the Construction Contract.
- 3.1.7.28 The Design Consultant shall obtain from the Construction Manager drawings, prints, and other data necessary for the accurate preparation of the record drawings.
- 3.1.8 Post Construction Project Phase.
- 3.1.8.1 The Design Consultant and the relevant Sub-Consultant shall review and confirm the adequacy of the maintenance and operating instructions, schedules, guarantees, bonds, and certificates of inspection as required by the Construction Contract and forward within two weeks of receipt of approved materials, all approved copies to the Owner's Representative for use by the Owner. In addition, the Design Consultant and the relevant Sub-Consultant shall conduct such observations as necessary to confirm all material and equipment warranties are in compliance with applicable specifications.
- 3.1.8.2 Educational Commissioning
- 3.1.8.2.1 The Design Consultant shall produce two or more presentation boards (approximately 24" x 36", full-color, with hanging apparatus) for each project for use by the Owner. Boards will include photos, floor plans, elevations, and written documentation related to sustainable design features, community use, site development, flexibility of educational spaces, etc. These boards will be left at the school to be shared with students, parents, faculty/staff, school visitors, etc., for the first year of operation, at a minimum.

- 3.1.8.2.2 The Design Consultant shall provide input/review for development of PowerPoint presentation. The PowerPoint presentation will be used to educate faculty & staff about the special features available in their new school facility, specifically including the items in section 3.1.8.5. Both the original PowerPoint presentation (Source File) and a pdf version will be delivered electronically and on flash drive. The flash drive will be left with the school principal for future use with PTA, new faculty/staff, etc.
- 3.1.8.2.3 The Design Consultant shall provide input on signage to be posted in and around the school facility to point out various design features that support sustainability, facility efficiency, energy conservation, learning and teaching as requested by the Owner.
- 3.1.8.3 The Design Consultant shall prepare and deliver three (3) printed sets, one (1) pdf set, and one (1) AutoCAD or REVIT set of record drawings and all related files, including the design specifications (project manual) and all addenda. The electronic files shall be delivered in PDF, AutoCAD.DWG, and Source File formats via electronic file delivery and CD. These files will reflect and certify significant changes in the Project made during the construction process, based on marked-up contract drawings, prints, and other data furnished by the Construction Manager and the applicable addenda, clarifications, and change orders which occurred during the Project for delivery to the Owner within thirty (30) days after final completion of the Project. All electronic file names shall be consistent with the name of the sheet(s) they represent in accordance with the Owner's criteria.
- 3.1.8.4 The Construction Manager shall be responsible for creating the master project data file downloaded from the construction management application used for the Project in accordance with the Construction Manager's contract requirements. This master project file will contain all relevant data developed during the progress of the construction phase. The Design Consultant will review the data as necessary and/or requested by the Construction Manager or the Owner to review the completeness of the information.
- 3.1.8.5 The Design Consultant will report the use of Sub-Consultants, their function, contract amount and MBE classification to the Owner at the conclusion of the Project.
- 3.2 Design Consultant's Professional Responsibility and Standard of Care.
- 3.2.1 The Design Consultant shall perform its services, including but not limited to the Basic Services and any Additional Services authorized in writing by the Owner, consistent with the professional skill and care ordinarily provided by design consultants practicing in or around the Research Triangle Park, North Carolina area under the same or similar circumstances. The Design Consultant shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.
- 3.2.1.1 By execution of this Agreement, the Design Consultant agrees, warrants, and confirms that (a) it is an experienced and duly licensed firm or individual having the ability and skill necessary to perform all the Services required of it under this Agreement in connection with the design and construction of a project having the scope and complexity of the Project contemplated herein; (b) it has the capabilities and resources necessary to perform its obligations hereunder; and (c) it is familiar with all current laws, rules and regulations which are applicable to the design and construction of the Project (such laws, rules and regulations including, but not limited to, all local ordinances, requirements of building codes of city, county, state and federal authorities which are applicable to the Project, local sanitary laws and rules and regulations, and all orders and interpretations by governing public authorities of such ordinances, requirements, codes, laws, rules and regulations in effect at the time of commencement of Services on the Project), and that all drawings, specifications and other documents prepared by the Design Consultant shall be prepared in accordance with and shall accurately meet, reflect and incorporate all such applicable laws, rules and regulations.
- 3.2.1.2 The Design Consultant shall ensure that any Sub-Consultants: (a) are an experienced and duly licensed firm or individual having the ability and skill necessary to perform the requested services; (b) have the capabilities and resources necessary to perform its obligations; and (c) are familiar with all current laws, rules and regulations which are applicable to the work of the Sub-Consultant (such laws, rules and regulations including, but not limited to, all local ordinances, requirements of building codes of city, county, state and federal authorities which are applicable to the Sub-Consultant's work, local sanitary laws and

rules and regulations, and all orders and interpretations by governing public authorities of such ordinances, requirements, codes, laws, rules, and regulation in effect at the time of commencement of services on the Project and relevant to the Sub-Consultant's work), and that all drawings, specifications and other documents prepared for the Project shall be prepared in accordance with and shall accurately meet, reflect and incorporate all such applicable laws, rules and regulations.

- 3.2.2 The Design Consultant hereby represents and agrees that the drawings, specifications and other documents prepared pursuant to this Agreement shall be complete and functional, except as to any deficiencies which are due to causes beyond the control of the Design Consultant and its Sub-Consultants, and that the Project, if constructed in accordance with the drawings, specifications and other documents, shall be structurally sound and a complete and properly functioning facility in accordance with the terms of this Agreement. Any suggestions, recommendations or review comments by the Owner or the Construction Manager shall not reduce or diminish the Design Consultant's responsibilities pursuant to this Agreement.
- 3.2.3 The Design Consultant shall be responsible for damages to the Owner that are a result of errors, inconsistencies, and/or omissions in the drawings, specifications, other documents or other Basic Services. In addition, the Design Consultant will correct at no additional cost to the Owner any and all errors and omissions in the drawings, specifications and other documents prepared by the Design Consultant and its Sub-Consultants, and the Design Consultant further agrees to render assistance, at no additional cost to the Owner, in resolving problems relating to the design or specified materials.
- 3.2.4 It is the responsibility of the Design Consultant to make certain that, at the time the Project is bid, all drawings, specifications and other documents are in accordance with applicable laws, statutes, building codes and regulations and that appropriate reviews and approvals are requested and obtained from federal, state and local governments.
- 3.2.5 It shall be the responsibility of the Design Consultant and its Sub-Consultants throughout the period of performance under this Agreement to exercise the abilities, skills and care customarily used by Design Consultants and Sub-Consultants of the training and background needed to perform the Services who practice in Brunswick County or similar communities.

### 3.3 Project Requirements.

- 3.3.1 A component of Exhibit A – Design, Construction and Equipment Budget is the CCAP. The CCAP for this Project is: twenty-one million, five hundred sixty-eight thousand, three hundred nine dollars (\$21,568,309). The CCAP for this Project, or designated portion thereof, may be modified in writing only in the form of a Design Phase Change Order, executed by the Owner and Design Consultant. The Design Consultant shall prepare drawings, specifications and other documents necessary so that the construction bids received by the Construction Manager from responsive, responsible bidding contractors, plus the CM's general conditions, contingency, fee and bonds/insurance, will be within the CCAP.

- 3.3.1.1 During all phases of the Project the Design Consultant shall prepare such estimates as it deems necessary, at no additional cost to the Owner, to assure itself that the estimated Project cost is within the CCAP and shall supply such data, information or estimates as the Owner may require to substantiate the Design Consultant's contention that the Project cost is within the CCAP.

- 3.3.1.2 With each Design Phase submittal and each interim, revisionary or subsequent design submittal of the Design Consultant to the Owner and/or Construction Manager, the Design Consultant shall make the following statement in writing:

"The drawings, specifications, and other documents submitted herewith, in my/our professional opinion, fulfill the Program of Requirements and the Project indicated by them may be purchased by the Owner in a construction contract or contracts, the total price of which will not exceed the CCAP, (based on bid date of no later than July 24, 2023, unless the delay in bidding is attributable to the Design Consultant). Further, in my/our professional opinion, the above-mentioned documents submitted herewith have been prepared in accordance with the Agreement for Design Consultant Services."

With each Design Phase submittal and each interim, revisionary or subsequent design submittal of the Design Consultant to the Owner and/or Construction Manager and with his approval of the final payment to the Construction Manager and certificate of final completion to the Owner, the Design Consultant shall make the following statement in writing:

"No asbestos-containing building materials have been specified and to the best of my/our knowledge and belief none have been incorporated into this Project."

- 3.3.2 Incorporated herein and made a part of this Agreement as Exhibit B is the Program of Requirements which defines the physical and environmental parameters for the Project and establishes the design objectives and criteria. No deviations from the Program of Requirements shall be allowed without written approval for change, in the form of a Design Phase Change Order executed by the Owner and Design Consultant.
- 3.3.3 Incorporated herein and made a part of this Agreement as Exhibit C is the Management Plan for the Project which defines the sequence and timing of the design and construction activities. The Management Plan is the schedule to be adhered to by the Design Consultant. No deviation from the Management Plan shall be allowed without written approval for a change in the Management Plan, in the form of a Design Phase Change Order executed by the Owner and Design Consultant. Should the Owner or the Construction Manager determine that the Design Consultant is behind schedule due to the fault of the Design Consultant; the Design Consultant shall expedite and accelerate its efforts, including additional manpower and/or overtime, to maintain the approved design schedule at no additional cost to the Owner.
- 3.4 Project Meetings.
  - 3.4.1 Throughout all phases of the Project, the Design Consultant and its Sub-Consultants shall meet periodically with the Owner and/or the Construction Manager when reasonably requested. Participants shall be as determined by the Owner and/or the Construction Manager. As a minimum, regularly scheduled meetings which the Design Consultant will attend include:
    - 3.4.1.1 Design Consultant orientation.
    - 3.4.1.2 Predesign conferences on a biweekly basis.
    - 3.4.1.3 Predesign project analysis sessions.
    - 3.4.1.4 Design conferences on a monthly basis.
    - 3.4.1.5 Prebid conferences conducted by the Construction Manager.
    - 3.4.1.6 Preconstruction conferences conducted by the Construction Manager.
    - 3.4.1.7 Construction progress meetings on a bi-weekly basis.
    - 3.4.1.8 Substantial completion, final completion and completion of warranty period inspections for the Construction Contract.
  - 3.4.2 The Design Consultant shall be responsible for scheduling and attending any meetings necessary to properly coordinate the design effort including, without limitation, meetings with governing agencies, code officials and applicable utilities.
  - 3.4.3 The Design Consultant shall be responsible for preparing accurate and complete minutes of all Project conferences that are not the responsibility of the Construction Manager and distributing same to all participants.
- 3.5 Serving As Witness.

- 3.5.1 The Design Consultant, and any required Sub-Consultant, shall prepare for and provide testimony or otherwise participate in public hearings, and legal proceedings, including as necessary to secure governmental approval of zoning or land use clearances, for the Project as part of Basic Services, unless said testimony or participation is requested by the Owner and consists of expert testimony not related to this Project or the Construction Manager's work.
- 3.6 Construction Warranty.
- 3.6.1 The Design Consultant and its Sub-Consultants shall assist the Owner in resolution of warranty issues as may be required to determine responsibility for deficiencies.
- 3.6.2 The Design Consultant and its Sub-Consultants shall conduct an inspection of the project one (1) month prior to warranty expiration and provide to the Owner a written report specifying any warranty deficiencies which may exist.

## **ARTICLE 4**

### **COMPENSATION**

- 4.1 Basic Services Compensation.  
  
The Owner shall compensate the Design Consultant in accordance with the terms and conditions of this Agreement, including the following:
  - 4.1.1 For the Basic Services of the Design Consultant, compensation shall be a lump sum fee amount of \$1,057,000 (one million, fifty-seven thousand Dollars), plus approved reimbursable expenses ("Basic Services Compensation").
    - 4.1.1.1 For the purposes of Subparagraph 4.1.1, no amount is to be included within the scope of the CCAP for the cost of land, rights-of-way or other non-construction costs which are the responsibility of the Owner.
    - 4.1.1.2 For the purposes of Subparagraph 4.1.1, no labor and materials furnished by the Owner for the Project shall be included with the scope of the CCAP.
    - 4.1.1.3 For the purposes of Subparagraph 4.1.1, should the Owner request additions to the Project which would cause a change or changes in the scope of the Program of Requirements or previously approved designs or design criteria, the CCAP shall be increased by the estimated aggregate amount of such change(s) and the revised and adjusted CCAP shall be the figure used in determining the Design Consultant's fee. The additional fee paid to the Design Consultant shall be negotiated in good faith by the Owner and the Design Consultant based upon the actual additional work to be performed by the Design Consultant.
    - 4.1.1.4 In the event the Owner requests changes to the Project or elects not to complete the Project or any portion thereof, which would decrease the most recently approved CCAP, basic compensation due the Design Consultant, as to such deletion or decrease, shall be adjusted downwards for remaining Services to be performed but not for Services already performed to the date of receipt by the Design Consultant of the written requested change or notice of the intent not to complete part or all of the Project, in accordance with the basic payment schedule set forth in Paragraph 4.2 hereof. Unless otherwise agreed in writing by the parties, the reduction in the Design Consultant's fee shall be calculated by multiplying the dollar amount of the reduction in the CCAP by the fee percentage noted in 4.1.1 above and then multiplying that dollar amount by the percentage of design work not completed.
  - 4.1.2 The Basic Services Compensation stated in Paragraph 4.1.1 includes all compensation and other payments due the Design Consultant (manpower, overhead, profit, direct costs, travel, copies, postage, telephone and facsimile service, etc.) in the performance of the Basic Services.
- 4.2 Payments to the Design Consultant.



Payments on account of the Design Consultant shall be made as follows:

- 4.2.1 Payments for Basic Services, including any design phase change orders, shall be made monthly in proportion to services performed so that the compensation at the completion of each Phase shall equal the following percentages of the Basic Services Compensation. Payment shall be made monthly upon presentation of the Design Consultant's statement of services, fully supported by invoices, time cards, and certifications that all Sub-Consultants have been paid, and other documentation as requested by the Owner.

Design Narrative Phase	5%
Schematic Design Phase	15%
Design Development Phase	35%
Construction Contract Phase	60%
Permitting and Bidding/Negotiation Phase	65%
Construction Phase	95%
Post Construction Services Phase	100%

- 4.2.2 No deductions shall be made from the Basic Services Compensation on account of penalty, liquidated damages, retainage or other sums withheld from payments to the Construction Manager.
- 4.2.3 Reasonable deductions may be made from the Basic Services Compensation on account of errors and omissions in the drawings, specifications and other documents prepared by the Design Consultant or in the Design Consultant's performance of its obligations under this Agreement following written notice to the Design Consultant regarding the reason for the deductions.
- 4.2.4 Payments due the Design Consultant under the Agreement shall bear interest at the legal rate commencing forty-five (45) days after the date the billing is received by the Owner, unless the Owner has a good faith basis to withhold payment.
- 4.2.5 Reimbursable expenses shall include such reasonable, actual expenditures made by the Design Consultant, its employees, or Sub-Consultants, in the interest of the Project, limited to the following: the reasonable expense of transportation and living when traveling from the Design Consultant's or Sub-Consultant's office to a location outside of Brunswick County, North Carolina in connection with the Project; and expense of reproductions, postage and handling of Drawings and Specifications, beyond those for the Design Consultant's and Sub-Consultants' use and those required as the phase submittals ("Reimbursable Expenses"). Before incurring any Reimbursable Expenses, the Design Consultant must request and receive written authorization from the Owner. Reimbursable Expenses incurred while performing Basic or Additional Services shall be computed at a multiple of 1.10 times actual cost.
- 4.2.6 Notwithstanding Section 7.1, the Parties agree that the Design Consultant is authorized to proceed with the printing and delivery of the following documents, but that said reimbursable cost shall not exceed an aggregate of \$2,500 without the express written permission of the Owner:
- (a) Agency Submittals;
  - (b) Bid Documents, including plan rooms; and
  - (c) Various design phase submissions to the Owner and Construction Manager.
- 4.2.7 If the Project is suspended for more than six months or abandoned in whole or in part by the Owner, the Design Consultant shall be paid compensation for services performed prior to receipt of written notice from the Owner of such suspension or abandonment. If the Project is resumed after being suspended for more than twelve months, the Design Consultant's Basic Services Compensation shall be equitably adjusted.

#### 4.3 Additional Services Compensation.

- 4.3.1 With respect to any Additional Services, as described in Article 7 herein, performed by the Design Consultant hereunder, the Design Consultant and Owner shall negotiate an equitable adjustment to the Basic Services Compensation ("Additional Services Compensation"). However, if negotiations are not successful prior to the time the Additional Services are needed, the Owner may direct the Design Consultant to proceed with the Additional Services on a time spent basis with compensation to be computed as follows:
- 4.3.1.1 Design Consultant time shall be at the fixed hourly rate included in the fee schedule attached hereto as Exhibit E and made part of this Agreement.
- 4.3.1.2 Sub-Consultant time shall be at an hourly fixed rate agreed to between the Design Consultant and the Owner prior to the Sub-Consultant performing any Additional Services.
- 4.3.1.3 Reinspection and resubmittal review time that is billable to the Construction Manager shall be reimbursed to the Design Consultant as noted in 4.3.1.1 and 4.3.1.2 except the total compensation shall not exceed the amount attributable to the Construction Manager.
- 4.3.2 Payments for Additional Services of the Design Consultant shall be made monthly upon presentation of the Design Consultant's statement of services, fully supported by invoices, time cards, and other documentation as requested by the Owner.

#### 4.4 Accounting Records.

- 4.4.1 Records of the Design Consultant with respect to Additional Services and payroll, and Sub-Consultant and other expenses (including Reimbursable Expenses) pertaining to the Project, shall be kept according to generally accepted accounting principles and shall be available to the Owner or its authorized representative for inspection and copying at mutually convenient times.
- 4.4.2 At the request of the Owner or its authorized representative, the Design Consultant will supply in a timely manner and certify as accurate, unaltered copies of all time sheets, invoices, and other documents to substantiate and document any and all Additional Services and Reimbursable Expenses.
- 4.5 Non-Appropriation. If the Board of County Commissioners does not appropriate the funding needed by the Owner to make payments under this Agreement for a given fiscal year, the Owner will not be obligated to pay amounts due beyond the end of the last fiscal year for which funds were appropriated. In such event, the Owner will promptly notify the Design Consultant of the non-appropriation, and this Agreement will be terminated at the end of the last fiscal year for which funds were appropriated. No act or omission by the Owner which is attributable to non-appropriation of funds shall constitute a breach of or default under this Agreement.

### **ARTICLE 5**

#### **PERIOD OF SERVICE**

- 5.1 Specific dates relating to the period of services are set forth in Exhibit C – Management Plan.
- 5.2 Unless earlier terminated as provided in Article 10 hereof, this Agreement shall remain in force for a period which may reasonably be required for the Basic Services and Additional Services hereunder. However, the provisions of the Agreement relating to Professional Responsibility (Paragraph 3.2); Professional Liability coverage (Article 9); and Ownership of Documents/Confidential Information (Article 12) shall remain in effect after termination of the other provisions of the Agreement.
- 5.3 If the Project is delayed through no fault of the Design Consultant, all specific dates noted in the Management Plan that are affected by the delay will be adjusted by the number of calendar days of the delay.
- 5.4 If the Owner materially revises the Project, a reasonable time extension or reduction shall be negotiated between the Design Consultant and the Owner.

5.5 Time is of the essence in this Agreement,

## **ARTICLE 6**

### **OWNER'S RESPONSIBILITIES**

- 6.1 The Owner shall provide full information regarding the requirements for the Project.
- 6.2 The Owner shall examine documents submitted by the Design Consultant and shall render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Design Consultant's Services.
- 6.3 If required for this Project, the Owner shall furnish a certified land survey of the site, giving as applicable, grades and lines of streets, alleys, pavements and adjoining property; rights-of-way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries and contours of the site; locations, dimensions and data pertaining to existing buildings, other improvements and trees; and full information concerning available service and utility lines, both public and private, above and below grade, including inverts and depths.
- 6.4 The Owner shall pay for the services of a soils engineer or other consultant, when such services are deemed necessary by the Design Consultant or Owner's Representative, to provide reports, test borings, test pits, soil bearing values, percolation tests, air and water pollution tests, ground corrosion and resistivity tests and other necessary operations for determining subsoil, air and water conditions, with appropriate professional interpretations thereof.
- 6.5 The Owner shall pay for environmental, hazardous material, chemical and other laboratory tests, inspections and reports as required by law that are not otherwise called for in this Agreement.
- 6.6 The Owner shall furnish such legal, accounting, and insurance counseling services as the Owner may deem necessary for the Project and such auditing services as it may require to ascertain how, or for what purposes, the Construction Manager has used the moneys paid to it under the Construction Contract.
- 6.7 All services, information, surveys and reports required of the Owner shall be furnished at the Owner's expense and the Design Consultant shall be entitled to rely upon their accuracy and completeness.
- 6.8 The Owner shall furnish information and approvals required of it expeditiously, for orderly progress of the construction.
- 6.9 The Owner shall reimburse the Design Consultant for any fees or assessments paid by the Design Consultant pursuant to Article 3.1.6.3.
- 6.10 The Design Consultant shall coordinate the services of the Owner's consultants listed below in the section with those services provided by the Design Consultant. Upon the Design Consultant's request, the Owner shall furnish copies of the scope of services in the contracts between the Owner and the Owner's consultants. The Owner shall require that its consultants maintain professional liability insurance as appropriate to the services provided. If in the opinion of the Architect a particular consultant or engineering service is needed to produce a reasonably complete and accurate set of Construction Documents or to satisfy the Owner's Program requirements based upon the information available to the Design Consultant as of the date of this Agreement and said consultant or engineering service is not listed as being provided by the Owner below, it is the responsibility of the Architect to provide that service at no additional cost to the Owner.

The Owner shall furnish or provide the following services only if specifically designated:

1. Topographic and Boundary Survey including off-site requirements (as stated in 5.4)
2. Geotechnical Engineering Services including off-site requirements (as stated in 5.5)
  - a. Seismic Site Classification (shock-wave testing or equivalent determination)
  - b. Soils analysis and consultation

- c. Seasonal High Water Table evaluation and Infiltration Testing
- d. Wetlands and Stream delineation and remediation/modification consulting (including USACE jurisdictional determinations)
- e. Underground stream mitigation analysis and design
- f. Riparian Buffer Analysis
- g. Tier 1 Vapor Encroachment Screening
- h. Testing commissioning of HVAC, and Solar P.V. System
- 3. All Environmental Assessments that may be required including but not limited to Phase I and Phase II Environmental Assessments
- 4. Off-site sewer and water systems design
- 5. Geothermal Conductivity Tests
- 6. Historical or Anthropological identification, testing, and reporting
- 7. Hazardous Materials identification, testing and removal design
- 8. Underground storage tank identification, testing and removal design
- 9. Traffic Information Analysis or other information as may be required by NCDOT/MSTA
- 10. Roadway improvements design as required including off-site requirements
- 11. Testing Services and Special Inspections
- 12. Arborist consultation and services

## **ARTICLE 7**

### **ADDITIONAL SERVICES**

- 7.1 If any of the following Additional Services, as defined in this Article, are authorized in advance by the Owner in writing, the Design Consultant shall furnish or obtain from others the authorized services. If authorized in advance, in writing, by the Owner, the Design Consultant shall be paid for these Additional Services by the Owner pursuant to Article 4.3 to the extent they exceed the obligations of the Design Consultant under this Agreement. If the Design Consultant informs the Owner in writing that additional services are required then the Owner shall agree or not agree that the services are required and if the Owner agrees the services are required, additional services shall be paid to the Design Consultant. The Owner shall respond to the Design Consultant within 7 days of receipt of such notice or quicker if necessary to not delay the Project.
- 7.1.1 Providing fully detailed presentation models, presentation renderings, or video presentations, not included in Basic Services.
  - 7.1.2 Providing financial feasibility or other special studies, not included in Basic Services.
  - 7.1.3 Providing planning surveys or alternative site evaluations.
  - 7.1.4 Providing design services relative to future facilities, systems and equipment which are not intended to be constructed as part of the Project other than general and master planning for future work as indicated by the Program of Requirements.
  - 7.1.5 Providing acoustical services by an individual or firm with specific expertise in acoustics for a school project.
  - 7.1.6 Making major revisions in drawings, specifications or other documents when such revisions are inconsistent with written approvals or instructions previously given by the Owner.
  - 7.1.7 Preparing supporting data and other services in connection with an Owner-initiated change order if the Basic Compensation is not commensurate with the services required of the Design Consultant.
  - 7.1.8 Providing operating and maintenance manuals, training personnel for operation and maintenance, and consultation during operations other than initial start-up, and coordinating with the Construction Manager to provide in electronic format, as designated by the Owner's Representative, detailed product and warranty information for input to the Owner's facility management computer system.

- 7.1.9 Providing soils sampling, classification and analysis; however, analysis of existing soils information and soils analysis during the Design Phase and recommendations needed during the Construction Phase of the Project are not considered Additional Services.
- 7.1.10 Providing services of interior furnishings not included in the Basic Services or otherwise included in this Agreement.
- 7.1.11 Providing professional services made necessary by the default of the Construction Manager or any of its contractors.
- 7.1.12 Providing services made necessary by major defects in the Construction Manager's work which were not preventable by the Design Consultant or a Sub-Consultant in the performance of its Services pursuant to this Agreement.
- 7.1.13 Providing surveying services such as platting; mapping; subdivision agreements or recording subdivision plats.
- 7.1.14 Providing Services prior to actual substantial completion of the Project made necessary by delays or defects in the Construction Manager's work by more than sixty (60) days from the date agreed to for substantial completion in the Owner-Construction Manager Agreement, which delay the Design Consultant could not reasonably have prevented through the performance of its services pursuant to this Agreement.
- 7.1.15 Providing Services made necessary by delays or defects in the Construction Manager's work for more than thirty (30) additional days than are provided in the Owner-Construction Manager Agreement for the time period between the scheduled substantial completion and final completion dates, which delay the Design Consultant could not reasonably have prevented through the performance of its Services pursuant to this Agreement.
- 7.1.16 Providing extensive assistance in the initial start-up and test operations of equipment or systems which is beyond the scope of that normally required to insure proper operation in accordance with the design and specifications.
- 7.1.17 Providing services necessitated by out-of-town travel required by the Design Consultant and approved by the Owner other than visits to the Project and other than for travel required to accomplish the Basic Services.
- 7.1.18 Providing consultation concerning replacement of any of the Construction Manager's work on the Project damaged by fire or other cause during construction and furnishing professional services of the type set forth in Basic Services as may be required in connection with the replacement of such work.
- 7.1.19 Providing services after the Owner makes final payment to the Design Consultant other than services required by this Agreement.
- 7.1.20 Providing any other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted architectural and engineering practices consistent with the terms of this Agreement.
- 7.1.21 Providing high performance features such as a Geothermal HVAC system and solar P.V. system.
- 7.1.22 Providing consulting services regarding the procurement of tax credits.
- 7.1.23 Providing furniture design and consultation with the Owner's furniture vendor(s).
- 7.1.24 Preparation for, and attendance at a mediation of a dispute regarding the Project between the Owner and Construction Manager, except where the Architect is party thereto.

## **ARTICLE 8**

### **NOTICES**

- 8.1 Any notice required by this Agreement or other communications to either party by the other shall be in writing and deemed given when delivered personally or when deposited in the United States Post Office, first class, postage prepaid, addressed as follows, or to such other address as shall be duly given by notice meeting the requirement of this Article.

To Owner: Brunswick County Manager  
30 Government Dr NE (if via courier or overnight delivery)  
P. O. Box 249 (if via mail)  
Bolivia, NC 28422

With a Copy to:  
Executive Director of Operations  
Brunswick County Schools  
35 Referendum Dr.  
Bolivia, NC 28422

Dr. Jerry Oates  
Superintendent  
Brunswick County Schools  
35 Referendum Dr  
Bolivia, NC 28422

To Design Consultant: Ernest Olds  
Vice President  
Becker Morgan Group  
3333 Jaeckle Dr., Suite 120  
Wilmington, NC 28403

## **ARTICLE 9**

### **INSURANCE**

- 9.1 The Design Consultant shall purchase and maintain insurance for protection from claims under workers' or workmen's compensation acts; claims resulting from negligent acts or omissions for damages because of bodily injury, including personal injury, sickness, disease or death of any of the Design Consultant's employees or any other person; claims for damages because of injury to or destruction of personal property including loss of use resulting therefrom; and claims arising out of the performance of this Agreement and caused by negligent acts or omissions for which the Design Consultant is legally liable. Minimum limits of coverage shall be:

- a. Workers' Compensation:

Statutory

- b. Employer's Liability

\$1,000,000.00 Each Accident  
\$1,000,000.00 Policy Limit  
\$1,000,000.00 Each Employee

- c. Commercial General Liability

(Standard ISO Occurrence Form)

Combined Single Limit for Bodily Injury, Property Damage or Personal General

Aggregate Injury of:

\$2,000,000.00 (Except Products Completed Operations Limit)  
 \$2,000,000.00 Products Completed Operations Aggregate Limit  
 \$1,000,000.00 Personal & Advertising Injury Limit  
 \$1,000,000.00 Each Occurrence Limit

- d. Commercial Automobile Insurance including coverage for owned, non-owned and hired vehicles:

\$1,000,000.00 Combined Single Limit for Bodily Injury and Personal Damage

- e. Professional Liability:

\$2,000,000 Each Claim  
 \$2,000,000 Policy Aggregate

- f. Umbrella Liability Insurance to "pay on Behalf of the Insured":

\$1,000,000.00 Limit

- 9.2 Evidence of such insurance shall be furnished to the Owner and Owners Agent, and they shall receive thirty (30) days prior written notice of any cancellation, non-renewal or reduction of coverage of any of the policies. Upon notice of such cancellation, non-renewal or reduction, the Design Consultant shall procure substitute insurance so as to assure the Owner that the minimum limits of coverage are maintained continuously throughout the period of this Agreement. All insurance companies providing the above insurance shall be licensed by the Insurance Department of the State of North Carolina and maintain a rating by AM Best or similar rating company of at least an "A".
- 9.2.1 The Design Consultant shall deliver to the Owner a certificate of insurance for its professional liability coverage annually, so long as it is required to maintain such coverage under paragraph 9.4.
- 9.3 The Owner and Owners Agent shall be added as an additional named insureds on all policies, except the professional liability, commercial, automobile and worker's compensation policies. All insurance policies, except the professional liability policy, shall contain a waiver of subrogation against the Owner.
- 9.4 The Design Consultant shall maintain in force during the performance of this Agreement and for six (6) years after final completion of the Project, the professional liability insurance coverage referenced above.
- 9.5 The Design Consultant shall require its Sub-consultants to maintain all types of insurance as mentioned in this Article 9 and shall provide to the Owner certificates of insurance as described in Article 9.2 for all Sub-Consultants.
- 9.6 The Owner shall be under no obligation to review any certificates of insurance provided by the Design Consultant or to check or verify the Design Consultant's compliance with any or all requirements regarding insurance imposed by this Agreement. The Design Consultant is fully liable for the amounts and types of insurance required herein and is not excused should any policy or certificate of insurance provided by the Design Consultant not comply with any or all requirements regarding insurance imposed by this Agreement.
- 9.7 Should the Design Consultant or a Sub-Consultant fail to provide and maintain in force any insurance or insurance coverage required by this Agreement or by law, or should a dispute arise between Owner and any insurance company of the Design Consultant or Sub-Consultant over policy coverage or Limits of Liability as required herein, the Owner shall be entitled to recover from the Design Consultant all amounts payable, as a

matter of law, to Owner or any of its agents, had the required insurance or insurance coverage been in force. Said recovery shall include, but is not limited to interest for the loss of use of such amounts of money, plus all attorney's fees, costs and expenses incurred in securing such determination and any other consequential damages arising out of the failure of the Design Consultant or Sub-Consultant or insurance company to comply with the provisions of this Agreement or any policy required hereby, or any other requirements regarding insurance imposed by law. Nothing herein shall limit any damages for which Design Consultant is responsible as matter of law.

## **ARTICLE 10**

### **TERMINATION OF AGREEMENT**

- 10.1 If: (a) the Owner abandons the Project or the Project is stopped for more than six (6) months due to actions taken by the Owner, or under an order of any court or other public authority having jurisdiction, or as a result of an act of government, such as a declaration of a national emergency making materials unavailable through no act or fault of the Design Consultant or its agents or employees, or (b) the Owner has failed to substantially perform in accordance with the provisions of this Agreement due to no fault of the Design Consultant and such non-performance continues without cure for a period of thirty (30) days after the Owner receives from the Design Consultant a written notice of such non-performance (including a detailed explanation of the actions of the Owner required for cure), the Design Consultant may, upon fifteen (15) days additional written notice to the Owner, terminate this Agreement, without prejudice to any right or remedy otherwise available to the Owner, and recover from the Owner payment for all Services performed to the date of the notice terminating this Agreement. The recovery of this payment shall be the sole and exclusive remedy of the Design Consultant as a result of termination under this paragraph. The Owner shall not be liable to the Design Consultant for any special or consequential damages as a result of the termination of this Agreement.
- 10.2 Upon the appointment of a receiver for the Design Consultant, or if the Design Consultant makes a general assignment for the benefit of creditors, the Owner may terminate this Agreement, without prejudice to any right or remedy otherwise available to the Owner, upon giving three (3) days written notice to the Design Consultant. If an order for relief is entered under the bankruptcy code with respect to the Design Consultant, the Owner may terminate this Agreement by giving three (3) days written notice to the Design Consultant unless the Design Consultant or the trustee: (a) promptly cures all breaches; (b) provides adequate assurances of future performance; (c) compensates the Owner for actual pecuniary loss resulting from such breaches; and (d) assumes the obligations of the Design Consultant within the statutory time limits.
- 10.3 If the Design Consultant persistently or repeatedly refuses or fails, except in cases for which an extension of time is provided, to supply sufficient properly skilled staff or proper materials, or persistently disregards laws, ordinances, rules, regulations or orders of any public authority jurisdiction, or otherwise substantially violates or breaches any term or provision of this Agreement, then the Owner may, without prejudice to any right or remedy otherwise available to the Owner, and after giving the Design Consultant seven (7) days written notice, terminate this Agreement.
- 10.4 Upon termination of this Agreement by the Owner under Article 10.2 or 10.3 the Owner shall be entitled to furnish or have furnished the Services to be performed hereunder by the Design Consultant by whatever method the Owner may deem expedient. Also, in such cases, the Design Consultant shall not be entitled to receive any further payment until completion of the Project; and the total compensation to the Design Consultant under this Agreement shall be the amount which is equitable under the circumstances. If the Owner and the Design Consultant are unable to agree on the amount to be paid under the foregoing sentence, the Owner shall fix an amount, if any, which it deems appropriate in consideration of all of the circumstances surrounding such termination, and shall make payment accordingly.
- 10.5 The Owner may, upon thirty (30) days written notice to the Design Consultant, terminate this Agreement, in whole or in part, at any time for the convenience of the Owner, without prejudice to any right or remedy otherwise available to the Owner. Upon receipt of such notice, the Design Consultant shall immediately discontinue all Services affected unless such notice directs otherwise. In the event of a termination for convenience of the Owner, the Design Consultant's sole and exclusive right and remedy is to be paid for all work performed and to receive equitable adjustment for all work performed through the date of termination.



The Design Consultant shall not be entitled to be paid any amount as profit for unperformed Services or consideration for the termination of convenience by the Owner.

- 10.6 Should the Owner terminate this agreement as provided for under this Article, the Owner will acquire such drawings, including the ownership and use of all drawings, specifications, documents and materials relating to the Project prepared by or in the possession of the Design Consultant. The Design Consultant will turn over to the Owner in a timely manner and in good unaltered condition all original drawings, specifications, documents, materials, and computer files.
- 10.7 The payment of any sums by the Owner under this Article 10 shall not constitute a waiver of any claims for damages by the Owner for any breach of the Agreement by the Design Consultant.

## **ARTICLE 11**

### **SUCCESSORS/ASSIGNMENT**

- 11.1 This Agreement shall inure to the benefit of and be binding on the heirs, successors, assigns, trustees and personal representatives of the Owner, as well as the permitted assigns and trustees of the Design Consultant.
- 11.2 The Design Consultant shall not assign, sublet or transfer its interest in this Agreement without the written consent of the Owner, except that the Design Consultant may assign accounts receivable to a commercial bank or financial institution for securing loans, without prior approval of the Owner.
- 11.3 If the Owner requests the Design Consultant to execute consents reasonably required to facilitate assignment to Brunswick County or Brunswick County's lender, the Design Consultant shall execute all such consents that are consistent with this Agreement, provided the proposed consent is submitted to the Design Consultant for review at least 7 days prior to execution. The Design Consultant shall not be required to execute consents that would require knowledge, services, or responsibilities beyond the scope of this Agreement.

## **ARTICLE 12**

### **OWNERSHIP OF DOCUMENTS/CONFIDENTIAL INFORMATION**

- 12.1 The Project drawings and specifications are instruments of service that shall remain the joint property of the Design Consultant and the Owner whether the Project for which they are made is built or not. The Owner shall retain reproducible copies of the Project drawings and specifications for information and reference and use in connection with the Owner's use and occupancy of the Project and for the Owner's future requirements of the Project facilities including without limitation any alteration or expansion in any manner the Owner deems appropriate without additional compensation to the Design Consultant. The Owner shall indemnify and hold harmless the Design Consultant in connection with the Owner's use of the Project drawings and specifications on a new project without the Design Consultant's consent.
- 12.2 In order for the Design Consultant to fulfill this Agreement effectively, it may be necessary or desirable for the Owner to disclose to the Design Consultant confidential and proprietary information and trade secrets pertaining to the Owner's past, present and future activities. The Design Consultant hereby agrees to treat any and all information gained by it as a result of the Services performed hereunder as strictly confidential. The Design Consultant further agrees that it will not disclose during the period of this Agreement or thereafter to anyone outside of the authorized Project team (1) Owner's trade secrets or (2) Owner's confidential and proprietary information.

## **ARTICLE 13**

### **ADDITIONAL PROVISIONS**

- 13.1 The Design Consultant acknowledges receipt of all Board of Education and Owner's policies from Owner or through the Board's website (<http://www.bcswan.net>) and agrees to comply with their provisions.

The Design Consultant and its Sub-Consultants shall also comply with the Owner's site and school building access procedures when working on the Owner's property.

### 13.2 Applicable Laws.

13.2.1 This Agreement and the relationship of the parties shall be governed by the laws of the State of North Carolina, without regard for its choice of law provisions. All actions relating in any way to this Agreement shall be brought in the General Court of Justice of the State of North Carolina in Brunswick County or in the Federal District Court for the Eastern District of North Carolina, Wilmington division.

13.2.2 Design Consultant and its Sub-Consultants shall comply with all applicable laws and regulations in providing the Services. Design Consultant shall not employ any individuals to provide services to the Owner who are not authorized by federal law to work in the United States. The Design Consultant represents that it is aware of and in compliance with the Immigration Reform and Control Act and North Carolina law (Article 2 of Chapter 64 of the North Carolina General Statutes) requiring use of the E-Verify system for employers that employ twenty-five (25) or more employees. The Design Consultant specifically represents and warrants that it is and will remain in compliance with these laws at all times while providing the Services. Design Consultant shall also ensure that its Sub-Consultants will remain in compliance with these laws at all times while providing subcontracted services in connection with the Agreement. Design Consultant is responsible for providing affordable health care coverage to all of its full-time employees providing services to the school system. The definitions of "affordable coverage" and "full-time employee" are governed by the Affordable Care Act and accompanying IRS and Treasury Department regulations.

13.2.3 Lunsford Act/Criminal Background Checks. The Design Consultant also acknowledges that G.S. § 14-208.18 prohibits anyone required to register as a sex offender under Article 27A of Chapter 14 of the General Statutes from knowingly being on the premises of any school. The Design Consultant shall conduct or arrange to have conducted at its own expense sexual offender registry checks on each of its employees, agents, ownership personnel, or Sub-Consultants ("contractual personnel") who will engage in any service on or delivery of goods to school system property or at a school-system sponsored event, except checks shall not be required for individuals who are solely delivering or picking up equipment, materials, or supplies at: (1) the administrative office, provided that office is not located at a school; (2) non-school sites; (3) schools closed for renovation; or (4) school construction sites where no minors are present. The checks shall include at a minimum checks of the State Sex Offender and Public Protection Registration Program, the State Sexually Violent Predator Registration Program, and the National Sex Offender Registry ("the Registries"). For the Design Consultant's convenience only, all of the required registry checks may be completed at no cost by accessing the United States Department of Justice Sex Offender Public Website at <http://www.nsopw.gov/>. The Design Consultant shall provide certification on the Owner's Sexual Offender Registry Check Certification Form (attached as Exhibit F) that the registry checks were conducted on each of its contractual personnel providing services or delivering goods under this Agreement prior to the commencement of such services or the delivery of such goods. The Design Consultant shall conduct a current initial check of the registries (a check done more than thirty (30) days prior to the date of this Agreement shall not satisfy this contractual obligation). In addition, the Design Consultant agrees to conduct the registry checks and provide a supplemental certification form before any additional contractual personnel are used to deliver goods or provide services pursuant to this Agreement. The Design Consultant further agrees to conduct annual registry checks of all contractual personnel and provide annual certifications at each anniversary date of this Agreement. The Design Consultant shall not assign any individual to deliver goods or provide services pursuant to this Agreement if said individual appears on any of the listed registries. The Design Consultant agrees that it will maintain all records and documents necessary to demonstrate that it has conducted a thorough check of the registries as to each contractual personnel, and agrees to provide such records and documents to the Owner upon request. The Design Consultant specifically acknowledges that the Owner retains the right to audit these records to ensure compliance with this section at any time in the Owner's sole discretion. Failure to comply with the terms of this provision shall be deemed a material breach of the Agreement. In addition, the Owner may conduct additional criminal records checks at the Owner's expense. If the Owner exercises this right to conduct additional criminal records checks, the Design Consultant agrees to provide within seven (7) days of request the full name, date of birth, state of residency for the past ten years, and any additional information requested by the Owner for all contractual personnel who

may deliver goods or perform services under this Agreement. The Design Consultant further agrees that it has an ongoing obligation to provide the Owner with the name of any new contractual personnel who may deliver goods or provide services under the Agreement. The Owner reserves the right to prohibit any contractual personnel of the Design Consultant from delivering goods or providing services under this Agreement if the Owner determines, in its sole discretion, that such contractual personnel may pose a threat to the safety or well-being of students, school personnel or others.

- 13.2.4 Design Consultant represents that as of the date of this Agreement, neither Design Consultant nor its principals are included on the Final Divestment List created by the North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.58. Design Consultant also represents that as of the date of this Agreement, neither Design Consultant nor its principals are included on the list of restricted companies determined to be engaged in a boycott of Israel created by the North Carolina State Treasurer pursuant to N.C. Gen. Stat. § 147-86.81. The Design Consultant further represents that as of the date of this Agreement, neither the Design Consultant nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this Agreement by any governmental department or agency. The Design Consultant must notify Owner within thirty (30) days if debarred by any governmental entity during this Agreement.
- 13.2.5 Anti-Nepotism. Design Consultant warrants that, to the best of its knowledge and in the exercise of due diligence, none of its corporate officers, directors, or trustees and none of its employees who will directly provide services under this Agreement are immediate family members of any member of the Owner's Board of Education or of any principal or central office staff administrator employed by the Owner. For purposes of this provision, "immediate family" means spouse, parent, child, brother, sister, grandparent, or grandchild, and includes step, half, and in-law relationships. Should Design Consultant become aware of any family relationship covered by this provision, or should such a family relationship arise at any time during the term of this Agreement, Design Consultant shall immediately disclose the family relationship in writing to the Superintendent. Unless formally waived by the Owner, the existence of a family relationship covered by this Agreement is grounds for immediate termination by Owner without further financial liability to Design Consultant.
- 13.3 Non-Discrimination. Design Consultant shall not discriminate against any employee or applicant for employment because of race, ethnicity, gender, gender identity, sexual orientation, age, religion, national origin, disability, color, ancestry, citizenship, genetic information, political affiliation or military/veteran status, or any other status protected by federal, state or local law or other unlawful form of discrimination. Design Consultant shall take affirmative action to ensure that applicants are employed and that employees are treated fairly during employment. In the event Design Consultant is determined by the final order of an appropriate agency or court of competent jurisdiction to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Agreement may be cancelled, terminated or suspended in whole or in part by Owner, and Design Consultant may be declared ineligible for further agreements with Owner.
- 13.4 Governmental Immunity. Owner, to the extent applicable, does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement.
- 13.5 The Design Consultant and its Sub-Consultants shall comply with these and all applicable laws and regulations in providing the Services.
- 13.6 The Owner and Design Consultant agree to endeavor to provide written notification and to negotiate in good faith prior to litigation concerning claims, disputes, and other matters in question arising out of or relating to this Agreement or the breach thereof. The Owner and Design Consultant also agree that the Owner's Policy 9120, adopted in compliance with G.S. 143-128(f1), shall apply to disputes arising between the parties on the Project.
- 13.7 Nothing herein contained shall be construed to require the parties to provide written notifications or engage in negotiations prior to the institution of litigation nor to submit for alternative dispute resolution by a third party or parties any such claim, dispute, or other matter in question between the parties. Notwithstanding the foregoing, the parties expressly agree that neither may initiate binding arbitration. The parties may agree to non-binding mediation of any dispute prior to the bringing of any suit or action.

- 13.8 Whenever renderings, photographs of renderings, photographs of models, photographs, drawings, announcements, or other illustration or information of the Project are released for public information, advertisement or publicity, appropriate and proper credit for architectural and other services shall be given to the Design Consultant and Owner respectively.
- 13.9 The payment of any sums by the Owner shall not constitute a waiver of any claims for damages by the Owner for any breach of the Agreement by the Design Consultant.
- 13.10 This Agreement and its Exhibits and Attachments represent the entire and integrated agreement between the Owner and the Design Consultant and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both Owner and Design Consultant.
- 13.11 If any one or more of the provisions contained in this Agreement, for any reason, are held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions thereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- 13.12 Except where specifically stated otherwise, all periods of time stated in terms of days shall be considered periods calculated in calendar days.
- 13.13 The headings or captions within this Agreement shall be deemed set forth in the manner presented for the purposes of reference only and shall not control or otherwise affect the information set forth therein or interpretation thereof.
- 13.14 For the purpose of this Agreement unless the context clearly indicates otherwise, the singular includes the plural, and the plural includes the singular.
- 13.15 This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and the counterparts shall constitute one and the same instrument, which shall be sufficient evidence by any one thereof. This Agreement may also be executed electronically. By signing electronically, the parties indicate their intent to comply with the Electronic Commerce in Government Act (N.C.G.S § 66-58.1 et seq.) and the Uniform Electronic Transactions Act (N.C.G.S § 66-311 et seq.). Delivery of an executed counterpart of this Agreement by either electronic means or by facsimile shall be as effective as a manually executed counterpart.
- 13.16 The language used in this Agreement will be deemed to be the language chosen by each of the parties to express their mutual intent. In the event of an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the parties and no presumption or burden of proof will arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
- 13.17 The Design Consultant may apply for and obtain a 179d Tax Deduction for the design of the Project. The Design Consultant shall only apply for the tax deduction if the Design Consultant provides the Owner with a separate written list of all building systems, equipment, and design features included in the Project that support the application for the tax deduction. An updated list will be provided to the Owner with each design phase submission. Each list submitted shall include all building systems, equipment, and design features, including a then current estimate of the additional cost each item is anticipated to add to the cost of the Project at the time the Project is bid when compared to items traditionally used on K-12 public school projects in North Carolina. The Design Consultant shall provide the Owner with any anticipated cost savings over the life of the Project for any item supporting the 179d Tax Deduction. The Owner's consent to the Design Consultant's efforts to apply for and obtain a 179d Tax Deduction is conditioned upon the Design Consultant's strict compliance with this section.

## **ARTICLE 14**

## **EXHIBITS**

- 14.1 The following exhibits are incorporated into this Agreement:
- 14.1.1 Exhibit A: Construction Contract Award Price
- 14.1.2 Exhibit B: Program of Requirements
- 14.1.3 Exhibit C: Management Plan
- 14.1.4 Exhibit D: Consultant Agreement
- 14.1.5 Exhibit E: Design Consultant's Fee Schedule
- 14.1.6 Exhibit F: Owner's Sexual Offender Registry Check Certification Form
- 14.1.7 Exhibit G: Owner and Construction Manager at Risk Agreement

In witness whereof, each individual executing this agreement acknowledges that he/she/it is authorized to execute this agreement and further acknowledges the execution of this agreement the day and year first written above.

**IN WITNESS WHEREOF** the Owner and the Design Consultant have executed this contract, the day and year first above written.

**BECKER MORGAN GROUP, INC.**

*Ernest Olds*

Ernest Olds/Vice President

Attest:

*Brad A. Hastings*

Corporate Secretary

[Corporate Seal]

**COUNTY OF BRUNSWICK**

Chairman, Board of Commissioners

Attest:

Clerk to the Board

[SEAL]

"This instrument has been preaudited in the manner required by the School Budget and Fiscal Control Act."

*Freyja Cahill*

Freyja Cahill, Finance Officer  
Brunswick County Board of Education  
4.9020.697.526.326.875.00

"This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act."

Aaron C. Smith, Director of Fiscal Operations  
Brunswick County, North Carolina

APPROVED AS TO FORM

Robert V. Shaver, Jr., County Attorney /  
Bryan W. Batton, Assistant County Attorney  
Brunswick County, North Carolina

**EXHIBIT A**  
**CONSTRUCTION CONTRACT AWARD PRICE**

**Design, Construction And Equipment Budget- Nbhs Addition And Improvements**

DESIGN FEE	\$1,057,000
PRECONSTRUCTION (CM)	\$147,459
CONSTRUCTION CONTRACT AWARD PRICE-INCLUDES COST OF WORK, GENERAL CONDITIONS, CM FEE, CM CONTINGENCY, BONDS/INS.	\$21,568,309
OWNER CONTINGENCY	\$558,300
FURNITURE, EQUIPMENT, FEES, TESTING	\$649,070
TOTAL	\$23,980,138



# **EXHIBIT B**

## **PROGRAM OF REQUIREMENTS**

## PROGRAM OF REQUIREMENTS

The program consists of the design and construction of new classrooms and athletic field/playing areas. The project will generally follow the master plan included in this section, described and/or modified herein. Specifically, the project program includes

- A 12-classroom addition. The building design will include a new band room and ancillary spaces as a bid alternate, and the provisions for a 4-classroom future addition. Provisions shall include adequate number of plumbing fixtures for build-out, electrical circuits sized for future build-out, and all other interfacing utility infrastructure wireways routed from the natural point of origination to the to the common expansion wall.
- Relocation of underground utilities from under building (and future classroom) footprints and paved athletic surfaces.
- The relocation and on-site set-up of 2 doublewide modular units
- Construction of a fire road to replace demolished sections of the existing fire road
- Construction of a new softball field, press box, dugouts, and scoreboard. Field shall be fenced and irrigated. Scope work shall include the relocation of LED field lights and poles.
- Construction of a 6-tennis court playing area adjacent to Old Fayetteville Road. The area will include male and female restrooms, a small concession (package goods) disbursement area, and a small storage area.
- Construction of 3 practice fields adjacent to the 12-classroom addition. The fields will be irrigated
- Modification of the front stormwater pond, completion of a new pond in the rear, and installation of required piping and appurtenances per the approved stormwater plan. Installation of erosion control measures. The civil engineer is to submit the stormwater and erosion control plan applications to the authority having jurisdiction.
- One additional parking lot for parking of the staff in the new addition and local road improvements if necessary.
- All demolition required to perform the scope of services. Items to include but are not limited to paving, masonry structures, electrical services, plumbing services, and fencing.
- And other non-specified items required for a complete design.

The design is by architect/engineer unless identified as a delegated design. Demolition and construction is through the CM unless indicated otherwise in the contract documents.

# **EXHIBIT C**

## **MANAGEMENT PLAN**

MILESTONES TO SUPPORT AUGUST 1, 2024 SUBSTANTIAL COMPLETION

Construction Manager at Risk Notice to Proceed.....	September 8, 2022
Architect/Engineer Notice to Proceed .....	September 8, 2022
Design/Permitting/Construction Drawings.....	March 31, 2023
GMP Acceptance/Construction Notice to Proceed .....	June 1, 2023
Construction Substantial Completion .....	August 1, 2024
Project Completion .....	September 1, 2024

Construction Manager to Generate Detailed Comprehensive Management/Construction Schedules with Interim Dates for use During Design and Construction

**EXHIBIT D**

**AGREEMENT FOR CONSULTANTS SERVICES**

## EXHIBIT D

### AGREEMENT FOR CONSULTANT'S SERVICES

The undersigned Consultant and Architect agree as follows on the furnishing of services by the consultant for: (structural) (mechanical) (electrical) work for this Project to be executed under Agreement for Design Consultant Services with the Owner, dated \_\_\_\_\_ for the following Project:

Pertinent provisions of this Agreement for Design Consultant Services shall govern work to be performed by the Consultant and the Architect. By signing this document, the Consultant verifies that he has read and is thoroughly familiar with this Agreement for Design Consultant Services, and that he has not otherwise relied on any representations or assurances by any person as to the terms of the said Agreement for Design Consultant Services.

Services rendered by the Consultant shall be complete, including drawings and specifications, visits to the site at intervals appropriate to the stage of construction, reports, shop drawing approval and final certificate of compliance.

The Architect will act as principal coordinator and prime designer.

**CONSULTANT:**

**ARCHITECT:**

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

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

President

President

ATTEST:

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Secretary

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

**EXHIBIT E**  
**DESIGN CONSULTANT FEES**

**HOURLY RATE SCHEDULE**

Principal	\$225-275/hr
Senior Associate	\$150-200/hr
Associate	\$120-160/hr
Architect/Engineer/Interior Designer	\$145-165/hr
Designer	\$100-145/hr
Technician	\$ 50-110/hr
Support	\$ 50-150/hr
Expert Witness	1.5 x billing rate
3D Scanner	\$200

*\*Rates subject to change each January*

Any consultants required and authorized by the Owner will be billed at cost plus (10) ten percent

**Reproduction Expenses**

Plots	Size	Regular	Color
	18x24	\$ 5.00	\$10.00
	24x36	\$10.00	\$15.00
	30x42	\$15.00	\$20.00
Photocopies	8 1/2 x 11	\$ .15	\$ .50
	8 1/2 x 14	\$ .20	\$ .75
	11x17	\$ .25	\$ 1.00
Prints	18x24	\$ 2.00	
	24x36	\$ 3.00	
	30x42	\$ 4.00	



**EXHIBIT F**

**SEXUAL OFFENDER CERTIFICATION FORMS**

## Sexual Offender Registry Check Certification Form

Check the appropriate box to indicate the type of check:

- ☒ Initial  
☐ Supplemental  
☐ Annual

I, **Ernest W. Olds** (insert name), **Vice President** (insert title) of **Becker Morgan Group Inc** (insert company name) hereby certify that I have performed all of the required sexual offender registry checks required under this Agreement for all contractual personnel (employees, agents, ownership personnel, or contractors ) who may be used to deliver goods or provide services under this Agreement, including the North Carolina Sex Offender and Public Protection Registration Program, the North Carolina Sexually Violent Predator Registration Program, and the National Sex Offender Registry. I further certify that none of the individuals listed below appears on any of the above-named registries and that I will not assign any individual to deliver goods or perform services under this Agreement if said individual appears on any of the sex offender registries. I agree to maintain all records and documents associated with these registry checks, and that I will provide such records and documents to the school system upon request. I specifically acknowledge that the school system retains the right to audit these records to ensure compliance with this section at any time in the school system's sole discretion. I acknowledge that I am required to perform these checks and provide this certification form before any work is performed under the Agreement (initial check), any time additional contractual personnel may perform work under the Agreement (supplemental check), and at each anniversary date of the Agreement (annual check).

### Contractual Personnel Names

1. **Rick M. Collins**
2. **Laura J. Rezek**
3. **Kimberly L. Wilson**
4. **Emily E. Purdum**
5. **Molly M. Marino**

(attach additional page(s) if needed)

### Job Title

- Project Architect**
- Designer**
- Administrator**
- Architect**
- Architect**

I attest that the forgoing information is true and accurate to the best of my knowledge.

**Ernest W. Olds** (print name)  
**Vice President** (title)

*Ernest Olds* (signature)  
**8/23/2022** (date)

## **EXHIBIT G**

# **OWNER AND CONSTRUCTION MANAGER AT RISK AGREEMENT**

**Agreement Between  
Owner and Construction Manager at Risk**

**AGREEMENT**

Made this 7th day of September in the year of Two Thousand and Twenty-Two.

BETWEEN: The Owner, Brunswick County by and through its authorized agent, Brunswick County Board of Education

And the Construction Manager (hereinafter referred to as the "CM"): Barnhill Contracting Company

For services in connection with the Project known as:

North Brunswick High School Addition and Improvement.

As further described in Article 2:

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Design Consultant:

Becker Morgan Group  
3333 Jaeckle Dr. Ste 120  
Wilmington, NC 28403

The Owner and CM, in consideration of their mutual covenants herein, agree as set forth below:

## TABLE OF CONTENTS

### Article:

1. Relationship of the Parties
2. Project Definition
3. Construction Manager's Basic Services
4. Duration of the Construction Manager's Services
5. Changes in the Construction Manager's Basic Services and Additional Compensation
6. Owner's Responsibilities
7. Compensation for CM Services and Payment
8. Insurance and Mutual Indemnity
9. Suspension
10. Termination
11. Additional Provisions
12. Special Guaranteed Maximum Price Provisions

### Appendix:

- A. Design Consultant Agreement - CM at Risk Projects
- B-1 Management Plan (preliminary)
- B-2 Construction Schedules and Reports
- C. Sales Tax Reporting Form
- D-1. Lump Sum Change Proposal Form
- D-2. Time and Material Change Proposal Form
- E. Division of Project Cost Elements
- F. Bond Forms
- G. Sex Offender Check Certification
- H. Minority Business Enterprises (MBE)
- I. Dispute Resolution

## **ARTICLE 1**

### **RELATIONSHIP OF THE PARTIES**

---

#### **1.1 Owner and Construction Manager**

The CM and the Owner shall perform as stated in this Agreement and each accepts the relationship between them that is established by this Agreement.

##### **1.1.1 Standard of Care**

The CM covenants with the Owner to furnish its skill and judgment with due care in accordance with applicable federal, state, and local laws and regulations that are in effect on the date of this Agreement first written above. The CM shall perform its services, including but not limited to the Basic Services and any Additional Services authorized in writing by the Owner, consistent with the professional skill and care ordinarily provided by CMs practicing in or around the state of North Carolina area under the same or similar circumstances. The CM shall perform its services as expeditiously as is consistent with such professional skill and care and the orderly progress of the Project.

##### **1.1.2 CM Representations**

The CM represents and warrants that at the time of execution of this Agreement the CM has and will retain all licenses and certifications required of him to perform the work identified in this Agreement and associated contract documents. The CM shall keep this licensure in good standing without lapse throughout the term of this Agreement. The CM shall provide proof of this licensure to the Owner and/or Design Consultant upon request.

By execution of this Agreement, the CM warrants that (a) it is an experienced and duly licensed having the ability and skill necessary to perform all the work required of it under this Agreement in connection with the design and construction of a project having the scope and complexity of the Project contemplated herein; (b) it has the capabilities and resources necessary to perform its obligations hereunder; and (c) it is familiar with all current laws, rules and regulations which are applicable to the construction of the Project, and that the CM's work on the Project shall be performed in accordance with all such applicable laws, rules and regulations.

#### **1.2 Owner and Design Consultant**

The Owner shall contract separately with one or more Design Consultants to provide architectural and engineering design for the Project. The Project is defined in Article 2 of this Agreement. The Design Consultant's services shall be as stated in this Agreement and as defined in the form agreement between the Owner and Design Consultant attached as Appendix A.

#### **1.3 Owner and Contractors**

The Owner will require the CM to contract directly with such Contractors as may be necessary for construction or supply of the Project. All such contracts shall be issued consistent with the applicable provisions of this Agreement and N.C. Gen. Stat. § 143-128.1, 143-128.2 to -128.4, 143.129, 143-135.8, and are subject to review and final approval by Brunswick County.

#### **1.4 Relationship of the CM to the Design Consultant and Other Project Participants**

In providing construction management services described in this Agreement, the CM shall maintain a working relationship with the Design Consultant. The Design Consultant is solely responsible for the Project design and shall perform in accordance with the Design Consultant Agreement with the Owner and nothing in this Agreement shall be construed to mean that the CM is responsible for the design of the Project or that the

CM assumes any of the contractual or customary duties of the Design Consultant or any other persons or parties not specified by this Agreement.

## **ARTICLE 2**

### **PROJECT DEFINITION**

---

The term "Project" when used in the Agreement shall mean the total construction of which the Work may be a whole or part of the Project. The term "Work" required for the "Project" used in this Agreement shall mean the various parts of total construction to be performed under this Agreement.

The Project name and locations are as follows:  
North Brunswick High School Addition and Improvements  
114 Scorpion Dr.  
Leland, NC 28451

The Project is intended for use as:

The project will consist of a 2-story 12-classroom addition, a bid alternate band room, and provisions for a future 4-classroom expansion. The site layout will generally conform with but not be limited by the District's Master Plan for the site, which locates the new addition, relocates the fire apparatus access road, relocates the existing tennis courts (adding lighting, a restroom/concession building) relocates the softball field, dugouts, pressbox, and lighting, and constructs 3 new irrigated practice fields of various sizes. Demolition of the certain existing athletic amenities and sections of the existing fire apparatus access road will be required. Required Offsite Road Improvement (\$250,000 plus fee allowance included). New staff parking for the addition will also be required. Other miscellaneous items necessary to complete items above may be required.

## **ARTICLE 3**

### **CONSTRUCTION MANAGER'S BASIC SERVICES**

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#### **3.1 CM Basic Services**

The CM shall perform the Basic Services described herein. It is not required that the Basic Services be performed in the sequence in which they are described.

#### **3.2 Design Phase – Project Management**

##### **3.2.1 Project Management**

##### **3.2.1.1 Construction Management Plan**

The CM shall prepare a Construction Management Plan for the Project within the time mutually established by the Owner and CM and shall make recommendations for revisions to the plan throughout the duration of the Project, as may be appropriate. In preparing the Construction Management Plan, the CM shall consider the Owner's schedule, budget, and design requirements for the Project. The CM shall then develop various alternatives for the sequencing and management of the Project and shall make recommendations to the Owner. The Construction Management Plan shall also include a description of the various bid packages recommended for the Project. The Construction Management Plan shall be presented to the Owner for acceptance. The CM shall develop a Master Schedule for the Project. The CM shall determine the appropriate bid packages based on the available resources. The CM shall familiarize itself with all available Project funding and work with the Owner and Design Consultant to maximize the scope and quality of the Project based upon the available funds. The CM shall make recommendations regarding communication among the parties in an effort to ensure the prompt and proper flow of Project information. The CM shall outline its plan for minority

business enterprise participation goals required by state law and the Owner, including providing all information necessary for the Owner to make the required reports to the North Carolina Department of Administration, Office of Historically Underutilized Businesses. The CM shall include a Project safety plan covering all critical areas of the Project.

### 3.2.2 Time Management

#### 3.2.2.1 Master Schedule

In accordance with the Construction Management Plan, the CM shall prepare a Master Schedule for the Project in accordance with the deadlines established by the Owner. The Master Schedule shall specify the proposed start and finish dates for each major Project activity. The CM shall submit the Master Schedule to the Owner for acceptance.

#### 3.2.2.2 Design Phase Milestone Schedule

After the Owner accepts the Master Schedule the CM shall prepare a Milestone Schedule for the Design Phase. The Design Phase Milestone Schedule may be used in the request for proposals and contract for the Design Consultant and shall be a method for judging progress during the Design Phase. The CM shall track the Design Consultant's progress during the design phase and alert the Owner of any delays in the Design Consultant's timely completion of its services.

### 3.2.3 Cost Management

#### 3.2.3.1 Construction Market Survey

The CM shall conduct a Construction Market Survey to provide current information regarding the general availability of local construction services, labor, materials and equipment cost and other economic factors related to the Project.

#### 3.2.3.2 Project and Construction Budget

Based on the Construction Management Plan and the Construction Market Survey, the CM shall prepare a Project and Construction Budget based on separate divisions of the Work required for the Project and shall identify contingencies for design and construction. The CM shall submit the Project and Construction Budget to the Owner for acceptance. The CM shall make recommendations to the Owner and Design Consultant regarding whether the Owner should conduct any additional geotechnical, environmental or other inspections of the Project site reasonably necessary for the CM to estimate the cost of the work and minimize change orders due to unforeseen conditions. If the Project involves renovation work, the CM shall perform inspections of the existing building and Project conditions and perform any destructive testing reasonably necessary for the Design Consultant to prepare a complete and accurate set of construction documents and allowing the CM to estimate the cost of the work in order to minimize change orders due to unforeseen conditions. The cost of any destructive testing shall be billed as a reimbursable and shall not be included in the CM's fee for basic services. The Project and Construction Budget shall be revised as directed by the Owner.

#### 3.2.3.3 Preliminary Estimate and Budget Analysis

The CM shall analyze and report to the Owner the cost of various design and construction alternatives, including CM's assumptions in preparing its analysis, a variance analysis between budget and preliminary estimate, and recommendations for any adjustments to the budget. As a part of the cost analysis, the CM shall consider costs relating to efficiency, usable life, maintenance, energy, and operation.



### 3.3 Design Phase – Design Support

#### 3.3.1 Project Management

##### 3.3.1.1 Revisions to the Construction Management Plan

During the Design Phase, the CM shall make the recommendations to the Owner regarding revisions to the Construction Management Plan. Revisions approved by the Owner shall be incorporated into the Construction Management Plan.

##### 3.3.1.2 Project Conference

At the start of the Design Phase, the CM shall conduct a Project conference attended by the Design Consultant, the Owner and others as necessary. During the Project Conference, the CM shall review the Construction Management Plan, the Master Schedule, the Design Phase Milestone Schedule, the Project and Construction Budget, and the Management Information Systems ("MIS"), as more fully set forth below. The CM shall be responsible for tracking the progress of the design in relation to the Design Phase Milestone Schedule and shall promptly notify Owner of any delay. The CM shall make recommendations to the Owner, with a copy to the Design Consultant, regarding strategies for overcoming any delay in the design of the Project.

##### 3.3.1.3 Design Phase Information

The CM shall monitor the Design Consultant's compliance with the Construction Management Plan and the MIS and the CM shall coordinate and expedite the flow of information between the Owner, Design Consultant, and others as necessary.

##### 3.3.1.4 Progress Meetings

The CM shall conduct periodic progress meetings attended by the Owner, Design Consultant and others as necessary. Such meetings shall serve as a forum for the exchange of information concerning the Project and the review of design progress. The CM shall prepare and distribute minutes of these meetings to the Owner, Design Consultant and others. During the periodic progress meetings the CM shall update the Owner and Design Consultant regarding the estimated cost of the design and make recommendations to the Owner and Design Consultant regarding constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction, and any other information reasonably necessary to assist the Design Consultant with cost, budget and schedule requirements.

##### 3.3.1.5 Review of Design Documents

The CM shall review the design documents and any addenda or other information from the Design Consultant for clarity, consistency, constructability and coordination among the Contractors. If the Project is a prototype that has been previously constructed, the CM shall verify that all applicable change orders from previous Projects have been incorporated into the bidding documents. The results of the review shall be provided in writing as notations on the documents. The CM is not responsible for providing, nor does the CM control, the Project design and contents of the design documents. By performing the reviews described herein, the CM is not acting in a manner so as to assume responsibility or liability, in whole or in part, for all or any part of the Project design and design documents. The CM's actions in reviewing the Project design and design documents and in making recommendations as provided herein are for the use of the Owner and Design Consultant.

##### 3.3.1.6 Design Recommendations

The CM shall make recommendations to the Owner and Design Consultant with respect to constructability, construction cost, sequence of construction, construction duration, possible means and methods of construction, time for construction, and separation of the Project contracts for various categories

of Work. In addition, the CM shall give to the Design Consultant all data of which it or the Owner is aware concerning patents or copyrights for inclusion in Contract Documents.

#### 3.3.1.6.1 On renovation Projects, the CM shall:

- .1 Conduct thorough evaluation of existing conditions of building(s), all building systems, site, and site infrastructure;
- .2 Conduct destructive and non-destructive testing as necessary to thoroughly evaluate existing conditions of the building(s), building systems, site, and site infrastructure (all testing, whether destructive or non-destructive, is to be approved in advance by the Owner and shall be coordinated to occur at a time that will reasonably allow the information to be used by the Design Consultant in the in the preparation of the contract documents);
- .3 Report to Owner and Design Consultant during design phase regarding findings of evaluation of existing building(s), building systems, site, and site infrastructure and make recommendations to the Owner and Design Consultant that will assist with establishing cost, budget, and schedule requirements;
- .4 Work with Owner and Design Consultant during design phase to create phasing plans that allow the work to be conducted in the most expedient manner while taking into account both cost and time;
- .5 Develop a plan to address the safety and security of all students, staff, visitors that will be on a site that is being used as a school during construction, including a plan that minimizes noise levels that would be disruptive to the educational environment without the prior approval of the Owner.

#### 3.3.1.7 Owner Design Reviews

The CM shall coordinate the Owner's design reviews by compiling and conveying the Owner's comments to the Design Consultant.

#### 3.3.1.8 Approvals by Regulatory Agencies

The CM shall monitor transmittal of documents to regulatory agencies for review and shall advise of potential problems in completing such reviews of which the CM is aware.

#### 3.3.1.9 General Conditions

The General Conditions for use in the contracts between the CM and the Contractors for construction of the Project shall be developed by the CM. Separate General Conditions for materials and equipment procurement shall be prepared by the CM to meet the specific requirements of the Project and all of the requirements of this Agreement.

In interpreting the requirements of this Agreement, anything shown on the Design Consultant's drawings and not mentioned in the specifications or mentioned in the specifications and not shown on the drawings shall have the same effect as if shown or mentioned respectively in both. The Design Consultant's technical specifications take priority over general specifications and detail drawings take precedence over general drawings. Any work shown on one drawing shall be construed to be shown in all relevant drawings, and the CM will coordinate the work and the drawings. If any portion of the Design Consultant's plans and specifications shall be in conflict with any other portion, the various documents comprising the contract documents shall govern in the following order of precedence: this Agreement; any addendum issued by the Design Consultant; the specifications; the drawings; as between schedules and information given on drawings, the schedules shall govern; as between figures given on drawings and the scaled measurements, the figures shall govern; as between large-scale drawings and small scale drawings, the larger scale drawings shall govern. Any such conflict or inconsistency between or in the drawings shall be submitted to the Design Consultant whose decision thereon shall be final and conclusive.

#### 3.3.1.10 Public Relations

The CM shall assist the Owner in public relations activities and shall prepare information for and attend public meetings regarding the Project.

#### 3.3.1.11 Project Funding

The CM shall assist the Owner in preparing documents concerning the Project and Construction Budget and for use in obtaining or reporting on Project funding. The documents shall be prepared in a form approved by the Owner.

### 3.3.2 Time Management

#### 3.3.2.1 Revisions to Master Schedule

While performing the services provided in Paragraphs 3.3.1.1, 3.3.1.2 and as necessary throughout the Design Phase, the CM shall recommend revisions to the Master Schedule. The Owner shall issue change orders as needed to the appropriate parties to implement the Master Schedule revisions.

#### 3.3.2.2 Monitoring the Design Phase Milestone Schedule

While performing the services provided in Paragraphs 3.3.1.3, and 3.3.1.4, the CM shall monitor compliance with the Design Phase Milestone Schedule.

#### 3.3.2.3 Pre-Bid Construction Schedules

Prior to transmitting Contract Documents to bidders, the CM shall prepare a Pre-Bid Construction Schedule for each part of the Project and make the schedule available to the bidders during the Procurement Phase.

### 3.3.3 Cost Management

#### 3.3.3.1 Cost Control

Following the completion of each design phase milestone, the CM shall prepare an estimate of the construction cost for the Design Drawings and Specifications furnished by the Design Consultant. Each estimate shall be accompanied by a report to the Owner and Design Consultant identifying variances from the Project and Construction Budget as well as CM's assumptions in preparing the estimate. The CM shall coordinate the activities of the Owner and Design Consultant when changes to the design are required to remain within the Project and Construction Budget.

#### 3.3.3.2 Project and Construction Budget Revision

The CM shall make recommendations to the Owner concerning the design changes that may result in revisions to the Project and Construction Budget and divisions of the Work required for the Project.

#### 3.3.3.3 Value Engineering Studies

The CM shall provide value engineering recommendations to the Owner and Design Consultant for major construction components, including cost evaluations of alternative materials and systems.

### 3.3.4 Management Information System (MIS)

#### 3.3.4.1 Schedule Reports

In conjunction with the services provided by Paragraph 3.3.2.1, the CM shall prepare and distribute schedule maintenance reports that shall contrast actual progress against scheduled progress for the Design Phase and the overall Project and shall make recommendations to the Owner for corrective action.

#### 3.3.4.2 Project Cost Reports

The CM shall prepare and distribute Project cost reports that shall indicate estimated costs compared to the Project and Construction Budget and shall make recommendations to the Owner for corrective action.

#### 3.3.4.3 Cash Flow Report

The CM shall upon request by owner prepare and distribute a cash flow report.

#### 3.3.4.4 Design Phase Change Order Report

The CM shall prepare and distribute Design Phase change order reports that shall list all Owner-approved change orders as of the date of the report and shall state the effect of the change orders on the Project and Construction Budget and the Master Schedule.

### 3.4 Procurement Phase

#### 3.4.1 Project Management

The CM shall procure bids in accordance with N.C. Gen. Stat. § 143-128.1, 143-128.2 to -128.4, 143-135.8. The CM shall prequalify all bidders in accordance with G.S. 143-135.8 and this Agreement. The CM shall ensure that all minority business participation goal requirements are followed in the solicitation and award of contracts. The CM shall report its efforts to solicit minority business participation to the Owner in writing. Unless approved otherwise by the Owner, a minimum of three bids following N.C. Gen Stat. § 143-132 shall be required for first-round opening if bids are received in advance of the guaranteed maximum price ("GMP") having been established.

##### 3.4.1.1 Prequalifying Bidders

The CM shall develop lists of possible bidders and prequalify-bidders. This service shall be performed in accordance with G.S. 143-128.1, 143-128.2 to -128.4, 143-135.8, and the Owner's prequalification of bidders for construction projects policy. The CM shall also prepare and transmit to the Owner a list of prequalified and disqualified bidders for each bid package. The CM shall provide the Owner with the reasons that any prospective bidders have been disqualified. The Owner shall notify the CM promptly of any reasonable objections to a proposed bidder, and the CM shall remove that bidder from the bidders list.

The CM shall provide the Owner with a list of all businesses in which the CM's Owners have any ownership interest if the business is engaged in the construction industry, including demolition and the supply of materials for construction, and the CM intends to solicit bids for any work on the Project from the business. The CM shall provide said list to the Owner prior to prequalifying bidders for the work. The Owner shall determine whether any business listed may submit a bid or perform any work on the Project.

##### 3.4.1.2 Bidder's Interest Campaign

The CM shall conduct a thorough campaign to create interest among qualified bidders. The CM shall provide written documents of these efforts to the Owner prior to bidding the work.

##### 3.4.1.3 Notices and Advertisements

The CM shall prepare and place notices and advertisements to solicit bids for the Project as prescribed by N.C. Gen. Stat. § 143-128.1, 143-128.2 to -128.4, and 143-135.8.

#### 3.4.1.4 Delivery of Bid Documents

The CM shall expedite the delivery of bid documents to the bidders. The CM shall obtain documents from the Design Consultant and arrange for printing, binding, wrapping and delivery to the bidders. The CM shall maintain a record of bidders receiving documents. The CM shall notify the Owner in advance, in writing, of the anticipated number of bid documents to be produced. The Owner shall reimburse the CM for the actual cost of bid documents.

#### 3.4.1.5 Pre-Bid Conference

In conjunction with the Design Consultant, the CM shall conduct a Pre-Bid Conference. These conferences shall be forums for the CM and Design Consultant to explain to the bidders the Project requirements, including information concerning schedule requirements, time and cost control requirements, access requirements, contractor interfaces, the Project administrative requirements and technical information.

#### 3.4.1.6 Information to Bidders

The CM shall develop and coordinate procedures to provide answers to bidders' questions.

##### 3.4.1.6.1 Site Access for Bidders

In the event bidders require access to the site in order to gain information necessary to prepare their bids, the CM shall be responsible for coordinating access with the Owner. Any access shall be during regular business hours or otherwise at a time that would not unreasonably disturb the adjacent property Owners or interfere with the school day. If the information sought by the bidders requires any alteration to the existing building or site or destructive testing, the CM shall notify the Owner in advance and coordinate said work so that it does not cause any disruption to the current use of the site or building. The CM shall ensure that any disturbed areas are repaired if the building is currently being used by the Owner. In all situations, the CM shall ensure that the site or building is left in a safe and secure condition and that the disturbed area is cleaned of any debris resulting from the access. In the event that the bidders' access disturbs any adjacent property, including depositing dirt, soil or debris on the roads adjacent to the site, the CM shall promptly clean any and all areas and be responsible for any claims, fines or penalties resulting from said access.

#### 3.4.1.7 Addenda

The CM shall receive from the Design Consultant a copy of all addenda. The CM shall review addenda for clarity, consistency and coordination. By performing the reviews described herein, the CM is not acting in a manner so as to assume responsibility or liability, in whole or in part, for all or any part of the Project design. The CM shall also distribute a copy of all addenda to each bidder receiving documents.

#### 3.4.1.8 Bid Opening

The CM shall act as the fiduciary of the public entity in handling and opening bids. All bids shall be received and opened in a manner agreed upon by the Owner. The CM shall conduct bid openings and shall evaluate the bids to determine the lowest responsive and responsible bidder, taking into consideration quality, performance, and time specified to perform. The contracts shall be awarded in accordance with N.C. Gen. Stat. § 143-128.1.

#### 3.4.1.9 Construction Contracts

The CM shall prepare, execute, and deliver the contract documents between the CM and the Contractors. The contract documents shall consist of the plans and specifications, any addendum, the general conditions, the form of Agreement between the CM and the contractor, and any other documents incorporated by the CM. The CM shall also issue the notices to proceed. The CM shall not issue contract documents or notices to proceed with the work to the contractors until the Owner and CM have agreed upon the amount of the GMP and the Owner has notified the CM that it can proceed with the work.

#### 3.4.1.10 Permits, Insurance and Labor Affidavits

The CM shall verify that the Contractors have secured the required building permits, bonds, insurance, labor affidavits, and waivers.

### 3.4.2 Time Management

#### 3.4.2.1 Pre-Bid Construction Schedule

The CM shall inform the bidders of their responsibilities regarding the Pre-Bid Construction Schedule specified in the Instructions to Bidders or Contract Documents. The CM shall inform the bidders of the Owner's requirements for scheduling and communication between the parties.

#### 3.4.2.2 Construction Schedule

The CM shall provide a copy of the Master Schedule to the bidders. The CM shall prepare a Construction Schedule and all updates in accordance with the Owner's scheduling requirements. The Owner shall provide the CM with its scheduling requirements prior to receipt of bids for the Project.

### 3.4.3 Cost Management

#### 3.4.3.1 Estimates for Addenda

Unless the Owner has elected to establish the GMP after bids have been received, the CM shall prepare an estimate of costs for all addenda and shall submit the estimates to the Owner for approval. After approval by the Owner, the addenda shall be transmitted to bidders and the Guaranteed Maximum Price and the CM's compensation shall be adjusted as provided in this Agreement.

3.4.3.2 Analyzing Bids: Upon receipt of bids, the CM shall evaluate the bids, including alternate prices and unit prices.

### 3.4.4 Management Information System (MIS)

#### 3.4.4.1 Schedule Maintenance Reports

The CM shall prepare and distribute schedule maintenance reports during the Procurement Phase. The reports shall compare the actual bid and award dates to scheduled bid and award dates and shall summarize the progress of the Project.

#### 3.4.4.2 Project Cost Reports

The CM shall prepare and distribute the Project cost reports during the Procurement Phase. The reports shall specify the actual award prices and construction costs for the Project, compared to the Project and Construction Budget. The CM shall provide updated Project cost reports to the Owner, with a copy to the Design Consultant, on at least a monthly basis.

#### 3.4.4.3 Cash Flow Reports

The CM shall prepare and distribute cash flow reports during the Procurement Phase. The reports shall be based on actual award prices and construction costs for the Project and the reports shall specify the actual cash flow compared to the projected cash flow.

### 3.5 Construction Phase

#### 3.5.1 Project Management

##### 3.5.1.1 Pre-Construction Conference

In connection with the Design Consultant, the CM shall conduct a Pre-Construction Conference during which the CM shall review the reporting procedures, site operations and other contractual requirements.

##### 3.5.1.2 Onsite Management and Construction Phase Communication Procedures

The CM shall provide and maintain a management team on the Project site to provide contract administration and the CM shall establish and implement coordination and communication procedures among the CM, Owner, Design Consultant, and Contractors. The CM's Project manager and superintendent shall be approved by the Owner. The Owner reserves the right to require the removal of a particular PM or superintendent at any time the Owner reasonably believes the PM or superintendent is adversely impacting the Project. A PM or superintendent approved by the Owner shall not be reassigned by the CM unless they cease to be on the CM's payroll or the Owner otherwise agrees the CM shall observe the work as required for general conformance with the contract documents. The CM shall be responsible for Project site safety and the means and methods for the construction of the Project.

##### 3.5.1.3 Contract Administration Procedures

The CM shall establish and implement procedures for expediting and processing requests for information, shop drawings, material and equipment sample submittals, Contractor schedule adjustments, change orders, substitutes, payment requests and the maintenance of logs. The CM shall maintain daily job reports. The CM shall be the party to whom requests for information, submittals, Contractor schedule adjustments, substitutes, change order requests and payment requests shall be submitted. The CM shall provide periodic reports to the Owner, with a copy to the Design Consultant, updating the status of the Project. The reports shall be provided not less than bi-weekly. The Owner shall have no duty to respond to any information in the periodic reports, unless the CM specifically requests a response or action by the Owner in writing in a separate document.

##### 3.5.1.4 Project Site Meetings

Periodically the CM shall conduct meetings at the Project site with each Contractor and the CM shall conduct coordination meetings with all Contractors, the Owner and Design Consultant. The CM shall conduct weekly progress meetings with the Owner and Design Consultant. The CM shall record, transcribe and distribute minutes to all attendees, the Owner and Design Consultant.

##### 3.5.1.5 Coordination of Other Independent Consultants

Technical inspection and testing provided by the Design Consultant or others shall be coordinated by the CM. The CM shall be provided with a copy of all inspection and testing reports on the day of the inspection or test or when issued. The CM is not responsible for providing, nor does the CM control, the actual performance of technical inspection and testing. The CM is performing a coordination function and is not acting in a manner so as to assume responsibility, in part or in whole, for all or any part of such inspection and testing.

#### 3.5.1.6 Review of Requests for Changes to the Contract Time and Price

The CM shall review the contents of a request for changes to the construction contract time or price submitted by a Contractor, assemble information concerning the request and endeavor to determine the cause of the requests. In instances where the CM's analysis reveals that the request is valid, the CM shall prepare a detailed report to the Owner and Design Consultant for review. If the Owner approves the change, the Design Consultant shall prepare the necessary change order documents for signing by the CM and Owner. The CM shall prepare the necessary change order documents for execution by the CM and contractors.

#### 3.5.1.7 Quality Review

The CM shall establish and implement a program to monitor the quality of construction. The CM shall observe the work as required for general conformance with the contract documents. The purpose of the program shall be to guard the Owner against defects and deficiency in the work of the Contractor. The CM shall transmit to the Contractor a notice of nonconforming work and may reject work when it is the opinion of the CM that the work does not conform to the requirements of the Contract Documents. Except for minor variations as stated herein, the CM is not authorized as part of this service to change, evoke, enlarge, relax, alter, or to release any requirement of the Contract Documents or to approve or accept any portion of the Work not performed in accordance with the Contract Documents. The Design Consultant shall have the final authority to decide the acceptability of the work.

#### 3.5.1.8 Operation and Maintenance Materials

The CM shall receive from the Contractors operation and maintenance manuals, warranties and guarantees for materials and equipment installed in the Project, in accordance with the Contract Documents.

#### 3.5.1.9 Substantial Completion

The date of substantial completion of the work or designated portion thereof is the date certified by the Design Consultant when the work or a designated portion thereof is sufficiently complete, in accordance with the contract documents, so the Owner can fully occupy and utilize the work or designated portion thereof for the use for which it is intended, with all of the Project's parts and systems operable as required by the contract documents, including a preliminary test and balance report for the mechanical system. The CM acknowledges and agrees that the intercom, telephone, data, security, building automation system (including functional graphics at the site), MATV, and other educational operational systems are required for the Owner's use of the building for its intended purpose. The CM shall provide operation & maintenance manuals to the Owner as required by the contract documents prior to substantial completion and shall provide the required training on the operation of the equipment and systems within two weeks of substantial completion of the Project. The Owner's occupancy of incomplete work shall not alter the CM's responsibilities pursuant to this paragraph. Only incidental corrective work and any final cleaning beyond that needed for the Owner's full use may remain for final completion. The issuance of a temporary or final certificate of occupancy shall not, in itself, constitute substantial completion.

When the CM considers that the work, or a designated portion thereof which is acceptable to the Owner, is substantially complete as defined above, the CM shall prepare for and submit to the Design Consultant and Owner a list of all items which in the CM's opinion are to be completed or corrected and shall attach it to a request in writing that the Design Consultant perform a substantial completion inspection. The Owner's occupancy of incomplete work shall not alter the contractor's responsibilities. The Design Consultant shall review the CM's list and shall compile a punch list of items to be corrected and completed. The failure to include any items on such list does not alter the responsibility of the CM to complete all work in accordance with the contract documents. When the Design Consultant and CM on the basis of an inspection jointly determine that the work or designated portion thereof is substantially complete, the Design Consultant will then prepare a certificate of substantial completion which shall establish the date of substantial completion, shall state the responsibilities of the Owner and the CM for security, maintenance, heat, utilities, damage to the work, and insurance, and shall signify the beginning of the time within which the CM shall complete the items listed therein. Warranties required by the contract documents shall commence on the date of substantial



completion of the work or designated portion thereof, unless otherwise provided in the certificate of substantial completion. The certificate of substantial completion shall be submitted to the Owner and the CM for their written acceptance of the responsibilities assigned to them in such certificate.

Upon substantial completion of the work or designated portion thereof and upon application by the CM and certification by the Design Consultant, the Owner shall make payment, except retainage held pursuant to the contract documents and state law, for such work or portion thereof as provided in the contract documents.

The acceptance of final payment shall constitute a waiver of all claims by the CM and its contractors, except those previously made in writing and identified by the CM as unsettled at the time the CM submits the application for payment for substantial completion, and except for the retainage sums due at final acceptance. The CM shall indemnify and hold the Owner harmless against any claims by the contractors that are waived because they were not made in writing and identified by the CM as unsettled when the CM submitted the application for payment for substantial completion.

The Owner shall have the option to correct or complete any and all punch list items not completed by the CM to the satisfaction of the Design Consultant and the Owner within the time specified for final completion by utilizing its own forces or by hiring others. The cost of such correction of remaining punch list items by the Owner or others shall be deducted from the final payment to the CM. If CM does not complete certain punch list items within the required time period, all warranties and guarantees for such incomplete punch list items shall become effective upon issuance of final payment for the Project.

The issuance of the certificate of substantial completion does not indicate final acceptance of the Project by the Owner, and the CM is not relieved of any responsibility for the Project except as specifically stated in the certificate of substantial completion.

Should the Design Consultant and the Owner determine that the work or a designated portion thereof is not substantially complete, they shall provide the CM with written notice stating why the Project or designated portion is not substantially complete. The CM shall expeditiously complete the work and shall re-request in writing that the Design Consultant perform another substantial completion inspection. Costs, if any, associated with such reinspection shall be assessed to the CM at the rate specified in the Design Consultant's contract.

#### 3.5.1.10 Final Completion

In consultation with the CM and Owner, the Design Consultant shall determine when the Project and the contractors' work is finally completed and, following completion of corrections, the Design Consultant shall issue a certificate of final completion to the Owner. The date of final completion of the work is the date certified by the Design Consultant and the Owner when the work is totally complete, to include punch list work, in accordance with the contract documents and the Owner may fully occupy and utilize the Project for the use for which it is intended. The issuance of a temporary or final certificate of occupancy shall not, in itself, constitute final completion. If more than two (2) final completion inspections are required by the Design Consultant due to the CM's failure to complete the work, the additional inspections shall be charged to the CM at the rate specified in the Design Consultant's contract all punch list work shall be complete. If any change order is issued for work to be performed after the substantial completion certificate is issued, the completion date for that work shall be established separately and shall not prevent the Project from achieving final completion for purposes of Sections 7.6 and 7.7 of this Agreement. Following the receipt of payment from the Owner, the CM shall make all payments due to contractors within ten (10) days.

For multi-phased projects, final completion of each phase shall include the completion of all work for the phase with the exception of any system that is required to be integrated into a phase that has a later contract date for final completion. This exception might apply to the HVAC, data, intercom, or similar systems. Notwithstanding the above, complete and proper operation of all systems shall be required for the Project to achieve final completion.

### 3.5.2 Schedule

#### 3.5.2.1 Master Schedule

The CM shall adjust and update the Master Schedule and distribute copies to the Owner and Design Consultant. All adjustments to the Master Schedule shall be made for the benefit of the Project.

#### 3.5.2.2 Construction Schedule

The CM shall adjust and update the Construction Schedule and shall verify that the schedule is prepared in accordance with the requirements of the Owner noted in Paragraph 3.4.2.2 and that it establishes completion dates that comply with the requirements of the Master Schedule. The CM agrees that the construction schedule is for the benefit of the entire Project team and by execution of this Agreement gives permission and direction to its scheduler to provide copies of the schedule in a format as required by the Owner.

#### 3.5.2.3 Construction Schedule Report

The CM shall review the progress of construction of each Contractor on a monthly basis, shall evaluate the percentage complete of each construction activity as indicated in the Construction Schedule and shall review such percentages with the Contractor. This evaluation shall serve as data for input to the periodic Construction Schedule report that shall be prepared and distributed to the Contractor, the Owner and Design Consultant. The report shall indicate the actual progress compared to scheduled progress and shall serve as the basis for the progress payment to the Contractor. The CM shall determine and implement alternative courses of action that may be necessary to achieve contract compliance by the Contractor.

#### 3.5.2.4 CM Review of Time Extension Requests

The CM shall, prior to the issuance of a change order, determine the effect on the construction and Master Schedules of time extensions requested by the Contractor.

#### 3.5.2.5 Recovery Schedules

The CM shall prepare and submit a recovery schedule in accordance with the Owner's scheduling requirements specified in Appendix B-2.

### 3.5.3 Cost Management

#### 3.5.3.1 Schedule of Values (Each Contract)

The CM shall, in participation with the Contractors, determine a Schedule of Values for each of the construction contracts. The Schedule of Values shall be the basis for payment to the contractors.

#### 3.5.3.2 Change Order Control

The CM shall establish and implement a change order control system that is approved by the Owner.

3.5.3.2.1 All proposed Owner-initiated change orders shall first be described in detail in writing. In response to the request for a proposal, the Contractor shall submit to the CM for evaluation detailed information concerning the costs and time adjustments, if any, necessary to perform the proposed change order work. The CM shall review the Contractor's proposal, shall discuss the proposed change order with the Contractor and endeavor to determine the Contractor's basis for the cost and time to perform the Work and, as applicable, the effect, if any, on the Guaranteed Maximum Price. The CM shall present its findings to the Owner and, following Owner acceptance, the Design Consultant shall prepare the change order documents for signature by the CM and Owner. Upon execution of the change order documents between the CM and Owner, the CM shall prepare change order documents for signature by the affected Contractor. The CM shall verify that the

Work, and any adjustment of time required by approved change orders has been incorporated into the Contractor's Construction Schedule.

3.5.3.2.2 The CM shall review the contents of all Contractor-requested changes to the contract time or price, endeavor to determine the effect, if any, on the Guaranteed Maximum Price. The CM shall provide the Design Consultant a copy of each change request, and the CM shall, in its evaluations of the Contractor's request, consider the Design Consultant's comments regarding the proposed changes. The CM shall present its findings to the Owner regarding the proposed changes and at the Owner's direction, shall prepare the change order documents for signature by the CM and Owner. Upon execution of the change order documents between the CM and Owner, the CM shall prepare change order documents for signature by the affected contractor.

#### 3.5.3.3 Cost Records

In instances where a lump sum or unit price is not determined prior to performing Work described in a request for proposal as provided in Paragraph 3.5.3.2, the CM shall request from the Contractor records of the cost of payroll, materials and equipment and the amount of payments to subcontractors incurred by the Contractor in performing the Work.

#### 3.5.3.4 Trade-Off Studies

The CM shall provide trade-off studies for various minor construction components. The results of the trade-off studies shall be in report form and distributed to the Owner and Design Consultant.

#### 3.5.3.5 Progress Payments

In consultation with the Design Consultant, the CM shall inspect the work in order to ensure compliance with the contract documents, review the payment applications submitted by each contractor and determine whether the amount requested reflects the progress of the Contractor's Work. The CM shall make appropriate adjustments to each payment application and shall prepare and forward to the Owner a progress payment report. The report shall state the total contract price, payments to date, current payment requested, retainage and actual amounts owed for the current period. Included in this report shall be a certificate of payment that shall be signed by the CM and delivered to the Owner. The CM shall make payments that are due to all contractors, suppliers, and material men within ten (10) days following the receipt of payment for the work from the Owner. In addition, the CM shall keep the Project and the site on which Work is performed free and clear of all liens from Contractors, subcontractors, or suppliers. The CM shall provide sales tax information using the form attached as Appendix C with each payment application.

Payments may be made by the Owner, at its sole discretion, on account of materials or equipment not incorporated in the work but delivered and suitably stored at the site or in a bonded warehouse by the CM or contractor. Payments for materials or equipment stored shall only be considered upon submission by the CM of satisfactory evidence (for example, releases or paid invoices from the seller) that the CM or the contractor has acquired title to such material, that it will be utilized on the work under this Agreement and that it is satisfactorily stored, protected, and insured or that other procedures satisfactory to the Owner that will protect the Owner's interests have been taken. In the event the materials are stored in a bonded warehouse that is not located in the county of the Project, the CM shall reimburse the travel cost and hourly billing expenses incurred by the Design Consultant for travel to view and assess whether the materials meet the requirements of the contract documents. Materials once paid for by the Owner become the property of the Owner and may not be removed from the work site or bonded warehouse, other than to be delivered from the warehouse to the site, without the Owner's written permission. Responsibility for such stored materials and equipment shall remain with the CM and the contractor regardless of Ownership.

The Owner will retain five percent of the amount for each progress payment on the Project, excluding the amount billed for general conditions, for as long as is authorized by G.S. 143-134.1. At all times during the Project, the Owner shall retain the maximum funds allowed by G.S. 143-134.1. The Owner specifically reserves the right to withhold additional funds as authorized by this Agreement or G.S. 143-134.1.

### 3.5.3.6 Decisions to Withhold Payment

The Design Consultant may withhold a certificate for payment in whole or in part, to the extent reasonably necessary to protect the Owner. If the Design Consultant is unable to certify payment in the amount of the application, the Design Consultant will notify the CM and the Owner in writing. If the CM and Design Consultant cannot agree on a revised amount, the Design Consultant will promptly issue a certificate for payment for the amount for which the Design Consultant is able to make such representations to the Owner. The Design Consultant may also withhold a certificate for payment, in whole or in part, to such extent as may be necessary in the Design Consultant's opinion to protect the Owner from loss for which the CM or the contractor(s) is responsible, including loss resulting from acts and omissions, because of:

- .1 Defective work not remedied;
- .2 Third party claims filed or reasonable evidence indicating probable filing of such claims unless security acceptable to the Owner is provided by the CM;
- .3 Failure of the CM or contractor(s) to make payments properly to sub-contractors or for labor, materials or equipment;
- .4 Reasonable evidence that the work cannot be completed for the unpaid balance of the contract sum;
- .5 Damage to the Owner or another contractor;
- .6 Reasonable evidence that the work will not be completed within the contract time, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
- .7 Failure to carry out the work in accordance with the contract documents;
- .8 Failure to provide sales tax documentation as required by the Owner;
- .9 Failure or refusal of the contractor to submit the required information on minority business enterprises;
- .10 Any other reason deemed necessary by the Design Consultant to protect the Owner; or
- .11 Subsequently discovered evidence that work previously approved was not performed in accordance with the contract documents.

3.5.3.7 When the above reasons for withholding certification are removed, certification will be made for amounts previously withheld.

3.5.3.8 No interest shall be added to any amounts withheld pursuant to Paragraph 3.5.3.6.

### 3.5.4 Management Information System (MIS)

#### 3.5.4.1 Schedule Maintenance Reports

The CM shall prepare and distribute monthly schedule maintenance reports during the Construction Phase. The reports shall compare the actual construction dates to scheduled construction dates of each separate construction contract and to the Master Schedule for the Project.

#### 3.5.4.2 Project Cost Reports

The CM shall prepare and distribute monthly Project cost reports during the Construction Phase. The reports shall specify actual Project and construction costs compared to the Project and Construction Budget.

#### 3.5.4.3 Project and Construction Budget Revisions

The CM shall make recommendations to the Owner concerning construction changes that may result in revisions to the Project and Construction Budget or Guaranteed Maximum Price.

#### 3.5.4.4 Cash Flow Reports

The CM shall prepare and distribute cash flow reports during the Construction Phase. The reports shall specify actual cash flow as compared to projected cash flow.

#### 3.5.4.5 Progress Payment Reports (Each Contract)

The CM shall prepare and distribute the progress payment reports. The reports shall state the total construction contract price, payment to date, current payment requested, retainage, sales tax paid, and actual amounts owed this period. A portion of this report shall be a certificate of payment that shall be signed by the CM certifying that the work complies with the contract documents and delivered to the Owner for use by the Owner in making payments to the CM.

#### 3.5.4.6 Change Order Reports

The CM shall periodically prepare and distribute change order reports during the Construction Phase. The report shall list all Owner-approved change orders by number, a brief description of the change order work, the cost established in the change order and percent of completion of the change order work. The report shall also include similar information for potential change orders of which the CM may be aware. The report shall also include a summary of the impact of the change orders on the Project schedule and completion dates.

#### 3.5.4.7 Contractor's Safety Program

The CM shall review the safety programs of each Contractor and confirm that each Contractor has established safety programs as required by the Contract Documents.

### 3.6 Post Construction Phase

#### 3.6.1 Project Management

##### 3.6.1.1 Record Documents

The CM Project superintendent shall maintain a field set of drawings for the duration of the construction period. The CM Project manager shall review the superintendent's field set to confirm that all addenda and bulletin drawings have been accurately incorporated. During construction the field set shall be updated to include all RFI responses, approved change orders and any minor plan clarifications made by the Design Consultant during site visits. The CM shall provide evidence to the Design Consultant on a monthly basis that it is maintaining an accurate and complete copy of all changes in the work in a form that will facilitate the prompt and accurate creation of record drawings. Within 30 days of substantial completion, the field set (including general, plumbing, mechanical and electrical as-built drawings) shall be delivered to the architect for preparation of record drawings. Prior to delivery, the CM Project manager shall thoroughly review the as-built field set for completeness and transmit said drawings to the Design Consultant with a letter stating that the drawings are complete and accurately reflect the construction.

##### 3.6.1.2 Organize and Index Operations and Maintenance Materials

Prior to substantial completion of the Project, the CM shall compile manufacturers' operations and maintenance manuals, warranties and guarantees and bind such documents in an organized manner. A minimum of three (3) copies of this information shall then be provided to the Owner.

#### 3.6.1.3 Occupancy Permit

The CM shall be responsible for obtaining the final occupancy permit by accompanying governmental officials during inspections of the Project, preparing and submitting documentation to governmental agencies and coordinating final testing and other activities.

#### 3.6.1.4 Closeout Documents and Test Reports

The CM shall organize and provide the Owner all closeout documents and test reports that the contractors are required to provide for the Project.

#### 3.6.1.5 Owner Training

The CM shall coordinate or provide all training of the Owner's personnel required by the contract documents.

### 3.6.2 Time Management

3.6.2.1 Occupancy Plan the CM shall prepare an Occupancy Plan for the Project. This plan shall be provided to the Owner. The plan shall include early access, training on the use of equipment and systems, delivery of furniture and any other activities requested by the Owner. The plan shall comply with all deadlines provided by the Owner.

### 3.6.3 Cost Management

#### 3.6.3.1 Change Orders

The CM shall continue to provide services related to change orders as specified in Paragraph 3.5.3.3.

### 3.6.4 Management Information System (MIS)

#### 3.6.4.1 Closeout Reports

At the conclusion of the Project, the CM shall prepare final Project accounting and closeout reports.

#### 3.6.4.2 Reports for Move-in and Occupancy

The CM shall prepare and distribute reports associated with the Occupancy Plan.

### 3.7 Additional Services

3.7.1 At the request of the Owner, the CM shall perform the following Additional Services and shall be compensated for same as provided in Article 7 of this Agreement, unless the need for the service is due to the CM's actions or inactions on the Project, and regardless Paragraphs 3.7.1.2, 3.7.1.7, 3.7.1.8, 3.7.1.10, 3.7.1.12, 3.7.1.15, 3.7.1.16 and 3.7.1.17 shall be provided as part of the basic services. The CM shall perform Additional Services only after the Owner and CM have executed a written change order to this Agreement providing for such services. Additional Services may include:

3.7.1.1 Services related to investigation, appraisal, or evaluation of existing conditions, facilities, or equipment or determination of the accuracy of existing drawings or other information furnished by the Owner that are not required to be performed by the CM in the basic services;

3.7.1.2 Services related to procurement, storage, maintenance and installation of Owner-furnished equipment, materials, supplies and furnishings;

3.7.1.3 Services related to determination of space needs;

3.7.1.4 Preparation of space programs;

3.7.1.5 Services related to building site investigations and analyses that are not required to be performed by the CM in the basic services;

3.7.1.6 Services for tenant or rental spaces;

3.7.1.7 Preparation of a Project financial feasibility study;

3.7.1.8 Preparation of financial, accounting or MIS reports not provided under Basic Services;

3.7.1.9 Performance of technical inspection or testing;

3.7.1.10 Preparation of an Operations and Maintenance Manual for all materials and equipment reasonably required for the Owner's use of the Project;

3.7.1.11 Services related to recruiting and training of maintenance personnel;

3.7.1.12 Performance of warranty inspections and correction of warranty items during the warranty period of the Project;

3.7.1.13 Services related to interfacing or working with the Design Consultant or other consultants that are beyond the scope of this Agreement;

3.7.1.14 Consultation regarding replacement of work damaged by fire or other cause during construction and furnishing services in connection with the replacement of such work;

3.7.1.15 Preparation for and serving as a witness regarding the CM's observations on the Project in connection with any public or private hearing or arbitration mediation or legal proceeding;

3.7.1.16 Assisting the Owner in public relations activities and preparing information for and attending public meetings; and

3.7.1.17 Services related to move-in, including preparing and soliciting responses to requests for proposals, preparing and coordinating the execution of contracts, conducting pre-moving conferences, administering the contract for moving activities in conjunction with the move-in for the Project and providing on-site personnel to oversee the relocation of furniture and equipment by the movers while actual move-in is in progress.

### 3.8 Warranty

3.8.1 The CM warrants to the Owner and the Design Consultant that all materials and equipment furnished under this Agreement will be new unless otherwise specified, and that all workmanship will be in accordance with generally accepted industry standards, free from faults and defects and in conformance with the contract documents and all other warranties and guaranties specified therein. Where no standard is specified for such workmanship or materials, they shall be the best of their respective kinds. All work not conforming to these requirements, including substitutions not properly approved and authorized, may be considered defective. If required by the Owner or the Design Consultant, the CM shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

3.8.2 The CM will be required to complete the work specified and to provide all items needed for construction of the Project, complete and in good order.

3.8.3 The warranties set forth in this section and elsewhere in the contract documents shall survive final completion of the work.

3.8.4 The CM guarantees and warrants to the Owner all work as follows:

- .1 that all materials and equipment furnished under this Agreement will be new and the best of its respective kind unless otherwise specified;
- .2 that all work will be in accordance with generally accepted industry standards and free of omissions and faulty, poor quality, imperfect and defective material or workmanship;
- .3 that the work shall be entirely watertight and leak proof in accordance with all applicable industry customs and practices, and shall be free of shrinkage and settlement;
- .4 that the work, including but not limited to, mechanical and electrical machines, devices and equipment, shall be fit and fully usable for its intended and specified purpose and shall operate satisfactorily with ordinary care;
- .5 that consistent with requirements of the contract documents, the work shall be installed and oriented in such a manner as to facilitate unrestricted access for the operation and maintenance of fixed equipment;
- .6 that the work will be free of abnormal or unusual deterioration which occurs because of poor quality materials, workmanship or unsuitable storage; and
- .7 that the products or materials incorporated in the work will not contain asbestos.

3.8.5 All work not conforming to guarantees and warranties specified in the contract documents, including substitutions not properly approved and authorized, may be considered defective. If required by the Design Consultant or Owner, the CM shall furnish satisfactory evidence as to the kind and quality of materials and equipment.

3.8.5.1 The CM will submit a written affidavit certifying that none of the materials incorporated in the Project contain asbestos.

3.8.6 If, within one (1) year after the date of substantial completion of the work or designated portion thereof or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the contract documents, any of the work is found to be defective, not in accordance with the contract documents, or not in accordance with the guarantees and warranties specified in the contract documents, the CM shall correct it within five (5) working days or such other period as mutually agreed, after receipt of notice from the Owner to do so. The Owner shall give such notice with reasonable promptness after discovery of the condition. For items that remain incomplete or uncorrected on the date of substantial completion, the one (1) year warranty shall begin on the date of final completion of the work or upon correction of the defective work.

3.8.7 If at any time deficiencies in the work are discovered which are found to have resulted from fraud or misrepresentation, or an intent or attempt to or conspiracy to defraud the Owner by the CM, any contractor or supplier, the CM will be liable for replacement or correction of such work and any damages which Owner has incurred related thereto, regardless of the time limit of any guarantee or warranty.

3.8.8 Any materials or other portions of the work, installed, furnished or stored on site which are not of the character or quality required by the specifications, or are otherwise not acceptable to the Design Consultant or the Owner, shall be immediately removed and replaced by the CM to the satisfaction of the Design Consultant and Owner, when notified to do so by the Design Consultant or Owner.

3.8.9 If the CM fails to correct defective or non-conforming work as required, or if the CM fails to remove defective or non-conforming work from the site, the Owner may elect to either correct such work or remove



and store materials and equipment at the expense of the CM. If the CM does not pay the cost of such removal and storage within ten (10) days thereafter, the Owner may upon ten (10) additional days written notice, sell such work at auction or at private sale and shall account for the net proceeds thereof, after deducting all the costs that should have been borne by the CM, including compensation for the Design Consultant's additional services and Owner's reasonable attorney's fees made necessary thereby. If such proceeds of sale do not cover all costs, which the CM should have borne, the difference shall be charged to the CM and an appropriate change order shall be issued. If the payments then or thereafter due the CM are not sufficient to cover such amount, the CM shall pay the difference to the Owner.

3.8.10 The CM shall bear the cost of making good all of the work of the Owner, separate contractors or others, destroyed or damaged by such correction or removal required under this section or elsewhere in the contract documents.

#### **ARTICLE 4**

##### **DURATION OF THE CONSTRUCTION MANAGER'S SERVICES**

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4.1 The duration of the CM's Basic services under this Agreement shall be from the date of this Agreement through the issuance of final payment. The CM shall provide any warranty phase services at no additional cost to the Owner.

4.1.1 The commencement date for the CM's Basic Services shall be the date of execution of this Agreement by the Owner as stated herein or the date on which the Owner issues to the CM a written instruction to proceed with Basic Services, whichever is earlier.

4.1.2 The CM's Basic Services shall be performed for the periods of time indicated in this Agreement. If portions of design and construction occur simultaneously, some of the phase durations may overlap.

4.1.2.1 The CM's Basic Services during the Pre-Design Phase shall be performed as required during the pre-design phase.

4.1.2.2 The CM's Basic Services during the Design Phase shall be performed as required during the design phase.

4.1.2.3 The CM's Basic Services during the Procurement Phase shall be performed as required during the procurement phase.

4.1.2.4 The CM's Basic Services during the Construction Phase shall be performed as required during the construction phase.

4.1.3 The CM's Basic Services during the Post-Construction Phase shall be performed as required during the post-construction phase

4.1.4. The CM shall achieve substantial completion of the Project on or before August 1, 2024, unless the Owner and CM agree to a different date in writing. The date for final completion shall be thirty (30) days after substantial completion.

4.2 Delays and Extensions of Time

4.2.1 The time during which the CM or any of the contractors is delayed in the performance of the work by the issuance of any required permits, acts of god, excessive inclement weather, fires, floods, epidemics, quarantine restrictions, strikes, riots, civil commotions or freight embargoes, or other conditions beyond the

CM's or the contractors' control and which the CM or the contractors could not reasonably have foreseen and provided against, except for delays caused solely by the Owner, Design Consultant or their consultants, shall be added to the time for completion of the work stated in the Agreement. Neither the Owner nor the Design Consultant shall be obligated or liable to the CM or the contractors for indirect or direct damages, costs or expenses of any nature which the CM, the contractors, or any other person may incur as a result of any of the delays, interferences, or changes in sequence in the work included in this section 4.2.1. The CM hereby expressly waives any claims against the Owner and the Design Consultant on account of any indirect or direct damages, lost profits, costs or expenses of any nature which the CM, the contractors or any other person may incur as a result of any delays, interferences, changes in sequence or the like, and it is understood and agreed that the CM's sole and exclusive remedy in any such events shall be an extension of the contract time in accordance with the contract documents.

4.2.1.1 Currently a known global pandemic has caused material shortages that are unprecedented. If critical path delays that are greater than 10 days are incurred in material deliveries solely due to new disruptions occurring after the issuance of a Change Order authorizing the material procurement the CM shall be entitled to a 50% reimbursement of additional general conditions for staffing, temporary facilities, and other costs associated with the delay. If the project is impacted because of these circumstances that are out of the control of the CM the owner shall grant the contractor an extension of time to the contract. Construction contingency funds may be utilized to assist the CM with reconciliation of the general conditions however if contingency funds are depleted the owner will work with the CM to cover these costs.

4.2.2 In the event Project delays arise from or out of any act or omission of the Owner, Design Consultant or their consultants, the time during which the Project is delayed shall be added to the Agreement and the CM may be reimbursed for its direct Project damages, excluding general overhead expenses and indirect costs, if the CM strictly complies with this Article 4.2. Notwithstanding the previous sentence, if the CM, a contractor and/or subcontractor in any way shares in responsibility for the delay, neither the Owner nor the Design Consultant shall be obligated or liable to the CM or the contractors for indirect or direct damages, costs or expenses of any nature which the CM, the contractors, or any other person may incur as a result of any of the delays, interferences, changes in sequence of the work, and the CM's sole remedy, if any, shall be an extension of the contract time.

4.2.3 In the event Project delays arise solely from or out of any act or omission of the CM, contractors, subcontractors or their agents, the CM shall not be entitled to extension of the contract time and shall be subject to the payment of liquidated damages as provided in this Agreement.

4.2.4 The contract time shall be adjusted only for changes authorized pursuant to this Agreement, suspension or the work by the Owner, and excusable delays pursuant to section 4.2.4.2. In the event the CM requests an extension of the contract time or files a claim related to any form of delay, it shall furnish such justification and supporting evidence as the Owner may deem necessary for a determination of whether or not the CM is entitled to an extension of time under the provisions of the contract, and shall further outline the alleged impact on the schedule's critical path. The burden of proof to substantiate a claim shall rest with the CM, including evidence that the cause was beyond its control. The Owner shall base its findings of fact and decision on such justification and supporting evidence, including a finding that the alleged delay impacted the Project's critical path, and shall advise the CM in writing thereof. If the Owner finds that the CM is entitled to any extension of the contract time, the Owner's determination of the total number of days extension shall be based upon the currently approved progress schedule and on all data relevant to the extension. Such data will be incorporated into the schedule in the form of a revision thereto, accomplished in a timely manner. The CM acknowledges and agrees that actual delays (due to said changes, suspension of work or excusable delays) in activities which, according to the schedule, do not affect the contract time, do not have any effect upon the contract time and therefore will not be the basis for a change therein. The CM acknowledges and agrees that time extensions will be granted only to the extent that excusable delays exceed the available float in the critical path activities in the currently approved schedule.

4.2.4.1 Extensions in the contract time by change orders are subject to extension-in-time audit by the Owner as follows:

4.2.4.1.1 The CM agrees that, even though the Owner, CM and Design Consultant have previously signed a change order containing an extension-in-time resulting from a change in or addition to the work that said extension in the contract time may be adjusted by an audit after the fact by the Owner. If such an audit is to be made, the Owner must undertake the audit and make a ruling within 30 days after the completion of the work under the change order.

4.2.4.1.2 The CM agrees that any extension of the contract time to which it is entitled arising out of a change order undertaken on a force accounting (labor and materials) basis, shall be determined by an extension-in-time audit by the Owner after the work of the change order is completed. Such rulings shall be made by the Owner within 30 days after a request for same is made by the CM or Design Consultant, except said 30 days will not start until the work under the change order is completed.

4.2.4.1.3 Should a time extension be granted for substantial completion the date for final completion shall be appropriately adjusted unless specifically stated otherwise.

4.2.4.2 Subject to other provisions of the contract, the CM may be entitled to an extension of the contract time (but no increase in the GMP) for delays arising from unforeseeable causes beyond the control and without the fault or negligence of the CM, the contractors or suppliers as follows:

4.2.4.2.1 Labor disputes and strikes (including strikes affecting transportation), that do, in fact, directly delay the progress of the work on the critical path; however, an extension of contract time on account of an individual labor strike shall not exceed the number of days of said strike;

4.2.4.2.2 Acts of God: tornado, fire, hurricane, blizzard, earthquake, or flood that damage completed work or stored materials and affecting the critical path;

4.2.4.2.3 For excessive inclement weather, the Contract Time will not be extended due to reasonably anticipated inclement weather or for delays in the aftermath of inclement weather, reasonably anticipated or excessive. The time for performance of this Agreement, as stated in the Contract Documents, includes an allowance for calendar days which may not be available for construction out-of-doors; for the purposes of this Agreement, the Contractor agrees that the number of calendar days per month based on a five-year average shall be considered reasonably anticipated inclement weather and planned for in the construction schedule per the Contract. Unless the Contractor can substantiate to the satisfaction of the Owner that there was greater than the reasonably anticipated inclement weather considering the total cumulative time from the notice-to-proceed with on-site activities until the date established for Substantial Completion using data from the National Oceanic and Atmospheric Administration ("NOAA") weather service stations in the Brunswick County, NC area (Wilmington, NC and Myrtle Beach, SC) or a weather station acceptable to the Owner and that such alleged greater than reasonably anticipated inclement weather actually delayed the Work or portions thereof which had an effect upon the Contract Time, the Contractor shall not be entitled to an extension of time.

Also the Contractor agrees that the calculation of the number of excessive inclement weather days shall be the number of days in excess of the five-year average for each month, in which precipitation exceeded one tenth (.10) inch, or in which the highest temperature was 32 degrees F or less as recorded at the approved weather station. Rain days from hurricanes and tropical storms not causing damage in Brunswick County shall be deemed inclement weather days.

If the total accumulated number of calendar days lost to excessive inclement weather, from the notice-to-proceed with on-site activities until the date established for Substantial Completion, exceeds the total accumulated number to be reasonably anticipated for the same period based upon the five-year average, time for completion will be extended by the number of calendar days needed to include the excess number of calendar days lost. No extension of time will be made for days due to excessive inclement weather occurring after the date established for Substantial Completion or work out of doors that is not on the critical path. No change in Contract Sum will be authorized because of adjustment of Contract time due to excessive inclement weather.

4.2.4.2.4 Delays in the issuance of a required permit, acts of the public enemy, acts of the state, federal or local government in its sovereign capacity, and acts of another contractor in the performance of a contract with the Owner relating to the Project.

4.2.5 If the CM shall neglect, fail or refuse to complete the work within the time herein specified, or any proper extension thereof granted by the Owner, then the CM does hereby agree, as a part consideration for the awarding of this Agreement, to pay the Owner the amount specified in the contract, not as a penalty but as liquidated damages for such breach of contract as hereinafter set forth, for each and every calendar day that the CM shall be in default after the time stipulated in the contract for completing the work. The said amount is fixed and agreed upon by and between the CM and the Owner because of the impracticability and extreme difficulty of fixing and ascertaining the actual damages the Owner would in such event sustain, and said amount is agreed to be the amount of damages which the Owner would sustain and said amount shall be retained from time to time by the Owner from current periodical estimates.

4.2.6 The CM and the contractors shall not be entitled to and hereby expressly waive any extension of time resulting from any condition or cause unless said claim for extensions of time is made in writing to the Owner within ten (10) days of the first instance of delay for all delays, except excessive inclement weather which shall be made in writing to the Owner within forty-five (45) days after the date the structure is enclosed. Circumstances and activities leading to such claim shall be indicated or referenced in a daily field inspection report for the day(s) affected. In every such written claim, the CM shall provide the following information:

4.2.6.1 Nature of the delay;

4.2.6.2 Date (or anticipated date) of commencement of delay;

4.2.6.3 Activities on the progress schedule affected by the delay, and/or new activities created by the delay and their relationship with existing activities;

4.2.6.4 Identification of person(s) or organization(s) or event(s) responsible for the delay;

4.2.6.5 Anticipated extent of the delay; and

4.2.6.6 Recommended action to avoid or minimize the delay.

4.2.7 If no schedule or agreement is made stating the dates upon which written interpretations shall be furnished, then no claim for delay shall be allowed on account of failure to furnish such interpretations until twenty (20) days after request is made for them, and not then unless such claim is reasonable.

4.2.8 No claim by the CM for an extension of time for delays will be considered unless made in strict compliance with the requirements of this Article. All claims not filed in accordance with this Paragraph shall be waived by the CM.

## **ARTICLE 5**

### **CHANGES IN THE CONSTRUCTION MANAGER'S BASIC SERVICES AND ADDITIONAL COMPENSATION**

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#### **5.1 Changes - Preconstruction Basic Services**

5.1.1 The Owner, without invalidating this Agreement, may make changes in the CM's Basic Services specified in Paragraphs 3.2, 3.3 and 3.4 of this Agreement. The CM shall promptly notify the Owner of changes which increase or decrease the CM's compensation, the duration of the CM's Basic Services, or both.

#### **5.1.2 Additional Compensation and Extended Duration**

The CM shall be entitled to receive additional compensation and additional time when the scope of Paragraphs 3.2, 3.3 and 3.4 is increased or extended through no fault of the CM. If the scope of these Basic Services is increased or the duration of these Basic Services is extended or the duration of the Basic Services to be performed within a phase duration specified in Article 4 is extended, the CM shall be entitled to receive additional compensation, and the duration of the Agreement shall be extended. A written request for additional compensation shall be given by the CM to the Owner within ten (10) days of the occurrence of the event giving rise to such request. The amount of additional compensation to be paid and the amount of extension of the duration of this Agreement shall be determined on the basis of the CM's cost, a customary and reasonable adjustment in the CM's fixed or lump sum fee consistent with the provisions of this Agreement, and a determination of the length of the extensions of the duration of this Agreement.

#### 5.1.3 Changes in the CM's Basic Services

Changes in the CM's Basic Services in Paragraphs 3.2, 3.3 and 3.4 and entitlement to additional compensation shall be made by a written change order to this Agreement executed by the Owner and the CM. The change order shall be executed by the Owner and CM prior to the CM performing the services required by the change order. The CM shall proceed to perform the services required by the change order only after receiving notice directing the CM to proceed. The CM shall not be entitled to compensation for work performed without a written change order.

#### 5.1.4 Payment of Additional Compensation

The CM shall submit invoices for additional compensation with its invoice for Basic Services and payment shall be made pursuant to the provisions of Article 7 of this Agreement.

### 5.2 Changes to the Work or Construction Phase Basic Services

The Owner may, at any time, by written order designated or indicated to be a change order, make any change or modification in the work or add to the work within the general scope of the contract, including, but not limited to changes: (1) in the specifications or drawings; (2) in the sequence, method or manner of performance of the work; (3) in the Owner-furnished facilities, equipment, materials, services or site; or (4) directing acceleration in the performance of the work.

The parties agree that notwithstanding any language to the contrary in Paragraphs 5.2.1 through 5.2.4, the CM's fee on any additional work and the fee reduction for any work or allowances removed from the scope of work shall be based on the same percentage fee specified in Paragraph 7.4.1, unless the CM performs the work with its own forces as allowed in this Agreement. The parties agree that Paragraphs 5.2.1.1 through 5.2.1.3 are intended to govern payment to the contractors and their subcontractors for performing work associated with a change, unless the CM performs the work with its own forces as allowed in this Agreement. If the CM performs the work with its own forces, the CM shall also be referred to by the term "contractor" in Paragraphs 5.2.1.1 through 5.2.1.3. The parties specifically agree that any adjustment to the amount that could be reimbursed for general conditions, if any, shall be negotiated in good faith between the parties based upon the additional work actually required to be performed by the CM as a result of the change.

#### 5.2.1 Owner Directed Changes to the Work Requiring an Increase in GMP

If the change in or addition to the work will result in an increase in the Guaranteed Maximum Price, the Owner shall have the right to require the performance thereof on a lump sum basis, a unit price basis or a time and material basis, all as hereinafter more particularly described (the right of the Owner as aforesaid shall apply with respect to each such change in the work).

5.2.1.1 If the Owner elects to have the change in the work performed on a lump sum basis, its election shall be based on a lump sum proposal which shall be submitted by the CM to the Owner within ten (10) days of the CM's receipt of a request therefor (but the Owner's request for a lump sum proposal shall not be deemed an election by the Owner to have the change in the work performed on a lump sum basis). The CM's proposal shall be itemized and segregated by labor and materials for the various components of the change in or addition

to the work (no aggregate labor total will be acceptable) and shall be accompanied by signed proposals of any contractors who will perform any portion of the change in, or addition to, the work and of any persons who will furnish materials or equipment for incorporation therein. The proposal shall also include the CM's estimate of the time required to perform said changes or additional work.

5.2.1.1.1 The portion of the proposal relating to labor, by the forces of any of the contractors, may include: reasonably anticipated gross wages of job site labor, including foremen, who will be directly involved in the change in the work (for such time as they will be so involved), plus premium costs of overtime time, if overtime is anticipated; a maximum labor burden of thirty nine percent (39%) of the actual cost of labor by any such contractor in connection with such labor; and up to fifteen percent (15%) of such anticipated gross wages, as overhead and profit for any such contractor, as applicable (said overhead and profit to include all extended general conditions and supervision, but it shall not include the labor burden).

5.2.1.1.2 The portion of the proposal relating to materials may include the reasonably anticipated direct costs to the contractor or to any of its subcontractors of materials to be purchased for incorporation in the change in the work, plus transportation and applicable sales and use taxes and up to fifteen percent (15%) of said direct material costs as overhead and profit for the contractor or any of its subcontractors (said overhead and profit to include all small tools), and may further include the contractor's and any of its subcontractor's reasonably anticipated rental costs in connection with the change in the work (either actual or discounted local published rates), plus up to eight percent (8%) thereof as overhead and profit for any of the contractors, as applicable (said overhead and profit to include all extended general conditions and supervision, except it shall not be applied to any sales tax paid for any purpose or shipping costs incurred by the contractor or any subcontractor). If any of the items included in the lump sum proposal are covered by unit prices contained in the contract documents, the Owner may, if it requires the change in the work to be performed on a lump sum basis, elect to use these unit prices in lieu of the similar items included in the lump sum proposal, in which event an appropriate deduction will be made in the lump sum amount prior to the application of any allowed overhead and profit percentages. No overhead and profit shall be applied to any unit prices.

5.2.1.1.3 The CM shall provide any documentation that may be requested by the Owner to support the change proposal including payroll records, insurance rates, material quotes or rental quotes. The CM shall also provide an itemized breakdown of all transportation and shipping costs, including receipts documenting the expenses.

5.2.1.1.4 The lump sum proposal may include up to eight percent (8%) of the amount which the contractor will pay to any of its subcontractors for the change in the work as a commission to the contractor. The change proposal form attached to this Agreement as Appendix D-1 shall be used to submit the change proposal to the Owner.

5.2.1.1.5 In the event that the CM fails to submit his proposal within the designated period, the Owner may order the CM to proceed with the change or addition to the work and the CM shall so proceed. The Owner shall unilaterally determine the reasonable cost and time to perform the work in question, which determination shall be final and binding upon the CM.

5.2.1.1.6 In the event that the parties are unable to agree as to the reasonable cost and time to perform the change in or addition to the work based upon the CM's proposal and the Owner does not elect to have the change in the work performed on a time and material basis, the Owner may choose to make a determination of the reasonable cost and time to perform the change in the work, based upon their own estimates, the CM's submission or a combination thereof, except for a change order initially establishing the GMP for the Project or initially establishing a partial GMP for a portion of the work included in the original Project scope. A change order shall be issued in this case for the amounts of cost and time determined by the Owner and shall become binding upon the CM unless the CM submits its protest in writing to the Owner within thirty (30) days of the issuance of the change order. Owner has the right to direct in writing the CM to perform the change in the work, which is the subject of such change order. Failure of the parties to reach agreement regarding the cost and time of the performing the change in the work and/or any pending protest, shall not relieve the CM from performing the change in the work promptly and expeditiously.

5.2.1.1.7 The Owner reserves the right to reject the CM's proposal for a change in the work and to elect to perform said work using a separate contractor. Under such circumstances, the CM shall coordinate the performance of the work.

5.2.1.2 If the Owner elects to have the change in the work performed on a time and material basis, the same shall be performed, by the forces of any of the contractors, at actual cost to the entity performing the change in the work. The change proposal form attached as Appendix D-2 shall be used to submit the initial change proposal to the Owner for approval to proceed. The CM shall maintain records to submit to the Owner such as daily time and material tickets, to include the identification number assigned to the change in the work, the location and description of the change in the work, the classification of labor employed (and names and employee numbers), the materials used, the equipment rented (not tools) and such other evidence of cost as the Owner may require. The Owner may require authentication of all time and material tickets and invoices by persons designated by the Owner for such purpose. The failure of the CM to secure any required authentication shall, if the Owner elects to treat it as such, constitute a waiver by the CM of any claim for the cost of that portion of the change in the work covered by a non-authenticated ticket or invoice; provided, however, that the authentication of any such ticket or invoice by the Owner shall not constitute an acknowledgment by the Owner that the items thereon were reasonably required for the change in the work.

The change proposal form attached as Appendix D-1 shall be used to submit the final change proposal to the Owner after the work is complete. The final change proposal shall document all costs and expenses. Appendix D-1 shall be filled out in accordance with the instructions in Paragraph 5.2.1.1, and its subparagraphs.

5.2.1.3 Changes in the work to be completed on a unit price basis shall be quantified by the Design Consultant or an independent third party and shall be completed at an all inclusive rate established in the bid proposal, unless a mutually agreed upon price is established by the Owner and CM. The unit prices include the cost of all materials, taxes, shipping and delivery charges, labor and labor burden, insurance, supervision, overhead and profit. Time to complete any work done on a unit price basis for quantities within the base bid allowance amount is included in the base bid. The unit price does not include bonds. Procedures for quantifying units of measure shall be proposed by the Design Consultant and agreed to by the CM and Owner prior to the commencement of the work to be completed on a unit base price. Work performed without such agreement in place shall be deemed to have been done at the sole risk and expense of the CM. Time for quantities exceeding the base bid allowance will be evaluated based on the effect of the change in the work on the critical path of the Project.

5.2.1.3.1 No overhead and profit will be paid by the Owner on account of a change in the work except as specifically provided in this section. Overhead and profit, as allowed in this section, shall be deemed to include all costs and expenses which the CM or any of the contractors may incur in the performance of a change in the work and which are not otherwise specifically recoverable by them pursuant to this section.

5.2.1.4 The Owner may direct in writing the CM to begin changes in the work prior to the issuance of a formal change order. The CM shall promptly perform the changes in the work directed by the Owner in a manner that shall result in minimum impact on the critical path.

## 5.2.2 CM Notice of Change

If the CM or any of the contractors asserts that any event or occurrence has caused a change in or addition to the work which change causes an increase or decrease in the GMP or the time required for the performance of any part of the work under the contract, including work not affected directly by the change, the CM shall, within ten (10) days of such event unless such event was not discovered in the exercise of reasonable diligence, in which event the ten (10) day notice period shall commence upon discovery or when the CM should have discovered such event, give the Owner written notice as herein required. Said notice shall include the instructions or circumstances that are the basis of the claim and the CM's best estimate of the cost and time involved.

If the CM intends to assert a claim under this section, he must, within ten (10) days after the furnishing of a written notice as outlined above, submit to the Owner a written statement setting forth the specific nature and anticipated cost of such claim, unless this period is extended by the Owner. The statement of claim hereunder may be included in the notice required above. The statement of claim shall include all direct, indirect and impact costs associated with the change, as well as the CM's estimate of the schedule impact of the change, if any. The CM and the contractors shall not be entitled to reimbursement or an increase in the GMP for any claims that are not filed in strict conformance with this section. The CM shall indemnify and hold the Owner harmless against any claims by the contractors that are waived because they are not filed in strict conformance with this section.

If the parties are unable to agree to the reasonable cost and time to perform the change, or are unable to agree as to whether a change occurred, the Owner shall make a unilateral determination as described in this section. The CM shall proceed with the work pursuant to the provisions of this section.

### 5.2.3 General Provisions Related to Changes

The CM shall not be entitled to any amount for indirect costs, damages or expenses of any nature, including, but not limited to, so-called "impact" costs, labor inefficiency, wage, material or other escalations beyond the prices upon which the proposal is based and to which the parties have agreed pursuant to the provisions of this section, and which the CM, the contractors or any other person may incur as a result of delays, interferences, suspensions, changes in sequence or the like, for whatever cause, whether reasonable or unreasonable, foreseeable or unforeseeable, or avoidable or unavoidable, arising from the performance of any and all changes in the work performed pursuant to this section, unless the delay is caused solely by the Owner or Design Consultant. It is understood and agreed that the CM's and the contractors' sole and exclusive remedy in such event shall be recovery of direct costs as compensable hereunder and an extension of the contract time, but only in accordance with the provisions of the contract documents. No claim by the CM hereunder shall be allowed if asserted after final payment for the construction of the Project under this Agreement. No claim relating to or flowing from a particular change shall be allowed after execution of the change order relating to that change or commencement of the change by the CM, except as specifically provided in this section.

If any dispute should arise between the parties with respect to an increase or decrease in the GMP or an expansion or contraction in the contract time as a result of a change in the work, the CM shall not suspend performance of a change in the work or the work itself unless otherwise so ordered by the Owner in writing. The Owner shall, however, pay to the CM up to the Owner's reasonable estimated value of the change in the work, regardless of the dispute, if said change in the work results in an increase in the contract sum; and the Owner shall have the right to decrease the contract sum up to the Owner's reasonable estimated value of the change in the work, regardless of the dispute, if said change in the work results in a decrease in the contract sum. The CM's acceptance of payment following a unilateral decision by the Owner shall not constitute a waiver of any claim the CM may have for additional compensation or time. However, any claim the CM may have shall be filed in strict conformance with the contract documents.

5.2.4.1 If the change in the work will result in a decrease in the contract sum, the CM shall provide a quotation detailing the proposed amount of such decrease. The portion of the proposal relating to labor, whether by the CM's forces or the forces of any of the contractors, shall include reasonably anticipated gross wages of job site labor, including foremen, who would have been directly involved in the work that has been deleted from the contract (for such time as they would have been so involved), plus payroll costs (including premium costs of overtime time, if overtime was anticipated, social security, federal or state unemployment insurance taxes and fringe benefits required by collective bargaining Agreements entered into by the contractor or any subcontractor in connection with such labor) and seven percent (7%) of such anticipated gross wages, but not payroll costs, as overhead and profit not incurred or earned by the contractor or any subcontractor, as applicable (said overhead and profit to include all supervision except foremen). If applicable, the fee percentage to be applied to the CM's forces shall be the percentage stated in section 7.4.1.

5.2.4.2 The portion of the proposal relating to materials shall include the reasonably anticipated direct costs



which would have been incurred by the contractor or to any subcontractors for materials which would have been purchased or incorporation in the work but which has been deleted from the contract, plus transportation and applicable sales and use taxes which will be avoided, and seven percent (7%) of said direct material costs incurred by the contractor or subcontractor (excluding transportation and sales and use taxes) as overhead and profit not incurred or earned by the contractor or any subcontractor (said overhead and profit to include all small tools), and shall further include the contractor's and subcontractor's reasonably anticipated rental costs which will be avoided (either actual or discounted local published rates), plus five percent (5%) thereof as overhead and profit not incurred or earned by the contractor or subcontractor, as applicable. If any of the items included in the lump sum proposal are covered by unit prices contained in the contract documents, the Owner may elect to use these unit prices in determining the amount of reduction to the GMP as a result of a deletion of work from the contract. No overhead and profit shall be applied to any unit prices for purposes of calculation such reduction in the contract sum. The lump sum proposal for work which would have been performed by any subcontractors shall include four percent (4%) of that amount as an estimate of the contractor's overhead and profit that will not be earned by contractor due to the decrease in the contract sum. In the event the construction work would have been performed by the CM in the limited circumstances allowed in this Agreement, the fee percentages stated in this section shall apply to the work that would have been performed by the CM as the contractor and its subcontractors.

5.2.4.3 The CM's quotation shall be forwarded to the Owner within ten (10) days of the Owner's request and, if acceptable to the Owner, shall be incorporated in a change order. If not acceptable, the parties shall make every reasonable effort to agree as to the amount of such decrease, which may be based on a lump sum properly itemized, on unit prices stated in the contract documents and/or on such other basis as the parties may mutually determine. If the parties are unable to so agree, the amount of such decrease shall be the total of the estimated reduction in actual cost of the work, as determined by the Owner in its reasonable judgment, plus overhead and profit as stated above the CM's acceptance of payment following a unilateral decision by the Owner shall not constitute a waiver of any claim the CM may have for additional compensation. However, any claim the CM may have shall be filed in strict conformance with the contract documents.

#### 5.2.5. Minor Changes in the Work

The Owner shall have authority to order minor changes in the work not involving an adjustment in the contract sum or an extension of the contract time and not inconsistent with the intent of the contract documents. Such changes shall be effected by written order, and shall be binding on the Owner and the CM. The CM shall carry out such written orders promptly.

The CM shall not perform any changes in the work unless authorized in writing by the Design Consultant or Owner. The CM's performance of minor changes pursuant to this Section shall not constitute a waiver of any claim the CM may have for additional compensation or time. However, any claim the CM may have shall be filed in strict conformance with the contract documents.

#### 5.2.6 Differing Site Conditions

Should the CM encounter subsurface and/or latent conditions at the site materially differing from those shown on the drawings or indicated in the specifications or differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement, he shall immediately give notice to the Owner of such conditions before they are disturbed. The Owner and the Design Consultant shall thereupon promptly investigate the conditions and if they find that they materially differ from those shown on the drawings or indicated in the specifications, they shall at once make such changes in the drawings and/or specifications as they may find necessary. Any increase or decrease of cost resulting from such changes shall be adjusted in the manner provided herein for adjustments as to extra and/or additional work and changes. However, neither the Owner nor the Design Consultant shall be liable or responsible for additional work, costs or changes to the work that could have been reasonably determined from any geotechnical, soils and other reports, surveys and analyses made available for the CM's review or that could of been discovered by the CM through the performance of its obligations pursuant to this Agreement.

5.3 General Provisions Regarding Changes in Contractor Work. In the event the work included in the original contract issued to a contractor is changed, or new contracts are issued, the CM shall notify the Owner of the change or the new contract, including the nature and reason for the change or new contract and the associated cost. Regardless of whether the change or new contract is believed to result in an increase or decrease in the GMP. The Owner and CM shall review all changes or new contracts that were not incorporated into a change order between the Owner and CM or resulted in the use of either of the CM's contingencies at the conclusion of the Project in order to determine whether the Owner is entitled to a reduction in the cost of work portion of the GMP as it is defined in Paragraph 7.4.1.

## **ARTICLE 6**

### **OWNER'S RESPONSIBILITIES**

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- 6.1 The Owner shall provide to the CM complete information regarding the Owner's requirements for the Project.
- 6.2 The Owner shall examine information submitted by the CM and shall render decisions thereto promptly.
- 6.3 The Owner shall contract with a Design Consultant to furnish design counseling services as may be necessary for the Project.
- 6.4 The Owner shall furnish insurance for the Project only as specified in Article 8.
- 6.5 If the Owner observes or otherwise becomes aware of any fault or defect in the Project or nonconformity with the Contract Documents, the Owner shall give prompt written notice thereof to the CM.
- 6.6 The Owner shall furnish required information and approvals and perform its responsibilities and activities in a timely manner to facilitate orderly progress of the Work in cooperation with the CM, consistent with this Agreement, and in accordance with the planning and scheduling requirements and budgetary restraints of the Project as determined by the CM.
- 6.7 The Owner shall retain a Design Consultant whose services, duties and responsibilities shall be described in a written Agreement between the Owner and Design Consultant. The services, duties, and responsibilities of the Design Consultant set out in the agreement between the Owner and Design Consultant shall be compatible and consistent with this Agreement and the Contract Documents. The Owner shall, in its agreement with the Design Consultant, require that the Design Consultant perform its services in cooperation with the CM, consistent with this Agreement and in accordance with the planning, scheduling and budgetary requirements of the Project as determined by the Owner and documented by the CM.
- 6.8 The Owner shall approve the Project and Construction Budget and any subsequent revisions as provided in Paragraph 3.2.3.2 of this Agreement.
- 6.9 If the Owner contracts separately with any other parties, the Owner shall cause all such Agreements to be compatible and consistent with this Agreement.
- 6.10 At the request of the CM, sufficient copies of interim and bidding drawings, specifications and contract documents shall be furnished to or printed by the CM at the Owner's expense. The CM shall be solely responsible for the cost of any drawings, specifications and contract documents required after bidding the Project.

- 6.11 The Owner or Design Consultant shall in a timely manner secure, submit and pay for necessary approvals, easements, assessments, permits and charges required for the construction, use or occupancy of permanent structures, or for permanent changes in existing facilities.
- 6.12 The Owner shall furnish evidence satisfactory to the CM that sufficient funds are available and committed for the entire cost of the Project. The Owner may authorize the CM to proceed with the work on the Project in discrete phases if all of the funds required for the entire Project are not identified at the time this Agreement is executed by the parties.
- 6.13 The Owner, its representatives and consultants, including Design Consultants, shall endeavor to communicate with the Contractors only through the CM.
- 6.14 The Owner shall send to the CM and shall require the Design Consultant to send the CM copies of all notices and communications sent to or received by the Owner or Design Consultant relating to the Project.
- 6.15 The Owner shall designate, in writing, an officer, employee or other authorized representatives to act in the Owner's behalf with respect to the Project. This representative shall be available during working hours and as often as may be required to render decisions and furnish information so as not to delay the Project. The CM acknowledges that some changes in the scope of the Project may require approval by the Board of Education. The CM shall notify the Owner in writing of any deadlines for responses and how the Owner's failure to respond by the stated deadline will impact the Project schedule.
- 6.16 The Owner shall make payments to the CM on the basis of the Contractors' payment applications that are certified by the CM and on the basis of the CM's invoices for its services performed. Prior to payment by the Owner, the Design Consultant shall review and approve the contractors' pay applications in accordance with Paragraphs 3.5.3.5 and 3.5.3.6.

## **ARTICLE 7**

### **COMPENSATION FOR CM SERVICES AND PAYMENT**

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- 7.1 **Guaranteed Maximum Price**
- 7.1.1 The Owner and CM agree that the Guaranteed Maximum Price GMP shall be Twenty-Two Million, One Hundred Twenty Six Thousand, Six Hundred Nine Dollars (\$22,126,609) for this Project. This preliminary pricing is based upon the allowable funding established for the construction phase of the project. It is the intent of this agreement for the CM, Owner, and Design team to work together during the preconstruction process to maintain or improve this number, working through multiple exercises to dial in the scope of the project to ensure the budget is maintained. The parties further agree that in the event the bids received by the CM for the work, including all of the alternates accepted by the Owner, pursuant to Article 3.4 of this Agreement exceed the line item in the GMP for the cost of the work, the following steps will be taken. 1. The CM will negotiate with the lowest responsive bidder working with the design team to make limited and responsible changes to the plans and specifications without significantly modifying the program 2. The CM will restructure the bid packages, breakdown larger packages, and rebid packages with minor modifications 3. With the assistance of the designer, at no cost to the CM, the plans and specifications will be modified, and the package re-advertised and re-bid 4. Owner may seek additional funding or deploy reserve funds, or 5. -. this Agreement is terminated by the CM pursuant to Paragraph 7.1.1.1 In the event that the bids received by the CM for the work, including all alternatives accepted by the Owner, are less than the line item in the GMP for the cost of the work, the remaining funds shall be added to the Owner's contingency. The scope of work included in the bid documents, including any alternates accepted by the Owner, shall form the basis of the work to be performed by the CM. The CM and Owner agree that the cost for Pre-Construction shall be \$147,459. and that line items in the GMP shall consist of the Cost Of The Work, CM's Contingency, Owners Contingency, General Conditions, CM's Fee, and Bond/Insurance). The CM and Owner further agree that the dollar values for the line items in the GMP stated above consist

of the cost of the work (\$18,610,000), CM Construction Contingency (\$558,300), Owner Construction Contingency (\$558,300), General Conditions (\$1,120,209), And CM's Fee (4%, \$744,400), and Bond/Insurance (\$535,400).

7.1.1.1 The parties agree that in the event the bids received by the CM for the work, including all of the alternates accepted by the Owner, pursuant to Article 3.4 of this Agreement exceed the line item in the GMP for the cost of the work, then the CM shall have the right to terminate this Agreement. The CM shall provide the Owner with notice of intent to terminate pursuant to this provision within fifteen (15) days of the CM's receipt of bids for the Project. Prior to a termination pursuant to this provision becoming effective, the Owner and CM will review the list of alternates, other modifications or value engineering requests in order to determine whether an Agreement can be reached between the Owner and CM regarding a modified scope of work or an adjustment to the GMP. In the event an Agreement regarding the modified scope of the work and/or a revision to the GMP cannot be reached within fifteen (15) days of the Owner's receipt of notice of intent to terminate pursuant to this section, then the termination shall become immediately effective

7.1.1.2 The parties specifically agree that none of the provisions in Article 10 shall apply to any termination of this Agreement pursuant to section 7.1.1.1, but the CM shall be entitled to payment for work actually performed through the procurement phase (section 3.4) pursuant to the compensation set forth in Paragraph 7.4.1; however, CM shall not be compensated for any services provided after the date of termination. In the event a modified scope of work and/or a revision to the GMP is agreed upon by the parties, the modified scope shall form the basis of the work to be performed by the CM for the established GMP. The CM construction contingency, general conditions, and/or CM's fee for construction may be reduced by mutual consent of both parties in order to provide funding for the Project. The CM and Owner shall document any changes to the GMP, scope of work, cost of the work, general conditions, CM fee, or CM contingency prior to the Owner issuing notice to proceed with the work. Any reduction in the cost of the work as a result of a modification of the Project scope shall be added to the Owner's contingency

7.1.1.3 In the event the Owner does not request the CM to establish a Guaranteed Maximum Price or does not accept the CM's Guaranteed Maximum Price, then this Agreement may be terminated by the Owner with seven (7) days written notice. In the event this Agreement is terminated pursuant to this provision, the CM shall only be entitled to receive compensation for services as outlined in Article 10.

7.1.1.4. In the event that the Guaranteed Maximum Price is accepted by the Owner, a change order shall be completed and executed by both parties to this Agreement and the CM shall become responsible for the means, methods, sequences, and procedures used in the construction of the Project and shall proceed with the CM's basic services.

7.1.1.5 Construction contracts for the Work required for the Project shall be between the CM and Contractors. The CM shall request and receive bids for each contract and shall solicit and award the contracts in accordance with N.C. Gen. Stat. § 128.1, 143-128.2 to -128.4 and 143-135.8. The contractor and CM shall comply in all respects with the Owner's MBE policies, rules and regulations. The CM shall enter into contracts with the lowest responsible and responsive bidders within sixty (60) days after notice of approval of the GMP by the Owner; however, the CM shall not be entitled to additional time to complete the Project due to any delay in entering into contracts with a bidder unless the delay is due solely to the actions or inactions of the Owner.

7.1.1.6 The CM may perform a portion of the work only if (1) bidding produces no responsible, responsive bidder for that portion of the work, the lowest, responsive, responsible bidder will not execute a contract for the bid portion of the work, or a contractor defaults and a pre-qualified replacement cannot be obtained in a timely manner, and (2) the Owner approves of the CM's self-performing of the work. In the event the CM self-performs a portion of the work pursuant to either method noted above, it shall be paid for the direct cost of the work with no reimbursement for office overhead or for any other work otherwise included in the general conditions. The fee for the work will be at the same CM fee percentage stated in 7.4.1. This paragraph shall not govern compensation for work self-performed by the CM pursuant to Paragraph 5.2.

- 7.1.1.7 The Guaranteed Maximum Price is the total cost of the Project, as defined herein. The Guaranteed Maximum Price includes the cost of labor, equipment, supplies, materials, services and allowances to complete the Project. The cost data shall be directly correlated to the specific design drawings and specifications in existence at the time the Guaranteed Maximum Price is prepared. The assumptions used in the preparation of the Guaranteed Maximum Price shall be identified by the CM as part of the Guaranteed Maximum Price documentation, and incorporated into the change order establishing the GMP. If the Owner directs the CM to award a contract to a bidder other than the lowest responsible and responsive bidder for any portion of the Project, the Guaranteed Maximum Price shall be increased by the amount of the difference between the award price and the price submitted by the lowest responsible and responsive bidder. The Contingency shall not be changed.

The GMP shall include the cost of the work, CM's general conditions, bonds/insurance, the CM's fee for construction and post-construction phase basic services. The GMP shall also include a CM construction contingency fund. The CM construction contingency fund and the Owner's contingency fund shall only be utilized as outlined in Paragraphs 7.1.1.7.1, and 7.1.1.7.2. The CM's fee shall be paid pursuant to Section 7.4. The general conditions shall be reimbursed as described in 7.1.1.7.3. 7.1.1.7.1 Unless otherwise agreed in writing, the CM's construction contingency may be used by the CM to expedite the work, address scheduling and coordination problems, respond to a default by a non-bonded contractor, and repair damaged work in place where the responsible contractor cannot be identified by the CM after reasonable efforts to identify the responsible party. The CM's construction contingency may also be used by the CM to correct design issues that reasonably should have been discovered by the CM during the performance of its obligations pursuant to Paragraphs 3.3.1.5 and 3.3.1.6, correct scope gaps in the bidding of the Project, , and any issues that are the fault of the CM. The CM's use of the CM's construction contingency fund shall be documented in writing by the CM and approved by the Owner in writing prior to the CM billing for the work. The CM shall not be entitled to receive any fee for the use of the CM's contingency. In the event of a default by a contractor, the CM shall not use the CM's contingency to cover any costs covered by a performance or payment bond provided by the contractor or covered by a program paid for by the CM to insure the performance of the contractors. The CM shall vigorously pursue reimbursement of all expenses from the contractor's surety or through the program provided by the CM.

- 7.1.1.7. Unless otherwise agreed in writing, the Owner's contingency fund shall be used to correct any design issues that could not reasonably have been discovered by the CM during the performance of its obligations during the design and bidding phases, and any changes requested by the Owner. The use of the Owner's contingency fund shall be documented in writing by the CM and approved by the Owner in writing prior to the CM billing for the work.

- 7.1.1.7.3 The General Conditions shall be paid monthly on a pro-rata basis based upon the project schedule in an amount that shall not exceed the amount included in the GMP. The Owner and CM agree that the items to be reimbursed as general conditions are indicated in Appendix E. The Owner reserves the right to take Ownership and possession of any equipment or other item purchased by the CM as part of general conditions at the conclusion of the Project. The CM shall be notified of the Owner's intent to take possession of any such items prior to final payment.

- 7.1.1.8 The Guaranteed Maximum Price shall include those taxes applicable to the Project. Any sales tax refunds paid to the Owner shall be exclusively for the Owner's use and shall not in any way reduce the cost of the Project or impact the Guaranteed Maximum Price.

- 7.1.1.9 The Owner may change the scope of the Project or a part thereof and the Guaranteed Maximum Price shall then be adjusted as provided in Paragraph 7.1.3.

- 7.1.1.10 In the event that the cost of the Project exceeds the Guaranteed Maximum Price and any adjustments therein as may be due pursuant to the terms hereof, the CM shall continue to perform at no additional cost to the Owner until the Project, defined by this Agreement and attachments hereto, is complete and achieves final completion. The CM shall be responsible for paying all costs and expenses, in

accordance with the terms of this Agreement, that may be necessary to complete the Project, even if such amounts are in excess of the Guaranteed Maximum Price.

#### 7.1.2 Cost of the Project

The term "cost of the Project" shall include all amounts paid by the Owner to the CM for construction and post-construction phase basic services provided by the CM in Paragraphs 3.5 and 3.6 and payment to all separate Contractors, suppliers and equipment lessors for all work, material, and equipment supplied to the Project including general conditions items.

##### 7.1.2.1 The cost of the Project shall not include the following:

###### 7.1.2.1.1 The CM's fee for Basic Services;

###### 7.1.2.1.2 All professional fees paid by the Owner to the Design Consultant or other consultants retained directly by the Owner;

###### 7.1.2.1.3 All costs paid directly by the Owner to contractors or suppliers retained directly by the Owner and outside the scope of the Guaranteed Maximum Price;

###### 7.1.2.1.4 All Additional Services costs as defined herein; or

###### 7.1.2.1.5 All other costs identified as being not within the Guaranteed Maximum Price.

##### 7.1.2.2 The cost of the Project may be further defined in the change order identifying the scope of the work and the final Guaranteed Maximum Price. If the requirements of this Paragraph 7.1.2 and the documentation required by the change order establishing the Guaranteed Maximum Price differ, then the CM shall identify and explain the difference, but the documentation provided in accordance with change order establishing the final Guaranteed Maximum Price shall be the basis for determining the scope of the Guaranteed Maximum Price.

#### 7.1.3 Adjustments to the Guaranteed Maximum Price

The CM understands, confirms and agrees that its responsibility hereunder is to construct the Project in accordance with the drawings and specifications. It is recognized that the Guaranteed Maximum Price may be determined based upon incomplete design documents and in those instances in which the drawings and specifications are not complete at the time the Guaranteed Maximum Price is established, the CM shall exercise reasonable care and judgment to determine the intent of the design and shall calculate the Guaranteed Maximum Price on the basis of the quality of construction, materials, and finishes that can be reasonably inferred from the design documents or other specified sources. The CM shall determine unit prices and the cost of the Project and shall make those assumptions regarding the Project scope and the quality of the intended construction as may be necessary to fully document the Guaranteed Maximum Price. The Owner and CM shall use the most recently approved Project scope in determining whether or not the scope of the Project or a part thereof has been changed and in determining entitlement to an adjustment to the Guaranteed Maximum Price. A determination regarding all requests for adjustment to the Guaranteed Maximum Price shall be made in writing within thirty (30) days from the date of a written request for an adjustment.

##### 7.1.3.1 The amount of adjustment to increase or decrease the Guaranteed Maximum Price resulting from a change in the Project shall be determined in one or more of the following ways:

###### 7.1.3.1.1 By mutual acceptance of a lump sum, properly itemized and supported by cost data; or

###### 7.1.3.1.2 By unit prices defined and listed in the GMP documentation; or

- 7.1.3.1.3 If neither of the methods set forth in 7.1.3.1.1 or 7.1.3.1.2 is agreed upon by the Owner, the CM provided it receives a written order signed by the Owner, shall promptly proceed with the work involved. The cost of such work shall then be determined on a time and material basis pursuant to Article 5. Choice of this method shall not restrict the Owner or the CM from disputing the justification or right of the CM to an increase in the Guaranteed Maximum Price due to such work. In such case, the CM shall keep and present in such form as may be agreeable to the Owner an itemized accounting together with appropriate supporting data of the actual cost of the Project.
- 7.1.3.2 If the unit prices are stated and if the quantities originally contemplated by the CM are so changed in a proposed change order or as a result of several change orders that application of the agreed unit prices to the quantities or work proposed cause substantial inequity to the Owner or the CM, the applicable unit prices and Guaranteed Maximum Price shall be adjusted.
- 7.1.3.3 Should concealed or unknown physical conditions be encountered that differ materially from those identified in the drawings or specifications, the Guaranteed Maximum Price may be adjusted by change order in accordance with Paragraph 5.2.2.
- 7.1.3.4 The Design Consultant shall have the authority to order minor changes in the Project consistent with the intent of the drawings and specifications and not involving an adjustment in the Guaranteed Maximum Price or change of the construction completion date. Such changes may be affected by written order only and shall be signed by the Owner and the CM prior to the work being performed.
- 7.1.3.5 In the event that the bids for the construction of the Project are less than the line item(s) in the GMP for the construction of the Project, the GMP shall be reduced dollar for dollar to reflect the savings. The parties agree that any savings based upon the receipt of bids shall be retained solely by the Owner.
- 7.1.4 Unused Funds
- 7.1.4.1 In the event that there are any funds remaining in any contingency, those funds shall be retained solely by the Owner.
- 7.1.4.2 In the event that all of the funds allocated for the CM's general conditions are not used, the CM shall retain all of those funds.
- 7.1.4.3 In the event that there are unused allowances or other cost of work funds, all of those funds, plus the associated CM fee, shall be retained by the Owner.
- 7.1.4.4 In the event that the bids for the construction of the Project are less than the line item(s) in the GMP for the construction of the Project, the Owner's contingency shall be increased dollar for dollar to reflect the savings. The parties agree that any savings based upon the receipt of bids shall be retained solely by the Owner

#### 7.4 Lump Sum

The Owner shall compensate the CM for Basic Services on the basis of a Lump Sum in accordance with the terms and conditions of this Agreement as follows:

##### 7.4.1 Compensation for Basic Services

The CM shall be compensated for performing Basic Services described in the pre-design phase (Paragraph 3.2), design phase (Paragraph 3.3) and the procurement phase (Paragraph 3.4) for a total lump sum in the amount of One Hundred Forty Seven Thousand, Four Hundred and Fifty Nine dollars (\$147,459) that shall be divided by the number of months scheduled for the basic services in Paragraphs 3.2, 3.3 and 3.4 and paid in equal monthly installments as the services are performed. The CM shall be compensated for performing basic services described in the construction phase

(Paragraph 3.5) and post-construction phase (Paragraph 3.6) for In the event there are changes in the work that require an adjustment in the CM's construction/post-construction fee, the fee adjustment shall be based upon 4% of the cost of the work added or deleted from the Project. The fee for these phases shall be paid in proportion to the percentage of the actual cost of the work paid by the Owner. The cost of the work as used in this section shall be the total dollar amount of the construction contracts awarded by the CM to contractors for the performance of the work, minus any unused allowances or other deductive change orders. The CM's contingency shall not be included in the calculation or payment of the CM's fee. Progress payments for the work performed by the contractors shall be paid as the work is performed and approved in accordance with this Agreement. The CM acknowledges that the Owner only has funds for the basic services in Paragraphs 3.2, 3.3, and 3.4 at the time this Agreement is being executed and that the CM is not authorized to perform any services in Paragraphs 3.5 and 3.6 or any other provisions of this Agreement without the express written permission of the Owner.

#### 7.4.2 Payments

Payments to the CM shall be made monthly, not later than thirty (30) days after receipt of the CM's Invoice by the Owner.

##### 7.4.2.2 Payments due to the CM that are unpaid for more than thirty (30) days from the due date of the CM's invoice shall not bear interest from the due date.

#### 7.4.3 Compensation for Additional Services

The CM shall be compensated, and payments shall be made for performing Additional Services in an amount and on terms mutually agreeable between the Owner and CM.

#### 7.4.4 Auditing Rights

The CM shall keep all records and supporting documentation which concern or relate to the work, general conditions, or other monies paid hereunder for a minimum of three (3) years from the date of termination of this Agreement or the date the Project achieves final completion. The CM shall require all of its subcontractors to likewise retain all of their Project records and supporting documentation. The Owner, and any duly authorized agents or representatives of the Owner, shall be provided access to all such records and supporting documentation during normal business hours upon reasonable request by the Owner. Further, the Owner, and any duly authorized agents or representatives of the Owner, shall have the right to audit, inspect and copy all of the CM's and any contractor's Project records and documentation. The access, inspection, copying and auditing rights shall survive the termination of this Agreement.

#### 7.5 Adjustments to the CM's Compensation

The CM shall notify the Owner as specified in this Agreement when material changes to the scope of the Project or a part thereof or when delays caused in whole or in part by the Owner or Design Consultant are expected to increase or extend the Project's critical path or the scope or duration of the CM's services. If the change results in a delay to the Project's critical path or a material increase in the Project's scope, the CM shall be entitled to receive an increase in the duration of this Agreement and/or additional compensation for the change in accordance with this Agreement.

#### 7.6 Liquidated Damages

##### 7.6.1 Should the CM fail to substantially complete the Project or phase on or before the date stipulated for substantial completion of the Project (or such later date as may result from extension of time granted by Owner), the CM shall pay or the Owner may retain from the funds otherwise to be paid to the CM the sum of \$1,000.00 per day as substantial completion liquidated damages for each consecutive calendar day beyond the date established in this Agreement that Project fails to achieve substantial



completion as defined in this Agreement, which sum is agreed upon as a reasonable and proper measure of damages which the Owner will sustain per day by failure of the CM to complete work within time as stipulated; it being recognized by the Owner and the CM that the injury to the Owner which could result from a failure of the CM to complete on schedule is uncertain and cannot be computed exactly. This amount is the minimum measure of damages the Owner will sustain due to delay in the completion of the work, which shall include but not be limited to the loss of use of the facilities, the relocation of students and services, the cost of Owner's time and resources, damage to Owner's reputation, and storage of furniture and other materials. The inability of the Owner to quantify actual damages shall not prevent the recovery of liquidated damages.

- 7.6.2 For each consecutive calendar day that the work remains incomplete after the date established for final completion of the Project, the CM shall pay or Owner will retain from the compensation otherwise to be paid to the CM the sum of \$500.00 per day as final completion liquidated damages. This amount is agreed upon as a reasonable and proper measure of damages the Owner will sustain due to the delay in the completion of all remedial work, the delay in the correction of the deficient work, the disruption to the school and the learning environment, the cost of Owner's time and resources, damage to Owner's reputation, and the inability to use the facilities fully. This amount is in addition to the liquidated damages prescribed above for substantial completion.
- 7.6.3 The amount of liquidated damages set forth in Paragraphs 7.6.1 and 7.6.2 hereinabove shall be assessed cumulatively. The items of cost included in the assessment of liquidated damages are defined above. This provision of liquidated damages does not bar Owner's right to enforce other rights and remedies against CM, including but not limited to, specific performance or injunctive relief. In no way shall costs for liquidated damages be construed as a penalty to the CM.
- 7.6.4 Notwithstanding any other provisions of the Agreement, if there is concurrent delay in the completion of the work, the CM shall be liable for liquidated damages as specified in this Agreement during such period of concurrent delay. For the purpose of this section 7.6, concurrent delay means (a) a delay event caused in part by the Owner or its agent and in part by the CM or its contractors, subcontractors, sub-subcontractors, or (b) one or more delay event caused solely by the Owner, its agents, or the Design Consultant, and one or more delay event caused in part by the CM, subcontractors, sub-subcontractors or agents, each of which would have resulted in a delay without the other and which delays run concurrently, or at the same time. In the event that the foregoing provision making the CM liable for liquidated damages during a period of concurrent delay is found to be unenforceable, then the parties agree that in the event of a concurrent delay, the extent of the delay will be apportioned between the Owner and the CM, and the CM will be responsible for liquidated damages as set forth in the section 7.6 for those portions of the delay which are apportioned to the CM, its subcontractors, sub-subcontractors, agents or material suppliers.
- 7.6.5 The amount of liquidated damages set forth in Paragraphs 7.6.1 and 7.6.2 hereinabove shall not include additional legal or design professional costs that may result from the CM's default. If such legal or design professional costs are incurred by the Owner, the CM shall be liable to the Owner for those costs in addition to the liquidated damages amount set forth hereinabove and in 7.7 Summary of Monetary Amounts.
- 7.7 The following summary is intended to provide a single location for all relevant monetary amounts included in this Agreement as of the date of execution of the Agreement. The following list shall take precedence over any inconsistencies in the amounts otherwise incorporated into this Agreement. The amounts in this Agreement shall only be revised by written agreement between the parties. The monetary amounts follow:

<b>CM Preconstruction Fee</b>	<b>\$147,459.</b>
<b>GMP</b>	<b>\$22,126,609</b>
Cost of Work	\$18,610,000

CM Construction Fee	\$744,400
CM Construction Contingency	\$558,300
Owner Contingency	\$558,300
General Conditions	\$1,120,209
Bonds/Insurance	\$535,400
<u>Pre-Construction + GMP</u>	<u>\$22,274,068</u>
Liquidated Damages-Substantial	\$1,000.00/day
Liquidated Damages – Final	\$500.00/day

- 7.8 Non-Appropriation. If the Board of County Commissioners does not appropriate the funding needed by the Owner to make payments under this Agreement for a given fiscal year, the Owner will not be obligated to pay amounts due beyond the end of the last fiscal year for which funds were appropriated. In such event, the Owner will promptly notify the CM of the non-appropriation, and this Agreement will be terminated at the end of the last fiscal year for which funds were appropriated. No act or omission by the Owner which is attributable to non-appropriation of funds shall constitute a breach of or default under this Agreement

## ARTICLE 8

### INSURANCE AND MUTUAL INDEMNITY

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#### 8.1 CM's Liability Insurance

- 8.1.1 The CM shall purchase at their own expense and maintain in companies properly licensed by the department of insurance of the State of North Carolina and rated "a" or better by a.m. best company as will protect it, the Owner, the Design Consultant and their agents, representatives, and employees from claims as set forth below which may arise out of or result from the CM's operations under the Agreement, whether such operations be by itself or by any contractor or subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be legally liable:

8.1.1.1 Worker's compensation, including occupational disease and employer's liability insurance.

8.1.1.1.1 Statutory coverage as required by the State of North Carolina worker's compensation laws.

8.1.1.1.2 Employer's Liability - at least \$1,000,000 each accident, \$1,000,000 disease - each employee, \$1,000,000 disease - policy limit (or sufficient limits to meet the requirements of the umbrella insurance.

8.1.1.2 Commercial General Liability Insurance - the CM shall obtain and maintain during the life of this Agreement such commercial general liability insurance as shall protect it and any contractor or subcontractor performing work under this Agreement from claims for damages for bodily injury, including accidental death, as well as from claims for property damage which may arise either from the operations or from a contractor or subcontractor or by anyone directly or indirectly employed by them. The CM shall procure insurance coverage for direct operations, sublet work, elevators, contractual liability and completed operations with limits not less than those stated below:

8.1.1.2.1 Bodily Injury & Property Damage Liability: \$1,000,000 each occurrence

8.1.1.2.2 Personal Injury & Advertising Liability - \$1,000,000 each occurrence

8.1.1.2.3 General Aggregate - \$2,000,000

8.1.1.2.4 Products/completed operations aggregate - \$2,000,000

8.1.1.2.5 Aggregate limits shall be endorsed to apply on a 'per Project' basis as respects this Agreement.

8.1.1.2.6 Completed Operations Liability: continuous coverage shall be maintained in force for a period of six (6) years following the date of final completion of the work.

8.1.1.3 Business Automobile Liability Insurance, including coverage for owned, non-owned and hired vehicles (symbol 1) - with limits not less than those stated below:

8.1.1.3.1 Combined single limit for bodily injury & property damage \$1,000,000 each accident.

8.1.1.4 Excess/Umbrella Liability Insurance: policy to "pay on behalf of the insured"

Limits of liability: the following shall apply based upon the original Projected GMP:

GMP: < \$25,000,000	\$5,000,000
GMP: > \$25,000,000	\$10,000,000

Umbrella shall schedule as underlying coverage employer's liability, business auto liability, and commercial general liability at limits required in Section 8.1.1 above.

8.1.1.5 Required limits may be met in total by any combination of primary and excess/umbrella limits.

8.1.1.7 Contractor's Pollution Liability

CM shall obtain and maintain in effect during the term of this Agreement a policy of pollution liability in the minimum amount of \$5,000,000 each claim, \$5,000,000 policy pollution policy aggregate. This coverage may be placed via combined contractor's professional and pollution liability policy, separate contractor's pollution liability policy or by use of the limited jobsite pollution liability endorsement to the commercial general liability policy. Continuous coverage shall be maintained in force for a period of six (6) years following the date of final completion of the work. CM is responsible for any applicable deductible.

8.1.1.8 If the Project includes any environmental abatement or remediation work (e.g. asbestos, mold, lead paint, or UST), the CM shall obtain and maintain in effect during the term of this Agreement policies for pollution liability covering this specific type of work, which policies shall protect the Owner and CM from claims in an amount not less than \$5,000,000 for each claim. Coverage may be procured directly by the CM or through policy placed on behalf of the environmental abatement subcontractor.

8.1.2 CM's business, auto, commercial general liability, builder's risk and excess/umbrella policies shall include an endorsement naming the Owner and the Brunswick County Board of Education as additional insureds and certificate holders. The additional insured endorsement for commercial liability shall specify coverage on a primary and non-contributory basis and included completed operations. All insurance policies shall be endorsed to provide for waiver of subrogation in favor of Owner. All insurance policies shall contain an endorsement providing the coverage afforded under the policies will not be canceled until at least thirty (30) days' prior written notice has been given to the Owner. Endorsements above may be provided on a Project specific or blanket basis as required by written contract.

8.1.3 Certificates of insurance acceptable to the Owner shall be filed with the Owner by the start date established in the master schedule and thereafter on renewal or replacement of each required policy of insurance. The certificate of insurance shall certify the existence of all required policies which satisfy

the requirements listed in Section 8.1 above. The following language shall be typed into the section of the certificate of insurance labeled description of operations/locations/vehicles/special items: "policies certified on this certificate have been amended by specific or blanket endorsement to provide 30 days prior notice of cancellation to Owner." Updated certificates of insurance shall be maintained on file with Owner and by CM throughout the term of the work and for a period of six (6) years from the date of final completion of the work.

Notwithstanding any provision above, contractor shall provide at least five (5) business days direct prior notice to Owner of the cancellation, non-renewal (without replacement), or the material reduction of coverage or limits of any policy of insurance required by Section 8.1.1 above and for a term of six (6) years following the date of final completion of the work.

- 8.1.4 The CM shall not allow any contractor or subcontractor to commence work on its contract until all similar insurance required of the contractor or subcontractor has been so obtained and a certificate of insurance has been filed with the CM. CM shall determine and approve the excess/umbrella liability insurance requirements and the term for certification of completed operations liability (following the date of final completion) for all contractors and subcontractors. Approval of the insurance by the Owner shall not relieve or decrease the liability of the CM hereunder. Failure of the CM to provide all required certificates could delay the issuance of notice to proceed. Such delay shall not entitle the CM to an extension of any milestone or completion dates required by the master schedule.

## 8.2 Builder's Risk Insurance

- 8.2.1 The CM shall purchase and at all times maintain such insurance as will protect the CM, the Owner, the Owner's representatives, agents and employees, the Design Consultant, contractors and subcontractors from loss or damage to work or property in the course of construction, including all machinery, materials and supplies on the premises, in storage or in transit and intended to become a part of the finished work until final payment has been made or until no person or entity other than the Owner has an insurable interest in the property to be covered by this insurance, whichever is sooner. This insurance shall be in the form of "builder's risk" policy insuring "risks of direct physical loss except those as specifically excluded by the policy", or equivalent. The policy shall not exclude the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft, vehicles, vandalism, theft, malicious mischief, riot, debris removal, flood, water damage, earthquake, earth movement, testing, architect's and engineering fees, mechanical or electrical breakdown, collapse however caused, and/or damage resulting from defective design, workmanship or material. Limits shall be written for the value of the GMP and insure the full cost of replacement at the time of loss. Sub-limits for flood or earthquake are subject to approval by Owner. The CM shall cause such policy or policies of insurance required under this subparagraph to be endorsed so as to provide that the insurer or insurers waive any right of subrogation against the Owner. Notwithstanding any deductible provision, the CM shall remain solely liable for the full replacement cost of any item covered by such insurance, including any applicable deductible or co-insurance penalty. Prior to commencement of work, CM shall provide to Owner a copy of the builder's risk policy obtained in compliance with Section 8.2.1.

- 8.2.2 All insurance companies providing the above insurance shall be properly licensed by the department of insurance of the State of North Carolina and rated "a" or better by a.m. best company.

- 8.2.3 Any loss insured under subparagraph 8.2.1 is to be adjusted with the Owner and made payable to the Owner as trustee for the insured, as their interests may appear, subject to the requirements of any applicable mortgagee clause and of subparagraph 8.2.5. The CM shall pay each contractor and/or subcontractor a just share of any insurance moneys received by the CM, and by appropriate agreement, written where legally required for validity, shall require each contractor or subcontractor to make payments in similar manner.

- 8.2.4 The Owner and CM waive all rights against each other for damages caused by fire or other perils to the extent covered by insurance obtained pursuant to this Paragraph 8.2, or any other property insurance applicable to the work, except such rights as they may have to the proceeds of such

insurance held by the Owner as trustee. The CM shall require, by appropriate agreement, written where legally required for validity, similar waivers in favor of the Owner and the CM by contractors and subcontractors. With respect to the waiver of rights of recovery, the term Owner shall be deemed to include, to the extent covered by property insurance applicable thereto, its consultants, employees, and agents and representatives. The CM waives as against any separate contractor all rights for damages caused by fire or other perils in the same manner as is provided above as against the Owner. The Owner shall require, by appropriate agreement, written where legally required for validity, similar waivers in favor of the CM by any separate contractor and its subcontractors.

- 8.2.5 If required in writing by any party in interest, the Owner as trustee shall, upon the occurrence of an insured loss, give bond for the proper performance of its duties. It shall deposit in a separate account any money so received, and it shall distribute it in accordance with such agreement as the parties in interest may reach, or in accordance with a court order or award. If after such loss no other special agreement is made, replacement of damaged work shall be covered by an appropriate change order.
- 8.2.6 The Owner as trustee shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within five (5) days after the occurrence of loss to the Owner's exercise of this power, and if such objection is made, the matter shall be decided by a court of competent jurisdiction or as the parties in interest otherwise agree. The Owner as trustee shall, in that case, make settlement with the insurers in accordance with the orders of the court or as otherwise agreed by the parties in interest.
- 8.2.7 If the Owner finds it necessary to occupy or use a portion or portions of the work prior to substantial completion thereof, such occupancy or use shall not commence prior to a time mutually agreed to by the Owner and CM and to which the insurance company or companies providing the property insurance have consented by endorsement to the policy or policies. This insurance shall not be canceled or lapsed on account of such partial occupancy or use. Consent of the CM and of the insurance company or companies to such occupancy or use shall not be unreasonably withheld.
- 8.3 Indemnity
  - 8.3.1 To the fullest extent permitted by law, the CM shall, at its sole cost and expense, indemnify, defend, and hold harmless the Owner and Design Consultant and their agents, representatives, and employees from and against all claims, actions, judgments, costs, liabilities, penalties, damages, losses and expenses, including but not limited to attorneys' fees, arising out of and/or resulting from the performance of the work by the CM, any contractor or subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be legally liable. The above obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Paragraph 8.3.1. The parties agree that this indemnification clause is an "evidence of indebtedness" for purpose of N.C. Gen. Stat. § 6-21.2. The parties also specifically acknowledge that the Owner is a public body and it is the intent of the parties that the Owner not incur any expenses when the contractor is solely responsible for the claims.
  - 8.3.2 In any and all claims against the Owner or the Design Consultant or any of their agents, representatives, or employees by any employee of the CM, any contractor or subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 8.3.1 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for the CM or any contractor or subcontractor from any of the insurance coverage required in Section 8.1 herein.
  - 8.3.3 The Owner hereby indemnifies and holds harmless the CM and its employees, agents, and representatives from and against any and all claims, demands, suits and damages for bodily injury and property damage caused solely by the Owner that arise out of or result solely from breach of this Agreement or from negligent acts, errors or omissions of the Owner, and its employees.

8.3.4 The CM shall cause each contractor and subcontractor to indemnify and hold harmless the Owner, CM, and Design Consultant from and against any and all claims, demands, suits, damages resulting from bodily injury, personal injury, damage to tangible property (including loss of use), costs, and expenses and fees that are asserted against the Owner, CM, and the Design Consultant and that arise out of or result from negligent acts, errors or omissions or the breach of the construction contract by the contractor or subcontractor, its employees, agents, and representatives in performing the work.

#### 8.4 Performance and Payment Bonds

8.4.1 Within 10 days of the establishment of the final GMP via change order, the CM shall provide a performance bond and payment bond each in the amount of the GMP, minus the Owner's contingency if the Owner's contingency is included in the GMP. The amount of the performance and payment bonds may be adjusted if the Guaranteed Maximum Price is reduced after the bids are received.

8.4.2 All insurance companies providing the above bonds shall be properly licensed by the Department of Insurance of the State of North Carolina and rated "A" or better by a.m. best company. The bonds shall be in the form approved by the Owner and attached hereto as Appendix F.

### ARTICLE 9 SUSPENSION

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#### 9.2 Suspension

9.2.1 The Owner may order, in writing, the CM to suspend all or any part of the CM's services for the Project for the convenience of the Owner or for work stoppage beyond the control of the Owner or the CM. If the performance of all or any part of the services for the Project is suspended, the Owner and CM may negotiate an adjustment in the CM's compensation for the CM's performance of this Agreement caused by such suspension and this Agreement may be modified in writing accordingly.

9.2.2 In the event the CM's services on the Project are suspended, the Owner shall reimburse the CM for all of the costs of its construction site staff, assigned Project home office staff and other costs provided for by this Agreement for the first seven (7) days of such suspension. The CM shall reassign the staff for the remainder of the suspension period unless directed otherwise by the Owner in writing and if the Owner directs the CM to maintain all or part of its staff, the Owner shall reimburse the CM for all costs of staff remaining dedicated to the Project. Upon cessation of the suspension, the CM shall restore the construction site and home office staff to its former size.

9.2.3 Persons assigned to another Project during such suspension or period and not available to return to this Project upon cessation of the suspension shall be replaced. The Owner shall reimburse the CM for costs incurred in relocating staff persons returning to the Project or new persons assigned to the Project.

9.2.4 If the Project is resumed after being suspended, the CM shall have the right to request that its compensation, including rates and fees, be renegotiated. Subject to the provisions of this Agreement relating to termination, a delay or suspension of the Project does not void this Agreement.

### ARTICLE 10 TERMINATION

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#### 10.1 Termination by the CM

10.1.1 If the work is stopped for a period of one hundred eighty (180) days by the Owner or under an order of any court or other public authority having jurisdiction, or as a result of an act of government, such as a declaration of a national emergency making materials unavailable, and through no act or fault of the CM or a contractor or their agents or employees or any other persons performing any of the work under a contract with the CM, then the CM may, upon seven (7) additional days' written notice to the Owner and the design consultant, terminate the contract and recover from the Owner payment for all work executed. The CM shall not be entitled to collect and hereby expressly waives any profit on work not performed and any damages related to that portion of the contract which has been terminated.

## 10.2 Termination for Convenience of the Owner

10.2.1 The Owner may, at any time upon ten (10) days' written notice to the CM and to the CM's surety, which notice shall specify that portion of the work to be terminated and the date said termination is to take effect, terminate (without prejudice to any right or remedy of the Owner) the whole or any portion of the work for the convenience of the Owner. The CM's sole remedy, in the event of such termination, will be the allowable termination costs permitted by Paragraph 10.4. CM shall include termination clauses identical to Article 10 in each of his subcontracts.

## 10.3 Default Termination

10.3.1 Ten (10) days' after written notice is mailed to the CM and to the CM's surety, the Owner may terminate (without prejudice to any right or remedy of the Owner or any subsequent buyer of any portion of the work) the employment of the CM and his right to proceed either as to the whole or any portion of the work required by the contract documents and may take possession of the work and complete the work by contract or otherwise in any one of the following circumstances:

- .1 If the CM or its surety refuses or fails to prosecute the work or any separable part thereof with such diligence as will ensure the substantial or final completion of the work within the contract time or fails to complete the work or remedy a default within said period;
- .2 If the CM is in material default in carrying out any provisions of the contract for a cause within his control;
- .3 If the CM fails to supply a sufficient number of properly skilled workmen or proper equipment or materials;
- .4 If the CM fails to make payment to the contractors or for materials or labor when due, unless he otherwise provides the Owner reasonable evidence that payment is not legally or contractually due;
- .5 If the CM disregards laws, permits, ordinances, rules, regulations or orders of any public authority having jurisdiction, or fails to follow the reasonable instructions of the Owner;
- .6 If the CM substantially violates any provisions of the contract documents; or
- .7 If the CM refuses or fails to properly schedule, plan, coordinate and execute the work, as specified herein, so as to perform the work within the specified milestone and completion dates, or to provide scheduling or related information, revisions and updates as required by the contract documents.

10.3.2 The right of the CM to proceed shall not be so terminated under this Paragraph 10.3 if the delays in the completion of the work are due to causes beyond the control and without the fault or negligence of the CM or the contractors.

10.3.3 If, after the CM has been terminated for default pursuant to Paragraph 10.3, it is determined that none of the circumstances set forth in Paragraph 10.3.1 exist, then such termination shall be considered a

termination for convenience pursuant to Paragraph 10.2. In such case, the CM's sole remedy will be the costs permitted by Paragraph 10.4.

10.3.4 If the Owner so terminates the employment of the CM, the CM shall not be entitled to receive any further payment until the work is finished. If the unpaid balance of the compensation that would have been paid to the CM for the actual work completed, excluding the CM's unused contingency, shall exceed the expense of so completing the work (including compensation for additional construction management, managerial, administrative, consultant, legal, design and inspection services and any damages for delay) such excess shall be paid to the CM.

10.3.5 If such expenses shall exceed the unpaid balance, the CM and his sureties shall be liable to the Owner for such excess. If the right of the CM to proceed with the work is partially or fully terminated, the Owner may take possession of and utilize in completing the work such materials, appliances, supplies, plant and equipment as may be on the site of the terminated portion of the work and necessary for the completion of the work. If the Owner does not fully terminate the right of the CM to proceed, the CM shall continue to perform the part of the work that is not terminated.

10.3.6 If the Owner terminates the whole or any part of the work pursuant to Paragraph 10.3, the Owner may procure, upon such terms and in such manner as the Owner may deem appropriate, supplies or services similar to those so terminated, and the CM shall be liable to the Owner for any excess costs for such similar supplies or services. The CM shall continue the performance of the contract to the extent not terminated hereunder.

#### 10.4 Allowable termination costs

10.4.1 If the Owner terminates the whole or any portion of the work pursuant to Paragraph 10.2, then the Owner shall only be liable to the CM for those costs reimbursable to the CM in accordance with Paragraph 10.4.2, plus a markup of ten percent for profit and overhead on the actual fully accounted costs paid by the Owner under 10.4.2; provided however, that if there is evidence that the CM would have sustained a loss on the entire contract had it been completed, no profit shall be included or allowed hereunder for the work performed and an appropriate adjustment shall be made reducing the amount of the settlement to reflect the indicated rate of loss. Under no circumstances shall the CM be entitled to any loss profit or fee on the work terminated pursuant to section 10.2.

10.4.1.1 After receipt of a notice of termination, the CM shall submit to the Owner his termination claim, in the form and with certification prescribed by the Owner. Such claim shall be submitted promptly, but in no event later than thirty (30) days from the effective date of termination, unless one or more extensions in writing are granted by the Owner upon request of the CM made in writing within such thirty (30) day period or authorized extension thereof. However, if the Owner determines that the facts justify such action, he may receive and evaluate any such termination claim at any time after such thirty (30) day period or any extension thereof. Upon failure of the CM to submit his termination claim within the time allowed, the Owner may determine, on the basis of information available to him, the amount, if any, due to the CM by reason of the termination.

10.4.2 If the Owner terminates the whole or any portion of the work pursuant to section 10.2, the Owner shall pay the CM an amount for supplies, services, or property accepted by the Owner, and which is in accordance with the contract documents, in an amount as if the Agreement had not been terminated. In addition, in such event, the Owner shall pay to CM an amount representing CM's actual cost, excluding any overhead and profit for the items and things specified in subparagraph 10.5.1.6 and not heretofore paid for, appropriately adjusted for any saving of freight or other charges. Under no circumstances, shall the CM be entitled to any loss profit or fee on the work terminated pursuant to section 10.2.

10.4.2.1 The CM agrees that neither the Owner nor the Design Consultant will be liable for payments to contractors or subcontractors pursuant to Paragraph 10.4.2 unless each contract or subcontract



contains termination provisions identical to those set forth in this Article 10. The Owner and the design consultant will not be liable to the CM or any of the contractors or subcontractors for any costs associated with termination if the contract or subcontract of the party involved does not include the required termination language.

10.4.3 In arriving at any amount due the CM pursuant to Paragraph 10.4, there shall be deducted the following:

- .1 All unliquidated advance or other payments on account theretofore made to the CM applicable to the terminated portion of the contract;
- .2 Any amount which the Owner reasonably believes the CM or any of the contractors owes to the Owner;
- .3 Such amount as the Owner determines to be necessary to protect the Owner against loss because of outstanding or potential liens or claims; and
- .4 The agreed price for, or the proceeds of sale of, any materials, supplies or other things acquired by the CM or sold, pursuant to the provisions of Paragraph 10.5.1.7, and not otherwise recovered by or credited to the Owner.

10.4.4 The total sum to be paid to the CM under Paragraph 10.4 shall not exceed the contract sum as reduced by the amount of payments otherwise made or to be made for work not terminated and as otherwise permitted by the contract. Except for normal spoilage, and except to the extent that the Owner shall have otherwise expressly assumed the risk of loss, there shall be excluded from the amounts payable to the CM, as provided in Paragraph 10.4.2, the replacement cost of property which is destroyed, lost, stolen or damaged so as to become undeliverable to the Owner, or to a buyer pursuant to Paragraph 10.5.1.7.

## 10.5 General Termination Provisions

10.5.1 After receipt of a notice of termination from the Owner, pursuant to Paragraph 10.2 or 10.3, and except as otherwise directed by the Owner, the CM shall:

- .1 Stop work under the contract on the date and to the extent specified in the notice of termination;
- .2 Place no further orders or subcontracts for materials, services or facilities, except as may be necessary for completion of such portion of the work under the contract as is not terminated;
- .3 Terminate all orders and subcontracts to the extent that they relate to the performance of work terminated by the notice of termination;
- .4 At the option of the Owner, assign to the Owner in the manner, at the times and to the extent directed by the Owner, all of the rights in the contracts so terminated, in which case the Owner shall have the right, at his discretion, to settle or pay any or all claims arising out of the termination of such orders and subcontracts;
- .5 Settle all outstanding liabilities and all claims arising out of such termination or orders and subcontracts, with the approval or ratification of the Owner, to the extent he may require, which approval or ratification shall be final for all the purposes of this article;
- .6 Transfer title and deliver to the entity or entities designated by the Owner, in the manner, at the times and to the extent directed by the Owner to the extent specifically produced or specifically acquired by the CM for the performance of such portion of the work as had been terminated, the following:

- (1) The fabricated or unfabricated parts, work in process, partially completed supplies and equipment, materials, parts, tools, dies, jigs and other fixtures, completed work, supplies and other material produced as part of, or acquired in connection with the performance of, the work terminated by the notice of termination; and
    - (2) The completed or partially completed plans, drawings, information, releases, manuals and other property related to the work and which, if the contract had been completed, would have been required to be furnished to the Owner;
  - .7 Use commercially reasonable efforts to sell, in the manner, at the times, to the extent and at the price or prices directed or authorized by the Owner, any property of the types referred to in Paragraph 10.5.1.6; provided, however, that the CM:
    - (1) Shall not be required to extend credit to any buyer, and
    - (2) May acquire any such property under the conditions prescribed by and at a price or prices approved by the Owner; and provided further that the proceeds of any such transfer or disposition shall be applied in reduction of any payments to be made by the Owner to the CM under the contract or shall otherwise be credited to the contract sum covered by the contract or paid in such other manner as the Owner may direct;
  - .8 Complete performance of such part of the work as shall not have been terminated by the notice of termination; and
  - .9 Take such action as may be necessary, or as the Owner may direct, for the protection and preservation of the property related to the contract which is in the possession of the CM and in which the Owner has or may acquire an interest.
- 10.5.2 The CM shall, from the effective date of termination until the expiration of three (3) years after final settlement under the contract, preserve and make available to the Owner, at all reasonable times at the office of the CM, but without direct charge to the Owner, all his books, records, documents and other evidence bearing on the costs and expenses of the CM under the contract and relating to the work terminated hereunder, or, to the extent approved by the Owner, photographs, micro-photographs or other authentic reproductions thereof.
- 10.5.3 If the termination, pursuant to Paragraph 10.2, be partial, the CM may file with the Owner a claim for an equitable adjustment of the price or prices specified in the contract relating to the continued portion of the contract (the portion not terminated by the notice of termination), and such equitable adjustment as may be agreed upon shall be made in such price or prices. Any claim by the CM for an equitable adjustment under this Paragraph must be asserted within six (6) months from the effective date of the notice of termination.
- 10.5.4 The CM shall refund to the Owner any amounts paid by the Owner to the CM in excess of costs reimbursable under Paragraph 10.4.
- 10.5.5 The CM shall be entitled to only those damages and that relief from termination by the Owner as specifically provided in Article 10.

## **ARTICLE 11**

### **ADDITIONAL PROVISIONS**

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#### **11.1 Limitation and Assignment**

- 11.1.1 The Owner and the CM each bind itself, its successors, assigns, insurers, and legal representatives to the terms of this Agreement.

11.1.2 Neither the Owner nor the CM shall assign or transfer its rights or interest in this Agreement without the written consent of the other, except that the CM may assign accounts receivable to a commercial bank for securing loans without approval of the Owner and the Owner may assign the Agreement to Brunswick County for any reason without the consent of the CM. However, nothing contained in this paragraph can prevent the CM from employing contractors or such consultants, associates or subcontractors as the CM may deem appropriate to assist in performance of the services and of the Work hereunder.

## 11.2 Governing Law and Venue

11.2.1 This Agreement shall be governed by the laws of the State of North Carolina, without regard for its choice of law provisions. All actions relating in any way to this Agreement shall be brought in the General Court of Justice of the State of North Carolina in Brunswick County or in the Federal District Court for the Eastern District of North Carolina, Wilmington division.

11.2.2 CM shall comply with all applicable laws and regulations in providing services under this Agreement. CM shall not employ any individuals to provide services to the Owner who are not authorized by federal law to work in the United States. CM represents that it is aware of and in compliance with the immigration reform and control act and North Carolina law (Article 2 of Chapter 64 of the North Carolina General Statutes) requiring use of the E-Verify system. CM further warrants that it will use the E-Verify system to verify employment eligibility of all its employees throughout the term of this Agreement, and that it will remain in compliance with all i-9 requirements throughout the term of this Agreement. CM shall also ensure that any subcontractors use the E-Verify system at all times while providing subcontracted services in connection with this Agreement.

11.2.3 Lunsford Act/Criminal Background Checks. The CM shall conduct or arrange to have conducted at its own expense sexual offender registry checks on each of its employees, agents, ownership personnel, or contractors ("contractual personnel") who will engage in any service on or delivery of goods to Owner property or at a school-system sponsored event, except checks shall not be required for individuals who are solely delivering or picking up equipment, materials, or supplies at: (1) the administrative office, provided that such administrative office is not located at a school site; (2) non-school sites; (3) schools closed for renovation; or (4) school construction sites where no minors are present. The checks shall include at a minimum checks of the state sex offender and public protection registration program, the state sexually violent predator registration program, and the national sex offender registry ("the registries"). For the CM's convenience only, all of the required registry checks may be completed at no cost by accessing the united states department of justice sex offender public website at <http://www.nsopw.gov/>. The CM shall provide certification on the sexual offender registry check certification form (Appendix G) that the registry checks were conducted on each of its contractual personnel providing services or delivering goods under this Agreement prior to the commencement of such services or the delivery of such goods. The CM shall conduct a current initial check of the registries (a check done more than 30 days prior to the date of this Agreement shall not satisfy this contractual obligation). In addition, CM agrees to conduct the registry checks and provide a supplemental certification form before any additional contractual personnel are used to deliver goods or provide services pursuant to this Agreement. CM further agrees to conduct annual registry checks of all contractual personnel and provide annual certifications at each anniversary date of this Agreement. CM shall not assign any individual to deliver goods or provide services pursuant to this Agreement if said individual appears on any of the listed registries. CM agrees that it will maintain all records and documents necessary to demonstrate that it has conducted a thorough check of the registries as to each contractual personnel, and agrees to provide such records and documents to the Owner upon request. CM specifically acknowledges that the Owner retains the right to audit these records to ensure compliance with this section at any time in the Owner's sole discretion. Failure to comply with the terms of this provision shall be deemed a material breach of the agreement. In addition, the Owner may conduct additional criminal records checks at the school system's expense. If the Owner exercises this right to conduct additional criminal records checks, CM agrees to provide within seven (7) days of request the full name, date of birth, state of residency for the past ten years,

and any additional information requested by the Owner for all contractual personnel who may deliver goods or perform services under this Agreement. CM further agrees that it has an ongoing obligation to provide the Owner with the name of any new contractual personnel who may deliver goods or provide services under the Agreement. Owner reserves the right to prohibit any contractual personnel of CM from delivering goods or providing services under this Agreement if Owner determines, in its sole discretion, that such contractual personnel may pose a threat to the safety or well-being of students, school personnel or others.

- 11.2.4 The CM represents that as of the date of this Agreement, neither the CM nor its principals are included on the final divestment list created by the North Carolina state treasurer pursuant to N.C. Gen. Stat. § 147-86.58. The CM also represents that as of the date of this Agreement, neither the CM nor its principals are included on the list of restricted companies determined to be engaged in a boycott of Israel created by the North Carolina state treasurer pursuant to N.C. Gen. Stat. § 147-86.81. The CM further represents that as of the date of this Agreement, neither the CM nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this Agreement by any governmental department or agency. The CM must notify Owner within thirty (30) days if debarred by any governmental entity during this Agreement.
- 11.2.5 Anti-Nepotism. The CM warrants that, to the best of its knowledge and in the exercise of due diligence, none of its corporate officers, directors, or trustees and none of its employees who will directly provide services under this Agreement are immediate family members of any member of the Owner's Board of Education or of any principal or central office staff administrator employed by the Owner. For purposes of this provision, "immediate family" means spouse, parent, child, brother, sister, grandparent, or grandchild, and includes step, half, and in-law relationships. Should the CM become aware of any family relationship covered by this provision or should such a family relationship arise at any time during the term of this Agreement, the CM shall immediately disclose the family relationship in writing to the superintendent. Unless formally waived by the Owner, the existence of a family relationship covered by this Agreement is grounds for immediate termination by Owner without further financial liability to the CM.
- 11.2.6 Sales and Use Tax. CM shall be responsible for complying with any applicable sales and use tax obligations imposed by chapter 105, Article 5 of the North Carolina General Statutes. Where CM has been contracted with to oversee "new construction" or "reconstruction" as defined in G.S. 105-164.4h, CM shall be responsible for issuing and maintaining an "affidavit of capital improvement."
- 11.2.7 Non-Discrimination. CM shall not discriminate against any employee or applicant for employment because of race, ethnicity, gender, gender identity, sexual orientation, age, religion, national origin, disability, color, ancestry, citizenship, genetic information, political affiliation or military/veteran status, or any other status protected by federal, state or local law or other unlawful form of discrimination. CM shall take affirmative action to ensure that applicants are employed and that employees are treated fairly during employment. In the event CM is determined by the final order of an appropriate agency or court of competent jurisdiction to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Agreement may be cancelled, terminated or suspended in whole or in part by Owner, and CM may be declared ineligible for further agreements with Owner.
- 11.2.8 Dispute Resolution. Should a dispute arise as to the terms of this Agreement, both parties agree that neither may initiate binding arbitration. The parties may agree to non-binding mediation of any dispute prior to the bringing of any suit or action.
- 11.2.9 Governmental Immunity. Owner, to the extent applicable, does not waive its governmental immunity by entering into this Agreement and fully retains all immunities and defenses provided by law with regard to any action based on this Agreement.
- 11.2.10 The CM shall comply with the above listed and all applicable laws and regulations in providing services under this Agreement.

### 11.3 Extent of Agreement

11.3.1 This Agreement represents the entire and integrated agreement between the Owner and the CM and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be modified or amended only by written instrument signed by both the Owner and the CM. Nothing contained in this Agreement is intended to benefit any third party. The Contractors and Design Consultant are not intended third party beneficiaries of this Agreement. This Agreement shall not be construed more strictly against one party than the other merely by virtue of the fact that it has been prepared initially by the Owner, it being recognized that both parties and their respective counsel have had a full and fair opportunity to negotiate and review the terms and provisions of this Agreement and to contribute to its substance and form.

### 11.4 Severability

11.4.1 If any provision of this Agreement is held as a matter of law to be unenforceable, the remainder of this Agreement shall be enforceable without such provision.

### 11.5 Meaning of Terms

11.5.1 References made in the singular shall include the plural and the masculine shall include the feminine or neuter.

### 11.6 Notices

11.6.1 Whenever any provision of the Contract Documents requires the giving of written notice, it shall be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended or if delivered or sent by registered or certified mail, postage prepaid, or by facsimile, addressed as follows:

To the Owner:

Brunswick County

Brunswick County Manager

30 Government Center Dr (via courier service or overnight services)

PO Box 249 (via mail)

Bolivia, NC 28422

With a copy to:

Brunswick County Board of Education

Executive Director of Operations

35 Referendum Dr.

Bolivia, NC 28422

To the CM:

Barnhill Contracting Company

John Smith VP

4312 Henson Dr

Wilmington, NC 28405

11.7 Compliance with Brunswick County and Brunswick County Board of Education Board Policies and Procedures.

- 11.7.1 The CM acknowledges that the Owner's policies governing conduct on the Owner's property are available for review on the Owner's website at [www.bcswan.net](http://www.bcswan.net). In addition to complying with the Owner's policies, the CM agrees to comply with the following:
- 11.7.2 The CM, the contractors and their employees shall not possess or carry, whether openly or concealed, any gun, rifle, pistol, or explosive on any property owned by the Owner. This includes firearms locked in containers, vehicles or firearm racks within vehicles. The CM, the contractors and their employees shall not cause, encourage or aid a minor, who is less than 18 years old to possess or carry, whether openly or concealed, any weapons on any property owned by the Owner.
- 11.7.3 The CM, the contractors and their employees, are prohibited from profane, lewd, obscene or offensive conduct or language, including engaging in sexual harassment.
- 11.7.4 The CM and the contractors shall not manufacture, transmit, conspire to transmit, possess, use or be under the influence of any alcoholic or other intoxicating beverage, narcotic drug, hallucinogenic drug, amphetamine, barbiturate, marijuana or anabolic steroids, or possess, use, transmit or conspire to transmit drug paraphernalia on any property owned by the Owner.
- 11.7.5 The CM and the contractors may not at any time use or display tobacco or nicotine-containing products, including but not limited to electronic cigarettes (e-cigarettes), on school premises, both indoor and outdoor. The prohibition of the display of tobacco or nicotine products shall not extend to a display that has a legitimate instructional or pedagogical purpose. For purposes of this Agreement, "tobacco product" is defined to include cigarettes, cigars, blunts, bidis, pipes, chewing tobacco, snuff, and any other items containing or reasonably resembling tobacco, tobacco products, or any facsimile thereof. "Tobacco use" includes smoking, chewing, dipping, or any other use of tobacco products.
- 11.7.6 The CM, the contractors and their employees shall not solicit from or sell to students or staff within the Owner's facilities or campuses, and shall not give gifts of any value to school system employees.
- 11.7.7 Operators of all commercial vehicles on any property owned by the Owner shall be subject to post-accident, random, reasonable suspicion and follow-up testing for drugs and alcohol.
- 11.7.8 The CM, the contractors and their employees are prohibited from using access to the site pursuant to this Agreement as a means to date, court, or enter into a romantic or sexual relationship with any student enrolled in the Owner's schools. The CM agrees to indemnify the Owner for claims against the Owner resulting from relationships which have occurred or may occur between a student and an employee of the CM or the contractors.
- 11.7.9 The CM, the contractors and their employees shall not interact with any students. Nothing in this Paragraph shall be construed to prevent the CM, the contractors and their employees from taking necessary measures to protect students, staff or other employees.
- 11.7.10 The CM shall at all times enforce strict discipline and good order among its employees and shall not employ any unfit person or anyone not skilled in the task assigned to it. The Owner may require the CM to remove any employee, contractor or subcontractor the Owner deems incompetent, careless or otherwise objectionable.
- 11.7.11 All agents and workers of the CM and the contractors shall wear identification badges provided by the CM at all times they are on the Owner's property. The identification badges shall at a minimum display the company name, telephone number, employee name and a picture of the employee. The CM and the contractors shall comply with the Owner's site or school building access procedures when working on any existing school campus.
- 11.8 Construction Project Policies

The CM acknowledges the Owner's, minority business participation policy, and prequalification of bidders for construction Projects, including their regulations and procedures, attached as Appendixes H and I be incorporated into this Agreement.

- 11.9 Signatures. This Agreement, together with any amendments or modifications, may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be considered one and the same agreement. This Agreement may also be executed electronically. By signing electronically, the parties indicate their intent to comply with the Electronic Commerce in Government Act (N.C.G.S § 66-58.1 et seq.) and the Uniform Electronic Transactions Act (N.C.G.S § 66-311 et seq.). Delivery of an executed counterpart of this Agreement by either electronic means or by facsimile shall be as effective as a manually executed counterpart.

This Agreement is executed the day and year first written above.

**OWNER:**

**BRUNSWICK COUNTY**

---

Chairman, Board of Commissioners

Attest:

---

Clerk to the Board

[Seal]

**CONSTRUCTION MANAGER:**

**BARNHILL CONTRACTING COMPANY**

---

John W. Smith, Vice President Building Division Eastern

Attest:

---

Stephen Smith, Senior Project Manager

[Corporate Seal]

"This instrument has been pre-audited in the manner required by the School Budget and Fiscal Control Act."

---

Freyja Cahill, Finance Officer  
Brunswick County Board of Education

4.9020.697.527.326.875.00

"This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act."

---

Aaron C. Smith, Director of Fiscal Operations  
Brunswick County, North Carolina

APPROVED AS TO FORM

---

Robert V. Shaver, Jr., County Attorney /  
Bryan W. Batton, Assistant County Attorney  
Brunswick County, North Carolina



## APPENDIX A DESIGN CONSULTANT AGREEMENT - CM at RISK

## APPENDIX A DESIGN CONSULTANT AGREEMENT - CM at RISK

**EXHIBIT A**

**CONSTRUCTION CONTRACT AWARD PRICE**

**Design, Construction And Equipment Budget- Nbhs Addition And Improvements**

DESIGN FEE	\$1,057,000
PRECONSTRUCTION (CM)	\$147,459
CONSTRUCTION CONTRACT AWARD PRICE-INCLUDES COST OF WORK, GENERAL CONDITIONS, CM FEE, CM CONTINGENCY, BONDS/INS.	\$21,568,309
OWNER CONTINGENCY	\$558,300
FURNITURE, EQUIPMENT, FEES, TESTING	\$649,070
TOTAL	\$23,980,138

# **EXHIBIT B**

## **PROGRAM OF REQUIREMENTS**

## PROGRAM OF REQUIREMENTS

The program consists of the design and construction of new classrooms and athletic field/playing areas. The project will generally follow the master plan included in this section, described and/or modified herein. Specifically, the project program includes

- A 12-classroom addition. The building design will include a new band room and ancillary spaces as a bid alternate, and the provisions for a 4-classroom future addition. Provisions shall include adequate number of plumbing fixtures for build-out, electrical circuits sized for future build-out, and all other interfacing utility infrastructure wireways routed from the natural point of origination to the to the common expansion wall.
- Relocation of underground utilities from under building (and future classroom) footprints and paved athletic surfaces.
- The relocation and on-site set-up of 2 doublewide modular units
- Construction of a fire road to replace demolished sections of the existing fire road
- Construction of a new softball field, press box, dugouts, and scoreboard. Field shall be fenced and irrigated. Scope work shall include the relocation of LED field lights and poles.
- Construction of a 6-tennis court playing area adjacent to Old Fayetteville Road. The area will include male and female restrooms, a small concession (package goods) disbursement area, and a small storage area.
- Construction of 3 practice fields adjacent to the 12-classroom addition. The fields will be irrigated
- Modification of the front stormwater pond, completion of a new pond in the rear, and installation of required piping and appurtenances per the approved stormwater plan. Installation of erosion control measures. The civil engineer is to submit the stormwater and erosion control plan applications to the authority having jurisdiction.
- One additional parking lot for parking of the staff in the new addition and local road improvements if necessary.
- All demolition required to perform the scope of services. Items to include but are not limited to paving, masonry structures, electrical services, plumbing services, and fencing.
- And other non-specified items required for a complete design.

The design is by architect/engineer unless identified as a delegated design. Demolition and construction is through the CM unless indicated otherwise in the contract documents.

# **EXHIBIT C**

## **MANAGEMENT PLAN**

MILESTONES TO SUPPORT AUGUST 1, 2024 SUBSTANTIAL COMPLETION

Construction Manager at Risk Notice to Proceed.....	September 8, 2022
Architect/Engineer Notice to Proceed .....	September 8, 2022
Design/Permitting/Construction Drawings.....	March 31, 2023
GMP Acceptance/Construction Notice to Proceed .....	June 1, 2023
Construction Substantial Completion .....	August 1, 2024
Project Completion .....	September 1, 2024

Construction Manager to Generate Detailed Comprehensive Management/Construction Schedules with Interim Dates for use During Design and Construction



**EXHIBIT D**

**AGREEMENT FOR CONSULTANTS SERVICES**

## EXHIBIT D

### AGREEMENT FOR CONSULTANT'S SERVICES

The undersigned Consultant and Architect agree as follows on the furnishing of services by the consultant for: (structural) (mechanical) (electrical) work for this Project to be executed under Agreement for Design Consultant Services with the Owner, dated \_\_\_\_\_ for the following Project:

Pertinent provisions of this Agreement for Design Consultant Services shall govern work to be performed by the Consultant and the Architect. By signing this document, the Consultant verifies that he has read and is thoroughly familiar with this Agreement for Design Consultant Services, and that he has not otherwise relied on any representations or assurances by any person as to the terms of the said Agreement for Design Consultant Services.

Services rendered by the Consultant shall be complete, including drawings and specifications, visits to the site at intervals appropriate to the stage of construction, reports, shop drawing approval and final certificate of compliance.

The Architect will act as principal coordinator and prime designer.

**CONSULTANT:**

**ARCHITECT:**

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

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

President

President

ATTEST:

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
Secretary

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

# **EXHIBIT E**

## **DESIGN CONSULTANT FEES**

**HOURLY RATE SCHEDULE**

Principal	\$225-275/hr
Senior Associate	\$150-200/hr
Associate	\$120-160/hr
Architect/Engineer/Interior Designer	\$145-165/hr
Designer	\$100-145/hr
Technician	\$ 50-110/hr
Support	\$ 50-150/hr
Expert Witness	1.5 x billing rate
3D Scanner	\$200

*\*Rates subject to change each January*

Any consultants required and authorized by the Owner will be billed at cost plus (10) ten percent

**Reproduction Expenses**

Plots	Size	Regular	Color
	18x24	\$ 5.00	\$10.00
	24x36	\$10.00	\$15.00
	30x42	\$15.00	\$20.00
Photocopies	8 1/2 x 11	\$ .15	\$ .50
	8 1/2 x 14	\$ .20	\$ .75
	11x17	\$ .25	\$ 1.00
Prints	18x24	\$ 2.00	
	24x36	\$ 3.00	
	30x42	\$ 4.00	

**EXHIBIT F**

**SEXUAL OFFENDER CERTIFICATION FORMS**

**Sexual Offender Registry Check Certification Form**

Check the appropriate box to indicate the type of check:

- ☐ Initial
- ☐ Supplemental
- ☐ Annual

I, \_\_\_\_\_ (insert name), \_\_\_\_\_ (insert title) of \_\_\_\_\_ (insert company name) hereby certify that I have performed all of the required sexual offender registry checks required under this Agreement for all contractual personnel (employees, agents, ownership personnel, or contractors ) who may be used to deliver goods or provide services under this Agreement, including the North Carolina Sex Offender and Public Protection Registration Program, the North Carolina Sexually Violent Predator Registration Program, and the National Sex Offender Registry. I further certify that none of the individuals listed below appears on any of the above-named registries and that I will not assign any individual to deliver goods or perform services under this Agreement if said individual appears on any of the sex offender registries. I agree to maintain all records and documents associated with these registry checks, and that I will provide such records and documents to the school system upon request. I specifically acknowledge that the school system retains the right to audit these records to ensure compliance with this section at any time in the school system’s sole discretion. I acknowledge that I am required to perform these checks and provide this certification form before any work is performed under the Agreement (initial check), any time additional contractual personnel may perform work under the Agreement (supplemental check), and at each anniversary date of the Agreement (annual check).

**Contractual Personnel Names**

**Job Title**

- |    |       |       |
|----|-------|-------|
| 1. | _____ | _____ |
| 2. | _____ | _____ |
| 3. | _____ | _____ |
| 4. | _____ | _____ |
| 5. | _____ | _____ |

(attach additional page(s) if needed)

I attest that the forgoing information is true and accurate to the best of my knowledge.

_____ (print name)	_____ (signature)
_____ (title)	_____ (date)

## **EXHIBIT G**

# **OWNER AND CONSTRUCTION MANAGER AT RISK AGREEMENT**

## APPENDIX B-1 MANAGEMENT PLAN (PRELIMINARY)



MANAGEMENT PLAN - MILESTONES TO SUPPORT AUGUST 2024 SUBSTANTIAL COMPLETION

- Construction Manager at Risk Notice to Proceed..... September 8, 2022
- Architect/Engineer Notice to Proceed ..... September 8, 2022
- Design/Permitting/Construction Drawings.....March 31, 2023
- GMP Acceptance/Construction Notice to Proceed .....June 1, 2023
- Construction Substantial Completion .....August 1, 2024
- Project Completion ..... September 1, 2024

Construction Manager to Generate Detailed Comprehensive Management/Construction Schedules with Interim Dates for use During Design and Construction

## APPENDIX B-2 CONSTRUCTION SCHEDULE AND REPORTING

## CONSTRUCTION SCHEDULES AND REPORTS

### 1.01 GENERAL REQUIREMENTS

- A. The work under this contract shall be planned, scheduled, executed and reported using the Critical Path Method (hereinafter referred to as: CPM), pursuant to the provisions of the Standard Form of Agreement Between Owner and Construction Manager (hereinafter referred to as: Agreement).
- B. The primary objectives of the project scheduling program are to insure the adequate planning, scheduling and execution of the construction activities so they may be prosecuted in an orderly and expeditious manner, within the Contract Time and the milestones stipulated by the Contract, to provide optimum coordination between contractors, to establish the basis for measuring and monitoring individual contractor progress and overall project progress, to detect problems for the purpose of taking corrective action to maintain the scheduled program and to provide a mechanism or tool for determining and monitoring such corrective actions.
- C. Any schedules prepared for this project by the Owner are made available by the Owner solely as an aid to the Construction Manager (CM). The Owner's plan may not optimize, and it is not intended to optimize, the CM's costs or resources. It is intended that these schedules will reflect the milestones and completion dates established by the Owner. However, the services provided by the Owner, the existence of schedules, networks, or any other charts or services prepared or performed by the Owner or Design Consultant shall in no way relieve the CM of the responsibility of complying with all of the requirements of the Agreement, including but not limited to the responsibility of completing the Work within the Contract Time and the responsibility of planning, scheduling and coordinating the work. The CM is required to comply with all control procedures specified herein and with any reasonable changes that may be necessary, in the opinion of the Owner and Design Consultant, during the contract duration.
- D. Any and all milestone or specific dates listed in these specifications, or elsewhere in the Agreement, represent only the major items of construction/erection work or interface dates. The milestone completion dates indicated are considered essential to the satisfactory performance of this Agreement and to the coordination of all work on the project.
  - 1. The milestone dates listed are not intended to be a complete listing of all work under this Agreement or of all interfaces between project contractors.
  - 2. The milestone dates listed represent the latest allowable completion dates. Earlier completion dates may be established by the CM as agreed by the Design Consultant and the Owner.
- E. If the CM should desire or intend to complete the work earlier than any required Milestone or Completion date, the Owner and Design Consultant shall not be liable to the CM for any costs or other damages should the Construction manager be unable to complete the Work before such Milestone or Completion Dates. The duties, obligations and warranties of the Owner to the CM shall be consistent with and applicable only to the completion of the Work on the Milestone and completion dates required in the Agreement, unless the Owner and CM otherwise agree in writing.

### 1.02 PRE-BID

In conjunction with the preparation of Construction Documents, the CM shall prepare a detailed milestone schedule which displays a construction plan to complete the Project in compliance with specific dates listed in the Agreement.

### 1.03 POST AWARD ACTIVITIES

- A. The CM, Owner and Design Consultant shall perform the following after receipt of the Notice to Proceed (NTP): (The agreement to and approval of a Guaranteed Maximum Price (GMP) for a portion, or all, of the Project shall constitute an NTP for that portion of the Project.)

Immediately following the receipt of the Notice to Proceed, the CM shall commence the preparation of its Detailed Project Construction Schedule. The CM shall assemble, with the assistance and input from the Contractors, Subcontractors, and Suppliers, information regarding the project that includes but is not limited to:

1. A Detailed Project Construction Schedule that represents the CM's best judgment in how it shall prosecute and complete the work in compliance with the Milestone Dates and any Specific Dates stipulated in the Agreement.
  2. The identity and duration of all activities to be included in this construction plan. Activities shall meet the following criteria:
    - a. Activity descriptions shall be clear and concise. The beginning and end of each activity shall be readily verifiable.
    - b. Responsibility for each activity shall be identified with a single performing organization. (i.e., Prime contractor)
    - c. An activity must be no more than 14 calendar days in duration unless approved in advance by the Owner and Design Consultant.
    - d. Include relevant predecessors and successors for each activity as well as the type of relationships between, and any lag time required. All activities except the first activity (i.e., NTP) and last activity (i.e., Final Completion) shall have both predecessors and successors.
    - e. Listing of Project submittals, approvals, and material/equipment site deliveries dates.
  3. The identity of planned and reasonably anticipated inclement weather as identified in Article 4 of the Agreement.
  4. The identity of long lead items and delivery dates of all major pieces of equipment or materials.
- B. The CM shall, within fourteen (14) calendar days following NTP, submit to the Owner and Design Consultant a Computerized 90-Day, Detailed Project Construction Schedule in precedence format for its construction/erection work scope utilizing Primavera's P3®, or Primavera 5.0 scheduling software (compatible software is not acceptable). Provide two (2) hard copies of the 90-Day Detailed Project Construction Schedule and one (1) electronic file copy utilizing Primavera's Scheduling Software. This schedule shall provide complete details, as outlined in this section and related sections, of all activities included for the first 90 contractual days of work (from NTP), as well as, the proposed summary of work activities for the remaining contractual scope and divisions of work (utilizing summary activities) for the project beyond the first 90 days through final completion. The work beyond the first 90 days shall be broken down by subcontractor and division of work and shall show logic, sequencing, and responsibility. This initial schedule shall incorporate the work of all contractors, subcontractors, vendors, and outside agencies and contractors associated with the entire scope of work for this project.

The Detailed Project Construction Schedule shall show:

1. The order and interdependencies of the Contractors' activities and the major points of interface or interrelation with the activities of others, including specific dates for completion.
2. Conformance with and identification of the specified mandatory milestone dates specified in the Agreement.
3. The description and quantity of work by activity.
4. The time required for engineering, preparation and approval of shop drawings, manufacturing, and delivery of Contractor-furnished permanent materials.

5. The time required for procurement, delivery, and erection of the Contractor's permanent materials.
  6. Delivery of Owner-furnished material and equipment.
  7. Shop fabrication and delivery.
  8. Clearly defined Critical Path (or Paths).
  9. Erection and installation.
  10. Testing of equipment and materials.
  11. Technology Data Systems Installation and Testing
  12. Activity calendars, incorporating potential weather delays, or multi- work periods.
- C. The Detailed Project Construction Schedule shall indicate an early completion date for the project that is no later than the project's required completion date. All activity durations shall be given in calendar days. The Schedule shall also indicate each of the following:
1. Interfaces with the work of outside contractors, e.g., utilities, power, and with any separate contractor.
  2. Estimated duration time for each activity.
  3. Early start date for each activity.
  4. Late start date for each activity.
  5. Early finish date for each activity.
  6. Late finish date for each activity.
  7. Float available for each path of activities containing float.
  8. Identification of all critical path activities in the schedule analysis.
  9. The critical path for the project, with said path of activities being clearly and easily recognizable on the time-scaled network diagram. The relationship between all non-critical activities and activities on the critical path shall be clearly shown on the network diagram.
  10. The responsibility code for the Contractor or Subcontractor performing each activity or portion thereof.
  11. The area of work (i.e. Gymnasium, Media Center, etc.) and the floor (i.e. 1st floor, 2nd floor, etc.).
- D. The Owner and Design Consultant will review the CM's Detailed Project Construction Schedule for compatibility with the Project Milestones, the Completion Schedule, and the requirements of the Agreement. If requested, a meeting will be held between the Owner, Design Consultant and CM to resolve any conflicts in the CM's schedule. The CM shall revise its schedule as required by the Owner and Design Consultant to ensure completion of the Project in accordance with the Project's Milestone and Completion Dates and shall submit its revised schedule to the Owner and Design Consultant within seven (7) calendar days of this meeting.
- E. If the CM thereafter desires to make changes in its method of operating and scheduling, he shall follow the procedures set out in Paragraph 2.03, Network Revisions, of this Section.
- F. Approval by the Owner and Design Consultant of the CM's Detailed Project Construction Schedule is advisory only and shall not relieve the Contractors of the responsibility for accomplishing the Work within each and every Contract-required Milestone and Completion date. Omissions and errors in the approved Project Construction Schedule shall not excuse performance which is not in compliance with the contract. Approval by the Owner and Design Consultant in no way makes the Owner or the Design Consultant an insurer of the Detailed

Project Construction Schedule's success or liable for time or cost overruns flowing from its shortcomings. The Owner hereby disclaims any obligation or liability by reason of Owner or Design Consultant approval of or acquiescence to the Detailed Project Construction Schedule

- G. The CM shall compile, organize, and present a fully integrated Computerized Detailed Project Construction Schedule to the Owner and Design Consultant within sixty (60) days of Notice to Proceed. This schedule shall include the 90-Day Construction Schedule as well as the detailed activities for that portion of the work beyond the first 90 days of the construction through final completion to create the complete project schedule. The details of this schedule shall follow the same requirements as those outlined above in this section for the 90-Day Schedule. The CM shall provide two (2) hard copies of the Detailed Project Construction Schedule, and one electronic file copy utilizing Primavera's P3 Scheduling Software (compatible formats are not acceptable), the Schedule of Values and Computer Reports to the Owner and Design Consultant for final review and approval. Approval shall be signified by the Design Consultant, CM, and Owner jointly signing the schedule agreement (Attachment at the end of this section). The CM shall use the approved Detailed Project Construction Schedule in planning, organizing, directing, coordinating, performing and executing the work (including all activities of Contractors, Subcontractors, equipment deliveries, vendors, and suppliers) and shall be the basis for evaluating the progress of the Work, subject to such revisions made in such schedule as provided for herein, in the Agreement, or in the Construction Documents.
- H. The CM will develop and maintain the overall Detailed Project Construction Schedule. This schedule will be in precedence format and will be computer generated and updated and will be the controlling schedule document utilized for managing overall project construction.

#### 1.04 COMPUTER COST AND SCHEDULE REPORTS

- A. Every month the CM will generate all monthly progress documents from the Detailed Project Construction Schedule, based on the Progress Reports received from the Contractors. These Reports will reflect the progress of the project.
- B. Report Content:
  - 1. The initial and subsequent computer-generated Schedule Reports shall include the following minimum information for each activity:
    - a. activity number,
    - b. activity description,
    - c. original and remaining duration in days,
    - d. early and late start dates,
    - e. early and late finish dates,
    - f. actual start dates for activities which have commenced,
    - g. actual finish dates for activities which have completed,
    - h. percentage of activity completed as of each report,
    - i. total float for each activity, and
    - j. responsibility for activity.
  - 2. The CM will produce four (4) schedule reports each month. The reports are:
    - a. All activities on the Project Construction Schedule sorted by early start and then by total float.
    - b. All activities sorted by Contractor, and further sorted by activity number.
    - c. All activities sorted by total float.
    - d. All activities sorted by late start.

## 2.00 CONSTRUCTION MANAGER'S ORGANIZATION

The CM shall maintain, as part of its organization, a staff/or consultant of sufficient knowledge in the use and application of CPM utilizing and whose responsibility will be to prepare input information for the Detailed Project Construction Schedule, monitor progress, provide input for updating and revise logic diagrams when necessary.

## 2.01 RECOVERY SCHEDULE

Pursuant to paragraph 3.5.2.5 of the Agreement, should any conditions exist such that any of the mandatory specific or milestone dates or completion dates on the CM's approved Detailed Project Construction Schedule fall behind by 14 calendar days or more, the CM shall be required to, at no extra cost to the Owner, prepare and submit to the Owner and Design Consultant, within 14 calendar days of notification, a supplementary Recovery Schedule, in a form and detail appropriate to the need, to explain and display how they intend to reschedule those activities to regain compliance with the Detailed Project Construction Schedule during the immediate subsequent pay period.

## 2.03 NETWORK REVISIONS

- A. Should the CM, after approval of the Detailed Project Construction Schedule, desire to change its plan of construction, the CM shall submit its requested revisions to the Owner and Design Consultant along with a written statement of the revisions including a description of the logic for rescheduling the work, methods of maintaining adherence to intermediate milestones and Specific Dates and the reasons for the revisions. The CM shall revise its schedule to include the effect of Changes, acts of God, or other conditions or events which have affected the network. If the requested changes are acceptable to the Design Consultant, and the Owner, and they do not adversely impact any Milestone or Completion Dates, they will be incorporated into a revised Approved Detailed Project Construction Schedule, to be compiled and produced by the CM in the next reporting period. The resultant cost, if any, to the Owner and the Design Consultant shall be paid for by the CM.
- B. When the Owner orders changes by Change Order which have the potential to impact the Construction milestones or Specific Dates stipulated in the Agreement, a Revised Network will be prepared by the CM and provided to the Owner and Design Consultant for concurrence or revision. After the revised network has been mutually agreed upon, it will be incorporated into a revised Detailed Project Construction Schedule, to be compiled and produced by the CM. Change Order logic will affect only those activities and performance dates directly concerned.
- C. Any change to the approved Detailed Project Construction Schedule must be approved in writing by the Owner, Design Consultant and CM.
- D. Neither the updating or revision of the approved Detailed Project Construction Schedule nor the submission, updating, change or revision of any report or schedule submitted to the Owner and/or Design Consultant by the CM under this Section nor the Owner's review or non-objection of any such report or schedule shall have the effect of amending or modifying, in any way, the Contract Time, any Contract Completion Date, or Contract Milestone Dates or of modifying or limiting in any way the CM's obligations under this Contract.

## 2.04 FLOAT TIME

- A. Float or slack time is defined as the amount of time between the earliest start date and the latest start date or between the earliest finish date and the latest finish date of a chain of activities on the Detailed Construction Network. Float or slack time is not for the exclusive use or benefit of either the CM or the Owner. The CM's work shall proceed according to early start dates, and the Owner and Design Consultant shall have the right to reserve and apportion float time according to the needs of the project. The CM acknowledges and agrees that actual delays, affecting paths of activities containing float time, will not have any affect upon contract completion times, providing that the actual delay does not exceed the float time associated with those activities.

- B. Extensions of time for performance as described in the Agreement will be granted only to the extent that the time adjustment for the activity or activities affected by any condition or event which entitles the CM to a time extension exceeds the total float or slack along the path of activities affected at the time of the owner's authorization to proceed with the Change Order or the commencement of any delay or condition for which an adjustment is warranted under the Agreement.

## 2.05 REQUESTED TIME ADJUSTMENT SCHEDULE:

- A. The updated approved Detailed Project Construction Schedule submitted by the CM shall not show a completion date later than the Agreement, subject to any time extensions approved by the Owner. If the CM believes it is entitled to an extension of the Contract Time under the Agreement, the CM shall submit to the Owner and Design Consultant, a separate schedule analysis (entitled "Requested Time Adjustment Schedule") indicating suggested adjustments in the Contract Time which should, in the opinion of the CM, be made in accordance with the Agreement by time extension, due to changes, delays or conditions occurring during the past month or previously, or which are expected or contemplated by the CM (whether such conditions are excusable under the Agreement or are alleged to be due to fault of the CM or Owner). This separate schedule, if submitted, shall be time-scaled utilizing a computer generated and computer-drawn network analysis schedule, unless otherwise approved by the Owner and Design Consultant, and shall be accompanied or preceded by a formal time extension request as required by the Agreement and a detailed narrative justifying the time extension requested. All time extension requests must be submitted, in writing, to the owner within ten (10) days of the event causing the potential delay or extension in order to be accepted for review and consideration by the owner.
- B. Neither the Owner nor the Design Consultant shall have any obligation to consider any time extension request unless the requirements of the Agreement are complied with. The Owner shall not be responsible or liable to the CM for any constructive acceleration due to failure of the Owner to grant time extensions under the Agreement should the CM fail to comply with the submission requirements and the justification requirements of this Agreement for time extension requests. The CM's failure to perform in accordance with the approved Detailed Project Construction Schedule shall not be excused, nor be chargeable to the Owner, because the CM has submitted time extension requests or a "Requested Time Adjustment Schedule."

## 2.06 COORDINATION

- A. The CM shall coordinate its work and that of the Contractors and shall cooperate fully with the Owner and Design Consultant in maintaining orderly progress toward completion of the work as scheduled. The CM's decisions regarding priority between the work of the contractors at the site shall be final. If the CM's critical path work is delayed by the Owner or Design Consultant, the CM shall submit any required time extension requests to the Owner in accordance with the Agreement.
- B. The milestone dates referred to in the Agreement for delivery of Owner-furnished equipment and materials and interface activities of other Contractors on the site are based on dates set forth in separate contracts with the Owner.
- C. Failure of Owner-furnished equipment and materials to arrive as scheduled, or failure of other construction contractors to meet their schedule, shall not be justification for an extension of time, except where such failure causes, in the opinion of the Owner and Design Consultant, a delay in the CM's critical path work, in which case the provisions of the Agreement regarding extensions of time and extra work shall apply.
- D. The CM shall keep itself, and its contractors and subcontractors, advised at all times during the course of the Work regarding delivery status of Owner-furnished equipment and materials and of the progress of construction work being performed under separate contracts.
- E. The Owner and Design Consultant will, upon written request by the CM, furnish delivery information which may be available to the Owner or Design Consultant.



## 2.07 SCHEDULE OF OFF-SITE ACTIVITIES

- A. The CM shall include in its Detailed Project Construction Schedule all procurement related activities which lead to the delivery of materials to the site in a timely manner. Upon written approval by the Owner, these activities may be submitted as a separate Off-Site Activities Schedule, properly correlated to the Detailed Construction Project Schedule. The schedule of off-site activities shall include, but is not limited to, the following:
  1. Dates for submittals, ordering, manufacturing or fabricating, and delivery of equipment and materials. Long lead items requiring more than one month between ordering and delivery to site shall be clearly noted;
  2. All significant activities to be performed by or for the CM during the fabrication and erection/installation in a plant or on a job site, including materials/equipment purchasing, delivery; and
  3. Contractor's drawings and submittals to be prepared and submitted to the Design Consultant.
- B. The CM shall be solely responsible for expediting the delivery of all material to be furnished by the CM so that the construction progress shall be maintained according to the approved Detailed Project Construction Schedule for the Work as approved by the Owner and Design Consultant.
- C. The Owner and Design Consultant shall be advised in writing by the CM whenever it is anticipated by the CM that the delivery date of any material and/or equipment will be later than the delivery date shown on the schedule, subject to schedule updates.
- D. Submittals, equipment orders and similar items are to be treated as schedule activities.
- E. The CM, in developing its Off-Site and Procurement Schedules, will ensure that off-site activities do not control the critical path of on-site activities.

## 2.08 CONSTRUCTION MANAGER COVENANTS AND GUARANTEES

- A. The CM covenants and guarantees that it will not:
  1. Misrepresent to the Owner or Design Consultant its planning, scheduling, or execution of the Work;
  2. Utilize schedules materially different from those made available by the CM to the Owner or Design Consultant or any Subcontractor or separate Contractors for the direction, execution and coordination of the Work, or which are not feasible or realistic.
  3. Prepare schedules, updates, revisions or reports for the work which do not accurately reflect the actual intent or reasonable and actual expectations of the CM and its Contractors and Subcontractors as to:
    - a. The sequences of activities,
    - b. The duration of activities,
    - c. The responsibility of activities,
    - d. Resources availability,
    - e. Labor availability or efficiency,
    - f. Foreseeable weather conditions,
    - g. The percentage complete of any activity,
    - h. Completion of any item of work or activity,
    - i. Project milestone completion,
    - j. Delays, slippage's, or problems encountered or expected,

- k. Subcontractor requests for time extensions or delay claims of subcontractors,
- l. Float time

**BCS Schedule Agreement**

Date: \_\_\_\_\_

Re:   North Brunswick High School Addition   Construction Schedules and Reports  
      CPM Approval

We the undersigned, acknowledge receipt and acceptance of the Project Schedule dated \_\_\_\_\_,2022, as presented in accordance with Construction Schedules and Reports required pursuant to the Agreement Between Owner and Construction Manager for this Project:

Construction Manager   \_\_\_\_\_  
*Barnhill Contracting Company*

\_\_\_\_\_  
*Authorized Signature*  
  
\_\_\_\_\_  
*(Printed Authorized Signature)*

Design Consultant       \_\_\_\_\_  
*Becker Morgan Group*

\_\_\_\_\_  
*Authorized Signature*  
  
\_\_\_\_\_  
*(Printed Authorized Signature)*

Brunswick County Board  
of Education

\_\_\_\_\_  
*Authorized Signature*  
  
\_\_\_\_\_  
*(Printed Authorized Signature)*

## APPENDIX C SALES TAX REPORTING

PROJECT: \_\_\_\_\_  
FOR PERIOD FROM: \_\_\_\_\_  
TO: \_\_\_\_\_

I hereby certify that, during the period stated above, all North Carolina sales and use taxes have been paid for the materials, supplies, fixtures, and equipment purchased during that period which have become a part of, or annexed to, a building or structure erected, altered or repaired for the Owner. I further certify that the vendors from whom the property was purchased, the dates and numbers of the invoices covering the purchases, the total amount of the invoices of each vendor, the North Carolina sales and use taxes paid thereon, and the cost of property withdrawn from warehouse stock and North Carolina sales or use taxes paid thereon are as set forth above during the time period noted above.

Title:

## APPENDIX D-1 LUMP SUM CHANGE ORDER

Project:

Contract:

Contractor:

Description of change:

Materials (Attach list with Qty, Item, Unit \$, Unit mh, Total mh, OT mh, Total \$)			SUBTOTALS
1 Total Direct Cost of Materials	\$0.00		
2 Overhead & Profit on Item 1. (15% maximum, includes small tools & consumables)	\$0.00		
3 Sales Tax	\$0.00		
4 Shipping & Transportation	\$0.00		\$0.00
Labor			
5 Total Manhours: _____ 0 MH @ \$0.00 /hr.	\$0.00		
6 Overhead & Profit on Item 5. (15% maximum on straight labor cost, not premium portion) (O & P includes supervisor's time)	\$0.00		
7 Payroll Taxes & Insurance 0.0%	\$0.00		\$0.00
Equipment Rental (Include quotes)			
8 Equipment Rental	\$0.00		
9 Overhead & Profit on Item 8. (6% maximum)	\$0.00		\$0.00
Subcontractors (Include quotes with material & equipment backup)			
10 Subcontractors - Cost of Work	\$0.00		
11 CMAR Fee on Item 10. 4%	\$0		\$0
Subtotal of Proposal			\$0
12 Bonds ( % of subtotal of proposal) 0.0%			\$0.00
TOTAL OF CHANGE PROPOSAL			\$0

Time Extension Requests: 0 day(s) Schedule Activity # Affected: All

STARTING GMP	\$0
CHANGES TO GMP PRIOR TO THIS CHANGE PROPOSAL	\$0
THIS CHANGE PROPOSAL	\$0
NEW GMP	\$0

The Construction Manager agrees to perform the work outlined in this change proposal for the amount specified above and in accordance with all terms and condions of the CMAR Document CMAR-1, Standard Form of Agreement Between Owner and Construction Manager dated the \_\_\_\_ Day of \_\_\_\_\_, 20\_\_ if the work is authorized by the Owner.

OWNER:  
COUNTY OF BRUNSWICK, NORTH CAROLINA

CONSTRUCTION MANAGER:

Chair - BOARD OF COMMISSIONERS

Attest:

CLERK TO BOARD OF COMMISSIONERS

[Corporate Seal]

Attest:

Corporate Secretary

[Corporate Seal]

PRE-AUDIT CERTIFICATION: THIS INSTRUMENT HAS BEEN PREAUDITED IN THE MANNER REQUIRED BY THE LOCAL GOVERNMENT BUDGET AND FISCAL CONTROL ACT.

FINANCE OFFICER

DATE

## APPENDIX D-2 T&M CHANGE ORDER FORM



## CHANGE PROPOSAL FORM

### Time and Material / Unit Price Estimate

Project: \_\_\_\_\_  
 Contract: \_\_\_\_\_  
 Contractor: \_\_\_\_\_

Proposal #: \_\_\_\_\_  
 Project #: \_\_\_\_\_  
 Contractor #: \_\_\_\_\_

Description of change: \_\_\_\_\_

#### Materials & Labor

Estimated cost of labor & materials including shipping, overtime, payroll taxes and insurance, and overhead and profit.

Maintain accurate records for billing purposes.

#### SUBTOTALS

**\$0.00**

#### Unit Price Work

Estimated quantity of units required less allowance units not used, times the established unit cost.

Maintain accurate records for billing purposes. Third party records may be required.

**\$0.00**

#### Equipment Rental

Estimated cost of equipment rental including shipping, taxes and overhead and profit.

Maintain accurate records for billing purposes.

**\$0.00**

#### Subcontractors

Estimated cost of subcontracts including all subcontractor expenses.

Maintain accurate records for billing purposes.

**\$0.00**

**Subtotal of Proposal \$0.00**

Bonds ( % of subtotal of proposal) 0.0% **\$0.00**

**\* TOTAL NOT TO EXCEED CHANGE PROPOSAL ESTIMATE \$0.00**

Time Extension Requests: \_\_\_\_day(s) Schedule Activity # Affected: \_\_\_\_\_

The Contractor agrees to perform the work outlined in this change proposal for an amount that shall not exceed the amount stated above and in accordance with the Contract documents if the work is authorized by the Owner. If the price to perform the work is expected to exceed the above stated amount, a new change proposal form for the additional work is required.

\* Actual amount paid will be based on actual documented expenses.

Contractor's Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Approval Recommended by Design Consultant: \_\_\_\_\_

Date: \_\_\_\_\_

Owner's Representative Approval: \_\_\_\_\_

Date: \_\_\_\_\_

## APPENDIX E

### DIVISION OF PROJECT COST ELEMENTS

## APPENDIX E

### DIVISION OF PROJECT COST ELEMENTS

I. Construction Management Services					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Project Superintendent(s)		X			
Assistant Superintendent(s)		X			
Field Engineer		X			
Sr. Project Manager		X			
Project Manager		X			
BIM Coordinator		X			
MEP Superintendent		X			
Safety Manager		X			
Staff Vehicles		X			
Fuel/Repairs/Maintenance		X			
Corporate Executives	X				
Principal in Charge	X				
Project Executive	X				
Legal Services	X				
Accounting	X				
Scheduling		X			
Purchasing		X			
Value Engineering	X				
Estimating	X				
E.E.O. Officer	X				
Mechanical Coordinator		X			
Electrical Coordinator		X			
Scheduling Services		X			
Off-Site Staff Travel Costs	X				
Off-Site Staff Transportation	X				
Project Budget Estimating	X				

## APPENDIX E

### DIVISION OF PROJECT COST ELEMENTS

II. Safety, Security and Services					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Safety Equipment		X			
First Aid Supplies		X			
Handrails and Toe Boards					X
Opening Protection					X
Fire Extinguishers/Fire Watch		X			X
Security Guard/Watchman Svcs.					X
Weekly General Cleanup					X
Weekly Trade Specific Cleanup					X
Final Cleanup					X
Dumpster Rental/Pull/Dump Fees		X			
Temporary Fencing					X
Covered Walkways					X
Barricades					X
Safety Nets					X
Debris Hauling/Removal					X
Traffic Control					X
Roadway Maintenance					X
Dust Controls					X
Communication Equipment		X			
Trash Chute & Hoppers					X
Snow and Ice Removal					X
Site Dewatering					X

III. Facilities, Equipment and Services					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Office Trailer Rental		X			
Tool/Utility Trailer Rental		X			
Water/Ice		X			
Temporary Lighting/Wiring					X
Temporary Utilities – Trailers		X			
Temporary Utilities - Construction		X			
Permanent Power Usage				X	
Temporary Toilets		X			
Temporary Stairs					X
Temporary Enclosures/Partitions					X
Project Signs/Bulletin Boards		X			
Telephone/Communication Expenses		X			
Temporary Roads					X
Air Compressors					X
Dewatering Equipment					X
Generators					X
Fuel/Repairs/Maintenance		X			

## APPENDIX E

### DIVISION OF PROJECT COST ELEMENTS

IV. Vertical Hoisting					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Hoist & Tower Rental					X
Small Material Hoist Rental					X
Hoist Landings and Fronts					X
Hoist Operators					X
Hoist Safety Inspections					X
Hoist Material Skips					X
Hoist Material Hoppers					X
Erect & Dismantle Hoists					X
Fuel/Repairs/Maintenance					X
Hoist Communication					X
Crane Rental					X
Crane Operators					X
Crane Safety Inspections					X
Erect & Dismantle Crane					X
Fuel/Repairs/Maintenance					X
Crane Raising/Jumping Cost					X
Lull Lift					X
Temporary Elevator Rental					X
Elevator Operation Cost					X
Elevator Repairs & Maintenance					X
Hoist Safety Inspections					X
Forklift Rental					X
Forklift Operators					X
Forklift Safety Inspections		X			X
Fuel/Repairs/Maintenance		X			X
Elevator Service Costs					X

V. Reproduction and Printing					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Accounting Forms	X				
Field Reporting Forms	X				
Contract Agreements	X				
Schedule Report Forms	X				
Estimating Forms	X				
Cost Reporting Forms	X				
Presentation Charts and Graphics	X				
Value Analysis Studies	X				
Data Processing (In-House)	X				
Reference Materials	X				
Duplication Expense (Misc.)		X			
Shop Drawing Printing		X			
Maintenance Manuals		X			
Operation Manuals		X			
Special Forms (CM's Own Special Items)	X				
Postage and Delivery Expense		X			

## APPENDIX E

### DIVISION OF PROJECT COST ELEMENTS

VI. Quality Control					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
AE Inspectors' Office Space			X		
QA/QC		X			
Special Inspection Consultants <sub>a</sub>				X	
Special Testing Consultants <sub>a</sub>				X	
Concrete Testing <sub>a</sub>				X	
Masonry Testing <sub>a</sub>				X	
Compaction Testing <sub>a</sub>				X	
Welding Inspections <sub>a</sub>				X	
Soils Investigations <sub>a</sub>				X	
Special Testing Services <sub>a</sub>				X	
Field Office Supplies/Materials		X			
Project Photographs/Video		X			
Air & Water Balancing CM's QC					X
Air & Water Balancing - Final					X
Commissioning <sub>a</sub>				X	X
Operator On-site Training		X			
Prepare Operation Manuals		X			
Prepare Maintenance Manuals		X			

- a. The Owner is responsible for initial testing and inspections only. Costs for retesting / re-inspections due to poor quality control are the responsibility of the CMR.

VII. Permits and Special Fees					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Storage Yard Rental					X
Permits (Allowance)		X			
Staking & Layout Fees/Costs – Coordinate with General Prov.					X
A/E Design/Admin Fee/Charge				X	
Water Connection/Tap/Impact Fee				X	
Sanitary Connection/Tap/Impact Fee				X	
Storm Connection Fee				X	
Gas Service/Relocation Charge				X	
Special Tap Fees				X	
Contractors' Licenses	X				
Zoning Fees/Consultants				X	
Use Fees				X	
A.G.C. Fees	X				

VIII. Insurance and Bonds					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Builder's Risk Insurance <sub>a</sub>		X			
General Liability <sub>a</sub>		X			
Completed Operations Liability <sub>a</sub>		X			
Excess Liability Coverage <sub>a</sub>		X			
Workman's Compensation <sub>a b</sub>		X			
Payment Bond <sub>a</sub>				X	
Performance Bond <sub>a</sub>				X	

## APPENDIX E

### DIVISION OF PROJECT COST ELEMENTS

Subcontractor Default Insurance					X
Off-Site Insurance	X				
Off-Site Taxes	X				

- a. All owner cost items in this section shall be direct costs from the CMR to the Owner. No mark-ups permitted. Not included in GC Total
- b. Workman's compensation for on-site staff only.

IX. Other Costs					
DESCRIPTION	BASIC FEE	GEN CONDS.	A/E COST	OWNER COST	COST OF WORK
Project Taxes					X
Construction Equipment					X
Construction Labor Costs					X
Construction Materials					X
Preliminary Soils Inspections				X	
Title/Development Cost				X	
Land Costs				X	
Wetland Delineation Cost				X	
Financing/Interest Cost				X	
Interim Financing Costs				X	
Owner Contingency				X	
Building Operation after Move-in				X	
Building Maint. after Move-in				X	
Owner Moving Costs				X	
CMR. General Overhead Cost	X				
CMR. Profit/Margin	X				

## APPENDIX F BOND FORMS



## PERFORMANCE BOND

**IT IS HEREBY AGREED** that

(Insert full name and address of Contractor)

as Principal, hereinafter called Contractor, and,

(Insert full name and address of Surety)

as Surety, hereinafter called Surety, are held and firmly bound unto the

as Obligee, hereinafter called Owner, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), for the payment whereof Contractor and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these obligations.

WHEREAS, Contractor has by written agreement dated \_\_\_\_\_, 20\_\_\_\_, entered into a contract with Owner for the construction of \_\_\_\_\_  
(Insert the name of the Project)

in accordance with Drawings and Specifications prepared by \_\_\_\_\_  
(Insert full name and address of Architect/Engineer)

which contract is by reference made a part hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Contractor shall promptly and faithfully perform said Contract, then this obligation shall be null and void; otherwise it shall remain in full force and effect. The Surety hereby waives notice of any alteration or extension of time made by the Owner.

Whenever Contractor shall be, and declared by Owner to be in default, under the Contract, the Owner having performed Owner's obligations thereunder, the Surety may promptly remedy the default, or shall promptly:

- 1) Complete the Contract in accordance with its terms and conditions, or
- 2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by Surety of the lowest responsible bidder, or, if the

Owner elects, upon determination by the Owner and the Surety jointly of the lowest responsible bidder, arrange for a contract between such bidder and Owner, and make available as Work progresses (even though there should be a default or a succession of defaults under the contract or contracts of completion arranged under this paragraph) sufficient funds to pay the cost of completion less the balance of the contract price; but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term “balance of the contract price,” as used in this paragraph, shall mean the total amount payable by Owner to Contractor under the Contract and any amendments thereto, less the amount properly paid by Owner to Contractor.

Any suit under this bond must be instituted before the expiration of any applicable statute of limitations under the Contract.

No right of action shall accrue on this bond to or for the use of any person or corporation other than the Owner named herein or the heirs, executors, administrators or successors of the Owner.

Signed and sealed this \_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

**PRINCIPAL**

[Affix corporate seal]

\_\_\_\_\_  
(Name)\_\_\_\_\_  
(Title)\_\_\_\_\_

\_\_\_\_\_  
(Witness)

**SURETY**

[Affix corporate seal]

\_\_\_\_\_  
(Name)\_\_\_\_\_  
(Title)\_\_\_\_\_

\_\_\_\_\_  
(Witness)

## LABOR AND MATERIAL PAYMENT BOND

THIS BOND IS ISSUED SIMULTANEOUSLY WITH PERFORMANCE BOND IN FAVOR OF THE OWNER CONDITIONED ON THE FULL AND FAITHFUL PERFORMANCE OF THE CONTRACT

**IT IS HEREBY AGREED** that (Insert full name and address of Contractor)

as Principal, hereinafter called "Principal," and, (Insert full name and address of Surety)

as Surety, hereinafter called "Surety," are held and firmly bound unto the

as Obligee, hereinafter called Owner, for the use and benefit of claimants as hereinbelow defined, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_),  
for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these obligations.

WHEREAS, Principal has by written agreement dated \_\_\_\_\_, 20\_\_\_\_\_,  
entered into a contract with Owner for the construction of \_\_\_\_\_ (Insert the name of the Project)

in accordance with Drawings and Specifications prepared by \_\_\_\_\_ (Insert full name and address of Architect/Engineer)

which contract is by reference made a part hereof, and is hereinafter referred to as the "Contract."

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if Principal shall promptly make payment to all claimants as hereinafter defined, for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

1. A claimant is defined as one having a direct contract with the principal or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.
2. The above named Principal and Surety hereby jointly and severally agree with the Owner that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. The Owner shall not be liable for the payment of any costs or expenses of any such suit.
3. No suit or action shall be commenced hereunder by any claimant:
  - a) Unless claimant, other than one having a direct contract with the Principal, shall have given written notice to any two of the following: the Principal, the Owner, or the Surety above named, within ninety (90) days, after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is

made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be served by mailing the same by registered mail or certified mail; postage prepaid, in an envelope addressed to the Principal, Owner or Surety, at any place where an office is regularly maintained for the transaction of business, or served in any manner in which legal process may be served in the state in which the aforesaid project is located, save that such service need not be made by a public officer.

b) After the expiration of one (1) year following the date on which Principal ceased Work on said Contract, it being understood, however, that if any limitation embodied in this bond is prohibited by any law controlling the construction hereof such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

c) Other than in a state court of competent jurisdiction in and for the county or other political subdivision of the state in which the Project, or any part thereof, is situated, or in the United States District Court for the district in which the Project, or any part thereof, is situated, and not elsewhere.

4. The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

Signed and sealed this \_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_.

**PRINCIPAL**

[Affix corporate seal]

\_\_\_\_\_  
(Name)\_\_\_\_\_  
(Title)\_\_\_\_\_

\_\_\_\_\_  
(Witness)

**SURETY**

[Affix corporate seal]

\_\_\_\_\_  
(Name)\_\_\_\_\_  
(Title)\_\_\_\_\_

\_\_\_\_\_  
(Witness)

## APPENDIX G

### SEXUAL OFFENDER CHECK CERTIFICATION

**Sexual Offender Registry Check Certification Form**

Check the appropriate box to indicate the type of check:

- ☐ Initial
- ☐ Supplemental
- ☐ Annual

I, \_\_\_\_\_ (insert name), \_\_\_\_\_ (insert title) of \_\_\_\_\_ (insert company name) hereby certify that I have performed all of the required sexual offender registry checks required under this Agreement for all contractual personnel (employees, agents, ownership personnel, or contractors ) who may be used to deliver goods or provide services under this Agreement, including the North Carolina Sex Offender and Public Protection Registration Program, the North Carolina Sexually Violent Predator Registration Program, and the National Sex Offender Registry. I further certify that none of the individuals listed below appears on any of the above-named registries and that I will not assign any individual to deliver goods or perform services under this Agreement if said individual appears on any of the sex offender registries. I agree to maintain all records and documents associated with these registry checks, and that I will provide such records and documents to the school system upon request. I specifically acknowledge that the school system retains the right to audit these records to ensure compliance with this section at any time in the school system’s sole discretion. I acknowledge that I am required to perform these checks and provide this certification form before any work is performed under the Agreement (initial check), any time additional contractual personnel may perform work under the Agreement (supplemental check), and at each anniversary date of the Agreement (annual check).

Contractual Personnel Names	Job Title
1. _____	_____
2. _____	_____
3. _____	_____
4. _____	_____
5. _____	_____

(attach additional page(s) if needed)

I attest that the forgoing information is true and accurate to the best of my knowledge.

_____ (print name)	_____ (signature)
_____ (title)	_____ (date)

## APPENDIX H MINORITY BUSINESS ENTERPRISES (MBE)

**MBE DOCUMENTATION FOR CONTRACT PAYMENTS**

Prime Contractor/Architect: \_\_\_\_\_

Address & Phone: \_\_\_\_\_

Project Name: \_\_\_\_\_

Pay Application #: \_\_\_\_\_ Period: \_\_\_\_\_

The following is a list of payments made to Minority Business Enterprises on this project for the above-mentioned period.

MBE FIRM NAME	* TYPE OF MBE	AMOUNT PAID THIS MONTH (With This Pay App)	TOTAL PAYMENTS TO DATE	TOTAL AMOUNT COMMITTED

\*Minority categories: Black (B), Hispanic (H), Asian American (AA), American Indian (AI), White Female (WF), Socially and Economically Disadvantaged (SED)

Approved/Certified By:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

**SUBMIT WITH EACH PAY REQUEST - FINAL PAYMENT - FINAL REPORT**



## Policy Code: 9125 Participation by Minority Businesses

The Board affirms the State's commitment to encouraging the participation of minority businesses in the school system's construction contracts. The Board shall provide minority businesses equal opportunity to participate in all aspects of the school system's contracts for the construction, renovation or repair of school facilities. The Board prohibits discrimination against any person or business enterprise on the basis of race, color, creed, national origin, sex, disability, age or religion and shall conduct its building contract programs so as to prevent such discrimination.

It is the policy of the Board in concert with other local, state and federal agencies and with the assistance of minority groups and agencies, actively to seek and identify qualified minority business enterprises and to offer them the opportunity to participate and to encourage them to participate, in the school system's construction contracting program.

It is not the policy of this Board to provide information or other opportunities to minority business enterprises that will not be available to all other business enterprises. It is the intent of this policy to establish procedures designed to assure minority business enterprises access to information and opportunities available to other business enterprises.

The Board will award public building contracts without regard to race, religion, color, creed, national origin, sex, age, or disability, as defined in [N.C. Gen. Stat. § 168A-3](#). The Board will award contracts to the lowest responsible, responsive bid.

A "minority business" is defined as one in which at least fifty-one percent (51%) is owned by minority persons or socially and economically disadvantaged individuals or the management and daily business operations are controlled by minority or economically disadvantaged persons. Minority/economically disadvantaged persons include African-Americans, those of Hispanic descent, Asian Americans, American Indians and females. Beginning July 1, 2009, the Board shall use only those businesses listed in the State Department of Administration database of historically underutilized businesses for purposes of this policy.

After notice and public hearing, the Board has adopted the following verifiable percentage goals for participation in the school system's contracts by historically underutilized businesses:

1. Projects in which the cost exceeds \$100,000 and the Board has received state appropriations or grants for the project:  
Ten percent (10%) participation by minority businesses in the total value of work for each building project involving erection, construction, alteration or repair
2. Projects in which the cost exceeds \$300,000:  
Ten percent (10%) participation by minority businesses in the total value of work for each building project involving erection, construction, alteration or repair
3. Projects in which the costs are at least \$30,000 but do not exceed \$300,000:

Except as otherwise required for projects in subsection 1 above, the Board will solicit participation by minority business enterprises and maintain a record of contractors solicited and efforts to recruit minority participation. The Board also will comply with any reporting and documentation requirements of the Department of Administration.

#### A. SCHOOL SYSTEM GOOD FAITH EFFORTS

The Board adopts the following guidelines to ensure that the school system will make good faith efforts to reach diverse contractors and to encourage participation in the school system's construction contracts by such contractors. The superintendent is directed to:

1. make information about the school system's formal and informal bidding process readily available;
2. develop and implement a minority business participation outreach plan to identify minority businesses that can perform building projects and to implement outreach efforts to encourage minority business participation in such projects;
3. advertise for bids in media that reach minority businesses and provide notice to minority businesses as provided in [G.S. 143-128.2](#);
4. ensure that everyone who requests it has access to building documents needed for making bids on projects;
5. encourage businesses experiencing difficulty in meeting the bonding, licensing and bid deposits required by state law in larger construction projects to utilize resources and assistance offered by local, state and federal agencies; and
6. encourage contractors to attend the scheduled pre-bid conference.

#### B. GOOD FAITH EFFORTS REQUIRED BY CONTRACTORS

All bidders on major school construction and renovation projects who intend to subcontract any part of the project must provide affidavits indicating that a good faith effort has been made in preparing the bid to meet the Board of Education's verifiable goal for participation by minority businesses.

The failure to make a good faith effort to meet the Board's goal may result in the bid being considered non-responsive and being rejected.

The superintendent is directed to establish administrative procedures to verify which businesses are qualified and to evaluate good faith efforts by bidders.

Legal References: [City of Richmond v. J.A. Croson Co.](#), 488 U.S. 469 (1989); [G.S. 143-128](#), [-128.2](#), [-128.3](#), [-128.4](#)

Cross References:

Adopted: August 17, 1994 (as policy 2901)

Revised: January 6, 2009

## APPENDIX I DISPUTE RESOLUTION

## **Brunswick County Schools Board Policy Code 9120**

### **DISPUTE RESOLUTION PROCESS**

The Board establishes the following dispute resolution process to resolve issues arising out of construction and repair projects or contracts related to such projects. The dispute resolution process may be used by any party involved in the construction project for those disputes in which the amount in controversy is at least \$15,000.

The Board strives to resolve disputes without animosity between or among parties. To this end, prior to initiating litigation concerning a dispute, parties to the dispute must do the following: (1) submit the dispute for review by the superintendent or other designated school official and the project architect or engineer, as appropriate, and (2) participate in mediation, if the matter cannot be resolved by school officials and the architect or engineer. In no event shall the Board be subject to arbitration proceedings pursuant to this policy. The cost of the dispute resolution process will be divided between the parties to the dispute. If the Board is a party to the dispute, the Board will pay at least one-third of the cost.

The superintendent or designee shall adopt regulations necessary to implement this policy.

Legal References: [2 C.F.R. 200.317-200.326](#); [G.S. 64, art. 2](#); [115C-521, -522](#); [143-64.31](#) and [art. 8](#); [147, art. 6E](#), [art. 6G](#)