

ROCKY MOUNT TOWN COUNCIL
AGENDA
REGULAR COUNCIL MEETING
TO BE HELD IN COUNCIL CHAMBERS
ROCKY MOUNT MUNICIPAL BUILDING
345 DONALD AVENUE
ROCKY MOUNT, VIRGINIA
JANUARY 14, 2013
AT 7:00 P.M.

NOTE: WHEN SPEAKING BEFORE TOWN COUNCIL, PLEASE COME TO THE PODIUM AND GIVE YOUR NAME AND ADDRESS, ADDRESSING THE TOWN COUNCIL AND NOT THE AUDIENCE. WHEN GIVING COUNCIL ANY DOCUMENTATION, COPIES ARE TO BE GIVEN TO TOWN CLERK PRIOR TO SPEAKING.

ALL CELLULAR PHONES MUST BE TURNED OFF DURING COUNCIL MEETING.

THE TOWN OF ROCKY MOUNT IS PLEASED TO OFFER ASSISTANCE DEVICES AT ITS MEETINGS FOR RESIDENTS WITH SPECIAL HEARING NEEDS. ASK ANY STAFF MEMBER OR THE TOWN CLERK AND A DEVICE WILL BE LOANED TO YOU.

- I. Roll Call
- II. Pledge of Allegiance
- III. Approval of Agenda
- IV. Special Items
 - Introduction of newly hired Rocky Mount Police Officers.
- V. Public Hearing(s)
(none at this time)
- VI. Approval of Draft Minutes
 - December 10, 2012 Regular Meeting
- VII. Approval of Consent Agenda
 - Miscellaneous Resolutions/Proclamations *(none at this time)*
 - Miscellaneous Action *(none at this time)*
 - Departmental Monthly Reports
 - Community Development
 - Finance Department
 - Fire Department
 - Police Department
 - Public Works Department
 - Wastewater Department
 - Water Department
- VIII. Hearing of Citizens
- IX. Old Business
 - A. Review and consideration of contract award for Water Treatment Plant tank maintenance.

- B. Review and consideration of contract award for Water Treatment Plant electrical system upgrade.
 - C. Review and consideration of United States Department of Agriculture (USDA) grant to purchase two Rocky Mount Police Department vehicles.
- X. New Business
- A. Review and consideration of Performance Center design as submitted by architect in order for staff to proceed with putting the project out to bid.
 - B. Review and consideration of request of Wastewater Treatment Plant to allow the hire of an intern in 2013 that is participating with Virginia Western Community College wastewater training program and under the same conditions of employment for the Town as in 2012.
- XI. Committee Reports (*none at this time*)
- XII. Other Matters, Concerns and Rise 'N Shine Appearances
- A. Referrals to Planning Commission from Rocky Mount Town Council
 - B. Council Members Appearing with Town Staff on Rise 'N Shine
- XIII. Closed Meeting and Action (*none at this time*)
- XIV. Adjournment

Copies of Agenda Packet are available for review at the Town Clerk's Office located at the Rocky Mount Municipal Building, 345 Donald Avenue, Rocky Mount, Virginia Monday through Friday during normal working hours, or by going to Town of Rocky Mount website: www.rockymountva.org.

Notice of intent to comply with Americans With Disabilities Act: Special assistance is available for disabled persons addressing Town Council. Efforts will be made to provide adaptations or accommodations based on individual needs of qualified individuals with disability, provided that reasonable advance notification has been received by the Town Clerk's Office. For assistance, please contact the Town Clerk's Office, Town of Rocky Mount, 345 Donald Avenue, Rocky Mount, Va. 24151, or by calling (540) 483-7660.

Thank you for taking the time to participate in your Town Council meeting. The Mayor and members of Council invite and encourage you to attend whenever possible because good government depends on the interest and involvement of citizens.

AGENDA ITEM	SYNOPSIS AGENDA JANUARY 14, 2013 REGULAR ROCKY MOUNT TOWN COUNCIL MEETING
I. Roll Call II. Pledge of Allegiance	
III. Approval of Agenda	<i>Enclosure: Yes</i>
IV. Special Items	<i>Enclosure: No</i>
V. Public Hearing(s)	<i>(none at this time)</i> <i>Enclosure: No</i>
VI. Approval of Draft Minutes	<ul style="list-style-type: none"> • December 10, 2012 Regular Meeting <i>Enclosure: Yes</i>
VII. Approval of Consent Agenda	<ul style="list-style-type: none"> • Miscellaneous Resolutions/Proclamations <i>(none at this time)</i> • Miscellaneous Action <i>(none at this time)</i> • Departmental Monthly Reports <ul style="list-style-type: none"> - Community Development - Finance Department - Fire Department - Police Department - Public Works Department - Wastewater Department - Water Department • Bill List <i>Enclosure: Yes</i>
VIII. Hearing of Citizens	<i>(none at this time)</i> <i>Enclosure: No</i>
IX. Old Business	<p>A. Enclosed are documents for review and consideration to award a contract for the Water Treatment Plant tank maintenance.</p> <i>Enclosure: Yes</i>

<p>IX. Old Business (continued)</p>	<p>B. Enclosed are documents for review and consideration to award a contract for the Water Treatment Plant electrical system upgrade.</p> <p><i>Enclosure: Yes</i></p> <p>C. Review and consideration of United States Department of Agriculture (USDA) grant to purchase two police vehicles for the Rocky Mount Police Department.</p> <p><i>Enclosure: Yes</i></p>
<p>X. New Business</p>	<p>A. Review and consideration of approval of recommendation to the full Town Council to proceed with the bid documents based on the architect's designs submitted in order for staff to proceed in putting project out to bid.</p> <p><i>Enclosure: Yes (design plans)</i></p> <p>B. Review and consideration of request of Wastewater Treatment Plant to hire an intern for 2013 that is participating in the Virginia Western Community College wastewater training program and under the same conditions of employment for the Town as in 2012.</p> <p><i>Enclosure: No</i></p>
<p>IX. Committee Reports</p>	<p><i>(none at this time)</i></p> <p><i>Enclosure: No</i></p>
<p>XII. Other Matters, Concerns, and Rise 'N Shine Appearances</p>	<p>A. Referrals to Planning Commission from Town Council</p> <p><i>Enclosure: No</i></p> <p>A. Council Members Appearing with Town Staff on Rise 'N Shine</p> <p><i>Enclosure: No</i></p>
<p>XIII. Closed Meeting Items</p>	<p><i>(none at this time)</i></p> <p><i>Enclosure: No</i></p>

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens** **Consent Item** **Old Business** **New Business**
 Committee Report **Other (Special Item)**

FOR COUNCIL MEETING DATED:	January 14, 2013
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STAFF MAKING REQUEST:	Lt. Danny Brabham, Rocky Mount Police Department
BRIEF SUMMARY OF REQUEST:	Lt. Brabham will be introducing to Council the two newest patrol officers: Troy Lamy and Steven Burgoyne.
ACTION NEEDED:	(none needed)

Attachment(s): No

FOLLOW-UP ACTION: (To be completed by Town Clerk)

**ROCKY MOUNT TOWN COUNCIL
REGULAR COUNCIL MEETING
DECEMBER 10, 2012**

The December 10, 2012 regular Council meeting of the Rocky Mount Town Council was held in the Council Chambers of the Rocky Mount Municipal Building located at 345 Donald Avenue, Rocky Mount, Virginia at 7:00 p.m. with Mayor Steven C. Angle presiding. The following members of Council were present:

Vice Mayor Gregory B. Walker and Council Members
Bobby M. Cundiff, Jerry W. Greer, Sr., P. Ann Love, Robert L.
Moyer, and Billie W. Stockton

The meeting was called to order by Mayor Angle.

For the record, the following were present: All members of Town Council as noted, Town Manager C. James Ervin, Assistant Town Manager/Community Development Director Matthew C. Hankins (and Planning & Zoning Administrator), Town Attorney John T. Boitnott, Chief of Police David Cundiff, Finance Director Linda Woody, Public Works Director Cecil R. Mason, Town Planner Patrick Rust, Superintendent of Water Department Robert Deitrich, Superintendent of Wastewater Department Timothy Burton, Fire Chief Charles Robertson, and Town Clerk Patricia H. Keatts.

The Mayor led the *Pledge of Allegiance*.

APPROVAL OF AGENDA

Prior to the meeting, Council had received the agenda for review and consideration of approval.

- Motion was made by Vice Mayor Walker to approve the agenda as presented, seconded by Council Member Moyer and carried unanimously by those present.

SPECIAL ITEMS

Recognition was given to Don Brown, who is retiring from the Rocky Mount Police Department after 30 years of service. The Mayor presented him his 30-year service award and retirement gift. The Chief of Police made a few comments also, giving a brief history of how long he has known Mr. Brown, that it has been an honor to serve with him; plus, mentioned that he would still be staying on with the police department as an auxiliary officer. Mr. Brown thanked everyone for the opportunity to serve the Town, stating it was an honor to serve, and thanked the Town for letting him continue to serve as an auxiliary officer.

PUBLIC HEARING

Let the record show the Mayor recessed the meeting to hold the following public hearing:

A. Proposed planning and zoning fee changes.

Council had received and reviewed the proposed planning and zoning fee changes during the November 13, 2012 Rocky Mount Town Council meeting, along with the recommendation of any changes as proposed by the Finance & Human Services Committee, with direction for the Assistant Town Manager to hold a public hearing pursuant to Code of Virginia during Council's regular December meeting to receive public comment on proposed planning and zoning fee changes.

Prior to this meeting, Council had received the proposed planning and zoning fee changes.

The Assistant Town Manager came forward stating the following:

- The proposed fees have been reviewed by the Finance & Human Services Committee and the Planning Commission.
- Went over a few highlights of the fees.
- No public comments regarding the proposed fees have been received by the Planning Department.

Let the record show there were no questions from Council.

Let the record further show that no one had signed up to speak before Council regarding this matter.

At this time, the Mayor opened the floor to anyone wishing to come forward to speak regarding this matter. Let the record show that no one came forward.

There being no further comments, the Mayor reconvened the meeting back into regular session.

There being no further discussion regarding this portion of the public hearing, the Mayor entertained a motion.

- Motion was made by Council Member Greer to approve the request, with motion on the floor being seconded by Council Member Stockton. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

APPROVAL OF MINUTES

Prior to the meeting, Council had received for consideration of approval the following draft minutes:

- November 8, 2012 Special Council Meeting Work Session
- November 13, 2012 Regular Council Meeting

The Mayor asked if there were any changes to the draft minutes, and there being none, the Mayor entertained a motion.

- Motion was made by Council Member Love to approve the Council meeting minutes as presented with motion on the floor being seconded by Council Member Cundiff. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

APPROVAL OF CONSENT AGENDA

The approval of the *Consent Agenda* consists of approving any miscellaneous resolutions/proclamations, miscellaneous action, departmental monthly reports, and bill list that were submitted prior to the meeting for Council's review and consideration.

- Miscellaneous Resolutions/Proclamations (*none*)
- Miscellaneous Action
 - Consideration of lease agreement for Town Hall primary copier
- Departmental Monthly Report
 - Community Development
 - Finance Department
 - Fire Department
 - Police Department
 - Public Works Department
 - Waste Water Department
 - Water Department
- Bill List

The Town Manager explained to Council the following regarding the Town's copier:

- Copier had basically quit working.
- Town had previously rented the copier for \$100 a month, plus \$0.022 cents per copy for maintenance. The average bill was about \$250 a month.
- Based on a review of the agreement, the Town will save by leasing a replacement rather than renting.
- The cost per copy for maintenance will drop to \$0.015 cents per copy for a leased unit rather than a rented unit, given the guarantee of a term as a customer.
- Staff proposes leasing a replacement unit via the quote and copy of lease agreement Council received prior to the meeting.

- Given the reduction in copies that the Town is performing due to the migration to digital Council packets, the leased unit should be covered under funds currently appropriated for the prior rental.

There being no further comments, the Mayor entertained a motion.

- Motion was made by Council Member Greer to approve the draft *Consent Agenda*, with motion on the floor being seconded by Council Member Stockton. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

HEARING OF CITIZENS

Let the record show that no one had contacted the Town Clerk's Office wanting to come before Council to speak.

At this time, the Mayor opened the floor to anyone wishing to come before Council to do so.

Let the record show that no one came forward to speak at this time.

OLD BUSINESS

A. Water Treatment Plant Project to Appropriate Funding for Electric System Upgrade

(Prior to the meeting, Council had received a draft resolution funding the Water Plant project to appropriate funding for the electrical system upgrade to the Rocky Mount Water Treatment Plant as required.)

The Water Treatment Plant had advertised and received bids for the electric system upgrade project with \$290,300 being the low bid to include new electrical panels for the raw water pump house and the main Water Plant facility, an emergency generator connection switch, and new motors and variable speed controls. \$78,000 was allocated previously by Council for this project during the last fiscal year, and \$43,013 was allocated from the Utility Fund contingency by Council last month to this project, leaving a balance of \$169,287 to come from the General Fund's fund balance. The Town Manager presented such draft resolution to Council for their review and consideration of approval, explaining that the funding would be coming from a mixture of fund balance contingency and appropriated fund balance.

There being no further comments, the Mayor entertained a motion.

- Motion was made by Council Member Cundiff to approve draft resolution, with motion on the floor being seconded by Council Member Greer. Discussion ensued.

The Town Manager explained that the Water Treatment Plant Superintendent has agreed to delay the purchase of a vehicle that was previously budgeted and to not consider it until next budgeted year in July, and that he is also trying to look at other means to cut the budget to help fund the electrical system upgrade project. There being no further discussion, let the record show that the motion on the floor passed unanimously by those present.

B. Proposed Utility Rates for Calendar Year 2013 through 2016, and Proposed Policy Changes for Utility Billing Operation

(The Public Utilities Committee met on November 27, 2012 to review the proposed utility rates for calendar year 2013 through 2016, and to also review proposed policy changes for the utility billing operation as well. Prior to the meeting, Council had reviewed the recommendations of the Committee, along with draft ordinance by the Town Attorney.)

The Town Manager went over a few of the highlights of the new proposed rates:

- This will be a gradual move towards more cost recovery, taking the minimum bill from \$22.50 to \$34.02 over four years.
- An adoption of a capital recovery fee for larger connections, which allows the Town to hold their rate per gallon constant.
- Dedicating this new revenue into a special fund for the investment in the capital of the utility and refuse collection operations.
- A freeze on the rate paid by the elderly and disabled.
- An increase in the cut-off fee to discourage customers from taking advantage of the Town's liberal policy.

The Public Utilities Committee recommended policy changes for the utility billing operation, as well as:

- That a letter be sent to all customers outlining the cut-off process for delinquent bills.
- That customers who have had their service disconnected for lack of payment have to pay the entire amount due to get reconnected, versus the portion of a bill that is in arrears.

The Town Manager further stated that prior to the meeting, Council had received background information by the Committee, which was presented to Council in November. This outlines the estimated break-even point for the utility operations and how the rates compare with surrounding systems facing similar costs. The proposed rates, even at the end of four years, are lower than the current rates of surrounding systems. Also for Council's review and consideration of approval are two draft ordinances: (1) an ordinance of the Town of Rocky Mount pursuant to Section 58-6 of the Code of the Town of Rocky Mount, Virginia (2002), establishing the rates and charges for water and sewer users for the calendar year 2013; and (2) an ordinance of the Town of Rocky Mount amending in part Chapter 58, Article I, Section 58-6 of the

Code of the Town of Rocky Mount, Virginia (2002), and providing for the rates and charges for water and sewer users.

Council Member Cundiff (also Chair of the Public Utilities Committee) commented that as far as the part about shortening the time period of services being disconnected due to lack of payment and being delinquent, it was felt that it is not being fair to those who continue to pay their bills to continue to allow those being delinquent in continuing to be so. He further commented that the Town has some rather large capital expenses coming up and referenced the water tank that will be approximately one-half million dollars, and also trying to keep industry costs low, with it being very necessary to make the proposed adjustments to the utility rates at this time.

There being no further comments, the Mayor entertained a motion.

- Motion was made by Council Member Cundiff to adopt the recommendations of the Public Utilities Committee and to adopt the recommended policy changes, along with the draft ordinances as presented, with motion on the floor being seconded by Council Member Stockton. Discussion ensued. Council Member Moyer stated that it seems like every time he turns around, he is looking at new fees and new taxes and increases on something. The Mayor asked Council Member Moyer if he proposed to pull those funds from somewhere else to pay for the water loss, with Council Member Moyer stating yes. Vice Mayor Walker thanked Council Member Cundiff and the Committee for their diligent work, and thinks that a lot was ironed out, and that a lot of kinks were fixed, along with a lot of water leaks. He further stated that for the Town to be fiscally sound, what is being proposed with the small increases will help, but he only agrees to this as the funds will be set aside in a dedicated fund for utility work. There being no further discussion, let the record show that voting in favor of the motion on the floor were Vice Mayor Walker and Council Members Cundiff, Greer, Love and Stockton. Voting in opposition to the motion on the floor was Council Member Moyer. Let the record show that the motion on the floor passed five to one.

C. Overview and Update on National Heritage Area for the Crooked Road

(During Council's regular meeting of November 13, 2012, Council was presented by the Assistant Town Manager an overview and update of the National Heritage Area for the Crooked Road for informational purposes.)

The Assistant Town Manager presented to Council at this time a draft resolution backing the application of the Crooked Road to become the nation's 50th designated National Heritage Area, which will provide the organization with additional funding through the National Park Service and attract additional visitors through national advertising and marketing. He confirmed to Vice Mayor Walker that he believes other localities along the Crooked Road will be adopting a similar resolution. He further confirmed that some people may be thinking it takes away their property rights, but

since it is being designated as a national heritage, there should be no basis on this taking place, and if this was the case, he would not recommend approval.

There being no further comments, the Mayor entertained a motion.

- Motion was made by Vice Mayor Walker to approve the draft resolution as requested, with motion on the floor being seconded by Council Member Love. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

NEW BUSINESS

A. Designation of Qualified Town Administrative Official to Exercise Powers and Perform Duties of Town Manager During His Absence

(Prior to the meeting, Council had received a copy of a letter addressed to the Mayor from the Town Manager that allows him (subject to approval of Council), to designate a qualified Town administrative official to exercise the powers and perform the duties of the Town Manager during his absence, disability or suspension.)

The Town Manager explained to Council that while visiting the Virginia Municipal League conference, a letter came up that needed to be prepared by the Town, with Department of Housing & Community Development (DHCD) wanting this letter, and that the Town Code allowed this letter to be in place. Therefore, he is requesting Council's consideration of designating the Assistant Town Manager to exercise the powers and perform the duties as outlined in §4.3 and if for some reason the Assistant Town Manager cannot perform these duties, he is requesting that the Finance Director to perform such duties.

Council Member Cundiff stated that he did not see why any letter needed to be signed because the Assistant Town Manager already has to power to act in the absence of the Town Manager.

The Town Manager explained that the DHCD representative was very adamant about having the letter, and in this case, the Town was just simply putting it down in writing. He stated that DHCD is the only one that has requested this letter in the past five years that he knows of since he has been Town Manager. He further stated that the letter does not outline anything different from what the Town is doing now.

It was confirmed to Council by the Town Manager that no motion was needed by Council.

B. Regional Cooperation Act as Passed by Virginia General Assembly

(Prior to the meeting, Council had received a "Request for Public Comment" regarding the Regional Cooperation Act, which was passed by the General Assembly in 1995.)

The Town Manager explained to Council that the Virginia Code requires the periodic review of planning district boundaries. He further explained the following:

- The Department of Housing and Community Development (DHCD) is soliciting comments for potential changes to the Virginia Planning District boundaries.
- The Town is a member of two planning district: one based on assignment, which is West Piedmont Planning District Commission; and the other by choice, which is the Roanoke Valley Alleghany Regional Commission.
- Given that the Town is functionally part of the Roanoke Valley metropolitan area, Council may wish to provide input into this process.

The Town Manager questioned Council if it was their wish for the Town to move to the Roanoke Planning District and stay as a voluntary member in the West Piedmont Planning District, or is Council content with the current arrangement.

The Mayor commented that he sees no reason to change what the Town is currently doing as it has worked well with them.

Vice Mayor Walker and Council Member Greer (both liaisons from Council to the West Piedmont Planning District Commission) confirmed that they are getting everything they need from the West Piedmont Planning District.

Let the record show that no action was needed.

C. Consideration of Closure of Town Offices During New Years' Day Holiday

The Town Manager stated that the Town offices have historically been closed as a holiday on New Years' Day, but since December 31st fell on a Monday and January 1st on a Tuesday, did Council want to consider closing the Town offices both those days, and that Council had done this in the past. He further stated that Franklin County has scheduled those two days as holidays, as well as the State. He also commented that two of the Town's department heads have approached him about this.

There being no further comments, the Mayor entertained a motion.

- Motion was made by Council Member Love to approve this for one time only, with motion on the floor being seconded by Council Member Stockton. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

D. Draft Resolution Regarding Enterprise Zone

(Prior to the meeting, Council had received a draft resolution from Town staff urging Council to request legislative action regarding the Town's Enterprise Zone.)

The Assistant Town Manager informed Council that in order to make an effort to extend the Town's Enterprise Zone, staff is urging Council to request legislative action as detailed in the draft resolution, asking Delegate Charles Poindexter and Senators Bill Stanley and Ralph Smith to support legislation extending certain Enterprise Zones based on the local unemployment rate. He further explained to Council that as of December 31, 2013, barring legislative intervention, the Town's Enterprise Zone participation will cease, which will be ceasing an outstanding record of dealing with economic transition, capital investment attraction, job creation, and economic transformation. He further commented that his department is sending out letters to all the businesses affected by this to encourage them to apply to be in the Enterprise Zone prior to the deadline date of December 31, 2013 in case there is no legislative intervention.

There being no further comments, the Mayor entertained a motion.

- Motion was made by Council Member Stockton to approve, with motion on the floor being seconded by Council Member Love. There being no discussion, let the record show that the motion on the floor passed unanimously by those present.

COMMITTEE REPORTS**A. Performance Center Committee**

(The Performance Center Committee met on November 26, 2012 to review the draft plans and seating samples with the architect.)

The Assistant Town Manager gave a brief summary of the Committee meeting, stating that the Committee reviewed the draft plans, which included updates in the mechanical systems, with those dates causing a delay in completion of the plans because the Town's expectation that the systems have the quietest possible operation to mitigate the impact on sound quality in the auditorium. He further stated that the Committee reviewed the chair samples and provided guidance to the architect on desired finished. The architect expects to have the bid documents, plans and cost estimates ready for the Committee to review in January for Council to finalize and put the project out to bid. The Committee will meet again in January to make a recommendation to Council regarding the project.

No action from Council needed at this time.

B. Public Utilities Committee

(Let the record show that the item to be discussed pertaining to the Public Utilities Committee was discussed under "Old Business" – Item B.)

OTHER MATTERS, CONCERNS AND RISE 'N SHINE APPEARANCES**A. Referrals to Planning Commission from Town Council**

The Assistant Town Manager stated that the Planning Commission did look at the Code enforcement and will forward to Council for review in January.

B. Rise 'N Shine Appearances

The Assistant Town Manager appeared on the *Rise 'N Shine* show this morning.

COUNCIL CONCERNS

- In connection with the utility rate increase, motion was made by Council Member Love for the Town to set aside \$100,000 to be put into the Utility Capital Fund to go towards the purchase of a garbage truck, with motion on the floor being seconded by Council Member Stockton. Discussion ensued. Council Members Love and Cundiff explained what the money being set aside was for. There being no further discussion, let the record show that the motion on the floor passed unanimously by those present.

CLOSED MEETING

At 7:37 p.m., motion was made by Vice Mayor Walker to go into *Closed Meeting*, and seconded by Council Member Love and carried unanimously to discuss the following:

- Consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the public body; and consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. For the purposes of this subdivision, "probable litigation" means litigation that has been specifically threatened or on which the public body or its legal counsel has a reasonable basis to believe will be commenced by or against a known party. Nothing in this subdivision shall be construed to permit the closure of a meeting merely because an attorney representing the public body is in attendance or is consulted on a matter (pending litigation).

At 7:48 p.m., motion was made by Council Member Greer to come out of *Closed Meeting* and to reconvene the meeting back into open session, with motion on the floor being seconded by Council Member Stockton and carried unanimously by those present.

CERTIFICATE OF CLOSED MEETING

Whereas, the Town of Rocky Mount Council has convened a *Closed Meeting* on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and

Whereas, Section 2.2-3712 of the Code of Virginia requires certification by this council that such *Closed Meeting* was conducted in conformity with Virginia Law.

Now, Therefore, Be It Resolved that the Rocky Mount Town Council hereby certifies that, to the best of each members' knowledge: (1) only public business matters lawfully exempted from open meeting requirements under this chapter; and (2) only such public business matters as were identified in the motion by which the *Closed Meeting* was convened were heard, discussed, or considered in the meeting by the public body.

Steven C. Angle, Mayor

- Motion was made by Council Member Moyer certifying that: (1) only public business matters lawfully exempted from open meeting requirements under this chapter was discussed; and (2) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting by the public body was discussed. Motion was seconded by Council Member Greer. The Mayor swore to adopt the motion on the floor by Council Member Moyer that this was all that was discussed as defined in Section 2.2-3712 Code of Virginia. Voting yes were Vice Mayor Gregory B. Walker and Council Members Bobby M. Cundiff, Jerry W. Greer, Sr., P. Ann Love, Robert L. Moyer, and Billie W. Stockton.

The Mayor reported no action was taken pertaining to the *Closed Meeting* item.

Other Items Discussed

1. The Mayor reported the Town Manager advised Council that there were no Town employee Christmas bonuses in the budget this year due to them being eliminated in order to find the cost of living increase given to the staff.
2. The Finance Director briefed Council on IRS rule changes regarding the payment of stipends to appointed officials.

3. The Mayor and Town Manager outlined the new Community Heroes program. Community Heroes will be nominated by the public and stories used on the Town website.
4. Council Member Moyer asked that local providers be considered for furniture and fixtures for the Performance Center.

ADJOURNMENT

At 8:10 p.m., motion was made by Council Member Love to adjourn, seconded by Council Member Stockton and carried unanimously by those present.

Steven C. Angle, Mayor

ATTEST:

Patricia H. Keatts/Town Clerk

/phk

COMMUNITY DEVELOPMENT MONTHLY

Matthew C. Hankins, Director • Planner Patrick Rust • Planning Technician Stacey Sink January 2013

Staff, police hold community meeting

The Community Development and Police Departments held a joint community meeting December 3 for the portion of town along 40 West. Community Development sent out over 240 invitations to residents and water customers around Fairlawn, West College, Dent, Hatcher, Anderson, Diamond, Spring and associated streets.

Franklin County made its a conference room available at the Government Center for the meeting. All of the community development staff attended, as did Chief Cundiff, his lieutenants and two patrol officers. This is the first community meeting held by staff since 2008, and sought input from residents in an open, unstructured meeting.

Eight residents or property owners attended the meeting and shared concerns over issues related to the area. Most concerns were related to resident safety, pedestrian and vehicle access, public works matters, criminal activity ranging from littering to drug concerns, and nuisance properties.

Staff will work to develop an action plan to deal with the most serious issues. Some may require budget approval, such as a drainage complaint from Spring and West College Street.

Police and community development staff will hold another community meeting in March. Details are still being worked out regarding the location and approach for the next meeting.

Next on the list...



Nuisance Properties - The Community Development staff is working to develop its next round of blighted properties, and expects to bring resolutions to council in March on some properties which should be demolished to remove blight and hazardous buildings from town neighborhoods. The top two are on Dent Street between STEP and CVS, bottom left is the burned house on Woodlawn, and bottom right is an abandoned trailer on Diamond Avenue. If you would like to see properties added, please notify staff.



Cookout Completed - One of staff's more significant accomplishments of 2012 was the review and oversight of the development of the new Cookout Restaurant, which opened in late December. The most significant problem to date has been traffic management as the public rushes to try the new restaurant. The Police Department has issued a number of citations at Powder

Mill Creek for illegal parking and blocking traffic. Additionally, Fidelity Bank has inquired about putting up "Bank Parking Only" signs in an effort to manage use of its parking lot during banking hours. The developer still has some items to complete, including a section of sidewalk and some required site work. Staff will monitor the project to completion.



Code enforcement & planning

Mr. Rust worked on the following business during December:

Mr. Rust sent out four code enforcement letters.

He conducted Erosion & Sediment Control inspections on seven open projects. Lower-than-average rainfall has required less inspection on the open projects, but the Franklin Heights Baptist Church entrance project on School Board Road is underway. We currently have seven open projects.

We are working with the county to provide information to the county for

stormwater permits and erosion & sediment control permits so we can coordinate efforts on new state requirements.

Mr. Rust is working with Stone Engineering, Public Works and VDOT on the 40 East sidewalk project, and has worked with Anderson & Associates on issues related to the Veterans Park bank stabilization project.

He is compiling water meter data for the new billing process, and compiled information for the Fire Department's Insurance Services Office review, including hydrant location updates.

December 2012

Zoning Permit: None.

Zoning Compliance:

Charles D. Mitchell, residential plumbing and finishing work, zoned R1.

David Pigg, interior work, zoned CBD.

Jim Wray, reconnecting electrical service, zoned R2.

South River Contracting, installation of backup electric generator, zoned R1.

Greene Environmental Services, underground heating oil tank removal, zoned R1.

Sign Permits: Two:

Catrina Medlin for Mountain View Farmers Market, Corner of North Main and Pendleton, 16 square feet, zoned GB, December 18.

Enterprise Zone: None.

Site Plan: None.

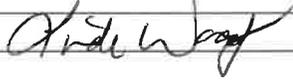
Bond reviews: None.

Banners: None.



Staff continues to work with VDOT and its contractor on the Pigg River Bridge Replacement. The contractor will be doing some blasting work over the next few months to finish removal of the rock needed to create the additional lane space on South Main Street.

MONTHLY STAFF REPORT

DATE:	January 8, 2013
TO:	Rocky Mount Town Council
FROM:	Linda Woody, Finance Director 
DEPARTMENT:	Finance Department
MONTH:	January

This report contains the following monthly information for December 2012 activity:

New businesses obtaining a business license during the month

Investment portfolio from the latest bank statement

Revenue comparisons from this fiscal year to last fiscal year

Meals tax collections chart

Local sales tax collections chart

Expenditure comparisons from this fiscal year to last fiscal year

Available contingency funds status

Project expenses for the Performance Venue

Utility billing profiles on customers and consumption

Water Customer Cut-off's chart

Water accountability reconciliation of finished water gallons pumped vs. metered water gallons consumed

Water Accountability Percent chart

Utility profiles on water production and wastewater flow

Customer flow for the Finance Department:

481 walk-in transactions

903 drive-thru transactions

736 mail transactions

**TOWN OF ROCKY MOUNT
NEW BUSINESS LICENSES
DURING DECEMBER 2012**

The following new businesses obtained their business licenses during the month:

Retail:

Mountain View Farms Market, corner of Pendleton & North Main, farmer's market

CookOut, 12 Powder Creek Ln, restaurant

TOWN OF ROCKY MOUNT
Investment Portfolio
at November 30, 2012

<u>Security</u>	<u>Call Date</u>	<u>Maturity Date</u>	<u>Bond</u>	<u>Market Price</u>	<u>Market Value</u>	<u>Market Yield</u>	<u>Yield to Maturity</u>	<u>Cusip Number</u>	<u>Estimated Annual Interest</u>
Fixed Income / Bonds:									
FHLB	5/24/2013	5/24/2017	255,000	100.404	256,030.20	1.19%	1.20%	3134G3UZ1	3,060.00
FNMA	10 days	4/29/2015	500,000	100.703	503,515.00	1.98%	2.00%	3136FRGH0	10,000.00
FNMA	10 days	12/28/2016	500,000	100.064	500,320.00	0.99%	1.00%	3136FTVF3	5,000.00
FNMA	9/27/2013	9/27/2017	255,000	100.310	255,790.50	0.69%	0.70%	313G0E64	1,785.00
FNMA	5/30/2013	5/30/2017	255,000	100.418	256,065.90	1.19%	1.20%	3136G0JB8	3,060.00
Bond Totals			<u>1,765,000</u>		<u>1,771,721.60</u>	1.21% avg. return			<u>22,905.00</u>

Certificates of Deposits:

Ally Bank Midvale UT	12/23/2013	245,000	100.496	246,215.20	1.09%	1.10%	02005QYE7	2,695.00	
Am Express Centurion	11/17/2015	225,000	101.744	228,924.00	1.72%	1.75%	02587DGX0	3,937.50	
BMW Salt Lake UT	5/13/2013	225,000	100.365	225,821.25	0.99%	1.00%	05568PZR1	2,250.00	
Bank Hampton Rds. VA	9/27/2017	245,000	99.814	244,544.30	1.00%	1.00%	062492BH5	2,450.00	
CIT BK Salt Lake UT	10/13/2016	190,000	100.192	190,364.80	1.99%	2.00%	17284AZY7	3,800.00	
Com Bk Harrogate TN	8/25/2016	245,000	100.258	245,632.10	0.99%	1.00%	20143PCV0	2,450.00	
Compass Bk Birmingham	12/29/2014	230,000	99.952	229,889.60	1.00%	1.00%	20451PAC0	2,300.00	
Discover Bk Greenwood	9/15/2014	245,000	100.677	246,658.65	1.29%	1.30%	254670W40	3,185.00	
Essa BK Stroudsburg Pa	11/30/2016	245,000	100.492	246,205.40	0.99%	1.00%	29667RGE7	2,450.00	
F & M Chambersburg	2/8/2016	245,000	100.223	245,546.35	0.99%	1.00%	308693AY6	2,450.00	
Flushing Savings NY	7/27/2016	248,000	100.032	248,079.36	0.99%	1.00%	344030ES6	2,480.00	
GE Bk Draper Utah	9/30/2014	245,000	100.809	246,982.05	1.38%	1.40%	36159C3F1	3,430.00	
GE Cap Fin'l Retail	12/29/2016	245,000	102.064	250,056.80	2.05%	2.10%	36160YMM4	5,145.00	
Goldman Sachs NYC	11/3/2014	245,000	100.839	247,055.55	1.48%	1.50%	38143AAP0	3,675.00	
Natl Rep Chicago CTF	1/25/2016	245,000	101.602	248,924.90	0.98%	1.00%	63736QRT0	2,450.00	
Safra Nat'l NY NY	2/9/2015	245,000	100.459	246,124.55	0.74%	0.75%	786580YW4	1,837.50	
Security Bk Aiken SC	7/27/2016	245,000	100.227	245,556.15	1.24%	1.25%	81423LAV4	3,062.50	
Soverign Bk Willimington I	9/26/2020	245,000	99.960	244,902.00	0.75%	0.75%	84603M2V7	1,837.50	
State Bk India Chicago I	7/25/2017	230,000	100.471	231,083.30	1.54%	1.55%	856283TL0	3,565.00	
CD Totals			<u>4,533,000</u>		<u>4,558,566.31</u>	1.22% avg. return			<u>55,450.00</u>
Total Investments			<u>6,298,000</u>		<u>6,330,287.91</u>	1.22% avg. return			<u>78,355.00</u>

<u>Month</u>	<u>LGIP</u>	<u>Effective</u>
	<u>Balance</u>	<u>Yield</u>
Nov-11	912,347.27	0.17%
Dec-11	374,363.03	0.14%
Jan-12	390,911.37	0.16%
Feb-12	404,549.92	0.17%
Mar-12	749,548.69	0.17%
Apr-12	770,493.56	0.17%
May-12	791,584.69	0.17%
Jun-12	1,133,569.65	0.16%
Jul-12	1,180,074.35	0.17%
Aug-12	951,766.24	0.19%
Sep-12	1,419,073.79	0.19%
Oct-12	1,142,816.07	0.20%
Nov-12	1,178,741.89	0.19%

**TOWN OF ROCKY MOUNT
REVENUE COMPARISONS
AS OF DECEMBER 31, 2012**

REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET
					THIS YEAR	THIS YEAR
GENERAL FUND - Local Revenues:						
Real Estate Tax	5,168	81,782	19,188	105,626	569,689	3.37%
Public Service Tax	-	-	-	4	25,822	0.00%
Personal Property Tax	719	27,566	2,091	31,606	137,603	1.52%
Machinery & Tools Tax	-	3,347	-	3,347	92,733	0.00%
Penalties on Tax	153	211	2,137	1,104	2,730	78.28%
Interest on Tax	441	217	1,947	818	500	389.42%
Local Sales Tax	12,543	12,496	58,549	52,847	164,637	35.56%
Meals Tax	88,770	85,579	475,614	465,381	1,079,759	44.05%
Utility Tax	26,321	25,305	133,095	133,640	332,100	40.08%
Communications Tax	18,395	17,843	84,812	79,352	180,668	46.94%
Decals	131	126	4,395	3,350	87,310	5.03%
Bank Stock Tax	-	-	-	-	203,877	0.00%
Penalty-Meals Tax	36	-	1,836	1,789	1,200	152.98%
Interest-Meals Tax	9	-	586	1,023	650	90.14%
Lodging Tax	6,039	11,323	37,823	40,033	84,596	44.71%
Cigarette Tax	4,405	7,682	42,992	71,470	140,000	30.71%
BPOL-Retail	420	572	5,355	118,701	257,550	2.08%
BPOL-Professional	-	253	9,312	11,568	139,380	6.68%
BPOL-Contractor	-	104	5,192	1,438	11,000	47.20%
BPOL-Repairs/Services	-	-	1,857	1,194	110,120	1.69%
BPOL-Alcoholic Beverages	-	-	-	-	500	0.00%
BPOL-Penalty/Interest	6	70	1,063	6,820	1,000	106.28%
BPOL-Amusement	-	-	-	-	200	0.00%
BPOL-Utility	-	-	11,408	-	6,400	178.25%
BPOL-Miscellaneous	50	-	803	453	1,800	44.61%
Solicitor Permits	-	-	-	20	-	0.00%
Farmer's Market Fees	250	190	785	810	2,600	30.19%
Welcome Center Fees	245	590	2,460	2,165	5,500	44.73%
Music Venue Fees	-	-	-	-	10,000	0.00%
Planning/Zoning Fees	250	460	3,335	5,711	9,500	35.11%
Court Fines	3,673	2,027	24,960	10,880	22,160	112.64%
Parking Fines	-	-	205	205	250	82.00%
Interest Earnings	4,000	5,500	17,469	15,088	96,818	18.04%
Return Check Fees	60	20	440	340	640	68.75%
Rental of Property	300	120	420	120	420	100.00%
Sale of Materials	-	35	600	35	-	0.00%
Sale of Property	-	-	660	-	-	0.00%
Bond Proceeds	-	-	-	-	275,000	0.00%
Mortgage Payment - Goodview St.	256	-	1,024	-	-	0.00%
Grave Preparation	-	750	1,000	750	2,300	43.48%
Security Services	-	-	7,830	2,310	3,400	230.29%
Passport Service Fees	515	551	3,609	2,829	8,046	44.86%
Police Reports	-	68	569	833	1,300	43.77%
Fingerprint Service Fees	-	-	165	-	-	0.00%
Garbage Collection Fees	7,533	7,431	37,071	29,023	88,170	42.04%
Truck Rental Program	10	20	50	140	230	21.74%
Miscellaneous Services	292	-	2,951	1,331	250	1180.40%
Donations	5	-	63	340	-	0.00%
Merchandise Sales	40	-	424	-	-	0.00%
Miscellaneous	-	2,192	469	14,710	500	93.83%
Curb & Gutter Recoveries	-	-	600	-	-	0.00%
Recoveries	0	-	1	-	1,500	0.07%
Unrealized Gain on Investments	-	-	(2,492)	-	-	0.00%
Bond Proceeds	-	-	-	-	-	0.00%
Appropriated Fund Balance	-	-	-	-	177,000	0.00%
Total Local Revenues	181,036	294,430	1,004,724	1,219,204	4,337,408	23.16%

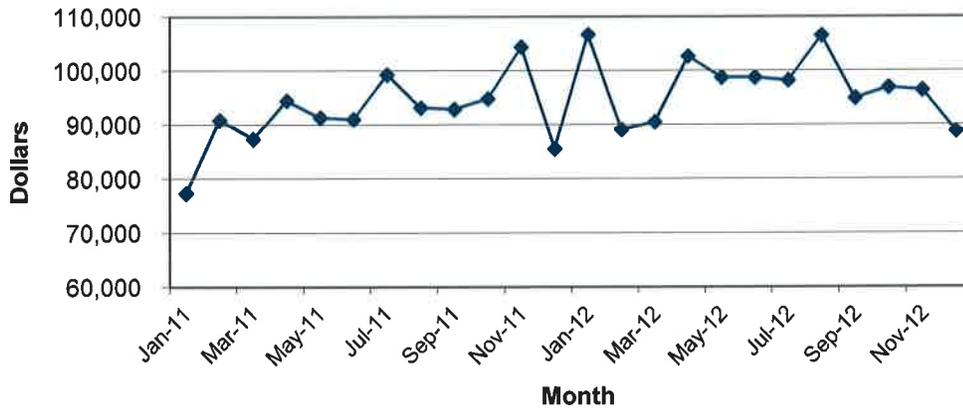
**TOWN OF ROCKY MOUNT
REVENUE COMPARISONS
AS OF DECEMBER 31, 2012**

REVENUE SOURCE	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR
GENERAL FUND - State Revenues:						
ABC Profits	-	-	-	-	-	0.00%
Wine Tax	-	-	-	-	-	0.00%
Rolling Stock Tax	-	-	3,626	3,144	3,000	120.88%
Litter Tax	-	-	2,964	2,054	1,746	169.76%
Other Categorical Aid	-	-	-	-	-	0.00%
Fire Programs	11,546	-	12,635	-	10,000	126.35%
PPTRA from the State	-	-	53,861	53,861	53,861	100.00%
School Resource Officers	-	-	-	-	-	0.00%
DMV / 402 Grant	-	-	-	-	-	0.00%
Local Law Enforcement	-	-	4,272	-	-	0.00%
DMV Mini Grants	-	19,110	20,491	19,110	-	0.00%
Street Maintenance	-	297,778	303,452	595,555	1,191,111	25.48%
VML Safety Grant	-	-	3,000	-	-	0.00%
Volunteer Fire Dept.	-	6,955	7,500	14,455	30,000	25.00%
Law Enforcement-599 Funds	27,115	27,115	54,230	54,230	108,460	50.00%
FEMA Grant	-	-	-	-	-	0.00%
Police Grants	-	-	-	-	-	0.00%
Va. Commission of the Arts Grant	-	-	-	-	-	0.00%
Dept. of Conservation & Recreation	81,054	-	10,541	-	-	0.00%
Other Categorical Aid-Schools	-	-	29,632	-	29,632	100.00%
Total State Revenues	119,715	350,958	506,204	742,409	1,427,810	35.45%
TOTAL GENERAL FUND REVENUES	300,751	645,387	1,510,928	1,961,613	5,765,218	26.21%
UTILITY FUND REVENUES:						
Water Sales	98,531	75,779	464,109	330,301	1,039,832	44.63%
gallons billed	20,041,530	17,605,015	127,487,743	123,340,950		
Water Connections (Lilly's Leisure fy 13)	-	9,025	100,020	14,300	105,525	94.78%
Reconnect Fees	305	-	2,135	1,500	2,400	88.96%
Penalties	1,908	1,918	9,428	10,265	22,000	42.85%
Bulk Water Purchases	42	122	2,375	1,346	2,300	103.27%
Health Dept.	-	-	-	-	-	0.00%
Sewer Collection Charges	56,065	50,561	281,441	214,709	642,781	43.78%
gallons billed	15,065,590	12,954,085	93,671,364	90,698,779		
Sewer Connections (Lilly's Leisure fy 13)	-	7,000	86,000	10,000	88,500	97.18%
Cell Tower Rent	-	5,910	20,960	17,560	45,823	45.74%
VML Safety Grant	-	-	1,000	4,000	-	0.00%
Bond Proceeds	-	-	234,147	71,797	-	0.00%
Meals Tax Transfer	88,770	85,579	475,614	464,538	514,278	92.48%
Recoveries(FCHS & County manhole fy 13)	-	-	18,812	-	18,000	104.51%
Transfer from General Fund	-	-	-	-	-	0.00%
Appropriated Fund Balance	-	-	-	-	734,500	0.00%
TOTAL UTILITY FUND REVENUES	245,620	235,894	1,696,040	1,140,316	3,215,939	52.74%
CAPITAL PROJECTS REVENUES:						
CBDG Grant	-	-	-	-	-	0.00%
TEA-21 Grant	-	-	-	-	-	0.00%
Tobacco Grant	-	-	-	-	-	0.00%
Bonds / Loans	-	-	-	35,754	-	0.00%
Uptown Loan Repayments	280	225	2,703	1,020	-	0.00%
Appropriated Fund Balance	-	-	-	-	-	0.00%
TOTAL CAPITAL PROJECTS REVENUES	280	225	2,703	36,774	-	0.00%
6 months of the 12 months of the fiscal year						50.00%

**TOWN OF ROCKY MOUNT
MEALS TAX COLLECTIONS**

Month	Collections
Jan-11	77,485
Feb-11	90,888
Mar-11	87,365
Apr-11	94,522
May-11	91,368
Jun-11	91,062
Jul-11	99,354
Aug-11	93,225
Sep-11	92,951
Oct-11	94,896
Nov-11	104,455
Dec-11	85,579
Jan-12	106,760
Feb-12	89,118
Mar-12	90,554
Apr-12	102,709
May-12	98,822
Jun-12	98,811
Jul-12	98,258
Aug-12	106,556
Sep-12	94,971
Oct-12	96,938
Nov-12	96,452
Dec-12	88,770

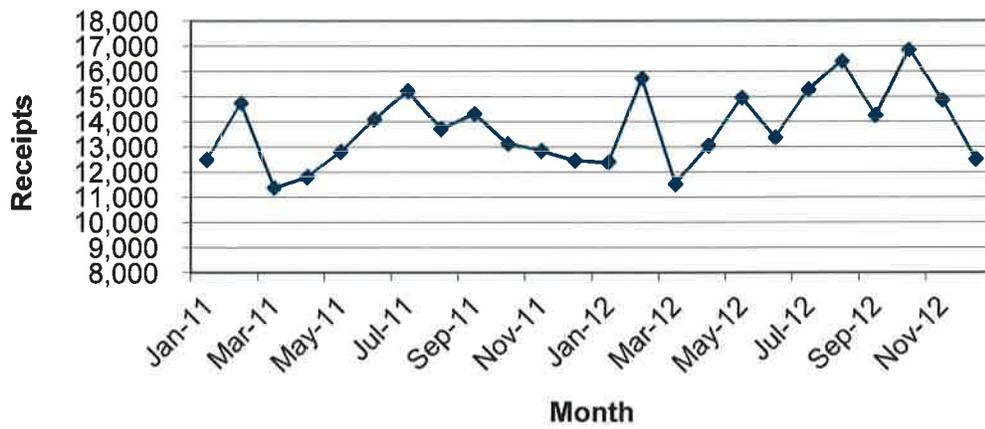
Meals Tax Collections



Town of Rocky Mount
Local Sales Tax

Jan-11	12,536
Feb-11	14,761
Mar-11	11,395
Apr-11	11,848
May-11	12,835
Jun-11	14,118
Jul-11	15,223
Aug-11	13,747
Sep-11	14,327
Oct-11	13,146
Nov-11	12,878
Dec-11	12,496
Jan-12	12,419
Feb-12	15,736
Mar-12	11,573
Apr-12	13,086
May-12	14,974
Jun-12	13,404
Jul-12	15,307
Aug-12	16,412
Sep-12	14,269
Oct-12	16,860
Nov-12	14,877
Dec-12	12,543

Local Sales Tax



**TOWN OF ROCKY MOUNT
EXPENDITURE COMPARISONS
AS OF DECEMBER 31, 2012**

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR
GENERAL FUND:						
Mayor & Council	7,689	6,330	52,527	44,017	81,694	64.30%
Town Manager	15,207	19,462	95,746	92,586	193,327	49.53%
Town Attorney	2,868	2,795	11,943	23,300	45,053	26.51%
Finance Department	21,411	29,087	139,131	147,945	329,941	42.17%
Electorial Board	-	-	-	-	-	0.00%
Police Department	120,954	172,178	845,753	868,840	1,711,746	49.41%
Volunteer Fire Dept.	1,457	3,085	51,012	51,480	104,656	48.74%
Public Works Admin.	1,344	1,168	7,520	6,915	18,915	39.76%
Street Lights	14,140	9,272	53,561	39,123	93,150	57.50%
Traffic Control & Parking	25,182	21,626	44,861	122,075	59,554	75.33%
Streets	35,221	38,673	676,849	510,206	833,613	81.19%
Sidewalks & Curbs	-	-	734	2,568	17,024	4.31%
Grassy Hill Guardrails	-	-	-	-	61,624	0.00%
40 East Sidewalks/Crosswalks	-	-	2,428	-	167,650	1.45%
Street Cleaning	3,632	2,268	7,817	9,538	16,534	47.28%
Refuse Collection	22,538	26,853	85,956	82,288	150,582	57.08%
Snow Removal	-	1,807	489	2,099	24,914	1.96%
Municipal Building	9,163	4,287	38,442	27,844	62,700	61.31%
Emergency Services Bldg.	7,750	2,596	33,608	21,473	56,020	59.99%
Public Works Building	2,637	18	9,429	102	16,850	55.96%
Cemetery	970	2,587	9,198	13,023	15,734	58.46%
Playgrounds	2,083	2,311	19,789	14,344	28,994	68.25%
Veterans Memorial Park erosion	5,848	-	29,098	-	97,000	30.00%
Pigg River Heritage Trail	-	320	-	8,064	-	0.00%
Pigg River Dam Safety	-	-	895	573	30,000	2.98%
Planning & Zoning	12,118	9,409	56,470	51,650	121,927	46.31%
Community Development	9,339	30,045	84,746	91,188	185,351	45.72%
Citizen's Square	814	1,962	5,602	10,011	14,400	38.90%
Hospitality Center	3,055	771	16,559	4,207	31,703	52.23%
Passport Services Expenses	333	106	601	491	1,800	33.37%
Performing Arts Venue	54	-	8,825	-	282,940	3.12%
Economic Development Authority	2,370	-	2,370	-	-	0.00%
Remediation of Blighted Structures	-	1,434	63	1,760	20,000	0.32%
Non-Departmental:						
Wages & Fringes	1,443	14,966	8,276	139,029	44,000	18.81%
Employee Wellness Program	-	18	320	3,555	4,000	8.00%
Employee Drug Testing	176	199	461	397	1,055	43.71%
Letter of Credit Reimbursement (Landmark)	-	-	-	80,000	-	0.00%
Insurance	-	-	65,093	58,832	65,891	98.79%
Contributions to Others	-	-	32,500	22,500	52,756	61.60%
Debt Service-Principal	-	-	-	-	189,300	0.00%
Debt Service-Interest	-	-	56,484	68,086	112,968	50.00%
Transfer to Utility Fund	88,770	85,579	475,614	464,538	514,278	92.48%
Transfer to Capital Proj. Fund	-	-	-	-	-	0.00%
Contingency	-	-	-	-	20,211	0.00%
TOTAL GENERAL FUND EXPENDITURES	418,565	491,212	3,030,768	3,084,645	5,879,855	51.54%

**TOWN OF ROCKY MOUNT
EXPENDITURE COMPARISONS
AS OF DECEMBER 31, 2012**

ACTIVITY	MONTH		YEAR TO DATE		BUDGET	% OF
	THIS YEAR	LAST YEAR	THIS YEAR	LAST YEAR	THIS YEAR	BUDGET THIS YEAR
WATER & SEWER FUND:						
Water System Operation	8,107	5,371	81,517	98,137	201,112	40.53%
Meter Reading	2,674	2,360	14,705	10,288	67,137	21.90%
Water Plant	45,012	46,726	269,180	235,862	631,716	42.61%
FCHS Ramsey Hall Sewer Extension	-	-	-	-	18,000	0.00%
Trinity Packaging Water Line Relocation	-	-	1,853	-	-	0.00%
Lilly's Leisure Utility Extension	6,267	-	8,043	-	-	0.00%
Dent Street Water Line	-	-	24,253	-	-	0.00%
Lynch Farm Water Line	-	1,610	-	3,213	-	0.00%
Diamond Ave. Water Line Relocation	-	-	-	12,653	-	0.00%
Wastewater System Operation	4,578	7,302	38,366	66,090	115,764	33.14%
Wastewater Treatment Plant	35,283	35,163	458,867	152,541	386,283	118.79%
Utility Billing & Administration	8,822	12,720	58,456	51,047	145,704	40.12%
Non-Departmental:						
Wages & Fringes	-	4,441	-	8,881	-	0.00%
Insurance	-	-	21,698	19,611	21,965	98.78%
Debt Service-Principal	245,906	238,692	343,089	320,061	712,363	48.16%
Debt Service-Interest	11,233	18,447	47,703	53,889	181,395	26.30%
Transfer to Capital Projects Fund	-	-	-	-	-	0.00%
Contingency	-	-	-	-	-	0.00%
Depreciation	-	-	-	-	734,500	0.00%
TOTAL WATER & SEWER FUND EXPENSES	367,882	372,831	1,367,730	1,032,273	3,215,939	42.53%
CAPITAL IMPROVEMENTS FUND:						
Uptown Redevelopment Project	18,472	107,129	128,735	597,077	-	0.00%
Music Venue	-	224,247	-	248,922	-	0.00%
Industrial Park - Site Improvements	-	411	-	411	-	0.00%
TOTAL CAPITAL PROJECTS EXPENDITURES	18,472	331,788	128,735	846,410	-	0.00%
6 months of the 12 month fiscal year						50.00%

TOWN OF ROCKY MOUNT
CONTINGENCY FUNDS
FISCAL YEAR 2013

	<u>GENERAL FUND</u>	<u>UTILITY FUND</u>
BUDGETED CONTINGENCY	30,211	43,013
COMMITTED:		
WTP electric upgrade (11-13-12)		(43,013)
Stepping Stone land purchase (11-13-12)	(10,000)	
AVAILABLE CONTINGENCY FUND BALANCE	<u>20,211</u>	<u>-</u>
Available / (overexpended)		

TOWN OF ROCKY MOUNT
PERFORMANCE VENUE (01.8108)
PROJECT TO DATE EXPENSES
(EXCLUDING BUILDING PURCHASE)

	This Month	Project to Date
Design	-	29,277.59
Design Advertising	-	1,252.08
Miscellaneous	-	242.25
Utilities	54.22	715.67
Totals	<u>54.22</u>	<u>31,487.59</u>

TOWN OF ROCKY MOUNT
UTILITY BILLING
WATER CONSUMPTION PERCENTAGES
FOR THE MONTH OF DECEMBER 2012

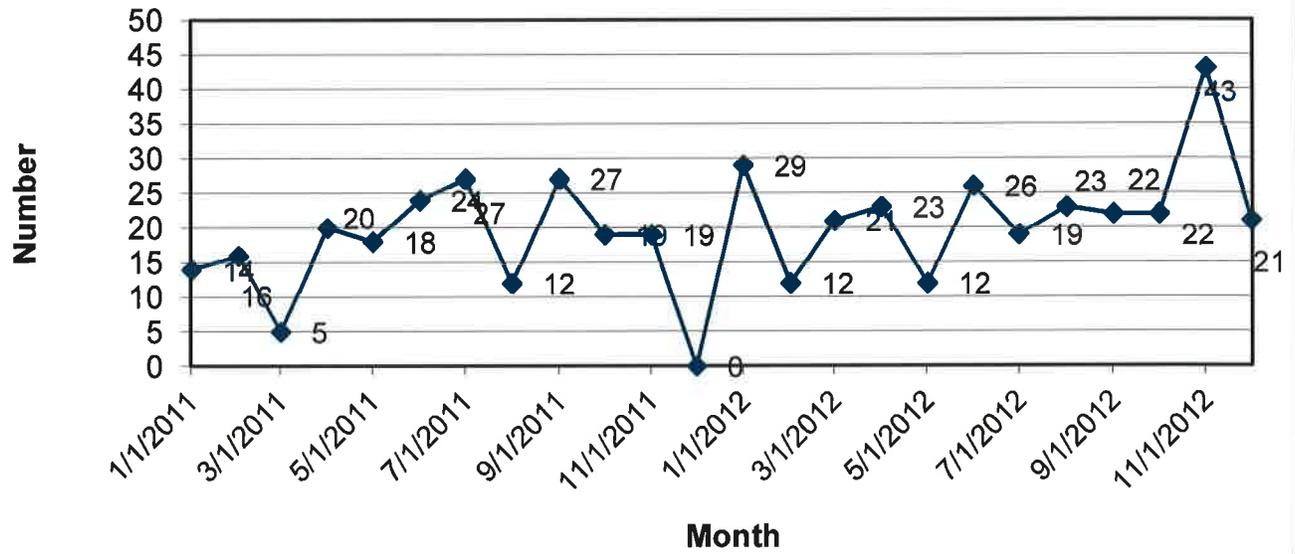
	TOTAL METERS	TOTAL GALLONS	TOTAL REVENUES	% METERS	% GALLONS	% REVENUES
IN-TOWN CUSTOMERS						
RESIDENTIAL	1,741	7,049,140	\$ 31,176	61%	35%	32%
COMMERCIAL	337	5,148,700	\$ 22,167	12%	26%	22%
INDUSTRIAL	49	4,022,490	\$ 13,753	2%	20%	14%
TOTAL	<u>2,127</u>	<u>16,220,330</u>	<u>\$ 67,097</u>	<u>75%</u>	<u>81%</u>	<u>68%</u>
OUT-OF-TOWN CUSTOMERS						
RESIDENTIAL	657	2,476,050	\$ 21,849	23%	12%	22%
COMMERCIAL	62	1,326,250	\$ 9,616	2%	7%	10%
INDUSTRIAL	2	18,900	\$ 131	0%	0%	0%
TOTAL	<u>721</u>	<u>3,821,200</u>	<u>\$ 31,596</u>	<u>25%</u>	<u>19%</u>	<u>32%</u>
				100%	100%	100%
GRAND TOTAL (ALL CUSTOMERS)						
RESIDENTIAL	2,398	9,525,190	\$ 53,025	84%	48%	54%
COMMERCIAL	399	6,474,950	\$ 31,783	14%	32%	32%
INDUSTRIAL	51	4,041,390	\$ 13,884	2%	20%	14%
TOTAL	<u>2,848</u>	<u>20,041,530</u>	<u>\$ 98,693</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

TOWN OF ROCKY MOUNT
UTILITY BILLING
PERCENT CONSUMPTION & PERCENT REVENUE
PER CUSTOMER CLASS
FISCAL YEAR 2013

Month	In Town								Out of Town							
	Residential		Commercial		Industrial		Total		Residential		Commercial		Industrial		Total	
	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.	% Gal.	% Rev.
Jul-12	32%	30%	26%	21%	22%	15%	80%	66%	12%	22%	8%	12%	0%	0%	20%	34%
Aug-12	34%	32%	31%	25%	19%	14%	84%	71%	13%	23%	3%	5%	0%	0%	16%	29%
Sep-12	33%	30%	27%	23%	23%	17%	83%	70%	12%	21%	5%	8%	0%	0%	17%	30%
Oct-12	32%	30%	28%	23%	23%	16%	82%	69%	12%	22%	6%	9%	0%	0%	18%	31%
Nov-12	33%	31%	30%	24%	19%	14%	83%	69%	11%	22%	6%	9%	0%	0%	17%	31%
Dec-12	35%	32%	26%	22%	20%	14%	81%	68%	12%	22%	7%	10%	0%	0%	19%	32%
Jan-13																
Feb-13																
Mar-13																
Apr-13																
May-13																
Jun-13																
Average	33%	31%	28%	23%	21%	15%	82%	69%	12%	22%	6%	9%	0%	0%	18%	31%

***NOTE: The above chart shows the breakdown of in-town customer gallons and revenues vs. out-of-town. It also breaks those gallons & revenues into residential, commercial, and industrial customers for FY 2013 (year ended 6/30/13).

Number of Water Cut-off's



TOWN OF ROCKY MOUNT
WATER ACCOUNTABILITY
November-12

Water Plant Finished Water Pumped		<u>22,620,000</u>
Water Consumption Billed	20,041,530	
Meters Read and Not Billed	840,680	
Water Obtained from Water Plant (to bill)	-	
Water Obtained from Public Works Hydrant (to bill)	-	
Flusing Water Lines Reported to WTP or PW	74,000	
Flow Meter Checks at Hydrants	-	
Filling Water Tanks	-	
Grand Total of Water Metered / Consumed / Tracked		<u>20,956,210</u>
Percent Finished Water Accounted		92.64%

Meters Read and Not Billed		
001-0122-10-01	Mary Bethune Park	6,600
001-0188-00-01	Impound Lot	-
002-0317-20-01	Public Works Bldg-old bldg	30
002-0317-30-01	Public Works Bldg-new bldg	1,000
004-1067-00-01	Veteran's Memorial Park	1,000
005-1300-00-01	Mary Elizabeth Park	2,800
005-1343-00-04	Music Venue	10
005-1384-00-01	Farmer's Market	1,200
005-1457-00-01	Municipal Bldg.	2,000
006-1710-00-01	Welcome Center / Depot	640
009-2523-50-01	Emergency Services Bldg.	11,100
011-0050-90-01	Rt 122 Pump Station	8,300
041-0034-00-01	WasteWater Treatment Plant	332,000
	Water Plant Process	474,000

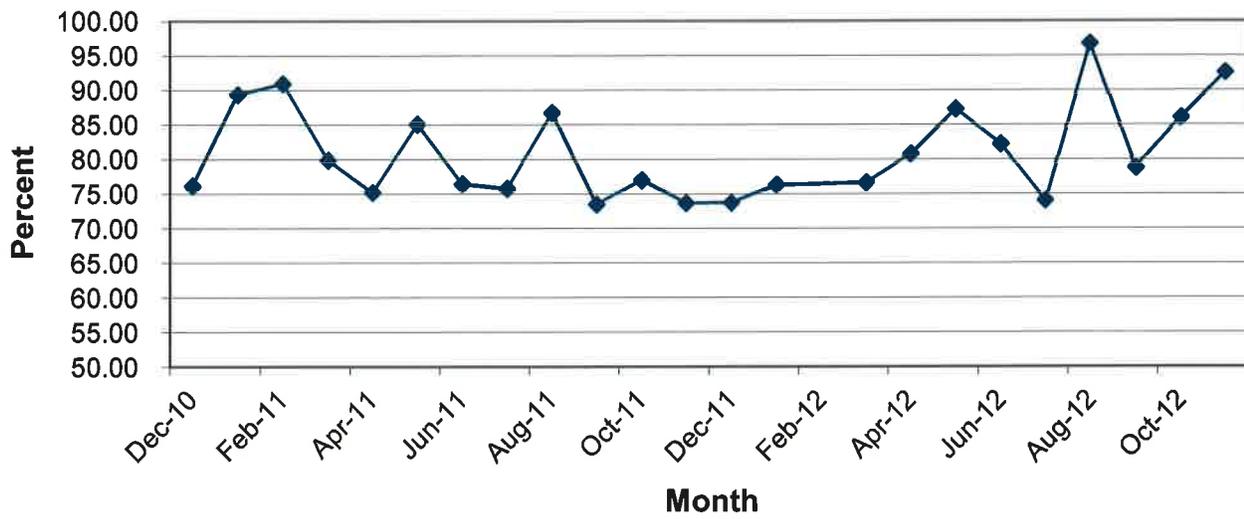
TOTAL Meters Not Billed		<u>840,680</u>
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Water Line Repairs by Public Works during the month:
3/4" line on Mary Coger Lane

Sewer Line Repairs by Public Works during the month:
none

TOWN OF ROCKY MOUNT WATER ACCOUNTABILITY FISCAL YEAR 2013						
Month	Finished Water Treated	Total Water Gallons Accounted	Percent Accounted	Monthly Gallons Variance	Average Accounted Variance per Quarter	Average Monthly Variance per Quarter
Jul-12	29,140,000	21,591,817	74.10%	7,548,183		
Aug-12	26,700,000	25,852,680	96.83%	847,320		
Sep-12	26,160,000	20,632,411	78.87%	5,527,589	83.26%	4,641,031
Oct-12	25,420,000	21,879,942	86.07%	3,540,058		
Nov-12	22,620,000	20,956,210	92.64%	1,663,790		
Dec-12				-	89.36%	2,601,924
Jan-13				-		
Feb-13				-		
Mar-13				-	0.00%	-
Apr-13				-		
May-13				-		
Jun-13				-	0.00%	-
AVG.	26,008,000	22,182,612	85.70%	3,825,388	86.31%	3,621,477
TOTAL	130,040,000	110,913,060		19,126,940		
	Monthly Avg. Percent Unaccounted =		14.30%			
	Monthly Avg. Percent Accounted =		85.70%			
	3 out of 5 months this fiscal year > 80% accountability					

Water Accountability %



**TOWN OF ROCKY MOUNT
UTILITY PROFILE
FISCAL YEAR 2013**

Month	Plant Hrs.	Raw Water Drawn	Monthly Avg. % of capacity	Finished water Treated	Monthly Avg. % of capacity	Total Water Gallons Accounted (A)(B)	Pct. Account ed	Connections	Wastewater Monthly Flow	Monthly Avg. % of Capacity	Total Sewer Gallons Billed	Pct. Account ed
Jul-12	337.90	30,150,000	48.63%	29,140,000	47.00%	21,591,817	74.10%	2,857	17,360,000	28.00%	14,815,887	85.34%
Aug-12	322.40	27,700,000	44.68%	26,700,000	43.06%	25,852,680	96.83%	2,851	17,236,000	27.80%	17,583,140	102.01%
Sep-12	315.00	25,070,000	41.78%	26,160,000	43.60%	20,632,411	78.87%	2,858	16,260,000	27.10%	14,816,801	91.12%
Oct-12	334.80	27,420,000	44.23%	25,420,000	41.00%	21,879,942	86.07%	2,860	16,926,000	27.30%	15,879,589	93.82%
Nov-12	315.00	23,930,000	39.88%	22,620,000	37.70%	20,956,210	92.64%	2,848	15,690,000	26.15%	15,065,590	96.02%
Dec-12	313.10	23,380,000	37.71%	22,060,000	35.58%				17,546,000	28.30%		
Jan-13			0.00%		0.00%					0.00%		
Feb-13			0.00%		0.00%					0.00%		
Mar-13			0.00%		0.00%					0.00%		
Apr-13			0.00%		0.00%					0.00%		
May-13			0.00%		0.00%					0.00%		
Jun-13			0.00%		0.00%					0.00%		
AVG.	323.03	26,275,000	42.82%	25,350,000	41.32%	22,182,612	85.70%	2,855	16,836,333	27.44%	15,632,201	93.66%

NOTE (A): "Total Water Gallons Accounted" consists of gallons billed and gallons read but not billed plus bulk water sold at the Water Plant plus water used to flush lines or hydrants plus gallons used to fill water tanks.

NOTE (B): For any given month, "total water gallons accounted" are for "finished water treated" that month. For example, for the month of July, "water gallons accounted" would be water consumed during the month of July by customers and read by the meter readers during the first week of August. Those gallons, however, would not be billed to customers until the end of August during that month's billing cycle. However, those gallons consumed are displayed on the July line to match usage with water plant production ("finished water treated").

MONTHLY STAFF REPORT

DATE:	January 2, 2013
TO:	Rocky Mount Town Council
FROM:	Charles Robertson, Fire Chief
DEPARTMENT:	Rocky Mount Fire Department
MONTH:	November 2012

For the month of November 2012, there were a total of 38 fire calls. 14 calls were inside the Town limits and 24 calls were in the County.

There were a total of 217 man hours accumulated on all calls for the month.

The department averaged 7.13 members on all calls for the month.

There were a total of 841 miles traveled on all department vehicles during the month, with the department using a total of 63.9 gallons of gasoline, and a total of 164.8 gallons of diesel fuel was used.

There were five structure fires; one motor vehicle fire; eight woods and grass fires; one gasoline leak (spill); 16 motor vehicle accidents; three false alarms (false calls); three smoke/odor removals; and one control burn.

The department is actively recruiting new qualified applicants for membership. An emphasis on younger physically fit personnel is preferred. New perspective members go through an interview with the Membership Committee and must pass a physical exam, and be able to certify Fire Fighter I with the VDFP within the first year.

MONTHLY STAFF REPORT

DATE:	January 2, 2012
TO:	Rocky Mount Town Council
FROM:	David R. Cundiff, Chief of Police
DEPARTMENT:	Police Department
MONTH:	December 2012

See attached Monthly Report for additional information!

ROCKY MOUNT POLICE DEPARTMENT
MONTHLY REPORT TO COUNCIL

ADM #1

DATE: DECEMBER 2012

	OCT	NOV	DEC
TRAFFIC ARRESTS	79	72	75
TRAFFIC WARNING	72	72	57
CRIMINAL ARRESTS	74	38	33
LEGAL DOCUMENTS; TRESPASS NOTICES	0	0	0
JUVENILE REFERRALS P-UPS, ETC.	10	4	1
ALARM RESPONSES	64	33	46
ACCIDENTS INVESTIGATED	30	13	37
INCIDENTS ADDRESSED	2205	1481	1747
INCIDENTS, OFFENSES REPORTABLE	74	58	57
BUSINESSES, RESIDENCES CHECKED	894	722	721
DOORS, WINDOWS, ETC. UNSECURED	1	0	2
MOTORIST AIDES	107	94	90
BREAKING & ENTERING REPORTS	2	0	3
BREAKING & ENTERING WARRANTS	0	0	0
FELONY WARRANTS	7	8	1
GRAND LARCENY WARRANTS	0	0	0
MISDEAMEANOR CRIMINAL WARRANTS	55	30	24
UNIFORM TRAFFIC SUMMONS ISSUED	70	72	95
DUI	8	4	6

TRAFFIC ENFORCEMENT:

- ◇ Moving and stationary radar: throughout the Town, Bernard Road, Greenview Drive, North & South Main Street, Grassy Hill Road, Tanyard Road, Pell Avenue, State Street, Old Franklin Turnpike, Scuffling Hill Road, Glenwood Drive, Green Meadow Lane and Windy Lane.
- ◇ There were 21 reportable accidents with 18 of the accidents on our public streets.

COMMUNITY OUTREACH:

- ◇ Residential Foot Patrols: (193) Altice Mill Road, Avalon Drive, Bernard Road, Booker T. Washington, Byrd Lane, Candlewood Apartments, Circle Drive, Claiborne Avenue, Cornell Road, Diamond Avenue, Donald Avenue, East Court Street, East Street, Fairlawn Drive, Goodview Street, Green Meadow Lane, Greer Lane, Hatcher Street, Hilltop Drive, Knob Apartments, Knollwood Drive, Law Street, Leonor Street, Luke Street, Mary Coger Lane, Montview Avenue, Mountain View Drive, Muse Lane, Musefield Road, Norris Street, North Main Street, Oak Street, Old Franklin Turnpike, Orchard Avenue, Oxford Circle, Pell Avenue, Scuffling Hill Road, South Main Street, Spring Street, State Street, Sycamore Street, Tanyard Road, Trail Drive, Warren Street, West Church Street, Windy Lane, Wooddale Drive, Woodlawn Drive and Wrays Chapel Road.

- ◇ Business Foot Patrols: (243) Angle Hardware, Arrington Sports Awards, Auto Zone, BFMS, Bojangles, Burger King, C Mart, China City, Comfort Inn, Cook Out, CVS, Dairy Queen, DMV, Dollar General, Eagle Cinema, Family Dollar, Family Pharmacy, Farmer's Market, Franklin County High School, Fisher Auto Parts, Fleetwood Homes, Food Lion, Franklin Center, Franklin Finance, Franklin Memorial Hospital, Franklin Outdoors, Franklin Street, Frank's Pizza, Goodwill, Hema's, Hub Restaurant, Ippy's, J & J Fashion, Kroger, Los Tres Amigos, Lowes, McDonald's, Modukraf, North Main Street, Old Franklin Turnpike, Papa John's, Pell Animal Clinic, PlyGem, Rocky Mount Elementary, Roses, School Board Road, Sheetz, South Main Street, Trinity Missions, Walgreens, Wal-Mart and YMCA.

MISCELLANEOUS:

- ◇ December 2nd, 2012 - Christmas Parade
- ◇ December 4th, 2012 - Provide traffic control for "220 Bridge Work"
- ◇ December 7th, 2012 - Down Town Christmas
- ◇ December 9th, 2012 - Canine Call Out
- ◇ December 11th, 2012 - Open Door "Ron Ayer's"
- ◇ December 11th, 2012 - Open Door "Perdue Law Office"
- ◇ December 13th, 2012 - Canine Call Out
- ◇ December 20th, 2012 - RMPD Annual Needy Family Food Drive
- ◇ December 20th, 2012 - Ribbon Hanging for "Sandy Hook Elementary School"

TRAFFIC CONTROL UPDATES:

- ◇ No new updates for this month.

INVESTIGATIONS:

- ◇ New Criminal Investigations: 8
- ◇ New Drug Investigations: 2
- ◇ Cases Cleared: 5
- ◇ Misdemeanor charges: 10
- ◇ Felony Charges: 6
- ◇ Pending Cases: 4
- ◇ Child Abuse Cases: 0

MEETINGS:

- ◇ FRESH Coalition Meeting
- ◇ Patrol Applicant Process/Testing
- ◇ Patrol Applicant Interviews
- ◇ CART Meeting
- ◇ Community Meeting "40 West area"
- ◇ Advocacy Center Meeting
- ◇ Safe alternative FRESH sub committee meeting

TRAINING:

- ◇ Piedmont Academy "Specialized Task Force Training"

CLASSES TAUGHT:

- ◇ No Classes taught for month of December

CRIMINAL ARRESTS & LOCATIONS:

Possession of Marijuana	Franklin Street
Possession of Marijuana	Windy Lane
Driving Under the Influence	Franklin Street (x 2)
Driving Under the Influence	Parkers Drive
Driving Under the Influence	Old Franklin Turnpike
Driving Under the Influence	North Main Street
Driving Under the Influence	Scuffling Hill Road
Drunk In Public	Floyd Avenue (x 2)
Drunk In Public	Old Franklin Turnpike
Drunk In Public	North Main Street
Drunk In Public	Peters Street
Drunk In Public	South Main Street
Underage Possession of Alcohol	Old Franklin Turnpike
Refusal of Blood/Breath Test	Franklin Street
Aggravated Assault Highway	Booker T. Washington
Domestic Assault	East Court Street (x 4)
Simple Assault	North Main Street
Simple Assault	Tanyard Road
Simple Assault	Old Franklin Turnpike
Shoplifting	Old Franklin Turnpike (x 6)
Shoplifting	Tanyard Road (x 2)
Felony Shoplifting	Old Franklin Turnpike
Disorderly Conduct	East Court Street
Destruction of Property	Hatcher Street

SPEEDING TICKETS ISSUED

Pell Avenue (x 6)

Tanyard Road (x 5)

Franklin Street (x 4)

North Main Street (x 4)

Floyd Avenue (x 2)

East Court Street (x 2)

South Main Street (x 2)

Old Franklin Turnpike (x 2)

Virgil H. Goode Highway (x 2)

Bernard Road

Donald Avenue

Circle View Street

School Board Road

MONTHLY STAFF REPORT

DATE:	January 8, 2013
TO:	Rocky Mount Town Council
FROM:	Cecil R. Mason, Public Works Director
DEPARTMENT:	Public Works Department
MONTH:	December 2012

1. Swept streets December 7th, 10th, 12th and 13th.
2. Did cleanup for 3 days.
3. Did leaf cleanup for 14 days.
4. Read meters for 3 days.
5. Repaired 6" water line on Franklin Street.
6. Moved 2" water line for Interfaith Church (Virgil Goode Highway).
7. Repaired sewer line at 105 Patterson Avenue.
8. Made one each 2" water tap for Lillie's Leisure.
9. Made one each 1" water tap for Interfaith Church.
10. Opened one grave for Lynch Conner Bowman Funeral Home.

MONTHLY STAFF REPORT

DATE:	January 3, 2013
TO:	Rocky Mount Town Council
FROM:	Tim Burton, Superintendent
DEPARTMENT:	WWTP
MONTH:	December 2012

Average Daily Flow	0.566 mgd
TSS Reduction	99 %
BOD Reduction	99 %
Leachate (F.C. Landfill)	0.00 gallons
VPDES Violations	None
Sludge (Land filled @ F.C.)	78.29 tons
Rain Total 3.39 inches	Snow Total 0.0 inches

Request: None

Respectfully Submitted,

Timothy Burton

MONTHLY STAFF REPORT

DATE:	January 2, 2013
TO:	Rocky Mount Town Council
FROM:	Bob Deitrich, Superintendent
DEPARTMENT:	Water Department
MONTH:	December 2012

Operation and Production Summary:

The actual water production time (filtering of water) for the entire month averaged 10.1 hours per day which yielded approximately 710,000 gallons of water per day.

Total Raw Water Pumped:	23.38 million gallons
Total Drinking Water Produced:	22.06 million gallons
Average Daily Production:	710,000 gallons per day
Ave Percent of Production Capacity:	36%
Flushing of Hydrants/Tanks:	218,500 gallons Hydrant Flushing, Tank Cleaning
Plant Process Water:	539,000 gallons (finished water used by the plant)
Bulk Water Sold @ WTP:	None

Operational Issues:

- All routine monthly bacteriological samples were negative (no bacteria detected). All other routine samples were also within limits.
- The first real rain in three months brought us back to reality, once again having to deal with muddy water, but staff kept all finished water parameters in line.
- VDH has indicated that we will not be required to install equipment or drastically change our treatment process due to the detection of cryptosporidium in the Blackwater River. As long as we maintain our filtered water quality at the goals we already had put in place, we will be in compliance with EPA's Surface Water Treatment Rule.

Repairs/Maintenance:

- Rt. 220 North Tank is out of service at this time. The automatic shutoff valve has failed in the closed position trapping water inside. After repeated attempts to repair, the tank was drained and a new actuator has been ordered, should be delivered by mid January. Staff will install. (Cost approx. \$2000)
- One of the plant's dry chemical feeders has failed (original equipment). We are expecting delivery of two new units any day (approved capitol expenditure).
- The plant truck needed a new ABS sensor.

Miscellaneous:

- Fire Hydrants were tested on Cassell Drive

Upcoming:

- Fire Hydrant Tested (as weather and staffing allows)
- WTP plumbing maintenance
- Soda Feeder Installation
- 220 N. Tank Valve repair and washout

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens**
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED:	January 14, 2013
----------------------------	------------------

STAFF MAKING REQUEST:	Bob Deitrich, Water Plant Superintendent
BRIEF SUMMARY OF REQUEST:	<p>Contract Award – Water Tank Maintenance</p> <p>In an effort to assure the Town was getting the best possible service and price with our ongoing water tank maintenance contract, an RFP for maintenance services was issued in November of 2012. Based on a review of bids, references and visits to active work sites, we have chosen Southern Corrosion, Inc. as the winning bidder. Their base bid of \$209,000 for the five-year period was least expensive of the three bids received.</p> <p>Southern Corrosion, Inc. is an east coast regional company based in Roanoke Rapids, North Carolina, who have excellent references and have been in the business for 25 years. I believe that their use of in-house employees vs. subcontractors will improve the quality of work we receive. I have visited one of their job sites and was impressed with the cleanliness and organization of the work area.</p>
ACTION NEEDED:	Approval/denial to proceed with signing the Contract Documents

Attachment(s): Full memo regarding bid selection from Bob Deitrich, Supt., Water Dept.

FOLLOW-UP ACTION: (To be completed by Town Clerk)
--

Town of Rocky Mount
345 Donald Avenue
Rocky Mount, Virginia 24151

540.483.5747
FAX 540.483.8830

E-mail: bdeitrich@rockymountva.org
www.rockymountva.org



TOWN COUNCIL
Steven C. Angle, *Mayor*
Gregory B. Walker, *Vice Mayor*

Bobby M. Cundiff P. Ann Love
Jerry W. Greer, Sr. Bobby L. Moyer
Billie W. Stockton

Robert Deitrich, *Superintendent*
Water Department

Memorandum

To: C. James Ervin, Town Manager

From: Bob Deitrich, Water Plant Superintendent

Date: December 11, 2012 (originally transmitted via email)

Subject: Water Tank Contract Award

Based on my reviewed of the bids and much consideration of The Town's situation, I have decided that Southern Corrosion, Inc. would be a good fit for the Town of Rocky Mount.

In an effort to be impartial, I reviewed each proposal and used a 1-10 scoring system and evaluated categories as described in our RFP to rate each proposal.

The categories were Experience, References, Capability and Capacity, Use of Subcontractors, Annual Cost, and U.S. ownership.

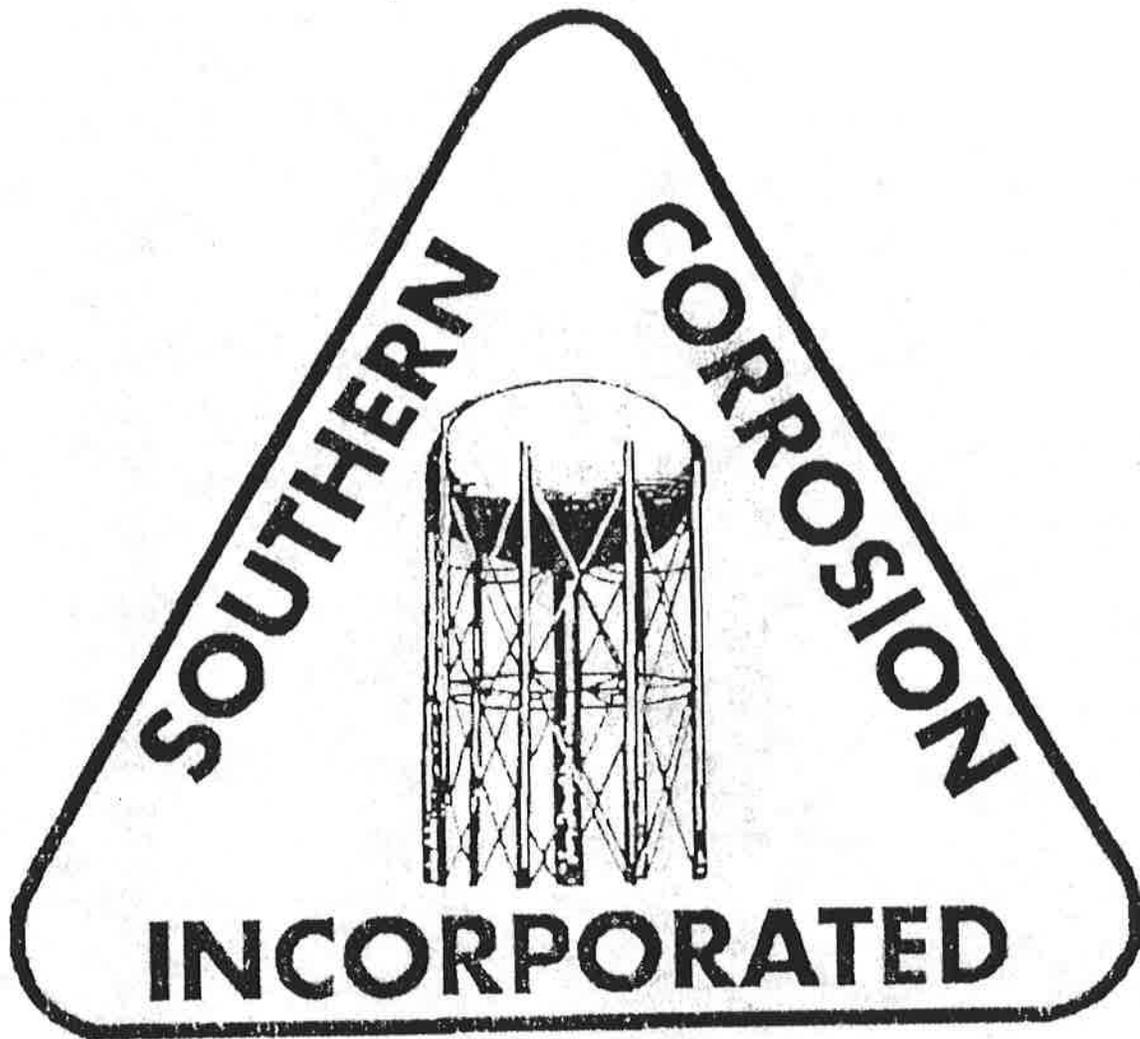
To summarize, each company listed references that spoke highly of each. When asked who they worked with previously, two of those I spoke to indicated they had worked with Utility Services in the past and both gave unfavorable opinions of them. Council is aware of our recent experiences with Utility Services.

All three companies on paper are fully capable of handling maintenance and repair of our tanks. Utility Services is the only one of the three that uses subcontractors for all paint work. All three companies are U.S. companies but Utility Services is owned by a French corporation as of about 2008. Caldwell and Utility Services both included verbiage in their contracts that stated they would not be responsible for disposal of hazardous materials. Southern Corrosion, Inc. stated they would handle disposal of any lead tainted blasting material.

Southern Corrosion is an east coast regional company based in Roanoke Rapids, North Carolina, who have excellent references and have been in the business for 25 years. I believe that use of in-house employees vs. subcontractors will improve the quality of work we receive. I have visited one of their job sites and was impressed with the cleanliness and organization of the work area. Their pricing was structured differently but was the lowest base bid.

They have indicated a willingness to provide a level payment schedule to make budgeting easier. I believe that Rocky Mount will benefit from a fresh start with a new company eager to impress.

Please contact me with any questions or guidance as necessary.



WATER TANK MANAGEMENT

200,000 Gallon 220 North Tank
100,000 Gallon Pendleton Tank 1
300,000 Gallon Pendleton Tank 2
200,000 Gallon Grassy Hill 1 Tank
300,000 Gallon Scuffling Hill Tank
300,000 Gallon Bald Knob Tank
1,000,000 Gallon 220 South Tank

TOWN OF ROCKY MOUNT, VA

TABLE OF CONTENTS

SECTION		TAB
I	Company History, Qualifications, References	1
II	License and Financial Statement	2
III	Water Tank Management Service Proposal	3
IV	Safety Policies	4
V	Sample Certificate of Insurance	5

SOUTHERN CORROSION, INC.

Southern Corrosion, Inc. was founded in 1983 in Roanoke Rapids, NC and operates primarily as a tank maintenance contractor. We have successfully completed a number of major tank repairs including riser replacements, steel shell replacement, steel roof replacement, and elevated tank dismantling and removal. Our field services include: sandblasting, painting, welding, general repair, inspections, interior washouts, and tank dismantling. Our primary operating area includes the States of Virginia, North Carolina, South Carolina, Georgia, Tennessee, Mississippi, Alabama, West Virginia, Maryland, Delaware, Pennsylvania & Florida. We also offer a Water Tank Management Service that is designed to meet the long-term maintenance needs of our customers.

Most of the work that we do is conducted with our own personnel rather than subcontractors. By relying primarily on our own work force, we can better assure that you receive the quality workmanship you expect. All personnel are highly trained, experienced, and are provided with a substantial amount of equipment, including large air compressors (750CFM and higher), welding machines, bulk sandblast pots, spray equipment, and power swing stages.

Owner Resume

Mr. Jim Skilton has a Bachelor of Science Degree in Business Administration from the University of Delaware, and a Masters Degree in Business Administration from Campbell University. He has been a part of Southern Corrosion's management team since 1985, and was promoted to Vice President in 1988, and President in 1989. Additionally, Mr. Skilton has earned the designation of Protective Coatings Specialist from SSPC, the Society for Protective Coatings and is a NACE level 1 certified inspector.

Mr. Basolis resides in New Jersey, and is the CEO of Garrison Enterprises, a mechanical contracting company service the water industry, and is an owner or active participant in at least 6 other complimentary industrial businesses. He is also the Co-Chairman of the Board of Yardville National Bank, NA, which was recently purchased by PNC Bank.

Management Personnel:

Mr. Ed Soltis - 29 years experience in the water tank maintenance field. His abilities are primarily surface preparation, painting, and minor repairs. In 2007, he was promoted to Manager of Operations. Mr. Soltis is a NACE level 1 certified inspector.

Site Management:

The primary source of the quality service you receive is our on site managers. We currently have seven crews on Southern Corrosion's payroll to service your water tank maintenance needs. They are managed by the following individuals:

Mr. David Perritt - 24 years experience in the water tank maintenance field. He has extensive abilities including all surface preparation, painting, welding, repairs, antenna installation, and tank dismantling.

Mr. George Brooks Jr. - 26 years experience in the water tank maintenance field. His abilities are primarily surface preparation, painting, and minor repairs.

Mr. Alan Bressan - 33 years experience in the water tank maintenance field. His abilities are primarily surface preparation, painting, and minor repairs.

Mr. Jim Nicholson – 26 years experience in the water tank maintenance field. His abilities are primarily surface preparation, painting, and minor repairs.

Mr. Scott Smith – 19 years experience in the water tank maintenance field. His abilities are primarily surface preparation, painting, and minor repairs.

Engineering:

Frederic Gryckiewicz is a VA licensed PE. Mr. Gryckiewicz graduated from the University of Connecticut with a Bachelor of Science in Engineering. He has worked at various engineering managerial positions from 1973 to 2003 prior to joining Southern Corrosion. Fred is responsible for plans and structural analysis of cell phone applications to water tanks as well as the design of tank appurtances.

Mr. Harry Skilton has a Bachelor of Science in Civil Engineering from Drexel University, and is a Registered Professional Engineer in the states of New Jersey, Delaware, Maryland, Virginia, North Carolina, South Carolina, and Tennessee. He has extensive experience in the design, fabrication, and construction of steel tanks. He worked for 10 years in the tank building industry and 41 years in the water tank maintenance industry.

Quality Control:

Ed Soltis is directly responsible for Southern Corrosion's quality control. This is implemented through pre-job consultation with our assigned foreman for the job, and a thorough description of the scope of work on the project. The project foreman has inspection equipment to measure and record both weather

conditions and aspects of the surface preparation and coating processes. Finished work is inspected by Mr. Soltis

Employee Safety Training:

Our employees receive annual training including confined space entry, fall prevention, hazardous communication, respiratory protection, and lead abatement.

Virginia Representative:

Mr. Brett WoodruffHe can be contacted at: 1-800-828-0876 or cell # 804-337-6942. While any maintenance work is on-going, Ed Soltis will be the primary point of contact concerning the work being performed. At any other time, the primary contact will be Brett Woodruff.

Office: The office managing this contract will be our office at the following address:

Southern Corrosion, Inc.
738 Thelma Rd.
Roanoke Rapids, NC 27870
Phone: 800-828-0876
Fax: 252-535-3215
E-Mail: sci@tankcare.net
www.tankcare.net

Size of Southern Corrosion, Inc.

2011 Sales: \$6,000,000.00

2012 Employees: 42

Renovation Capabilities:

Southern Corrosion, Inc. operates primarily as a water tank maintenance and management contractor. We have successfully completed a number of major tank repairs including: riser pipe replacements, steel shell replacement, steel roof replacement, catwalk handrail replacement, manway installation or replacement, ladder installation or replacement, ladder safety climb installation, telemetry controls, rod replacement, strut replacement, anchor bolt & nut replacement, overflow pipe installation, level gauge repair or replacement, roof vent repair or replacement, pit welding, cathodic protection installation, various steel repairs, and tank dismantling and removal.

Our painting services include various surface preparation methods including: high pressure washing, hand and power tool cleaning, chemical stripping,

abrasive blasting, water-injected abrasive blasting, and vacuum blasting. Our scope of services generally includes testing the resulting surface preparation debris (when abrasive blasting) and the disposal of the abrasive blast debris. Types of coatings applied include polyurethanes, acrylics, alkyds, epoxies, vinyl-esters, coal tar epoxies, and other specialty coatings.

Lead abatement experience includes the utilization of various forms of exterior dust containment methods including: the TeePee system, the scaffold shrink wrap system, mobile containment structures, negative air dust collectors, and robotic blasting. Our latest lead abatement project was the complete removal of the lead based paint system from a 1,000,000 gallon standpipe located in Martinsburg, WV in the summer of 2006. Our first containment project was the removal of the lead based paint system from the exterior of a 75,000 gallon elevated tank in 1989 in Murfreesboro, NC. The largest water tank we have performed lead abatement is the exterior of a 1,000,000 gallon elevated tank located in Rock Hill, SC. We have also successfully used the Noxyde lead encapsulating system. We have used this system, developed in Europe, on 6 elevated tanks in Virginia, including 3 elevated tanks at Fort Lee, and one elevated tank in Richmond. Southern Corrosion is an approved applicator for this product.

Southern Corrosion also makes referrals to cellular companies for customers interested in renting antenna space on their water towers. We do this at no charge for Tank Management customers. We also perform plans review and consultation concerning antenna placement on your tanks. We have prepared plans, performed structural analysis, and installed the cable and antenna mounting hardware for municipalities as well as Alltel, Verizon, Cingular Wireless, US Cellular, SunCom, T-Mobile, Nortel, Cricket Communications and WaveTel.

Southern Corrosion provides tank security services beginning with an evaluation of the security of your tanks. We provide and install Secure Water ladder gate climb deterrents and Secure Water locks.

Equipment

Southern Corrosion owns all the equipment necessary to perform tank maintenance including sandblast pots with capacities between 100 pounds and 6 tons, bulk abrasive trailers capable of holding between 18 and 20 tons of abrasive, paint spray equipment of various sizes and capabilities, welding machines, winches varying between 4,000 and 10,000 pound capacities, pressure washers ranging from 3,000 to 10,000 psi, air compressors ranging from 125 CFM to 1,600 CFM, various suspended scaffolding equipment manufactured by Sky Climb, Triak, and Spider, confined space monitors, steel cutting equipment, negative air dust collectors, fire hydrant pressure relief valves, a 2,000 gallon mobile hydropneumatic tank, and air hoods. We occasionally rent

equipment when experiencing equipment failure or when we have a uniquely heavy demand for a certain type of equipment.

Items Covered By Our Water Tank Management Program

Our Water Tank Management Service includes the following services: external cleaning, painting, and repairs; internal cleaning, painting, and repairs; inspection and design services; tank security; emergency service; planning, consulting, and budgeting; tank artwork; safety modifications; electrical items, and tank interior wash-outs. Our services include steel replacement, steel parts, expansion joints, water level indicators, sway rods, manhole covers, gaskets, and any other components of the tank. All electrical components specific to tank lighting / PAA lighting and other components of the tanks will be included. SCADA/Telemetry, pumps, valves and generators are excluded.

Tank interior wash-outs will be scheduled in accordance with the RFP's schedule for these activities.

Emergency Response

Emergencies that threaten the immediate use of the tank will be responded to within the response time specified. The response referred to is for the purpose of our assessment of the emergency situation. If possible, repairs will be completed during the initial response. These emergency repairs are included in the maintenance service.

Graffiti

The service includes the coating over or removal of graffiti one time each year per tank, if required. Removing or overcoating graffiti is not normally considered an emergency response; it is a scheduled event. If graffiti appears, we will review the security of the tank site involved, and additional measures may need to be addressed by the Owner, if it is desired to continue this protection.

Accounting

The accounting system used by Southern Corrosion, Inc. to track the condition and maintenance costs for the elevated tanks complies with GASB 34 "Asset Management System", and will permit the Owner to categorize their water storage vessels as Non-depreciating Capital Infrastructure Assets.

Inspections

The tanks are inspected as scheduled to assess their condition. Our inspection surveys are based on AWWA recommendations. The first basic purpose of the inspection is to monitor functional items such as ladder safety, water level

gauges, vent and overflow screens, and the absence or damage of structural items such as sway rods, struts, anchor bolts & nuts, etc.. The second purpose of the inspection is to monitor the rate of deterioration of the coating systems both inside and out. This evaluation is necessary for the scheduling of future painting and arresting steel corrosion before it reduces the effective structural steel thickness. The third purpose of the inspection is to review security items such as locked gates, hatches, ladder gates, and to look for signs of vandalism or unauthorized access.

All items uncovered through inspection that require correction will be added to the maintenance schedule at no additional expense.

Certificate of Insurance

A sample certificate of insurance is enclosed. Our umbrella policy applies to all other policies listed except for workman's compensation.

Safety Programs

Our safety programs are extensive, and include general safety rules, fall prevention, confined space, hazardous communication, respiratory protection, and lead abatement. Copies of these programs are enclosed.

Other Capabilities and Potential Circumstances

Due to the extensive experience and networking of Southern Corrosion's personnel, our company is capable of handling nearly any potential circumstance that may arise concerning water tanks. Harry Skilton, a North Carolina PE, designed water tanks for C.B. & I., a major international tank building contractor. We have had many steel components fabricated at local machine shops based upon our plans. In addition, we have previously worked for Caldwell Tanks, C.B. & I., and RECO in Richmond, VA. We have had a relationship with these tank building firms since we were founded in 1983.

Southern Corrosion is capable of most major repairs to tanks. In October 2002, we replaced a riser pipe for Stafford County, VA. In January of 2004, we renovated a 3 legged riveted tank built in 1904 for the City of Rocky Mount, NC. This work was part of a historical restoration grant, and renovation work included replacing the shell walls and roof of the elevated tank.

Southern Corrosion Water Tank Management Family Members

Town of Mount Olive, NC, 4 tanks, Deems Blanton, 919-738-1025
Brunswick County, NC, 8 tanks, Ronald Moore, 910-253-2655
Town of Warrenton, NC, 3 tanks, John Freeman: 252-257-3315
Halifax County, NC, 9 tanks, Gwen Matthews: 252-583-1451
Town of Littleton, NC, 1 tank, Shelia Taylor: 252-586-2709;
Town of Kure Beach, NC, 2 tanks, Sonny Becker: 910-458-8216
Town of Creedmoor, NC, 2 tanks, Steve Colinda: 919-528-3332 Ext 117;
Town of Ahoskie, NC, 2 tanks, Kirk Rogers: 252-287-7077
Town of Weldon, NC, 2 tanks, Jeff Elks, 252-536-3478
Town of Oak Island, NC, 4 tanks, David Kelly: 910-278-5011
West Carteret Water Corp (NC), 4 tanks, Lisa Smith-Perri: 252-393-1515
Town of Tabor City, NC, 2 tanks, Al Leonard, 910-653-3458
Town of Atlantic Beach, NC, 2 tanks, Marc Shulze, 252-726-1366
Wayne County Sanitary Districts (NC), 12 tanks, Joey Threewitts, 919-731-2310
Warren County, NC, 7 tanks, Macon Robertson, 252-257-1854
Town of Pennington Gap, VA, 2 tanks, Tina Rowe, 276-546-1177
City of Emporia, VA, 4 tanks, Tommy Delbridge, 434-634-2544
Town of Selma, NC, 4 tanks, Gerald Lanier, 919-965-2244
Amherst County, VA, 2 tanks, Dan French, 434-845-1605
Southern Wayne Sanitary District (NC), 4 tanks, Mike Garris, 919-731-2520
Town of Hillsborough, NC, 4 tanks, Ken Keel, 919-732-1270 extn. 75
Town of Marshville, NC, 1 tank, Bivens Steel, 704-624-2515; 704-226-6655
Town of Norlina, NC, 1 tank, Blaine Reese, 252-456-3325
Town of Southport, NC, 1 tank Ralph Caldwell, 910-457-7936
Martin Co, NC; 4 tanks, Ed Warren, 252-799-7310
Town of Turkey, NC, 1 tank, Sarah White, 910-592-7273
Town of Wingate, NC, 1 tank, Dryw Blanchard, 704-233-4411
Hertford County, NC, 5 tanks, Melvin Nichols, 252-358-7867
Town of Smithfield, NC, 3 tanks, Danny Baker, 919-796-9530
Town of Lawrenceville, VA, 4 tanks, CJ Dean, 434-848-2414
Town of Beulaville, NC, 1 tank, Lori Williams, 910-298-4647
Cape Fear PUA, NC 7 tanks, John Malone, 910-332-6643
Town of Williamston, NC, 5 tanks, Kerry Spivey, 252-792-1024
Town of Franklinton, NC, 2 tanks, Tammy Ray, 919-494-2218
Dickenson County, VA, 2 tanks, Ron Phillips, 276-835-1580
City of Clinton, NC, 6 tanks, Travis Anderson, 910-592-1961 or 910-214-5437
Bell Arthur Water Corp (NC), 5 Tanks, Ed House, 252-752-6252
Town of Bowling Green, VA, 4 tanks, William Stanley, 804-633-9474
Town of Liberty, NC, 3 tanks, Roger Davis, 336-622-4276
Town of Cameron, NC, 1 tank, Davis Reynolds, 910-245-3212
Southside Rural Water (SC), 1 tank, Brad Owen, 864-843-3440
Woodberry Forest School (VA), 3 tanks, Gene Lewis, 540-672-6053
Town of Pilot Mountain, NC, 3 tanks, Blair Knox, 336-368-2247
Camden County, NC, 2 tanks, David Cradle, 252-207-6874

Town of Pine Knoll Shores, NC, 2 tanks, Ernie Randolph, 252-247-4353
Town of Fairmont, NC, 2 tanks, Johnny Britt, 910-628-0064
Carteret County, NC, 2 tanks, Tony Cahoon, 252-728-6592
City of Winder, GA, 1 tank, Roger Wilhelm, 678-409-2313
Energy United Water (NC), 5 tanks, Rod Watts, 704-585-6518
River Ridge Assoc (VA), 1 tank, Cheryl Lilly, 434-636-5492
Town of Hurlock, MD, 1 tank, Tony Gilliard, 410-943-4181
Town of McKenney, VA, 1 tank, Winifred Coleman, 804-478-4621
Town of Seaboard, NC, 1 tank, Joe Barnes, 252-589-5061
Town of Lake Lure, NC, 1 tank, Tony Hennessee, 828-625-9983
Town of Castalia, NC, 1 tank, Angie Elliot, 252-459-3668
Boaz Water & Sewer Board, Boaz, AL, 9 tanks, Steve Clemmons, 256-593-4711
Town of Windsor, NC, 1 tank, William Coburn, 252-794-3121
Stokes County Schools(NC), 6 tanks, Ricky Goins, 336-591-4282
Town of Aurora, NC, 1 tank, Terry Groome, 252-322-5208
Village of Walnut Creek, NC, 1 tank, Louis Cook, 919-778-9687
Town of Boydton, VA, 1 tank, Ray Smith, 434-738-6021
City Point Water, Plantersville, MS, 2 tanks, David Payne, 662-321-6950
Town of Farmville, VA, 5 tanks, Cathy, 434-392-8774
Adams County, MS, 10 tanks, Ken Herring, 601-446-6616
Borough of Perkasio, PA, 1 tank, Gary Winton, 215-257-3654
Magee's Creek Water, Tylertown, MS, 8 tanks, Travis Marbury, 601-303-7067
City of Folly Beach, SC, 1 tank, Stephen Robinson, 843-588-2447
City of Fulton, MS, 9 tanks, Paul Walker, 662-862-4929
City of Ecu, MS, 2 tanks, Gable Todd, 662-489-3881
Town of Lockhart, SC, 1 tank, Hugh Gregory, 864-251-4000
Washington County, MD, 2 tanks, Rocky Bishop, 240-313-2608
Brown's Creek Water Assoc. (SC), 2 tanks, Jimmy Teaster, 864-545-2350
Town of Columbia, NC, 1 tank, Rhett White, 252-796-2781
Town of Greenevers, NC, 1 tank, Emma Brinson, 910-289-3078
City of Fayetteville, GA, 1 tank, Rick Eastin, 770-460-4258
City of Danville, VA, 10 tanks, Barry Dunkley, 434-799-6473
Town of Jackson, SC, 3 tanks, Donnie Cooper, 803-295-1282
Town of Nettleton, MS, 3 tanks, Randy Parchman, 662-871-2300
Crab Orchard Utility District (TN), 9 tanks, Everett Bolin, 931-484-6987
Olde Colonial Greene (PA), 1 tank, Patti Walton, 215-348-4853
Town of Saratoga, NC, 1 tank, Tommy Hawkins, 252-238-3487
Town of Spring City, TN, 2 tanks, Woody Evans, 423-365-6441
Town of Cape Charles, VA, 1 tank, David Fauber, 757-331-3259 x17
City of Verona, MS, 2 tanks, Bobby Williams 662-566-2211
Town of Harrellsville, NC, 1 tank, Dina White 252-356-4499
Amelia County, VA, 1 tank, Tom Harris 804-561-3039
South Mills Water Association, 4 tanks, Wayne Raper, 252-771-5620
Town of Hookerton, NC, 1 tank, Bobby Taylor 252-747-2201
Town of Jackson, NC, 1 tank, Jim Gossip 252-534-3811
Town of Wadesboro, NC, 1 tank, Hugh James 704-694-5171

Town of Kilmarnock, VA, 3 tanks, Tom Saunders, 804-435-1552, x 26
Town of Winton, NC, 1 tank, Carl Pierce, 252-358-9271
City of Mount Airy, NC, 4 tanks, Martin Semones, 336-786-3595
Cape Fear PUA, 3 tanks, Mike Richardson, 910-332-6542
Goochland County, VA, 3 tanks, Gerry Langfitt, 804-556-5836, x 2
Kerr Lake Regional Water, 1 tank, Christy Lipscomb, 252-438-2141
City of Henderson, NC, 2 tanks, Frank Frazier, 252-431-6026
Town of Beaufort, NC, 2 tanks, Frank Sansome, 252-728-2130
City of Attalla, AL, 5 tanks, Jesse Costtello, 256-504-7368
City of Okolona, MS, 3 tanks, Harold Jolly, 662-447-5761
Town of Sharpsburg, NC, 2 tanks, Bo Smith, 252-446-7876
Town of Burkeville, VA, 1 tank, Joesph Morrissette, 434-767-4095
City of Riceboro, GA, 2 tanks, Bill Austin, 912-884-2986
Town of Exmore, VA, 1 tank, Arthur Miles, 757-442-3114
Bladen County, NC, 7 tanks, Randy Gardner, 910-862-6996
Algoma Water Assoc., MS, 4 tanks, Ricky Jagers, 662-419-1105
Town of Old Fort, NC, 4 tanks, Tony Webb, 828-668-4244
City of Richmond Hill, GA, 1 tank, Mike Melton, 912-756-3345
Town of Middletown, DE, 1 tank, Morris Deputy, 302-378-9120
Highland Water Authority (AL), 6 tanks, Clayton Whitworth, 256-546-1751
Schwenksville Borough Authority (PA), 5 tanks, Mike Sullivan, 610-287-7772
City of Villa Rica, GA, 4 tanks, Richard Reid, 770-550-6084
Chowan County, NC, 4 tanks, Nick Lolie, 252-482-7477
Potomac Heights, MD, 1 tank, John Lewis, 301-743-3031
Mountaintop Regional Water, PA, 1 tank, Scott Cingle, 804-387-6707
Roanoke Rapids Sanitary District, 4 tanks, Dan Brown, 252-537-9137
Lexie Water Association (MS), 5 tanks, Cathy Mitchell, 601-814-0998
Friendship Community Water (MS), 2 tanks, Jeff Brown, 601-810-0169
City of Milford, DE, 3 tanks, Mark Mallamo, 302-422-6616 ext 131
Town of Fremont, NC, 1 tank, Kerry McDuffie, 919-242-6113
James Madison's Mountpelier (VA), 2 tanks, John Jeanes, 540-672-2728 ex 321
City of Mocksville, NC, 3 tanks, Jeff Bean, 336-751-2635
Mountain Water District, Pikeville, KY, 39 tanks, Grondal Potter, 506-631-9172
East Pike Water Assoc (MS), 2 tanks, Jeff Brown, 601-810-0169
Town of Plantersville, MS, 2 tanks, Terry Roberts, 662-321-3775
Town of Falkner, MS, 15 tanks, Randall MisKelly, 662-837-4940
Town of Elm City, NC, 1 tank, Jonathan Russell, 252-236-4917
Union Utilities (NC), 1 tank, James Cannette, 252-358-1447
Town of Spencer, TN, 3 tanks, 3 tanks, Jason Hale, 931-235-7758
Town of Powellsville, NC, 1 tank, Tom Asbell, 252-332-5933
Artesian Water Company (DE), 12 tanks, Robert Penman, 302-453-4946
Town of Harkers Island, NC, 1 tank, Travis Davis, 252-727-2252
Scientific Cliffs Assoc. (MD), 1 tank, Wally Price, 410-474-3050
City of Elizabeth City, NC, 3 tanks, Paul Fredette, 252-337-6628
Town of East Arcadia, NC, 1 tank, Willie Dixon, 910-655-4388
Falls Township, PA, 1 tank, David Busch, 215-946-6062 Ext. 104

Mountaintop Regional Water, 1 tank, Scott Cingle, 814-404-5362
Town of Robersonville, NC, 2 tanks, Elizabeth Jenkins, 252-508-0311
City of Ripley, MS, 7 tanks, Ricky Martin, 662-587-1058
Town of Laurel Park, NC, 8 tanks, Jim Ball, 828-693-4840
City of Lenoir, NC, 9 tanks, Radford Thomas, 828-757-2219
Town of Salem, SC, 1 tank, Ryan Hardin, 864-944-2819
Town of Bowling Green, FL, 2 tanks, Jerry Conerly, 863-375-2255

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION
COMMONWEALTH OF VIRGINIA

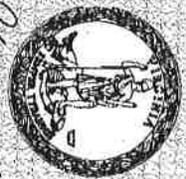
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9960 Mayland Dr., Suite 400, Richmond, VA 23233
Telephone: (804) 367-8500

BOARD FOR CONTRACTORS
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SOUTHERN CORROSION INC
738 THELMA RD
ROANOKE RAPIDS, NC 27870

NUMBER
2701023225



Gordon N. Dixon
Gordon N. Dixon, Director

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Southern Corrosion, Inc.
Financial Statements
Year Ended December 31, 2011

<u>Contents</u>	<u>Pages</u>
Accountant's Report.....	1
Balance Sheet.....	2 - 3
Statement of Retained Earnings.....	4
Statement of Cash Flows.....	5
Statement of Income.....	6 - 7
Notes to Financial Statements.....	8 - 12
<u>Supplementary Information</u>	
Accountant's Supplementary Report.....	13
Schedule 1 Schedule of Uncompleted Contracts.....	14 - 17
Schedule 2 Schedule of Completed Contracts.....	18
Schedule 3 Schedule of Completed Contracts-Unbilled.....	19

LINDA M. AVENA
Certified Public Accountant

PROFESSIONAL ASSOCIATION
2581 E. CHESTNUT AVENUE, SUITE B
VINELAND, NEW JERSEY 08361

MEMBER
AMERICAN INSTITUTE OF CPA'S
NEW JERSEY SOCIETY OF CPA'S

(856) 696-8000 • FAX (856) 794-1295

MASTER OF SCIENCE IN TAXATION

email: linda@avenacpa.com

**To the Stockholders
Southern Corrosion, Inc.
Roanoke Rapids, N.C.**

I have reviewed the accompanying balance sheet of Southern Corrosion, Inc. (an S corporation) as of December 31, 2011, and the related statements of income, retained earnings, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management of Southern Corrosion, Inc. is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principals generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principals generally accepted in the United States of America.

Linda M Avena, CPA, PA

Linda M. Avena, CPA, PA

May 16, 2012

Southern Corrosion, Inc.
Balance Sheet
December 31, 2011

Assets

Current Assets

Cash	\$1,203,393.95
Accounts Receivable	315,486.94
Cost in Excess of Billings on Completed and Uncompleted Contracts	1,558,670.01
Other Current Assets	<u>61,379.85</u>

Total Current Assets \$3,138,930.75

Property and Equipment

Property and Equipment	\$2,292,900.44
Less: Accumulated Depreciation	<u>(2,089,542.24)</u>

Net Property and Equipment 203,358.20

Total Assets \$3,342,288.95

See Accompanying Notes and Accountant's Report

Page 2 of 19 Pages

Southern Corrosion, Inc.

Balance Sheet

December 31, 2011

Liabilities and Equity

Current Liabilities

Accounts Payable	\$327,892.64
Billings in Excess of Costs on Uncompleted Contracts	1,197,987.01
Current Portion of Long-Term Debt	5,679.25
Deferred Income	1,267,670.81
Other Current Liabilities	<u>57,573.02</u>

Total Current Liabilities \$2,856,802.73

Long-Term Liabilities

Long-Term Liabilities less Current Portion	<u>\$27,354.81</u>
--	--------------------

Total Long-Term Liabilities 27,354.81

Total Liabilities 2,884,157.54

Stockholders' Equity

Common Stock, no par value, 1,000 shares authorized, 156 shares issued and outstanding, no par value	\$30,000.00
Retained Earnings	433,431.41
Treasury Stock, cost of 22 shares of common stock held by the company	<u>(5,300.00)</u>

Total Equity 458,131.41

Total Liabilities & Equity \$3,342,288.95

See Accompanying Notes and Accountant's Report

Town of Rocky Mount

SCHEDULE OF WORK TO BE ACCOMPLISHED UNDER
THE "FULL SERVICE MANAGEMENT & MAINTENANCE PROGRAM"

YEAR 1 (CY 2013)

200,000 Gallon Ground – Rt. 220 North Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

200,000 Gallon Ground – Grassy Hill #1

Inspection Service

1. Perform any needed repairs/touch-up paint to assure that the tank does not significantly degrade while it is out of service.

300,000 Gallon Ground – Bald Knob Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 1 (CY 2013) cont.

1,000,000 Gallon Ground – 220 South Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 2 (CY 2014)

300,000 Gallon Stand Pipe – Pendleton Tank II

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

100,000 Gallon Elevated – Pendleton Tank I

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
3. Ensure Tank complies with all federal and state regulations.
4. Maintain as per the maintenance program.

YEAR 2 (CY 2014) cont.

300,000 Gallon Elevated – Scuffling Hill Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 3 (CY 2015)

1,000,000 Gallon Ground – Rt. 220 South Tank

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 “Near White” finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy line manufactured by the Tnemec Company (or approved equivalent) shall be applied as follows:

Primer Coat: One (1) complete coat of Tnemec Series 20 Epoxy shall be applied to achieve a dry film thickness of 3 to 5 mils.

Finish Coat: One (1) complete finish coat of Tnemec Services 20 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.

Contrasting Color: Each coat of epoxy paint shall be of contrasting color.

Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.

4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the test results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

YEAR 3 (CY 2015) cont.

200,000 Gallon Ground – Rt. 200 North Tank

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy line manufactured by the Tnemec Company (or approved equivalent) shall be applied as follows:

Primer Coat: One (1) complete coat of Tnemec Series 20 Epoxy shall be applied to achieve a dry film thickness of 3 to 5 mils.

Finish Coat: One (1) complete finish coat of Tnemec Services 20 Epoxy shall be applied to achieve a dry film thickness of 4 to 6 mils.

Contrasting Color: Each coat of epoxy paint shall be of contrasting color.

Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.

4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the test results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

300,000 Gallon Ground – Bald Knob Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 4 (CY 2016)

300,000 Gallon Elevated – Scuffling Hill Road Tank

Inspection Service

1. Washout/disinfect and inspect the tank.
2. Any needed repairs/touch up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 4 (CY 2016) cont.

300,000 Gallon Standpipe – Pendleton St. Tank #2

Inspection Service

1. Washout, disinfect and inspect the tank
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

100,000 Gallon Elevated – Pendleton St. Tank #1

Inspection Service

1. Washout, disinfect and inspect the tank
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 5 (CY 2017)

1,000,000 Gallon Ground – 220 South Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
6. Maintain as per the maintenance program.

200,000 Gallon Ground – Rt. 200 North Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

300,000 Gallon Ground – Bald Knob Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touchup.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

200,000 Gallon Ground – Grassy Hill #1

Inspection Service

1. Perform any needed repairs/touch-up paint to assure that the tank does not significantly degrade while it is out of service.

Town of Rocky Mount

SCHEDULE OF WORK TO BE ACCOMPLISHED UNDER
THE "FULL SERVICE MANAGEMENT & MAINTENANCE PROGRAM"
(Tentative Schedule 2018 - 2022)

YEAR 6 (CY 2018)

300,000 Gallon Stand Pipe – Pendleton Tank II

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

100,000 Gallon Elevated – Pendleton Tank I

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

300,000 Gallon Elevated – Scuffling Hill Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 7 (CY 2019)

200,000 Gallon Ground – Rt. 220 North Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

1,000,000 Gallon Ground – 220 South Tank

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

300,000 Gallon Ground – Bald Knob Tank

Exterior Paint w/ follow-up Interior Inspection Service

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating or equivalent shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating or equivalent shall be applied to complete exterior surfaces (100%).

YEAR 7 (CY 2019) Cont.

Interior Washout

1. Disinfect and inspect the tank interior.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 8 (CY 2020) cont.

300,000 Gallon Elevated – Scuffling Hill Tank

Exterior Paint w/ follow-up Interior Inspection Service

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating (or approved equivalent) shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating (or approved equivalent) shall be applied to complete exterior surfaces (100%).

Interior Washout

1. Disinfect and inspect the tank interior.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

300,000 Gallon Stand Pipe – Pendleton Tank II

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

100,000 Gallon Elevated – Pendleton Tank I

Inspection Service

1. Washout, disinfect and inspect the tank.
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 9 (CY 2021)

200,000 Gallon Ground – Rt. 220 North Tank

Exterior Paint w/ follow-up Interior Inspection Service

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating (or approved equivalent) shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating (or approved equivalent) shall be applied to complete exterior surfaces (100%).

YEAR 9 (CY 2021) Cont.

Interior Washout

1. Disinfect and inspect the tank interior.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

1,000,000 Gallon Ground – 220 South Tank

Exterior Paint w/ follow-up Interior Inspection Service

1. All exterior surfaces must be pressure washed with a minimum of 4,000 P.S.I. washer to remove any surface contamination.
2. All rusted areas must be Hand/Power tool cleaned per SSPC-SP2, SP3 cleaning methods.
3. All rusted or bare areas must be spot primed with a rust inhibitive metal primer.
4. One (1) full intermediate coat of a Tnemec compatible Series coating (or approved equivalent) shall be applied to complete exterior surfaces (100%).
5. One (1) full finish coat of a Tnemec compatible Series coating (or approved equivalent) shall be applied to complete exterior surfaces (100%).

Interior Washout

1. Disinfect and inspect the tank interior.
2. Any needed repairs/touch-up
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 9 (CY 2021) Cont.

300,000 Gallon Ground – Bald Knob Tank

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 “Near White” finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy line manufactured by the Tnemec Company (or approved equivalent) shall be applied as follows:

Primer Coat: One (1) complete coat of Tnemec Series 20 Epoxy (or approved equivalent) shall be applied to achieve a dry film thickness of 3 to 5 mils.

Finish Coat: One (1) complete finish coat of Tnemec Services 20 Epoxy (or approved equivalent) shall be applied to achieve a dry film thickness of 4 to 6 mils.

Contrasting Color: Each coat of epoxy paint shall be of contrasting color.

Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.

4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the test results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

YEAR 10 (CY 2022)

300,000 Gallon Ground – Scuffling Hill Road Elevated Tank

Interior

1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 “Near White” finish.
2. After abrasive cleaning, all surfaces shall be cleaned of any dust residue or foreign debris.
3. A high build epoxy line manufactured by the Tnemec Company (or approved equivalent) shall be applied as follows:
Primer Coat: One (1) complete coat of Tnemec Series 20 Epoxy (or approved equivalent) shall be applied to achieve a dry film thickness of 3 to 5 mils.
Finish Coat: One (1) complete finish coat of Tnemec Services 20 Epoxy (or approved equivalent) shall be applied to achieve a dry film thickness of 4 to 6 mils.
Contrasting Color: Each coat of epoxy paint shall be of contrasting color.
Stripe Coat: One additional coat of epoxy shall be applied by brush and roller to all weld seams.
4. After the liner has properly cured, the interior surfaces shall be disinfected per A.W.W.A. Spray Method No. 2 (200 PPM).
5. The spent abrasive media shall be tested per TCLP-(8) Heavy Metals as mandated by the State.
6. Once the test results confirm the non-hazardous status of the wastes, the spent abrasive shall be disposed of properly.
7. The Tank shall be sealed and made ready for service.

300,000 Gallon Standpipe – Pendleton St. Tank #2

Inspection Service

1. Washout, disinfect and inspect the tank
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

YEAR 10 (CY 2022) Cont.

100,000 Gallon Elevated – Pendleton St. Tank #1

Inspection Service

1. Washout, disinfect and inspect the tank
2. Any needed repairs/touch-up.
3. Provide emergency repair service.
4. Ensure Tank complies with all federal and state regulations.
5. Maintain as per the maintenance program.

200,000 Gallon Ground – Grassy Hill #1 Tank

Inspection Service

1. Perform any needed repairs/touch-up paint to assure that the tank does not significantly degrade while it is out of service.

ATTACHMENT 2

Town of Rocky Mount

CODE OF CONDUCT

"FULL SERVICE MANAGEMENT & MAINTENANCE PROGRAM"

- 1. All work must be performed Monday through Saturday between the hours of 8 am and 6 pm.**
- 2. Any deviation from the normal schedule listed above must be approved by the Water Plant Superintendent in writing no less than 2 days in advance.**
- 3. No work shall begin without 7 days prior notice. The date and time that maintenance work will commence must be provided at that time to the Water Plant Superintendent.**
- 4. A brief meeting between Water Department personnel and the job foreman must be held at the job site before work can begin.**
- 5. The job site must be kept neat and orderly. Trash must be bagged or otherwise contained.**
- 6. Any complaints by citizens living near the job site must be reported to the Water Plant Superintendent immediately.**
- 7. All sand blast waste must be protected from wind and rain while lead test results are pending. These materials, trash and debris must be removed from the job site within 14 days of the conclusion of work.**
- 8. All valves and vaults must be protected from damage and debris and remain accessible at all times during the job.**

Addendum

Interior Surface Preparation:

In all instances where the tank interiors will be repainted, the surface preparation specified will be changed from:

"1. The complete interior (100%) shall be abrasive blast cleaned to SSPC-SP No. 10 "Near White" finish."

To:

"1. All rusted interior surfaces will be abrasive blasted to bare metal in accordance with SSPC-SP No. 10 Near White grade. All remaining interior surfaces will be abrasive blasted in accordance with SSPC SP No. 7, brush off blast."

Pricing and Terms

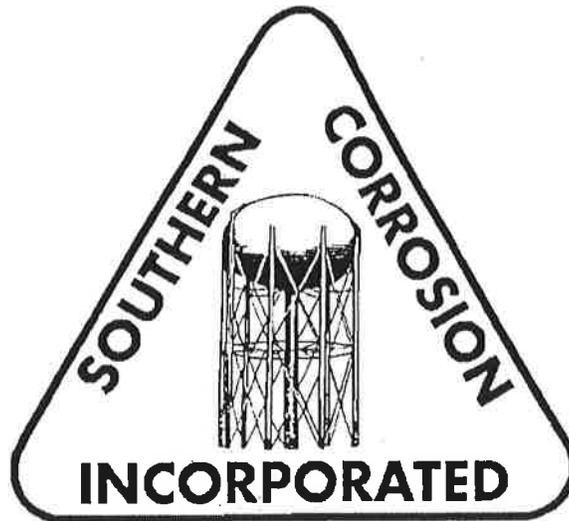
The annual premium for Years 1 through 5 (2013 to 2017) is \$30,060 per year. This premium amount is firm and will not be adjusted for price inflation. Because the value of the work completed in Year 3 of the service exceeds the sum total of the premiums received in Year 1 through 4, the following additional payments will be due should the contract be cancelled in Years 4 or 5:

If Year 4 of the contract is cancelled, an additional payment of \$29,550 will be due with the notification of cancellation.

If Year 5 of the contract is cancelled, an additional payment of \$14,646 will be due with the notification of cancellation.

The premium for Years 6 through 10 (2018 to 2022) is \$61,710.00 per year. This premium amount is firm and will not be adjusted for price inflation.

The annual premium is due on the contract date each year. Payments can be scheduled monthly, quarterly, or semi-annually at no additional expense.



WATER TANK MANAGEMENT AGREEMENT

This Agreement made and entered into as of the **Effective Date:** 1/15/2013, by and between SOUTHERN CORROSION, INC., a North Carolina corporation, having its principal office at 738 Thelma Rd, Roanoke Rapids, North Carolina, (hereinafter referred to as "Southern Corrosion") and the Town of Rocky Mount, VA (hereinafter referred to as the "Owner"):

WITNESSETH:

The Owner desires that Southern Corrosion perform certain maintenance service on the water tanks known as the 200,000 Gallon 220 North Tank, the 100,000 Gallon Pendleton Tank 1, the 300,000 Gallon Pendleton Tank 2, the 200,000 Gallon Grassy Hill 1 Tank, the 300,000 Gallon Scuffling Hill Tank, the 300,000 Gallon Bald Knob Tank, and the 1,000,000 Gallon 220 South Tank as described in the proposal which is attached hereto and by reference made a part here of (the "Maintenance Services"); and

Southern Corrosion desires to perform such Maintenance Services described in said proposal selected by the Owner upon the terms and conditions set forth in this Agreement.

Now, Therefore, in consideration of the mutual promises and covenants set forth herein the parties hereto agree as follow:

1. DEFINITIONS. For the purposes of this Agreement the following definitions shall apply:

(a) "Effective date" shall mean the date on which this Agreement, executed by the Owner, is accepted by Southern Corrosion by the execution thereof by its appropriate corporate officers at its principal office.

2. TERMS OF MANAGEMENT AGREEMENT. The initial term of this Agreement shall be for a period of twelve (12) months commencing on the Effective Date, unless otherwise terminated or canceled as provided in Paragraph 7. The initial term shall be automatically extended successive additional periods of twelve (12) months each unless the Owner notifies Southern Corrosion in writing sixty (60) days prior to the expiration of the then existing term that it

does not extend this Agreement; provided this Agreement shall not be extended beyond the period set forth in the attached proposal without the written consent of both parties.

3. PERFORMANCE OF MAINTENANCE SERVICES. Southern Corrosion shall perform the Maintenance Services selected by the Owner and described in proposal attached hereto and by reference made a part hereof.

4. CHARGES. The Owner shall pay Southern Corrosion charges for Maintenance Services selected by Owner as set forth on the proposal attached hereto and by reference made a part hereof. All charges shall be due and payable upon receipt of Southern Corrosion's invoice therefor.

5. REPRESENTATIONS BY THE OWNER. The Owner hereby makes the following representations and warranties:

(a) The Owner has full power and lawful authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby. This Agreement constitutes the valid obligation of the Owner legally binding upon the Owner and enforceable against the Owner in accordance with its terms.

6. REPRESENTATIONS BY SOUTHERN CORROSION. Southern Corrosion represents and warrants to Owner all of which represents and warranties that:

(a) That Southern Corrosion is fully authorized to enter into this Management Agreement. Southern Corrosion has full corporate power and lawful authority to execute and deliver this Agreement and to consummate and perform the transactions contemplated hereby. This Agreement constitutes the valid obligation of Southern Corrosion legally binding upon Southern Corrosion and enforceable against Southern Corrosion in accordance with its terms.

7. TERMINATION/CANCELLATION. This Agreement may be terminated/canceled by Southern Corrosion if Owner is in default of any provision hereof and such default has not been cured within twenty (20) days after notice of default is given to Owner or Owner becomes insolvent or seeks protection voluntarily or involuntarily under any Bankruptcy Law.

(a) In the event of any termination/cancellation of this Agreement, Southern Corrosion may (1) declare all amounts owed to Southern Corrosion to be immediately due and payable, (2) cease performance of all Maintenance Service hereunder without liability to Owner.

(b) In the event of default hereunder, Owner agrees to pay interest at the highest legal rate on all sums due under the Agreement and all costs of collection including a reasonable attorney's fee of fifteen percent (15%) of said amount due Southern Corrosion.

(c) The foregoing rights and remedies shall be cumulative and in addition to all other rights and remedies available in law or in equity to Southern Corrosion.

8. LIMITATION OF LIABILITY. In no event shall Southern Corrosion be liable to Owner for indirect, special or consequential damages or lost profits arising out of or related to this Management Agreement of the performance or breach thereof even if Southern Corrosion has been advised of the possibility thereof. Southern Corrosion's liability to Owner hereunder if any, shall in no event exceed the total of the amounts Owner has paid Southern Corrosion hereunder.

9. EXCUSABLE DELAY. Southern Corrosion shall not be liable for any delays or failure in performance of Maintenance Services hereunder if such delays or failures are due to strikes, inclement weather, acts of god or other causes beyond Southern Corrosion's reasonable control.

10. REGULATIONS. Performance of the Maintenance Services is predicated on work

practices, methods, and procedures legal as of the effective date. Subsequently enacted regulations that effect or alter Southern Corrosion's work practices, methods, and procedures, to perform, or add additional burdens to performance, will be grounds for renegotiating the amount of payment originally agreed upon.

11. GENERAL.

(a) Notices. Notice of the breach of any covenant, warranty or other provision of the Agreement and all communications and notices provided for in this Agreement shall be deemed given when in writing, addressed to the parties at the addresses set forth below, and deposited, certified mail, postage prepaid in the United States mail:

Owner:

Town of Rocky Mount
345 Donald Avenue
Rocky Mount, VA 24151

Southern Corrosion Inc.
738 Thelma Rd
Roanoke Rapids, NC 27870

(b) Assignment. This Agreement may not be assigned by either party without the prior written consent of the other party, which consent by either party shall not be unreasonably withheld.

(c) Governing Law. This Agreement shall be construed in accordance with the laws of the State of Virginia.

(d) Entire Agreement. This Agreement is an integrated document and contains the entire agreement between the parties. No modifications, extensions, or waiver of this Agreement or any of the provisions hereof, nor any representation, promise or condition relating to the Agreement shall be binding upon the parties hereto unless made in writing and signed by the parties hereto.

(e) Binding effects. The provisions of this Agreement shall bind and inure to the benefit of Southern Corrosion and the Owner, and their successors, legal representatives and assigns.

IN WITNESS WHEREOF the parties have hereto executed this Agreement in the manner provided by Law, this the day and year first above written.

ATTEST:

SOUTHERN CORROSION, INC.

Asst. Secretary

BY: _____
President

(Corporate Seal)

ATTEST:

TOWN OF ROCKY MOUNT, VA

BY: _____

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED:	January 14, 2013
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STAFF MAKING REQUEST:	Bob Deitrich, Superintendent Water Department
BRIEF SUMMARY OF REQUEST:	<p><u>Contract Award – Water Treatment Plant Electrical System Upgrade</u></p> <p>Based on a review of bids by our consulting engineer Hurt and Proffitt, we have chosen to award the project to Varney Incorporate of Roanoke, Virginia.</p> <p>The bid price for the total project, including complement replacement of the main electrical service connection, control panels (raw and finished) is \$290,300.</p> <p>Varney has provided a signed copy of the contract documents and scheduled a pre-construction meeting for January 14, 2013 at the Water Treatment Plant.</p>
ACTION NEEDED:	Approval/denial to proceed with signing the contract documents and the Notice to Proceed for the Water Treatment Plant Electric System upgrade.

Attachment(s): Yes

FOLLOW-UP ACTION: (To be completed by Town Clerk)

Town of Rocky Mount
345 Donald Avenue
Rocky Mount, Virginia 24151

540.483.5747
FAX 540.483.8830

E-mail: bdeitrich@rockymountva.org
www.rockymountva.org



TOWN COUNCIL
Steven C. Angle, *Mayor*
Gregory B. Walker, *Vice Mayor*

Bobby M. Cundiff P. Ann Love
Jerry W. Greer, Sr. Bobby L. Moyer
Billie W. Stockton

Robert Deitrich, *Superintendent*
Water Department

Memorandum

To: James Ervin, Town Manager

From: Bob Deitrich, Water Plant Superintendent

Date: December 28, 2012

Subject: Contract Award – WTP Electrical System Upgrade

Based on a review of bids by our consulting engineer Hurt and Proffitt, we have chosen to award the project to Varney Incorporated of Roanoke, Virginia. Varney, Inc. is very active in the region and they are currently involved in over 16 million dollars worth of projects with Montgomery County Schools, Blacksburg VPI Water Authority, Radford University and Yokohama Tire (just to name a few). They have been in the electrical contracting business since 1955.

After a review of the contract documents, I am confident our interests are well represented. The bulk of the document contained the Standard General Conditions of the Construction Contract, which is a 59 page document published by the National Society of Professional Engineers. This document is a standard framework used to protect all parties involved. Hurt and Proffitt will be our designated liaison between the Town and Varney, Inc., and they will make periodic inspections during the job and will assure that the work is satisfactory and all systems are functioning properly before the project is deemed complete. I intend on having regular contact with the job foremen to assure that plant operation is not adversely affected during the project.

Varney, Inc. has provided the required bond covering the entire cost of the project and has provided proof of insurance coverage in the amounts required by the RFP.

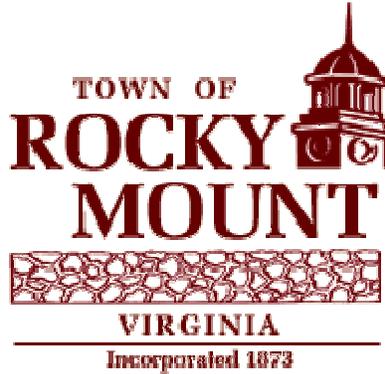
The bid price for the total project, including complete replacement of the main electrical service connection, control panels (raw and finished) electric motors (raw and finished) and emergency generator connection equipment is \$290,300.

Varney, Inc. has provided a signed copy of the contract documents and scheduled a pre-construction meeting for January 14, 2013 at the Water Treatment Plant. Representatives from Hurt and Proffitt will attend.

Once Town Council has approved the plan, staff can proceed with signing the contract documents and move toward the start date of construction (to be determined).

CONTRACT DOCUMENTS

TOWN OF ROCKY MOUNT WTP ELECTRICAL SYSTEM UPGRADE



September 17, 2012
EXECUTED SET: December 3, 2012

Prepared by:



ENGINEERING • SURVEYING • ENVIRONMENTAL • GEOTECHNICAL
LAND DEVELOPMENT • CONSTRUCTION TESTING & INSPECTION

2524 Langhorne Road • Lynchburg, VA 24501
434-847-7796 • 800-242-4906 • Fax: 434-847-0047
www.HandP.com

Prepared for:

Town of Rocky Mount, VA
345 Donald Avenue
Rocky Mount, VA 24151
(540) 483-7660

TOWN COUNCIL:

Mayor Steven Angle • Vicy Mayor Gregory Walker • Ann Love • Bobby Cundiff
Jerry Greer • Billy Stockton • Bobby Moyer

TABLE OF CONTENTS

CONTRACT DOCUMENTS

List of Contract Drawings..... 000115
Advertisement for Bids..... 001113
Instructions to Bidders..... 002113
Existing Condition Information..... 003119
Bid Proposal Form..... 004136
Bid Bond..... 004313
Bid Submittal Checklist..... 004393
Contractor Qualifications Form..... 004510
Proposed Subcontractors List..... 004511
Certification for Contracts, Grants, & Loans..... 004512
Certification Regarding Debarment, Suspension, Ineligibility,
And Voluntary Exclusion – Lower Tier Cover Transactions..... 004513
Notice of Award..... 005100
Agreement..... 005210
Notice to Proceed..... 005500
Performance Bond..... 006100
Payment Bond..... 006150
Application for Payment..... 006200
Certificate of Substantial Completion..... 006250
Standard General Conditions..... 007100
Supplementary Conditions..... 007110
Change Order..... 009410
Work Change Directive..... 009450

LIST OF CONTRACT DRAWINGS

Contract Drawings

Sheet C0.0 – Cover Sheet..... Page 1
Sheet C0.1 – General Notes..... Page 2
Sheet E.1 – Electrical Notes/Legend..... Page 3
Sheet E.2 – Raw Water Pump Station Upgrades..... Page 4
Sheet E.3 – WTP Electrical Feed Demo Plan Page 5
Sheet E.4 – WTP Electrical Feed System Upgrades Page 6

Advertisement for Bids

**Rocky Mount Water Treatment Plant
Electrical System Upgrade**

Rocky Mount, Virginia

Sealed bids for construction of the Rocky Mount Water Treatment Plant System Upgrade (the "Project") in the Town of Rocky Mount, Virginia will be received at the Rocky Mount (the "Owner") Town Manager Office at 345 Donald Avenue, Rocky Mount, Virginia, 24151 until 2:00 pm local prevailing time, on Thursday, October 18, 2012. Bids will be opened publicly at that time and read aloud in the Council Meeting Room.

The project will consist of replacement of the existing electrical system in the water treatment plant. The motor control center with new variable frequency drives and soft starters will be installed with all associated appurtenances. Additional work includes, but is not limited to, installation of emergency generator connection, new pump motors, and service feed equipment. The project will be divided into a Base Bid and project alternates.

Each Bidder will be required to submit a Bid Bond or certified cashiers check equal to five percent (5%) of his bid proposal. The Contractor to whom the contract is awarded will also be required to furnish Performance and Payment Bonds equal to 100% percent of the contract price and insurance certificates acceptable to the Owner at the time the contract is executed. Bidders are required under Title 54.1, Chapter 11 of the Code of Virginia to show evidence of Certificate of Registration before any bids may be received and considered on any bid of \$20,000.00 or more.

An optional pre-bid conference will be held at 10:00 a.m., local prevailing time, on Thursday, October 4, 2012, at the Water Treatment Plant located at the end of Shady Ln, Rocky Mount, VA 24151. This meeting will not be considered mandatory. Bidders will be held responsible for their bids and for all information pertaining to the conference. The project sites will be available for inspection after the pre-bid meeting.

Plans, specifications, and contract documents are open to public inspection at the following locations:

- 1) Hurt & Proffitt, Inc., Inc., 2524 Langhorne Rd., Lynchburg, VA, 24501.
- 2) McGraw-Hill Construction/Dodge, 9 North Third Street, Richmond, VA 23219
- 3) Valley Construction News, 356 West Campbell Ave., Roanoke, VA, 24016.
- 4) Builder's Exchange, 3207 Hermitage Road, Richmond, VA 23227

A complete set of Bidding Documents for each division (plans, specifications, and contract documents) may be obtained from the office of Hurt & Proffitt, Inc., Inc., 2524 Langhorne Road, Lynchburg, VA 24501 (telephone 434-847-7796). Plans may be obtained upon non-refundable payment of \$50.00 by check or money order. Include complete street and mailing address with zip code, telephone and fax number with area

code, email address, and contractor's license number, if applicable. A complete set of documents for the Project may be downloaded free of charge from <http://www.handp.com/contact/bids/>. No partial sets will be distributed. The contact person for the project with Hurt & Proffitt is Brian Cossman, PE, LEED AP.

The Owner may make such investigations as deemed necessary to determine the ability of the Bidder to perform the work, and the Bidder shall furnish to the Owner all such information for this purpose as the Owner may request. The Owner reserves the right to reject any bid if the evidence submitted by, or investigation of, such Bidder fails to satisfy the Owner that such Bidder is properly qualified to carry out the obligations of the agreement and to complete the work contemplated therein.

Authorized By: Mr. C. James Ervin – Town Manager
 Town of Rocky Mount, Virginia

Document 002113 - Instructions to Bidders

TABLE OF ARTICLES

	Page
Article 1 - Defined Terms	1
Article 2 - Copies of Bidding Documents	1
Article 3 - Qualifications of Bidders	2
Article 4 - Examination of Bidding Documents, Other Related Data, and Site	2
Article 5 - Pre-Bid Conference	4
Article 6 - Site and Other Areas	5
Article 7 - Interpretations and Addenda	5
Article 8 - Bid Security	5
Article 9 - Contract Times	5
Article 10 - Liquidated Damages	5
Article 11 - Substitute and "Or-Equal" Items	6
Article 12 - Subcontractors, Suppliers, and Others	6
Article 13 - Preparation of Bid	7
Article 14 - Basis of Bid; Comparison of Bids	7
Article 15 - Submittal of Bid	8
Article 16 - Modification and Withdrawal of Bid	8
Article 17 - Opening of Bids	8
Article 18 - Bids to Remain Subject to Acceptance	9
Article 19 - Evaluation of Bids and Award of Contract	9
Article 20 - Contract Security and Insurance	9
Article 21 - Signing of Agreement	9

ARTICLE 1 - DEFINED TERMS

1.01 Terms used in these Instructions to Bidders will have the meanings indicated in the General Conditions and Supplementary Conditions. Additional terms used in these Instructions to Bidders have the meanings indicated below:

- A. Issuing Office--The office from which the Bidding Documents are to be issued and where the bidding procedures are to be administered.
- B. Bidder – The one who submits a bid directly to the Town of Rocky Mount ("Owner"), as distinct from a sub-bidder, who submits a bid to a Bidder.
- C. Successful Bidder – The lowest, qualified, responsible, and responsive Bidder to whom Owner (on the basis of Owner’s evaluation as hereinafter provided) makes an award.

ARTICLE 2 - COPIES OF BIDDING DOCUMENTS

2.01 Complete sets of the Bidding Documents in the number and for the deposit sum, if any, stated in the Advertisement for Bids may be obtained from Hurt & Proffitt, Inc (the "Engineer").

2.02 Complete sets of Bidding Documents must be used in preparing Bids; neither Owner nor Engineer assumes any responsibility for errors or misinterpretations resulting from the use of incomplete sets of Bidding Documents.

- 2.03 Owner and Engineer in making copies of Bidding Documents available on the above terms do so only for the purpose of obtaining Bids for the Work and do not confer a license or grant for any other use.

ARTICLE 3 - QUALIFICATIONS OF BIDDERS

- 3.01 To demonstrate Bidder's qualifications to perform the Work, each Bidder must complete the Contractors Qualifications Statement (Section 001153) and submit with Bid. Additionally, each Bidder must be prepared to submit within five days of Owner's request, written evidence such as additional financial data, present commitments, and such other data as requested by the Owner. Each Bid must contain evidence of Bidder's qualifications to do business in the state where the project is located.

ARTICLE 4 - EXAMINATION OF BIDDING DOCUMENTS, OTHER RELATED DATA, AND SITE

4.01 Subsurface and Physical Conditions

A. The Supplementary Conditions identify:

1. Those reports of explorations and tests of subsurface conditions at or contiguous to the Site that Engineer has used in preparing the Bidding Documents.
2. Those drawings of physical conditions in or relating to existing surface and subsurface structures at or contiguous to the Site (except Underground Facilities) that Engineer has used in preparing the Bidding Documents.

- B. Copies of reports and drawings referenced in paragraph 4.01.A will be made available by Owner to any Bidder on request. Those reports and drawings are not part of the Contract Documents, but the "technical data" contained therein upon which Bidder is entitled to rely as provided in paragraph 4.02 of the General Conditions has been identified and established in paragraph 4.02 of the Supplementary Conditions. Bidder is responsible for any interpretation or conclusion Bidder draws from any "technical data" or any other data, interpretations, opinions, or information contained in such reports or shown or indicated in such drawings.

4.02 Underground Facilities

- A. Information and data shown or indicated in the Bidding Documents with respect to existing Underground Facilities at or contiguous to the Site is based upon information and data furnished to Owner and Engineer by owners of such Underground Facilities, including Owner, or others.

4.03 Hazardous Environmental Condition

- A. The Supplementary Conditions identify those reports and drawings relating to a Hazardous Environmental Condition identified at the Site, if any, that ENGINEER has used in preparing the Bidding Documents.

- B. Copies of reports and drawings referenced in paragraph 4.03.A will be made available by Owner to any Bidder on request. Those reports and drawings are not part of the Contract Documents, but the “technical data” contained therein upon which Bidder is entitled to rely as provided in paragraph 4.06 of the General Conditions has been identified and established in paragraph 4.06 of the Supplementary Conditions. Bidder is responsible for any interpretation or conclusion Bidder draws from any “technical data” or any other data, interpretations, opinions, or information contained in such reports or shown or indicated in such drawings.
- 4.04 Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to subsurface conditions, other physical conditions and Underground Facilities, and possible changes in the Bidding Documents due to differing or unanticipated conditions appear in paragraphs 4.02, 4.03, and 4.04 of the General Conditions. Provisions concerning responsibilities for the adequacy of data furnished to prospective Bidders with respect to a Hazardous Environmental Condition at the Site, if any, and possible changes in the Contract Documents due to any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work appear in paragraph 4.06 of the General Conditions.
- 4.05 On request, Owner will provide Bidder access to the Site to conduct such examinations, investigations, explorations, tests, and studies as Bidder deems necessary for submission of a Bid. Bidder shall fill all holes and clean up and restore the Site to its former condition upon completion of such explorations, investigations, tests, and studies. Bidder shall comply with all applicable Laws and Regulations relative to excavation and utility locates.
- 4.06 Reference is made to Article 7 of the Supplementary Conditions for the identification of the general nature of other work that is to be performed at the Site by Owner or others (such as utilities and other prime contractors) that relates to the Work contemplated by these Bidding Documents. On request, Owner will provide to each Bidder for examination access to or copies of Contract Documents (other than portions thereof related to price) for such other work.
- 4.07 It is responsibility of each Bidder before submitting a Bid to:
- A. Examine and carefully study the Bidding Documents, the other related data identified in the Bidding Documents, and any Addenda;
 - B. Visit the Site and become familiar with and satisfy Bidder as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work;
 - C. Become familiar with and satisfy Bidder as to all Federal, State, and local Laws and Regulations that may affect cost, progress, or performance of the Work;
 - D. Carefully study all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 4.02 of the General Conditions, and (2) reports and drawings of Hazardous Environmental Conditions at the Site which have been identified in the Supplementary Conditions as provided in paragraph 4.06 of the General Conditions;

- E. Obtain and carefully study (or accept consequences for not doing so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by Bidder, including applying any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto;
 - F. Agree at the time of submitting its Bid that no further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of its Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents;
 - G. Become aware of the general nature of the work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents;
 - H. Correlate the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents;
 - I. Promptly give Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder discovers in the Bidding Documents and confirm that the written resolution thereof by Engineer is acceptable to Bidder; and
 - J. Determine that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work.
- 4.08 The submission of a Bid will constitute an incontrovertible representation by Bidder that Bidder has complied with every requirement of this Article 4, that without exception the Bid is premised upon performing and furnishing the Work required by the Bidding Documents and applying any specific means, methods, techniques, sequences, and procedures of construction that may be shown or indicated or expressly required by the Bidding Documents, that Bidder has given Engineer written notice of all conflicts, errors, ambiguities, and discrepancies that Bidder has discovered in Bidding Documents and the written resolutions thereof by Engineer are acceptable to Bidder, and that the Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performing and furnishing the Work.

ARTICLE 5 - PRE-BID CONFERENCE

- 5.01 A pre-Bid conference will be held at 10:00 a.m. on Tuesday, September 18, 2012 at the Water Treatment Plant. Representatives of Owner and Engineer will be present to discuss the Project. Bidders are encouraged to attend and participate in the conference. Engineer will transmit to all prospective Bidders of record such Addenda as Engineer considers necessary in response to questions arising at the conference. Oral statements may not be relied upon and will not be binding or legally effective.

ARTICLE 6 - SITE AND OTHER AREAS

- 6.01 The Site is identified in the Bidding Documents. Easements for permanent structures or permanent changes in existing facilities are to be obtained and paid for by Owner unless otherwise provided in the Bidding Documents. All additional lands and access thereto required for temporary construction facilities, construction equipment, or storage of materials and equipment to be incorporated in the Work are to be obtained and paid for by Contractor.

ARTICLE 7 - INTERPRETATIONS AND ADDENDA

- 7.01 All questions about the meaning or intent of the Bidding Documents are to be submitted to Engineer in writing. Interpretations or clarifications considered necessary by Engineer in response to such questions will be issued by Addenda mailed or delivered to all parties recorded by Engineer as having received the Bidding Documents. Questions received less than five days prior to the date for opening of Bids may not be answered. Only questions answered by Addenda will be binding. Oral and other interpretations or clarifications will be without legal effect.
- 7.02 Addenda may be issued to clarify, correct, or change the Bidding Documents as deemed advisable by Owner or Engineer.

ARTICLE 8 - BID SECURITY

- 8.01 A Bid must be accompanied by Bid security made payable to Owner in an amount of 5 % of Bidder's maximum Bid price and in the form of a certified check or a Bid bond (EJCDC No. C-430, 2002 Edition) issued by a surety meeting the requirements of paragraphs 5.01 and 5.02 of the General Conditions.
- 8.02 The Bid security of the Successful Bidder will be retained until such Bidder has executed the Contract Documents, furnished the required contract security and met the other conditions of the Notice of Award, whereupon the Bid security will be returned. If the Successful Bidder fails to execute and deliver the Contract Documents and furnish the required contract security within 15 days after the Notice of Award, Owner may annul the Notice of Award and the Bid security of that Bidder will be forfeited. The Bid security of other Bidders whom Owner believes to have a reasonable chance of receiving the award may be retained by Owner until the earlier of seven days after the Effective Date of the Agreement or 61 days after the Bid opening, whereupon Bid security furnished by such Bidders will be returned.
- 8.03 Bid security of other Bidders whom OWNER believes do not have a reasonable chance of receiving the award will be returned within seven days after the Bid opening.

ARTICLE 9 - CONTRACT TIMES

- 9.01 The number of days within which, or the dates by which, the Work is to be substantially completed and ready for final payment are set forth in the Agreement.

ARTICLE 10 -LIQUIDATED DAMAGES

10.01 Provisions for liquidated damages are set forth in the Agreement.

ARTICLE 11 - SUBSTITUTE AND "OR-EQUAL" ITEMS

11.01 The Contract, if awarded, will be on the basis of materials and equipment specified or described in the Bidding Documents, or "or-equal" materials and equipment as defined in paragraph 6.05 of the General Conditions, or those substitute materials and equipment approved by the Engineer and identified by Addendum. The materials and equipment described in the Bidding Documents establish a standard of required type, function and quality to be met by any proposed substitute or "or-equal" item. Request for Engineer's clarification of materials and equipment considered "or-equal" prior to the Effective Date of the Agreement must be received by the Engineer at least 5 days prior to the date for receipt of Bids. No item of material or equipment will be considered by Engineer as a substitute unless written request for approval has been submitted by Bidder and has been received by Engineer at least 15 days prior to the date for receipt of Bids. Each request shall conform to the requirements of paragraph 6.05 of the General Conditions. The burden of proof of the merit of the proposed item is upon the Bidder. Engineer's decision of approval or disapproval of a proposed item will be final. If Engineer approves any proposed substitute item, such approval will be set forth in an Addendum issued to all prospective Bidders. Bidders shall not rely upon approvals made in any other manner.

ARTICLE 12 - SUBCONTRACTORS, SUPPLIERS, AND OTHERS

12.01 If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers, individuals, or entities to be submitted to Owner in advance of a specified date prior to the Effective Date of the Agreement, the apparent Successful Bidder, and any other Bidder so requested, shall within five days after Bid opening, submit to Owner a list of all such Subcontractors, Suppliers, individuals, or entities proposed for those portions of the Work for which such identification is required. Such list shall be accompanied by an experience statement with pertinent information regarding similar projects and other evidence of qualification for each such Subcontractor, Supplier, individual, or entity if requested by Owner. If Owner or Engineer, after due investigation, has reasonable objection to any proposed Subcontractor, Supplier, individual, or entity, Owner may, before the Notice of Award is given, request apparent Successful Bidder to submit a substitute, without an increase in the Bid.

12.02 If apparent Successful Bidder declines to make any such substitution, Owner may award the Contract to the next lowest responsible Bidder that proposes to use acceptable Subcontractors, Suppliers, individuals, or entities. Declining to make requested substitutions will not constitute grounds for forfeiture of the Bid security of any Bidder. Any Subcontractor, Supplier, individual, or entity so listed and against which Owner and Engineer makes no written objection prior to the giving of the Notice of Award will be deemed acceptable to Owner and Engineer subject to revocation of such acceptance after the Effective Date of the Agreement as provided in paragraph 6.06 of the General Conditions.

12.03 Contractor shall not be required to employ any Subcontractor, Supplier, individual, or entity against whom Contractor has reasonable objection.

12.04 The Contractor shall not award work to Subcontractor(s) in excess of the limits stated in SC 6.06.

ARTICLE 13 - PREPARATION OF BID

- 13.01 The Bid form is included with the Bidding Documents. Additional copies may be obtained from Engineer.
- 13.02 All blanks on the Bid form shall be completed by printing in ink or by typewriter and the Bid signed in ink. Erasures or alterations shall be initialed in ink by the person signing the Bid Form. A Bid price shall be indicated for each Bid item and alternative listed therein, or the words “No Bid,” “No Change,” or “Not Applicable” entered.
- 13.03 A Bid by a corporation shall be executed in the corporate name by the president or a vice-president or other corporate officer accompanied by evidence of authority to sign. If required by State where work is to be performed, the corporate seal shall be affixed and attested by the secretary or an assistant secretary. The corporation business address and state of incorporation shall be provided on the Bid Form.
- 13.04 A Bid by a partnership shall be executed in the partnership name and signed by a partner (whose title must appear under the signature), accompanied by evidence of authority to sign. The business address of the partnership shall be provided on the Bid Form.
- 13.05 A Bid by a limited liability company shall be executed in the name of the firm by a member and accompanied by evidence of authority to sign. The state of formation of the firm and the business address of the firm must be provided on the Bid Form.
- 13.06 A Bid by an individual shall show the Bidder’s name and business address.
- 13.07 A Bid by a joint venture shall be executed by each joint venturer in the manner indicated on the Bid form. The business address of the joint venture must be provided on the Bid Form.
- 13.08 All names shall be typed or printed in ink below the signatures.
- 13.09 The Bid shall contain an acknowledgment of receipt of all Addenda, the numbers and dates of which shall be filled in on the Bid form.
- 13.10 The address and telephone number for communication regarding the Bid shall be shown.
- 13.11 The Bid shall contain evidence of Bidder’s authority and qualification to do business in the state where the Project is located or covenant to obtain such qualification prior to award of the Contract. Bidder’s state contractor license number for the state of the Project, if any, shall also be shown on the Bid Form.

ARTICLE 14 - BASIS OF BID; COMPARISON OF BIDS

14.01 Unit Price

- A. Bidders shall submit a Bid on a unit price basis for each item of Work listed in the Bid schedule.

- B. The total of all bid prices will be the sum of the products of the estimated quantity of each item and the corresponding unit price. The final quantities and Contract Price will be determined in accordance with paragraph 11.03 of the General Conditions.
- C. Discrepancies between the multiplication of units of Work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum. Discrepancies between words and figures will be resolved in favor of the words.

14.02 Lump Sum

- A. Bidders shall submit a Bid on a lump sum basis for the Bid and include a separate price for each alternate described in the Bidding Documents as provided for in the Bid Form. The price for each alternate will be the amount added to the Bid if Owner selects the alternate. In the comparison of Bids, alternates will be applied in the same order as listed in the Bid Form.

ARTICLE 15 - SUBMITTAL OF BID

- 15.01 With each copy of the Bidding Documents, a Bidder is furnished one separate unbound copy of the Bid Form, and the Bid bond form. The unbound copy of the Bid Form is to be completed and submitted with all the attachments outlined in Article 7 of the Bid Form.
- 15.02 A Bid shall be submitted no later than the date and time prescribed and at the place indicated in the Advertisement for Bids and shall be enclosed in an opaque sealed envelope plainly marked with the Project title (and, if applicable, the designated portion of the Project for which the Bid is submitted, i.e. Division 1, 2, or 3), the name and address of Bidder, and shall be accompanied by the Bid security and other required documents. If a Bid is sent by mail or other delivery system, the sealed envelope containing the Bid shall be enclosed in a separate envelope plainly marked on the outside with the notation "BID ENCLOSED." When using the mail or other delivery system, the Bidder is totally responsible for the mail or other delivery system delivering the Bid at the place and prior to the time indicated in the Advertisement for Bid. A mailed Bid shall be addressed to Owner at address in Article 1.01 of Bid Form.

ARTICLE 16 - MODIFICATION AND WITHDRAWAL OF BID

- 16.01 A Bid may be modified or withdrawn by an appropriate document duly executed in the manner that a Bid must be executed and delivered to the place where Bids are to be submitted prior to the date and time for the opening of Bids.
- 16.02 If within 24 hours after Bids are opened any Bidder files a duly signed written notice with Owner and promptly thereafter demonstrates to the reasonable satisfaction of Owner that there was a material and substantial mistake in the preparation of its Bid, that Bidder may withdraw its Bid, and the Bid security will be returned. Thereafter, if the Work is rebid or negotiated, that Bidder will be disqualified from further bidding on the Work. This provision to withdraw a Bid without forfeiting the Bid security does not apply to Bidder's errors in judgment in preparing the Bid.

ARTICLE 17 - OPENING OF BIDS

17.01 Bids will be opened at the time and place indicated in the Advertisement for Bids and, unless obviously non-responsive, read aloud publicly. An abstract of the amounts of the Bids and major alternates, if any, will be made available to Bidders after the opening of Bids.

ARTICLE 18 - BIDS TO REMAIN SUBJECT TO ACCEPTANCE

18.01 All Bids will remain subject to acceptance for the period of time stated in the Bid Form.

ARTICLE 19 - EVALUATION OF BIDS AND AWARD OF CONTRACT

19.01 Owner reserves the right to reject any or all Bids, including without limitation, nonconforming, nonresponsive, unbalanced, or conditional Bids. Owner further reserves the right to reject the Bid of any Bidder whom it finds, after reasonable inquiry and evaluation, to be non-responsive. Owner also reserves the right to waive all informalities not involving price, time, or changes in the Work and to negotiate contract terms with the Successful Bidder.

19.02 More than one Bid for the same Work from an individual or entity under the same or different names will not be considered. Reasonable grounds for believing that any Bidder has an interest in more than one Bid for the Work may be cause for disqualification of that Bidder and the rejection of all Bids in which that Bidder has an interest.

19.03 In evaluating Bids, Owner will consider whether or not the Bids comply with the prescribed requirements, and such alternates, unit prices and other data, as may be requested in the Bid Form or prior to the Notice of Award.

19.04 In evaluating Bidders, Owner will consider the qualifications of Bidders and may consider the qualifications and experience of Subcontractors, Suppliers, and other individuals or entities proposed for those portions of the Work for which the identity of Subcontractors, Suppliers, and other individuals or entities must be submitted as provided in the Supplementary Conditions.

19.05 Owner may conduct such investigations as Owner deems necessary to establish the responsibility, qualifications, and financial ability of Bidders, proposed Subcontractors, Suppliers, individuals, or entities to perform the Work in accordance with the contract Documents.

19.06 If the Contract is to be awarded, Owner will award the Contract to the responsible Bidder whose Bid, conforming with all the material terms and conditions of the Instructions to Bidders, is lowest, price and other factors considered.

ARTICLE 20 - CONTRACT SECURITY AND INSURANCE

20.01 Article 5 of the General Conditions, as may be modified by the Supplementary Conditions, sets forth Owner's requirements as to performance and payment bonds and insurance. When the Successful Bidder delivers the executed Agreement to Owner, it must be accompanied by such bonds.

ARTICLE 21 - SIGNING OF AGREEMENT

21.01 When Owner gives a Notice of Award to the Successful Bidder, it shall be accompanied by the required number of unsigned counterparts of the Agreement with the other Contract Documents which are identified in the Agreement as attached thereto. Within 15 days thereafter, Successful Bidder shall sign and deliver the required number of counterparts of the Agreement and attached documents to Owner. Within ten days thereafter, Owner shall deliver one fully signed counterpart to Successful Bidder with a complete set of the Drawings with appropriate identification.

END OF DOCUMENT

DOCUMENT 003119 - EXISTING CONDITION INFORMATION

1.1 EXISTING CONDITION INFORMATION

- A. This Document with its referenced attachments is part of the Procurement and Contracting Requirements for Project. They provide Owner's information for Bidders' convenience and are intended to supplement rather than serve in lieu of the Bidders' own investigations. They are made available for Bidders' convenience and information, but are not a warranty of existing conditions. This Document and its attachments are not part of the Contract Documents.
- B. Existing drawings that include information on existing conditions including previous construction at Project site are available for viewing at the office of Owner.
- C. Related Requirements:
 - 1. Document 002113 "Instructions to Bidders" for the Bidder's responsibilities for examination of Project site and existing conditions.
 - 2. Document 003132 "Geotechnical Data" for reports and soil-boring data from geotechnical investigations that are made available to bidders.

END OF DOCUMENT 003119

Document 004137 - Bid Proposal Form

PROJECT IDENTIFICATION:

Town of Rocky Mount WTP Electrical System Upgrade
Rocky Mount, VA

CONTRACT IDENTIFICATION AND NUMBER:

H&P Job Number 20120279

TABLE OF ARTICLES

	Page
Article 1 - Bid Recipient	1
Article 2 - Bidder's Acknowledgments	1
Article 3 - Bidder's Representations	1
Article 4 - Further Representations	3
Article 5 - Basis of Bid	3
Article 6 - Time of Completion	5
Article 7 - Attachments to Bid	5
Article 8 - Defined Terms	5
Article 9 - Bid Submittal	6
Article 10 - Certification of Nondiscrimination and Drug-Free Workplace	8

ARTICLE 1 - BID RECIPIENT

1.01 This Bid Is Submitted To: Town of Rocky Mount (herein called "OWNER")
345 Donald Avenue
Rocky Mount, VA 24151
Attn: Mr. C. James Ervin, Town Manager

1.02 The undersigned Bidder proposes and agrees, if this Bid is accepted, to enter into an Agreement with Owner in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices and within the times indicated in the Bid and in accordance with the other terms and conditions of the Bidding Documents.

ARTICLE 2 - BIDDER'S ACKNOWLEDGMENTS

2.01 Bidder accepts all of the terms and conditions of the Advertisement and Instructions to Bidders, including without limitations those dealing with the dispositions of Bid security. The Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of Owner.

ARTICLE 3 - BIDDER'S REPRESENTATIONS

3.01 In submitting this Bid, Bidder represents that:

- A. Bidder has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of which is hereby acknowledged.

Addendum No.	Addendum Date
<u>1</u>	<u>10/8/12</u>
<u>2</u>	<u>10/15/12</u>
_____	_____
_____	_____

- B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Bidder is familiar with and is satisfied as to all Federal, State, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Bidder has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in SC-4.02, and (2) reports and drawings of a Hazard Environmental Condition, if any, which has been identified in SC-4.06.
- E. Bidder has obtained and carefully studied (or accepts the consequences for not doing so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and procedures of construction to be employed by the Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
- F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
- G. Bidder is aware of the general nature of the Work to be performed by Owner and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
- I. Bidder has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by Engineer is acceptable to Bidder.

- J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.
- K. Bidder will submit written evidence of its authority to do business in the State where the Project is located not later than the date of its execution of the Agreement.

ARTICLE 4 - FURTHER REPRESENTATIONS

4.01 Bidder further represents that:

- A. This Bid is genuine and not made in the interest of or on the behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization, or corporation;
- B. Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid;
- C. Bidder has not solicited or induced any individual or entity to refrain from bidding; and
- D. Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over Owner.

ARTICLE 5 - BASIS OF BID

5.01 Bidder will complete the Work in accordance with the Contract Documents for the following price(s):

BASE BID:

Lump Sum price for replacement of existing water treatment plant electrical system and motor control center. Additional work includes, but is not limited to, new pump motors and emergency generator connections. The Base Bid is to be evaluated before any Bid Additive work. All additives will be added in the order shown and apparent low bidder re-evaluated after addition of each additive if the Bid Additive is exercised.

Pay Item No.	Description	Quantity	Units	Unit Price	Price
1	Motor Control Center/Service Entrance Equipment Replacement	1	LS		\$153,460.00
2	New Finished Water Pump Motors	1	LS		\$30,460.00
3	Mobilization/Demobilization (Maximum 5%)	1	LS		\$9,680.00

Base Bid Price (use numbers): \$ 193,600.00

Base Bid Price (use words):

One Hundred Ninety Three Thousand Six Hundred Dollars
(In case of discrepancy, the amount shown in words shall govern)

BID ADDITIVE 1 (Raw Water Pump Station):

Lump Sum price for replacement of existing raw water pump station electrical system and motor control center. Additional work includes, but is not limited to, new pump motors and service panels. All additives will be added in the order shown and apparent low bidder re-evaluated after addition of each additive.

Pay Item No.	Description	Quantity	Units	Unit Price	Price
1	Raw Water Pump Station Electrical System Replacement	1	LS		\$96,700.00

Additive 1 Bid Price (use numbers): \$ 96,700.00

Additive 1 Bid Price (use words):

Ninety Six Thousand Seven Hundred Dollars
(In case of discrepancy, the amount shown in words shall govern)

Quantities are not guaranteed and final payment will be made on the basis of actual quantities.

- A. Unit Prices have been computed in accordance with paragraph 11.03.A of the General Conditions.
- B. Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities, determined as provided in the contract Documents.

ARTICLE 6 - TIME OF COMPLETION

6.01 Bidder agrees that the Work will be substantially complete and will be completed and ready for final payment in accordance with paragraph 14.07.B of the General Conditions on or before the dates or within the number of calendar days indicated in the Agreement.

6.02 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the work within the Contract Times.

ARTICLE 7 - ATTACHEMENTS TO THIS BID

7.01 The following documents are attached to and made a condition of the Bid:

- A. Required Bid security in the form of a Bid Bond (EJCDC No. C-430) or Certified Check (circle type of security provided);
- B. A tabulation of Subcontractors and Suppliers;
- C. Required bidder qualifications statement with supporting data;
- D. Evidence of authority to do business in the state or jurisdiction of the Project; or a written covenant to obtain such license within the time frame for acceptance of Bids;
- E. Contractor's License No.: 2701007963A or Evidence of Bidder's ability to obtain a State Contractor's License and a covenant by Bidder to obtain said license within the time for acceptance of Bids;
- F. If Bid amount exceeds \$10,000, signed Compliance Statement (RD 400-6 or Section 004514). Refer to specific equal opportunity requirements set forth in paragraph 18.10 of the General Conditions;
- G. If Bid amount exceeds \$25,000, signed Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions (AD-1048 or Section 004513)
- H. If Bid amount exceeds \$100,000, signed RD Instruction 1940-Q, Exhibit A-1, Certification for Contracts, Grants, and Loans (Section 004512).

ARTICLE 8 - DEFINED TERMS

8.01 The terms used in this Bid with the initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

ARTICLE 9 - BID SUBMITTAL

9.01 This Bid submitted by:

If Bidder is:

An Individual

Name (typed or printed): N/A

By: N/A

(Individual's signature)

SEAL,
if required
by State

Doing business as:

N/A

A Partnership

Partnership Name: N/A

By: N/A

(Signature of general partner -- attach evidence of authority to sign)

SEAL,
if required
by State

Name (typed or printed):

N/A

A Corporation

Corporation Name:

Varney, Inc.

State of Incorporation: Virginia

Type (General Business, Profession, Service, Limited Liability):

S-Corp

By:



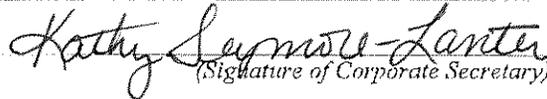
(Signature -- attach evidence of authority to sign)

Name (typed or printed):

Paul Bratton

Title: President

Attest



(Signature of Corporate Secretary)

CORPORAT
E SEAL,
if required by
State

Date of Qualification to do business in Virginia [State where Project is located] is

2 / 12 / 1965

A Joint Venture

Name of Joint Venture:

N/A

First Joint Venture Name: N/A

SEAL,
if required
by State

By: N/A

(Signature of joint venture partner -- attach evidence of authority to sign)

Name (typed or printed):

N/A

Title: N/A

Second Joint Venture Name:

N/A

SEAL,
if required
by State

By: N/A

(Signature of joint venture partner -- attach evidence of authority to sign)

Name (typed or printed):

N/A

Title: N/A

(Each joint venturer must sign. The manner of signing for each individual, partnership, and corporation that is party to the venture should be in the manner indicated above.)

Bidder's Business address:

1701 Shenandoah Avenue

Roanoke, VA 24017

Business Phone No. (540)343-0155

Business FAX No. (540)343-3118

Business E-Mail Address bmoran@varneyinc.com

State Contractor License No. 2701007963A (If applicable)

Employer's Tax ID No. 54-0791615

Phone and FAX Numbers, and Address for receipt of official communications, if different from Business contact information:

9.02 Bid submitted on October 18, 2012.

ARTICLE 10 – CERTIFICATION OF NONDISCRIMINATION AND DRUG-FREE WORKPLACE

By submitting their bids, all bidders certify to the Owner that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginian's with Disabilities Act, and the Americans with Disabilities Act. In every contract over \$10,000, the provisions below apply:

- 10.1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- 10.2. The contractor will include the provisions of the foregoing paragraphs a, b, and c in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- 10.3. During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution,

dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

Certified by: *Mae J. Boyd* (Corporate Seal)

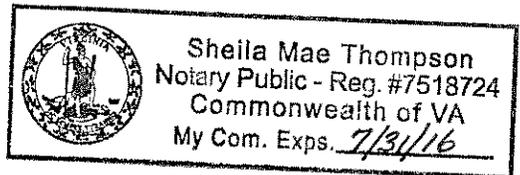
Date: 10/18/12

Subscribed and sworn to before me this 18 day of October, 2012

NOTARY PUBLIC *Sheila Mae Thompson*

MY COMMISSION EXPIRES 7/31 , 2016

END OF DOCUMENT



BID BOND

Any singular reference to Bidder, Surety, Owner or other party shall be considered plural where applicable.

BIDDER (Name and Address):

Varney, Inc., 1701 Shenandoah Ave., PO Box 3187, Roanoke, VA 24015

SURETY (Name and Address of Principal Place of Business):

Cincinnati Insurance Company, 6200 S. Gilmore Rd., Fairfield, OH 45014

OWNER (Name and Address):

Town of Rocky Mount, Virginia
345 Donald Avenue
Rocky Mount, VA 24151

BID

Bid Due Date: 10/18/2012

Description (Project Name and Include Location): Electrical Service Upgrade, replacement of 5 pump motors, installation of emergency generator connection - Rocky Mount, VA

BOND

Bond Number: N/A

Date (Not earlier than Bid due date): 10-18-2012

Penal sum Five Percent of Bid (Words) \$ 5% (Figures)

Surety and Bidder, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Bid Bond to be duly executed by an authorized officer, agent, or representative.

BIDDER

Varney, Inc. (Seal)

Bidder's Name and Corporate Seal

By: [Signature]
Signature

Paul Bratton
Print Name

President
Title

Attest: [Signature]
Signature *Amy Duff*

Witness
Title

SURETY

Cincinnati Insurance Company (Seal)

Surety's Name and Corporate Seal

By: [Signature]
Signature (Attach Power of Attorney)

Linda St.Clair
Print Name

Attorney In Fact
Title

Attest: [Signature]
Signature - Cecelia Long

Witness
Title

Note: Above addresses are to be used for giving any required notice. Provide execution by any additional parties, such as joint venturers, if necessary.

1. Bidder and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to pay to Owner upon default of Bidder the penal sum set forth on the face of this Bond. Payment of the penal sum is the extent of Bidder's and Surety's liability. Recovery of such penal sum under the terms of this Bond shall be Owner's sole and exclusive remedy upon default of Bidder.
2. Default of Bidder shall occur upon the failure of Bidder to deliver within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents.
3. This obligation shall be null and void if:
 - 3.1 Owner accepts Bidder's Bid and Bidder delivers within the time required by the Bidding Documents (or any extension thereof agreed to in writing by Owner) the executed Agreement required by the Bidding Documents and any performance and payment bonds required by the Bidding Documents, or
 - 3.2 All Bids are rejected by Owner, or
 - 3.3 Owner fails to issue a Notice of Award to Bidder within the time specified in the Bidding Documents (or any extension thereof agreed to in writing by Bidder and, if applicable, consented to by Surety when required by Paragraph 5 hereof).
4. Payment under this Bond will be due and payable upon default of Bidder and within 30 calendar days after receipt by Bidder and Surety of written notice of default from Owner, which notice will be given with reasonable promptness, identifying this Bond and the Project and including a statement of the amount due.
5. Surety waives notice of any and all defenses based on or arising out of any time extension to issue Notice of Award agreed to in writing by Owner and Bidder, provided that the total time for issuing Notice of Award including extensions shall not in the aggregate exceed 120 days from Bid due date without Surety's written consent.
6. No suit or action shall be commenced under this Bond prior to 30 calendar days after the notice of default required in Paragraph 4 above is received by Bidder and Surety and in no case later than one year after Bid due date.
7. Any suit or action under this Bond shall be commenced only in a court of competent jurisdiction located in the state in which the Project is located.
8. Notices required hereunder shall be in writing and sent to Bidder and Surety at their respective addresses shown on the face of this Bond. Such notices may be sent by personal delivery, commercial courier, or by United States Registered or Certified Mail, return receipt requested, postage pre-paid, and shall be deemed to be effective upon receipt by the party concerned.
9. Surety shall cause to be attached to this Bond a current and effective Power of Attorney evidencing the authority of the officer, agent, or representative who executed this Bond on behalf of Surety to execute, seal, and deliver such Bond and bind the Surety thereby.
10. This Bond is intended to conform to all applicable statutory requirements. Any applicable requirement of any applicable statute that has been omitted from this Bond shall be deemed to be included herein as if set forth at length. If any provision of this Bond conflicts with any applicable statute, then the provision of said statute shall govern and the remainder of this Bond that is not in conflict therewith shall continue in full force and effect.
11. The term "Bid" as used herein includes a Bid, offer, or proposal as applicable.

THE CINCINNATI INSURANCE COMPANY

Fairfield, Ohio

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That THE CINCINNATI INSURANCE COMPANY, a corporation organized under the laws of the State of Ohio, and having its principal office in the City of Fairfield, Ohio, does hereby constitute and appoint E. Gerald Stump; William E. Haynie; Mark B. Stump; Cecelia W. Long; Paula B. Gibson; Samuel A. Lowman, Jr.; Linda St. Clair; Robert Gibson; Mike Repass; Lisa Bain; Timothy Merry; Kimberly Malkos; Jamie Latham and/or Mollie Levan each in their separate capacity.

of Salem and Midlothian, Virginia its true and lawful Attorney(s)-in-Fact to sign, execute, seal and deliver on its behalf as Surety, and as its act and deed, any and all bonds, policies, undertakings, or other like instruments, as follows:

Any such obligations in the United States, up to Twenty Million and No/100 Dollars (\$20,000,000.00).

This appointment is made under and by authority of the following resolution passed by the Board of Directors of said Company at a meeting held in the principal office of the Company, a quorum being present and voting, on the 6th day of December, 1958, which resolution is still in effect:

"RESOLVED, that the President or any Vice President be hereby authorized, and empowered to appoint Attorneys-in-Fact of the Company to execute any and all bonds, policies, undertakings, or other like instruments on behalf of the Corporation, and may authorize any officer or any such Attorney-in-Fact to affix the corporate seal; and may with or without cause modify or revoke any such appointment or authority. Any such writings so executed by such Attorneys-in-Fact shall be binding upon the Company as if they had been duly executed and acknowledged by the regularly elected officers of the Company."

This Power of Attorney is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of the Company at a meeting duly called and held on the 7th day of December, 1973.

"RESOLVED, that the signature of the President or a Vice President and the seal of the Company may be affixed by facsimile on any power of attorney granted, and the signature of the Secretary or Assistant Secretary and the seal of the Company may be affixed by facsimile to any certificate of any such power and any such power of certificate bearing such facsimile signature and seal shall be valid and binding on the Company. Any such power so executed and sealed and certified by certificate so executed and sealed shall, with respect to any bond or undertaking to which it is attached, continue to be valid and binding on the Company."

IN WITNESS WHEREOF, THE CINCINNATI INSURANCE COMPANY has caused these presents to be sealed with its corporate seal, duly attested by its Vice President this 10th day of October, 2008.



THE CINCINNATI INSURANCE COMPANY

Thomas H. Kelly
Vice President

STATE OF OHIO) ss:
COUNTY OF BUTLER)

On this 10th day of October, 2008, before me came the above-named Vice President of THE CINCINNATI INSURANCE COMPANY, to me personally known to be the officer described herein, and acknowledged that the seal affixed to the preceding instrument is the corporate seal of said Company and the corporate seal and the signature of the officer were duly affixed and subscribed to said instrument by the authority and direction of said corporation.



Mark J. Huller
MARK J. HULLER, Attorney at Law
NOTARY PUBLIC - STATE OF OHIO

My commission has no expiration date. Section 147.03 O.R.C.

I, the undersigned Secretary or Assistant Secretary of THE CINCINNATI INSURANCE COMPANY, hereby certify that the above is a true and correct copy of the Original Power of Attorney issued by said Company, and do hereby further certify that the said Power of Attorney is still in full force and effect.

GIVEN under my hand and seal of said Company at Fairfield, Ohio.

this 18 day of October, 2012



Gregory J. Schlemmer
Secretary



THE
CINCINNATI INSURANCE COMPANIES

THE CINCINNATI INSURANCE COMPANY
THE CINCINNATI CASUALTY COMPANY

THE CINCINNATI INDEMNITY COMPANY
THE CINCINNATI LIFE INSURANCE COMPANY

5549 MARSH LIGHT LANE
MOSELEY, VIRGINIA 23120
(804) 639-7800
Fax (804) 639-4144
chris_rittenhouse@cinfin.com

CHRISTINE RITTENHOUSE
Bond Regional Director
Bond & Executive Risk Department

August 1, 2012

Re: Varney, Inc.

To Whom It May Concern:

We are pleased to confirm that Varney, Inc. is a valued account and remains in excellent standing with The Cincinnati Insurance Company for bonding. We are currently in a position to provide support for single jobs in the \$10,000,000 range, with an aggregate work program in the \$20,000,000 range. Acceptance for higher single/aggregate levels would certainly be considered upon submission of the job details. All bond approvals are subject to our normal underwriting requirements at the time of the bond request, including review of contract, bond forms, financing and other underwriting information.

It is our assessment that Varney, Inc. is a highly qualified for your project and we certainly provide our recommendation to any prospective project owners.

The Cincinnati Insurance Company is Best Rated A + Superior.

Please feel free to contact me with any questions.

Sincerely,

Chris Rittenhouse
Bond Sr. Regional Director



DOCUMENT 004393 - BID SUBMITTAL CHECKLIST

1.1 BID INFORMATION

- A. Bidder: _____.
- B. Prime Contract: _____.
- C. Project Name: Town of Rocky Mount Water Treatment Plant Electrical System Upgrade.
- D. Project Location: Town of Rocky Mount, Virginia.
- E. Owner: Town of Rocky Mount, Virginia.
- F. Owner Project Number:
- G. Engineer: Hurt & Proffitt, Inc.
- H. Engineer Project Number: 20120279.
- I. Project Manager: Brian L. Cossman, PE, LEED AP

1.2 BIDDER'S CHECKLIST

- A. In an effort to assist the Bidder in properly completing all documentation required, the following checklist is provided for the Bidder's convenience. The Bidder is solely responsible for verifying compliance with bid submittal requirements.
- B. Attach this completed checklist to the outside of the Submittal envelope.
 - Used the Bid Form provided in the Project Manual.
 - Prepared the Bid Form as required by the Instructions to Bidders.
 - Indicated on the Bid Form the Addenda received.
 - Attached to the Bid Form: Contractor Qualifications Form.
 - Attached to the Bid Form: Proposed Subcontractor List.
 - Attached to the Bid Form: Certification for Contracts, Grants, & Loans.
 - Attached to the Bid Form: Debarment Certification.
 - Attached to the Bid Form: Bid Bond OR a certified check for the amount required.
 - Bid envelope shows name and address of the Bidder.
 - Bid envelope shows the Bidder's Contractor's License Number.

- Bid envelope shows name of Project being bid.
- Bid envelope shows name of Contract Division being bid, if applicable.
- Bid envelope shows time and day of Bid Opening.
- Verified that the Bidder can provide executed Performance Bond and Labor and Material Bond.
- Verified that the Bidder can provide Certificates of Insurance in the amounts indicated.

END OF DOCUMENT 004393

Document 004510 – Contractor Qualifications Form

All questions must be answered in full. Additional sheets for clarification of answers or additional information may be attached. This statement must be notarized.

1. Name, address, phone number of company.
Varney, Inc.
1701 Shenandoah Avenue NW
Roanoke, VA 24017
(540) 343-0155
2. Owner, principal officer, date and place organized.
Paul Bratton, President
Incorporated February 12, 1965 in Roanoke, VA
3. General character of work performed.
Electrical Contracting
Industrial, Commercial and Residential Electrical
4. Any work awarded failed to be completed or contracts defaulted on - where and why.
None
5. List of three most important recent contracts over \$30,000. State the owner, work, approximate cost, place, date started and date completed.
 - a. Peppers Ferry Regional Wastewater Treatment Facility (Owner)
Radford, VA
cost: \$ 432,084.00 Dates: From May 2011 to June 2012
 - b. Radford University College of Business and Economics
Radford, VA (Radford University, Owner)
cost: \$ 3,287,186 Dates: From Dec. 2010 to May 2012
 - c. Lower Jackson Wastewater Plant Eagle Rock, VA
Allegheny County - Owner
cost: \$ 1,107,047 Dates: From Oct. 2009 to October 2011
6. List the contracts upon which you are currently working. Include owner, location, approximate cost, and estimated date of completion.
See Attached List

10/16/2012

VARNEY, INC.
PROJECTS IN PROGRESS

JOB NO.	JOB DESCRIPTION	OWNER	LOCATION	CONTRACT PRICE	ESTIMATED DATE OF COMPLETION
7577	CENTER IN THE SQUARE	Center Manager, LLC	ROANOKE, VA	\$ 3,526,443	12/31/12
7600	VWCC SCIENCE BLD. CONTROLS	VWCC	ROANOKE, VA	\$ 195,176	11/30/12
7603	CENTER IN THE SQUARE CONT PH1	Center Manager, LLC	ROANOKE, VA	\$ 128,820	12/31/12
7608	VT SIGNATURE ENGINEERING PROJ	Virginia Tech	BLACKSBURG, VA	\$ 6,384,186	5/31/13
7624	BLACKSBURG HIGH SCHOOL	Montgomery Cty Public Schools	BLACKSBURG, VA	\$ 5,647,774	8/14/13
7637	BLACKSBURG/VPI WWTP A	Blacksburg VPI Sanitation Authority	BLACKSBURG, VA	\$ 138,600	8/31/13
7638	BLACKSBURG/VPI WWTP B	Blacksburg VPI Sanitation Authority	BLACKSBURG, VA	\$ 104,350	8/31/13
7640	YOKOHAMA L1 TAM	Yokohama	SALEM, VA	\$ 71,420	11/2/12
ELECTRICAL DIVISION				\$ 16,196,768	

- 7. List your major equipment available for use on this project.
N/A

- 8. List of three material suppliers and amount of credit available.
Graybar \$1,000,000
Gexpro \$1,500,000
Womack \$ 900,000
- 9. Bank references and credit available.
First Citizens Bank Roanoke, VA
Greg Withers, Vice President (540)345-6016
Available Credit Line \$2,000,000.00
- 10. Insurance coverage and amount. See Attached Certificate
 - a. Liability – Property
 - b. Liability - Personal Injury
 - c. Vehicle and Equipment
 - d. Other – Identify

- 11. Bonding reference - List surety and highest coverage.
The Cincinnati Insurance Companies
Single Job \$10,000,000 Range & \$20,000,000 Aggregat

- 12. Subcontractors utilized - List name, address, specialty and years experience.
 - a. N/A for this project
 - b.
 - c.

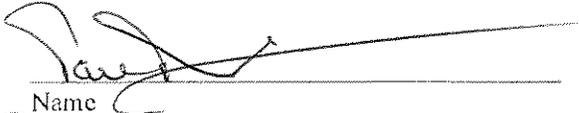
- 13. Provide a general description of the experience of the company and its key personnel. Electrical Contracting since 1955
Mechanical Contracting since 1984
President: Paul Bratton Vice President: Mac Lloyd
CFO: Kathy Seymore-Lanter
- 14. Number of current full-time employees:
115
Number employees at highest level in past twelve months:
121

Certification for Contracts, Grants, & Loans

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, or loan.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, or loan, the undersigned shall complete and submit Standard Form – LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.


 Name 10/18/12
 Date

 Title

U.S. DEPARTMENT OF AGRICULTURE

CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED TRANSACTIONS

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR Part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

- 1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Varney, Inc.

Town of Rocky Mount Water Treatment Plant Electrical Upgrade

Organization Name

PR/Award Number or Project Name

Paul Bratton, President

Name(s) and Title(s) of Authorized Representative(s)

Handwritten signature of Paul Bratton

Signature(s)

Handwritten date: 12/18/12

Date

Form AD-1048 (1/92)

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later than determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms "covered transactions," "debarred," "suspended," "ineligible," "lower tier covered transactions," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Form AD-1048

Notice of AwardDate: December 3, 2012

Project: Town of Rocky Mount Water Treatment Plant Electrical System Upgrade

Owner: Town of Rocky Mount

Owner's Contract No.:

Contract: Contract 1

Engineer's Project No.: 20120279

Bidder: Varney, Inc.

Bidder's Address: 1701 Shenandoah Avenue

Roanoke, VA 24017

You are notified that your Bid dated October 18, 2012 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for the electrical replacement at the Rocky Mount Water Treatment Plant.

The Contract Price of your Contract is Two Hundred Ninety Thousand Three Hundred Dollars (\$290,300.00).

4 copies of the proposed Contract Documents (except Drawings) accompany this Notice of Award.

3 sets of the Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within [15] days of the date you receive this Notice of Award.

1. Deliver to the Owner 4 fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security Bonds as specified in the Instructions to Bidders (Article 20), General Conditions (Paragraph 5.01), and Supplementary Conditions (Paragraph SC-5.01).
3. Other conditions precedent:

A Pre-construction meeting must occur before any work on this project will be allowed. The Contractor must notify the Engineer and Owner three (3) working days prior to start of construction to allow for inspector scheduling.

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Town of Rocky Mount, Virginia

Owner

By: _____

Authorized Signature

Title

Copy to Engineer

FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)
FUNDING AGENCY EDITION

THIS AGREEMENT is by and between Town of Rocky Mount, Virginia ("Owner") and Varney, Inc. ("Contractor").

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

The project will consist of replacement of the existing electrical system in the water treatment plant. The motor control center with new variable frequency drives and soft starters will be installed with all associated appurtenances. Additional work includes, but is not limited to, installation of emergency generator connection, new pump motors, and service feed equipment. The project will be divided into a Base Bid and project alternates.

ARTICLE 2 – THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

Town of Rocky Mount Water Treatment Plant Electrical System Upgrade

ARTICLE 3 – ENGINEER

3.01 The Project has been designed by Hurt & Proffitt, Inc. (Engineer), who is to act as Owner’s representative, assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents.

ARTICLE 4 – CONTRACT TIMES

4.01 Time of the Essence

A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.

4.02 Days to Achieve Substantial Completion and Final Payment

A. The Work will be substantially completed within 120 consecutive calendar days after the date when the Contract Time commence to run as provided in Paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with Paragraph 14.07 of the General Conditions within 150 days after the date when the Contract Time commence to run.

4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence of this Agreement and that Owner will suffer financial loss if the Work is not completed within the times specified in Paragraph 4.02 above, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner \$500 for each day that expires after the time specified in Paragraph 4.02 for Substantial Completion until the Work is substantially complete. After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner \$300 for each day that expires after the time specified in Paragraph 4.02 for completion and readiness for final payment until the Work is completed and ready for final payment.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to Paragraph 5.01.A below:

- A. For all Unit Price Work, an amount equal to the sum of the established unit price for each separately identified item of Unit Price Work times the estimated quantity of that item as indicated in this paragraph 5.01.A:

As provided in Paragraph 11.03 of the General Conditions, estimated quantities are not guaranteed, and determinations of actual quantities and classifications are to be made by Engineer as provided in Paragraph 9.07 of the General Conditions. Unit prices have been computed as provided in Paragraph 11.03 of the General Conditions.

LUMP SUM PRICE WORK

<u>Item No.</u>	<u>Description</u>	<u>Unit</u>	<u>Estimated Quantity</u>	<u>Unit Price</u>	<u>Total Estimated Price</u>
1	Motor Control Center/Service Entrance Equipment Replacement	LS	1	153,460.00	153,460.00
2	New Finished Water Pump Motors	LS	1	30,460.00	30,460.00
3	Mobilization	LS	1	9,680.00	9,680.00
4	Raw Water Pump Station Electrical System Replacement	LS	1	96,700.00	96,700.00
ESTIMATED TOTAL OF ALL LUMP SUM PRICE WORK			\$ Two Hundred Ninety Thousand Three Hundred Dollars	\$290,300.00	
			<u>Three Hundred Dollars</u>		
			(use words)		(figure)

ARTICLE 6 – PAYMENT PROCEDURES

6.01 *Submittal and Processing of Payments*

- A. Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.

6.02 *Progress Payments; Retainage*

- A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor’s Applications for Payment on or about the 1 day of each month during performance of the Work as provided in Paragraphs 6.02.A.1 and 6.02.A.2 below. All such payments will be measured by the schedule of values established as provided in

Paragraph 2.07.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:

1. Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may withhold, including but not limited to liquidated damages, in accordance with Paragraph 14.02 of the General Conditions:
 - a. 95 percent of Work completed (with the balance being retainage); and
 - b. 95 percent of cost of materials and equipment not incorporated in the Work (with the balance being retainage).
2. Upon Substantial Completion, Owner shall pay an amount sufficient to increase total payments to Contractor to 95 percent of the Work completed, less such amounts as Engineer shall determine in accordance with Paragraph 14.02.B.5 of the General Conditions.

6.03 Final Payment

- A. Upon receipt of the final Application for Payment accompanied by Engineer’s recommendation of payment in accordance with Paragraph 14.07 of the General Conditions, Owner shall pay Contractor as provided in Paragraph 14.07 of the General Conditions the remainder of the Contract Price as recommended by Engineer as provided in said Paragraph 14.07, less any sum Owner is entitled to set off against Engineer’s recommendation, including but not limited to liquidated damages.

ARTICLE 7 – INTEREST

7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the maximum legal rate.

ARTICLE 8 – CONTRACTOR’S REPRESENTATIONS

- 8.01 In order to induce Owner to enter into this Agreement Contractor makes the following representations:
 - A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
 - B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) which have been identified in the Supplementary Conditions as provided in Paragraph 4.02 of the General Conditions and (2) reports and drawings of a Hazardous Environmental Condition, if any, at the Site which has been identified in the Supplementary Conditions as provided in Paragraph 4.06 of the General Conditions.
 - E. Contractor has obtained and carefully studied (or assumes responsibility for doing so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the Work or which relate to any aspect of the means, methods, techniques, sequences, and

procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents, and safety precautions and programs incident thereto.

- F. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has correlated the information known to Contractor, information and observations obtained from visits to the Site, reports and drawings identified in the Contract Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Contract Documents.
- I. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- J. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

- A. The Contract Documents consist of the following:
 - 1. This Agreement (pages 1 to 7, inclusive).
 - 2. Performance bond (pages 1 to 3, inclusive).
 - 3. Payment bond (pages 1 to 3, inclusive).
 - 4. Other bonds (pages 1 to 2, inclusive).
 - 5. General Conditions (pages 1 to 60, inclusive).
 - 6. Supplementary Conditions (pages 1 to 8, inclusive).
 - 7. Specifications as listed in the table of contents of the Project Manual.
 - 8. Drawings consisting of 6 sheets with each sheet bearing the following general title: Town of Rocky Mount Water Treatment Plant Electrical System Upgrade.
 - 9. Addenda (numbers 1 to 1, inclusive).
 - 10. Exhibits to this Agreement (enumerated as follows):
 - a. Contractor's Bid (pages 1 to 2, inclusive).
 - b. Documentation submitted by Contractor prior to Notice of Award (pages 1 to 4, inclusive) – Contractor Qualification Statement.

- c. Documentation submitted by Contractor prior to Notice of Award (pages 1 to 1, inclusive) – Proposed Subcontractor List.
 - d. Documentation submitted by Contractor prior to Notice of Award (pages 1 to 1, inclusive) – Certification for Contracts, Grants, & Loans.
 - e. Documentation submitted by Contractor prior to Notice of Award (pages 1 to 2, inclusive) – Debarment Certification.
11. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
- a. Notice to Proceed (pages 1 to 1, inclusive).
 - b. Work Change Directives.
 - c. Change Order(s).
- B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).
- C. There are no Contract Documents other than those listed above in this Article 9.
- D. The Contract Documents may only be amended, modified, or supplemented as provided in Paragraph 3.04 of the General Conditions.

ARTICLE 10 – MISCELLANEOUS

10.01 *Terms*

- A. Terms used in this Agreement will have the meanings stated in the General Conditions and the Supplementary Conditions.

10.02 *Assignment of Contract*

- A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part

thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement in four copies. One counterpart each has been delivered to Owner, Contractor, Engineer, and Agency. All portions of the Contract Documents have been signed, initialed, or identified by Owner and Contractor or identified by Engineer on their behalf.

This Agreement is dated December 3, 2012. This Agreement shall not be effective unless and until Agency's designated representative concurs.

OWNER:

CONTRACTOR

Town of Rocky Mount, Virginia _____

By: _____

By: _____

Title: _____

Title: _____

[CORPORATE SEAL]

[CORPORATE SEAL]

Attest: _____

Attest: _____

Title: _____

Title: _____

Address for giving notices:

Address for giving notices:

345 Donald Avenue _____

Rocky Mount, VA 24151 _____

Agent for service of process:

(If Contractor is a corporation or a partnership, attach evidence of authority to sign.)

Agency Concurrence:

As lender or insurer of funds to defray the costs of this Contract, and without liability for any payments thereunder, the Agency hereby concurs in the form, content, and execution of this Agreement.

Agency: _____

By: _____

Date: _____

Title: _____

Notice to Proceed

Date: _____

Project: Town of Rocky Mount WTP Electrical System Upgrade

Owner: Town of Rocky Mount, Virginia

Owner's Contract No.:

Contract: Contract 1

Engineer's Project No.: 20120279

Contractor:

Contractor's Address:

You are notified that the Contract Times under the above Contract will commence to run on _____. On or before that date, you are to start performing your obligations under the Contract Documents. In accordance with Article 4 of the Agreement, the date of Substantial Completion is _____, and the date of readiness for final payment is _____ [(or) the number of days to achieve Substantial Completion is _____, and the number of days to achieve readiness for final payment is _____].

Before you may start any Work at the Site, Paragraph 2.01.B of the General Conditions provides that you and Owner must each deliver to the other (with copies to Engineer and other identified additional insureds and loss payees) certificates of insurance which each is required to purchase and maintain in accordance with the Contract Documents.

Also, before you may start any Work at the Site, you must:

Have all shop drawings submitted to and approved by the Engineer. Notification must be given to the Owner and Engineer three (3) business days before work is to start. A pre-construction conference must be held before the start of construction.

_____	Town of Rocky Mount, Virginia
_____	Owner
_____	Given by:
_____	Authorized Signature
_____	Title
_____	Date

Copy to Engineer

PERFORMANCE BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (*Name and Address*): SURETY (*Name, and Address of Principal Place of Business*):

OWNER (*Name and Address*):
Town of Rocky Mount
345 Donald Avenue
Rocky Mount, VA 24151

CONTRACT
Effective Date of Agreement:
Amount:
Description (*Name and Location*):

BOND
Bond Number:
Date (*Not earlier than Effective Date of Agreement*):
Amount:
Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Performance Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

Contractor's Name and Corporate Seal (Seal)

Surety's Name and Corporate Seal (Seal)

By: _____
Signature

By: _____
Signature (Attach Power of Attorney)

Print Name

Print Name

Title

Title

Attest: _____
Signature

Attest: _____
Signature

Title

Title

Note: Provide execution by additional parties, such as joint venturers, if necessary.

Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner for the performance of the Contract, which is incorporated herein by reference.

1. If Contractor performs the Contract, Surety and Contractor have no obligation under this Bond, except to participate in conferences as provided in Paragraph 2.1.
2. If there is no Owner Default, Surety's obligation under this Bond shall arise after:
 - 2.1 Owner has notified Contractor and Surety, at the addresses described in Paragraph 9 below, that Owner is considering declaring a Contractor Default and has requested and attempted to arrange a conference with Contractor and Surety to be held not later than 15 days after receipt of such notice to discuss methods of performing the Contract. If Owner, Contractor, and Surety agree, Contractor shall be allowed a reasonable time to perform the Contract, but such an agreement shall not waive Owner's right, if any, subsequently to declare a Contractor Default; and
 - 2.2 Owner has declared a Contractor Default and formally terminated Contractor's right to complete the Contract. Such Contractor Default shall not be declared earlier than 20 days after Contractor and Surety have received notice as provided in Paragraph 2.1; and
 - 2.3 Owner has agreed to pay the Balance of the Contract Price to:
 1. Surety in accordance with the terms of the Contract; or
 2. Another contractor selected pursuant to Paragraph 3.3 to perform the Contract.
3. When Owner has satisfied the conditions of Paragraph 2, Surety shall promptly, and at Surety's expense, take one of the following actions:
 - 3.1 Arrange for Contractor, with consent of Owner, to perform and complete the Contract; or
 - 3.2 Undertake to perform and complete the Contract itself, through its agents or through independent contractors; or
 - 3.3 Obtain bids or negotiated proposals from qualified contractors acceptable to Owner for a contract for performance and completion of the Contract, arrange for a contract to be prepared for execution by Owner and contractor selected with Owner's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Contract, and pay to Owner the amount of damages as described in Paragraph 5 in excess of the Balance of the Contract Price incurred by Owner resulting from Contractor Default; or
 - 3.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor, and with reasonable promptness under the circumstances:
 1. After investigation, determine the amount for which it may be liable to Owner and, as soon as practicable after the amount is determined, tender payment therefor to Owner; or
 2. Deny liability in whole or in part and notify Owner citing reasons therefor.
4. If Surety does not proceed as provided in Paragraph 3 with reasonable promptness, Surety shall be deemed to be in default on this Bond 15 days after receipt of an additional written notice from Owner to Surety demanding that Surety perform its obligations under this Bond, and Owner shall be entitled to enforce any remedy available to Owner. If Surety proceeds as provided in Paragraph 3.4, and Owner refuses the payment tendered or Surety has denied liability, in whole or in part, without further notice Owner shall be entitled to enforce any remedy available to Owner.
5. After Owner has terminated Contractor's right to complete the Contract, and if Surety elects to act under Paragraph 3.1, 3.2, or 3.3 above, then the responsibilities of Surety to Owner shall not be greater than those of Contractor under the Contract, and the responsibilities of Owner to Surety shall not be greater than those of Owner under the Contract. To the limit of the amount of this Bond, but subject to commitment by Owner of the Balance of the Contract Price to mitigation of costs and damages on the Contract, Surety is obligated without duplication for:
 - 5.1 The responsibilities of Contractor for correction of defective Work and completion of the Contract;

- 5.2 Additional legal, design professional, and delay costs resulting from Contractor’s Default, and resulting from the actions of or failure to act of Surety under Paragraph 3; and
- 5.3 Liquidated damages, or if no liquidated damages are specified in the Contract, actual damages caused by delayed performance or non-performance of Contractor.

6. Surety shall not be liable to Owner or others for obligations of Contractor that are unrelated to the Contract, and the Balance of the Contract Price shall not be reduced or set off on account of any such unrelated obligations. No right of action shall accrue on this Bond to any person or entity other than Owner or its heirs, executors, administrators, or successors.

7. Surety hereby waives notice of any change, including changes of time, to Contract or to related subcontracts, purchase orders, and other obligations.

8. Any proceeding, legal or equitable, under this Bond may be instituted in any court of competent jurisdiction in the location in which the Work or part of the Work is located, and shall be instituted within two years after Contractor Default or within two years after Contractor ceased working or within two years after Surety refuses or fails to perform its obligations under this Bond, whichever occurs first. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

9. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the address shown on the signature page.

10. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.

11. Definitions.

- 11.1 Balance of the Contract Price: The total amount payable by Owner to Contractor under the Contract after all proper adjustments have been made, including allowance to Contractor of any amounts received or to be received by Owner in settlement of insurance or other Claims for damages to which Contractor is entitled, reduced by all valid and proper payments made to or on behalf of Contractor under the Contract.
- 11.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.
- 11.3 Contractor Default: Failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Contract.
- 11.4 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – *(Name, Address and Telephone)*

Surety Agency or Broker:

Owner’s Representative *(Engineer or other party)*:

PAYMENT BOND

Any singular reference to Contractor, Surety, Owner, or other party shall be considered plural where applicable.

CONTRACTOR (Name and Address):

SURETY (Name, and Address of Principal Place of Business):

OWNER (Name and Address):

Town of Rocky Mount
345 Donald Avenue
Rocky Mount, VA 24151

CONTRACT

Effective Date of Agreement:
Amount:
Description (Name and Location):

BOND

Bond Number:
Date (Not earlier than Effective Date of Agreement):
Amount:
Modifications to this Bond Form:

Surety and Contractor, intending to be legally bound hereby, subject to the terms set forth below, do each cause this Payment Bond to be duly executed by an authorized officer, agent, or representative.

CONTRACTOR AS PRINCIPAL

SURETY

(Seal)
Contractor's Name and Corporate Seal

(Seal)
Surety's Name and Corporate Seal

By: _____
Signature

By: _____
Signature (Attach Power of Attorney)

Print Name

Print Name

Title

Title

Attest: _____
Signature

Attest: _____
Signature

Title

Title

Note: Provide execution by additional parties, such as joint venturers, if necessary.

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors, and assigns to Owner to pay for labor, materials, and equipment furnished by Claimants for use in the performance of the Contract, which is incorporated herein by reference.
2. With respect to Owner, this obligation shall be null and void if Contractor:
 - 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants, and
 - 2.2 Defends, indemnifies, and holds harmless Owner from all claims, demands, liens, or suits alleging non-payment by Contractor by any person or entity who furnished labor, materials, or equipment for use in the performance of the Contract, provided Owner has promptly notified Contractor and Surety (at the addresses described in Paragraph 12) of any claims, demands, liens, or suits and tendered defense of such claims, demands, liens, or suits to Contractor and Surety, and provided there is no Owner Default.
3. With respect to Claimants, this obligation shall be null and void if Contractor promptly makes payment, directly or indirectly, for all sums due.
4. Surety shall have no obligation to Claimants under this Bond until:
 - 4.1 Claimants who are employed by or have a direct contract with Contractor have given notice to Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and, with substantial accuracy, the amount of the claim.
 - 4.2 Claimants who do not have a direct contract with Contractor:
 1. Have furnished written notice to Contractor and sent a copy, or notice thereof, to Owner, within 90 days after having last performed labor or last furnished materials or equipment included in the claim stating, with substantial accuracy, the amount of the claim and the name of the party to whom the materials or equipment were furnished or supplied, or for whom the labor was done or performed; and
 2. Have either received a rejection in whole or in part from Contractor, or not received within 30 days of furnishing the above notice any communication from Contractor by which Contractor had indicated the claim will be paid directly or indirectly; and
 3. Not having been paid within the above 30 days, have sent a written notice to Surety (at the address described in Paragraph 12) and sent a copy, or notice thereof, to Owner, stating that a claim is being made under this Bond and enclosing a copy of the previous written notice furnished to Contractor.
5. If a notice by a Claimant required by Paragraph 4 is provided by Owner to Contractor or to Surety, that is sufficient compliance.
6. Reserved.
7. Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by Surety.
8. Amounts owed by Owner to Contractor under the Contract shall be used for the performance of the Contract and to satisfy claims, if any, under any performance bond. By Contractor furnishing and Owner accepting this Bond, they agree that all funds earned by Contractor in the performance of the Contract are dedicated to satisfy obligations of Contractor and Surety under this Bond, subject to Owner's priority to use the funds for the completion of the Work.
9. Surety shall not be liable to Owner, Claimants, or others for obligations of Contractor that are unrelated to the Contract. Owner shall not be liable for payment of any costs or expenses of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.
10. Surety hereby waives notice of any change, including changes of time, to the Contract or to related subcontracts, purchase orders, and other obligations.
11. No suit or action shall be commenced by a Claimant under this Bond other than in a court of competent jurisdiction in the location in which the Work or part of the Work is located or after the expiration of one year from the date (1) on which the Claimant gave the notice required by Paragraph 4.1 or Paragraph 4.2.3, or (2) on which the last labor or

service was performed by anyone or the last materials or equipment were furnished by anyone under the Contract, whichever of (1) or (2) first occurs. If the provisions of this paragraph are void or prohibited by law, the minimum period of limitation available to sureties as a defense in the jurisdiction of the suit shall be applicable.

12. Notice to Surety, Owner, or Contractor shall be mailed or delivered to the addresses shown on the signature page. Actual receipt of notice by Surety, Owner, or Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown on the signature page.

13. When this Bond has been furnished to comply with a statutory requirement in the location where the Contract was to be performed, any provision in this Bond conflicting with said statutory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory Bond and not as a common law bond.

14. Upon request of any person or entity appearing to be a potential beneficiary of this Bond, Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.

15. Definitions

15.1 Claimant: An individual or entity having a direct contract with Contractor, or with a first-tier subcontractor of Contractor, to furnish labor, materials, or equipment for use in the performance of the Contract. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental equipment used in the Contract, architectural and engineering services required for performance of the Work of Contractor and Contractor's subcontractors, and all other items for which a mechanic's lien may be asserted in the jurisdiction where the labor, materials, or equipment were furnished.

15.2 Contract: The agreement between Owner and Contractor identified on the signature page, including all Contract Documents and changes thereto.

15.3 Owner Default: Failure of Owner, which has neither been remedied nor waived, to pay Contractor as required by the Contract, or to perform and complete or otherwise comply with the other terms thereof.

FOR INFORMATION ONLY – (Name, Address, and Telephone)

Surety Agency or Broker:

Owner's Representative (Engineer or other):

Contractor's Application for Payment No.

	Application Period:	Application Date:
To (Owner): Town of Rocky Mount, Virginia	From (Contractor):	Via (Engineer): Hurt & Proffitt, Inc.
Project: Rocky Mount WTP Electrical System Upgrade	Contract:	
Owner's Contract No.:	Contractor's Project No.:	Engineer's Project No.: 20120279

Application For Payment Change Order Summary

Approved Change Orders			
Number	Additions	Deductions	
			1. ORIGINAL CONTRACT PRICE..... \$ _____
			2. Net change by Change Orders..... \$ _____
			3. Current Contract Price (Line 1 ± 2)..... \$ _____
			4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate)..... \$ _____
			5. RETAINAGE:
			a. 5% X _____ Work Completed..... \$ _____
			b. 5% X _____ Stored Material..... \$ _____
			c. Total Retainage (Line 5a + Line 5b)..... \$ _____
			6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c)..... \$ _____
			7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application)..... \$ _____
			8. AMOUNT DUE THIS APPLICATION..... \$ _____
			9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Progress Estimate + Line 5 above)..... \$ _____
TOTALS			
NET CHANGE BY CHANGE ORDERS			

Contractor's Certification

The undersigned Contractor certifies that to the best of its knowledge: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

By:	Date:
-----	-------

Payment of: \$ _____
(Line 8 or other - attach explanation of the other amount)

is recommended by: _____ (Engineer) _____ (Date)

Payment of: \$ _____
(Line 8 or other - attach explanation of the other amount)

is approved by: _____ (Owner) _____ (Date)

Approved by: _____ Funding Agency (if applicable) _____ (Date)

Endorsed by the Construction Specifications Institute.

Stored Material Summary

Contractor's Application

For (contract):						Application Number:			
Application Period:						Application Date:			
A	B	C	D		E		F		G
Invoice No.	Shop Drawing Transmittal No.	Materials Description	Stored Previously		Stored this Month		Incorporated in Work		Materials Remaining in Storage (\$) (D + E - F)
			Date (Month/Year)	Amount (\$)	Amount (\$)	Subtotal	Date (Month/Year)	Amount (\$)	
Totals									

Certificate of Substantial Completion

Project: Rocky Mount WTP Electrical System Upgrade

Owner: Town of Rocky Mount

Owner's Contract No.:

Contract: Contract 1

Engineer's Project No.: 20120279

This [tentative] [definitive] Certificate of Substantial Completion applies to:

- All Work under the Contract Documents:
- The following specified portions of the Work:

Date of Substantial Completion

The Work to which this Certificate applies has been inspected by authorized representatives of Owner, Contractor, and Engineer, and found to be substantially complete. The Date of Substantial Completion of the Project or portion thereof designated above is hereby declared and is also the date of commencement of applicable warranties required by the Contract Documents, except as stated below.

A [tentative] [definitive] list of items to be completed or corrected is attached hereto. This list may not be all-inclusive, and the failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

The responsibilities between Owner and Contractor for security, operation, safety, maintenance, heat, utilities, insurance and warranties shall be as provided in the Contract Documents except as amended as follows:

- Amended Responsibilities
- Not Amended

Owner's Amended Responsibilities:

Contractor's Amended Responsibilities:

The following documents are attached to and made part of this Certificate:

This Certificate does not constitute an acceptance of Work not in accordance with the Contract Documents nor is it a release of Contractor's obligation to complete the Work in accordance with the Contract Documents.

Executed by Engineer

Date

Accepted by Contractor

Date

Accepted by Owner

Date

This document has important legal consequences; consultation with an attorney is encouraged with respect to its use or modification. This document should be adapted to the particular circumstances of the contemplated Project and the Controlling Law.

STANDARD GENERAL CONDITIONS OF THE CONSTRUCTION CONTRACT FUNDING AGENCY EDITION

Prepared by

ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

and

Issued and Published Jointly By



AMERICAN COUNCIL OF ENGINEERING COMPANIES



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a practice division of the
NATIONAL SOCIETY OF PROFESSIONAL ENGINEERS

AMERICAN COUNCIL OF ENGINEERING COMPANIES

AMERICAN SOCIETY OF CIVIL ENGINEERS

This document has been approved and endorsed by

The Associated General Contractors of America



and the

Construction Specification Institute



Knowledge for Creating
and Sustaining
the Built Environment

These General Conditions have been prepared for use with the Suggested Forms of Agreement Between Owner and Contractor Funding Agency Edition No. C-521 (2002 Edition). Their provisions are interrelated and a change in one may necessitate a change in the other. Comments concerning their usage are contained in the EJCDC Construction Documents, General and Instructions (No. C-001, 2002 Edition). For guidance in the preparation of Supplementary Conditions, see Guide to the Preparation of Supplementary Conditions (No. C-800, 2002 Edition).

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TABLE OF CONTENTS

	Page
Article 1 – Definitions and Terminology.....	6
1.01 Defined Terms.....	6
1.02 Terminology.....	9
Article 2 – Preliminary Matters	10
2.01 Delivery of Bonds and Evidence of Insurance	10
2.02 Copies of Documents.....	10
2.03 Commencement of Contract Times; Notice to Proceed.....	11
2.04 Starting the Work.....	11
2.05 Before Starting Construction	11
2.06 Preconstruction Conference.....	11
2.07 Initial Acceptance of Schedules.....	11
Article 3 – Contract Documents: Intent, Amending, Reuse	12
3.01 Intent.....	12
3.02 Reference Standards.....	12
3.03 Reporting and Resolving Discrepancies.....	12
3.04 Amending and Supplementing Contract Documents.....	13
3.05 Reuse of Documents	13
3.06 Electronic Data.....	13
Article 4 – Availability of Lands; Subsurface and Physical Conditions; Hazardous Environmental Conditions; Reference Points.....	14
4.01 Availability of Lands.....	14
4.02 Subsurface and Physical Conditions.....	14
4.03 Differing Subsurface or Physical Conditions.....	14
4.04 Underground Facilities.....	16
4.05 Reference Points.....	16
4.06 Hazardous Environmental Condition at Site	17
Article 5 – Bonds and Insurance.....	18
5.01 Performance, Payment, and Other Bonds.....	18
5.02 Licensed Sureties and Insurers.....	18
5.03 Certificates of Insurance.....	19
5.04 Contractor’s Liability Insurance	19
5.05 Owner’s Liability Insurance.....	20
5.06 Property Insurance	20
5.07 Waiver of Rights	21
5.08 Receipt and Application of Insurance Proceeds.....	22
5.09 Acceptance of Bonds and Insurance; Option to Replace	22
5.10 Partial Utilization, Acknowledgment of Property Insurer.....	22
Article 6 – Contractor’s Responsibilities.....	22
6.01 Supervision and Superintendence	22
6.02 Labor; Working Hours.....	23
6.03 Services, Materials, and Equipment.....	23
6.04 Progress Schedule	23
6.05 Substitutes and “Or-Equals”	23
6.06 Concerning Subcontractors, Suppliers, and Others	25
6.07 Patent Fees and Royalties.....	26
6.08 Permits.....	27
6.09 Laws and Regulations	27
6.10 Taxes	27

6.11	Use of Site and Other Areas	27
6.12	Record Documents	28
6.13	Safety and Protection	28
6.14	Safety Representative	29
6.15	Hazard Communication Programs	29
6.16	Emergencies	29
6.17	Shop Drawings and Samples	29
6.18	Continuing the Work	31
6.19	Contractor's General Warranty and Guarantee	31
6.20	Indemnification	31
6.21	Delegation of Professional Design Services	32
Article 7 – Other Work at the Site		32
7.01	Related Work at Site	32
7.02	Coordination	33
7.03	Legal Relationships	33
Article 8 – Owner's Responsibilities		34
8.01	Communications to Contractor	34
8.02	Replacement of Engineer	34
8.03	Furnish Data	34
8.04	Pay When Due	34
8.05	Lands and Easements; Reports and Tests	34
8.06	Insurance	34
8.07	Change Orders	34
8.08	Inspections, Tests, and Approvals	34
8.09	Limitations on Owner's Responsibilities	34
8.10	Undisclosed Hazardous Environmental Condition	34
8.11	Evidence of Financial Arrangements	35
Article 9 – Engineer's Status During Construction		35
9.01	Owner's Representative	35
9.02	Visits to Site	35
9.03	Project Representative	35
9.04	Authorized Variations in Work	35
9.05	Rejecting Defective Work	36
9.06	Shop Drawings, Change Orders and Payments	36
9.07	Determinations for Unit Price Work	36
9.08	Decisions on Requirements of Contract Documents and Acceptability of Work	36
9.09	Limitations on Engineer's Authority and Responsibilities	36
Article 10 – Changes in the Work; Claims		37
10.01	Authorized Changes in the Work	37
10.02	Unauthorized Changes in the Work	37
10.03	Execution of Change Orders	37
10.04	Notification to Surety	38
10.05	Claims	38
Article 11 – Cost of the Work; Allowances; Unit Price Work		39
11.01	Cost of the Work	39
11.02	Allowances	41
11.03	Unit Price Work	41
Article 12 – Change of Contract Price; Change of Contract Times		42
12.01	Change of Contract Price	42
12.02	Change of Contract Times	43

12.03 Delays..... 43

Article 13 – Tests and Inspections; Correction, Removal or Acceptance of Defective Work 43

13.01 Notice of Defects..... 43

13.02 Access to Work 43

13.03 Tests and Inspections 44

13.04 Uncovering Work..... 44

13.05 Owner May Stop the Work 44

13.06 Correction or Removal of Defective Work 44

13.07 Correction Period 44

13.08 Acceptance of Defective Work..... 44

13.09 Owner May Correct Defective Work..... 44

Article 14 – Payments to Contractor and Completion..... 44

14.01 Schedule of Values..... 44

14.02 Progress Payments 44

14.03 Contractor’s Warranty of Title..... 44

14.04 Substantial Completion 44

14.05 Partial Utilization 44

14.06 Final Inspection..... 44

14.07 Final Payment..... 44

14.08 Final Completion Delayed 44

14.09 Waiver of Claims 44

Article 15 – Suspension of Work and Termination..... 44

15.01 Owner May Suspend Work..... 44

15.02 Owner May Terminate for Cause..... 44

15.03 Owner May Terminate For Convenience 44

15.04 Contractor May Stop Work or Terminate..... 44

Article 16 – Dispute Resolution..... 44

16.01 Methods and Procedures..... 44

Article 17 – Miscellaneous 44

17.01 Giving Notice 44

17.02 Computation of Times..... 44

17.03 Cumulative Remedies 44

17.04 Survival of Obligations 44

17.05 Controlling Law 44

17.06 Headings..... 44

Article 18 – Federal Requirements 44

18.01 Agency Not a Party 44

18.02 Contract Approval..... 44

18.03 Conflict of Interest 44

18.04 Gratuities 44

18.05 Audit and Access to Records 44

18.06 Small, Minority and Women’s Businesses 44

18.07 Anti-Kickback 44

18.08 Clean Air and Pollution Control Acts..... 44

18.09 State Energy Policy 44

18.10 Equal Opportunity Requirements..... 44

18.11 Restrictions on Lobbying..... 44

18.12 Environmental Requirements..... 44

GENERAL CONDITIONS

ARTICLE 1 – DEFINITIONS AND TERMINOLOGY

1.01 *Defined Terms*

- A. Wherever used in the Bidding Requirements or Contract Documents and printed with initial capital letters, the terms listed below will have the meanings indicated which are applicable to both the singular and plural thereof. In addition to terms specifically defined, terms with initial capital letters in the Contract Documents include references to identified articles and paragraphs, and the titles of other documents or forms.
1. *Addenda* – Written or graphic instruments issued prior to the opening of Bids which clarify, correct, or change the Bidding Requirements or the proposed Contract Documents.
 2. *Agency* – The Federal or state agency named as such in the Agreement.
 3. *Agreement* – The written instrument which is evidence of the agreement between Owner and Contractor covering the Work.
 4. *Application for Payment* – The form acceptable to Engineer which is to be used by Contractor during the course of the Work in requesting progress or final payments and which is to be accompanied by such supporting documentation as is required by the Contract Documents.
 5. *Asbestos* – Any material that contains more than one percent asbestos and is friable or is releasing asbestos fibers into the air above current action levels established by the United States Occupational Safety and Health Administration.
 6. *Bid* – The offer or proposal of a Bidder submitted on the prescribed form setting forth the prices for the Work to be performed.
 7. *Bidder* – The individual or entity who submits a Bid directly to Owner.
 8. *Bidding Documents* – The Bidding Requirements and the proposed Contract Documents (including all Addenda).
 9. *Bidding Requirements* – The Advertisement or Invitation to Bid, Instructions to Bidders, bid security of acceptable form, if any, and the Bid Form with any supplements.
 10. *Change Order* – A document recommended by Engineer which is signed by Contractor and Owner and Agency and authorizes an addition, deletion, or revision in the Work or an adjustment in the Contract Price or the Contract Times, issued on or after the Effective Date of the Agreement.
 11. *Claim* – A demand or assertion by Owner or Contractor seeking an adjustment of Contract Price or Contract Times, or both, or other relief with respect to the terms of the Contract. A demand for money or services by a third party is not a Claim.
 12. *Contract* – The entire and integrated written agreement between the Owner and Contractor concerning the Work. The Contract supersedes prior negotiations, representations, or agreements, whether written or oral.
 13. *Contract Documents* – Those items so designated in the Agreement. Only printed or hard copies of the items listed in the Agreement are Contract Documents. Approved Shop Drawings, other Contractor's submittals, and the reports and drawings of subsurface and physical conditions are not Contract Documents.

14. *Contract Price* – The moneys payable by Owner to Contractor for completion of the Work in accordance with the Contract Documents as stated in the Agreement (subject to the provisions of Paragraph 11.03 in the case of Unit Price Work).
15. *Contract Times* – The number of days or the dates stated in the Agreement to: (i) achieve Milestones, if any, (ii) achieve Substantial Completion; and (iii) complete the Work so that it is ready for final payment as evidenced by Engineer's written recommendation of final payment.
16. *Contractor* – The individual or entity with whom Owner has entered into the Agreement.
17. *Cost of the Work* – See Paragraph 11.01.A for definition.
18. *Drawings* – That part of the Contract Documents prepared or approved by Engineer which graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop Drawings and other Contractor submittals are not Drawings as so defined.
19. *Effective Date of the Agreement* – The date indicated in the Agreement on which it becomes effective, but if no such date is indicated, it means the date on which the Agreement is signed and delivered by the last of the two parties to sign and deliver.
20. *Engineer* – The individual or entity named as such in the Agreement.
21. *Field Order* – A written order issued by Engineer which requires minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.
22. *General Requirements* – Sections of Division 1 of the Specifications. The General Requirements pertain to all sections of the Specifications.
23. *Hazardous Environmental Condition* – The presence at the Site of Asbestos, PCBs, Petroleum, Hazardous Waste, or Radioactive Material in such quantities or circumstances that may present a substantial danger to persons or property exposed thereto in connection with the Work.
24. *Hazardous Waste* – The term Hazardous Waste shall have the meaning provided in Section 1004 of the Solid Waste Disposal Act (42 USC Section 6903) as amended from time to time.
25. *Laws and Regulations; Laws or Regulations* – Any and all applicable laws, rules, regulations, ordinances, codes, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.
26. *Liens* – Charges, security interests, or encumbrances upon Project funds, real property, or personal property.
27. *Milestone* – A principal event specified in the Contract Documents relating to an intermediate completion date or time prior to Substantial Completion of all the Work.
28. *Notice of Award* – The written notice by Owner to the Successful Bidder stating that upon timely compliance by the Successful Bidder with the conditions precedent listed therein, Owner will sign and deliver the Agreement.
29. *Notice to Proceed* – A written notice given by Owner to Contractor fixing the date on which the Contract Times will commence to run and on which Contractor shall start to perform the Work under the Contract Documents.
30. *Owner* – The individual or entity with whom Contractor has entered into the Agreement and for whom the Work is to be performed.

31. *PCBs* – Polychlorinated biphenyls.
32. *Petroleum* – Petroleum, including crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (60 degrees Fahrenheit and 14.7 pounds per square inch absolute), such as oil, petroleum, fuel oil, oil sludge, oil refuse, gasoline, kerosene, and oil mixed with other non-Hazardous Waste and crude oils.
33. *Progress Schedule* – A schedule, prepared and maintained by Contractor, describing the sequence and duration of the activities comprising the Contractor’s plan to accomplish the Work within the Contract Times.
34. *Project* – The total construction of which the Work to be performed under the Contract Documents may be the whole, or a part.
35. *Project Manual* – The bound documentary information prepared for bidding and constructing the Work. A listing of the contents of the Project Manual, which may be bound in one or more volumes, is contained in the table(s) of contents.
36. *Radioactive Material* – Source, special nuclear, or byproduct material as defined by the Atomic Energy Act of 1954 (42 USC Section 2011 et seq.) as amended from time to time.
37. *Related Entity* – An officer, director, partner, employee, agent, consultant, or subcontractor.
38. *Resident Project Representative* – The authorized representative of Engineer who may be assigned to the Site or any part thereof.
39. *Samples* – Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.
40. *Schedule of Submittals* – A schedule, prepared and maintained by Contractor, of required submittals and the time requirements to support scheduled performance of related construction activities.
41. *Schedule of Values* – A schedule, prepared and maintained by Contractor, allocating portions of the Contract Price to various portions of the Work and used as the basis for reviewing Contractor’s Applications for Payment.
42. *Shop Drawings* – All drawings, diagrams, illustrations, schedules, and other data or information which are specifically prepared or assembled by or for Contractor and submitted by Contractor to illustrate some portion of the Work.
43. *Site* – Lands or areas indicated in the Contract Documents as being furnished by Owner upon which the Work is to be performed, including rights-of-way and easements for access thereto, and such other lands furnished by Owner which are designated for the use of Contractor.
44. *Specifications* – That part of the Contract Documents consisting of written requirements for materials, equipment, systems, standards and workmanship as applied to the Work, and certain administrative requirements and procedural matters applicable thereto.
45. *Subcontractor* – An individual or entity having a direct contract with Contractor or with any other Subcontractor for the performance of a part of the Work at the Site.
46. *Substantial Completion* – The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for

which it is intended. The terms “substantially complete” and “substantially completed” as applied to all or part of the Work refer to Substantial Completion thereof.

47. *Successful Bidder* – The Bidder submitting a responsive Bid to whom Owner makes an award.
48. *Supplementary Conditions* – That part of the Contract Documents which amends or supplements these General Conditions.
49. *Supplier* – A manufacturer, fabricator, supplier, distributor, materialman, or vendor having a direct contract with Contractor or with any Subcontractor to furnish materials or equipment to be incorporated in the Work by Contractor or any Subcontractor.
50. *Underground Facilities* – All underground pipelines, conduits, ducts, cables, wires, manholes, vaults, tanks, tunnels, or other such facilities or attachments, and any encasements containing such facilities, including those that convey electricity, gases, steam, liquid petroleum products, telephone or other communications, cable television, water, wastewater, storm water, other liquids or chemicals, or traffic or other control systems.
51. *Unit Price Work* – Work to be paid for on the basis of unit prices.
52. *Work* – The entire construction or the various separately identifiable parts thereof required to be provided under the Contract Documents. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all materials and equipment into such construction, all as required by the Contract Documents.
53. *Work Change Directive* – A written statement to Contractor issued on or after the Effective Date of the Agreement and signed by Owner and Agency upon recommendation of the Engineer ordering an addition, deletion, or revision in the Work, or responding to differing or unforeseen subsurface or physical conditions under which the Work is to be performed or to emergencies. A Work Change Directive will not change the Contract Price or the Contract Times but is evidence that the parties expect that the change ordered or documented by a Work Change Directive will be incorporated in a subsequently issued Change Order following negotiations by the parties as to its effect, if any, on the Contract Price or Contract Times.

1.02 Terminology

- A. The following words or terms are not defined but, when used in the Bidding Requirements or Contract Documents, have the following meaning.
- B. *Intent of Certain Terms or Adjectives*
 1. The Contract Documents include the terms “as allowed,” “as approved,” “as ordered,” “as directed” or terms of like effect or import to authorize an exercise of professional judgment by Engineer. In addition, the adjectives “reasonable,” “suitable,” “acceptable,” “proper,” “satisfactory,” or adjectives of like effect or import are used to describe an action or determination of Engineer as to the Work. It is intended that such exercise of professional judgment, action or determination will be solely to evaluate, in general, the Work for compliance with the requirements of and information in the Contract Documents and conformance with the design concept of the completed Project as a functioning whole as shown or indicated in the Contract Documents (unless there is a specific statement indicating otherwise). The use of any such term or adjective is not intended to and shall not be effective to assign to Engineer any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility contrary to the provisions of Paragraph 9.09 or any other provision of the Contract Documents.
- C. *Day*
 1. The word “day” means a calendar day of 24 hours measured from midnight to the next midnight.

D. *Defective*

1. The word “defective,” when modifying the word “Work,” refers to Work that is unsatisfactory, faulty, or deficient in that it:
 - a. does not conform to the Contract Documents, or
 - b. does not meet the requirements of any applicable inspection, reference standard, test, or approval referred to in the Contract Documents, or
 - c. has been damaged prior to Engineer’s recommendation of final payment (unless responsibility for the protection thereof has been assumed by Owner at Substantial Completion in accordance with Paragraph 14.04 or 14.05).

E. *Furnish, Install, Perform, Provide*

1. The word “furnish,” when used in connection with services, materials, or equipment, shall mean to supply and deliver said services, materials, or equipment to the Site (or some other specified location) ready for use or installation and in usable or operable condition.
2. The word “install,” when used in connection with services, materials, or equipment, shall mean to put into use or place in final position said services, materials, or equipment complete and ready for intended use.
3. The words “perform” or “provide,” when used in connection with services, materials, or equipment, shall mean to furnish and install said services, materials, or equipment complete and ready for intended use.
4. When “furnish,” “install,” “perform,” or “provide” is not used in connection with services, materials, or equipment in a context clearly requiring an obligation of Contractor, “provide” is implied.

- F. Unless stated otherwise in the Contract Documents, words or phrases which have a well-known technical or construction industry or trade meaning are used in the Contract Documents in accordance with such recognized meaning.

ARTICLE 2 – PRELIMINARY MATTERS

2.01 *Delivery of Bonds and Evidence of Insurance*

- A. When Contractor delivers the executed counterparts of the Agreement to Owner, Contractor shall also deliver to Owner such bonds as Contractor may be required to furnish.
- B. *Evidence of Insurance:* Before any Work at the Site is started, Contractor and Owner shall each deliver to the other, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance which either of them or any additional insured may reasonably request) which Contractor and Owner respectively are required to purchase and maintain in accordance with Article 5.

2.02 *Copies of Documents*

- A. Owner shall furnish to Contractor up to ten printed or hard copies of the Drawings and Project Manual. Additional copies will be furnished upon request at the cost of reproduction.

2.03 *Commencement of Contract Times; Notice to Proceed*

- A. The Contract Times will commence to run on the thirtieth day after the Effective Date of the Agreement or, if a Notice to Proceed is given, on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Agreement.

2.04 *Starting the Work*

- A. Contractor shall start to perform the Work on the date when the Contract Times commence to run. No Work shall be done at the Site prior to the date on which the Contract Times commence to run.

2.05 *Before Starting Construction*

- A. *Preliminary Schedules:* Within 10 days after the Effective Date of the Agreement (unless otherwise specified in the General Requirements), Contractor shall submit to Engineer for timely review:
 - 1. a preliminary Progress Schedule;
 - 2. a preliminary Schedule of Submittals; and
 - 3. a preliminary Schedule of Values for all of the Work which includes quantities and prices of items which when added together equal the Contract Price and subdivides the Work into component parts in sufficient detail to serve as the basis for progress payments during performance of the Work. Such prices will include an appropriate amount of overhead and profit applicable to each item of Work.

2.06 *Preconstruction Conference*

- A. Before any Work at the Site is started, a conference attended by Owner, Contractor, Engineer, Agency, and others as appropriate will be held to establish a working understanding among the parties as to the Work and to discuss the schedules referred to in Paragraph 2.05.A, procedures for handling Shop Drawings and other submittals, processing Applications for Payment, and maintaining required records.

2.07 *Initial Acceptance of Schedules*

- A. At least 10 days before submission of the first Application for Payment a conference attended by Contractor, Engineer, and others as appropriate will be held to review for acceptability to Engineer as provided below the schedules submitted in accordance with Paragraph 2.05.A. Contractor shall have an additional 10 days to make corrections and adjustments and to complete and resubmit the schedules. No progress payment shall be made to Contractor until acceptable schedules are submitted to Engineer.
 - 1. The Progress Schedule will be acceptable to Engineer if it provides an orderly progression of the Work to completion within the Contract Times. Such acceptance will not impose on Engineer responsibility for the Progress Schedule, for sequencing, scheduling, or progress of the Work nor interfere with or relieve Contractor from Contractor's full responsibility therefor.
 - 2. Contractor's Schedule of Submittals will be acceptable to Engineer if it provides a workable arrangement for reviewing and processing the required submittals.
 - 3. Contractor's Schedule of Values will be acceptable to Engineer as to form and substance if it provides a reasonable allocation of the Contract Price to component parts of the Work.

ARTICLE 3 – CONTRACT DOCUMENTS: INTENT, AMENDING, REUSE

3.01 *Intent*

- A. The Contract Documents are complementary; what is required by one is as binding as if required by all.
- B. It is the intent of the Contract Documents to describe a functionally complete Project (or part thereof) to be constructed in accordance with the Contract Documents. Any labor, documentation, services, materials, or equipment that may reasonably be inferred from the Contract Documents or from prevailing custom or trade usage as being required to produce the intended result will be provided whether or not specifically called for at no additional cost to Owner.
- C. Clarifications and interpretations of the Contract Documents shall be issued by Engineer as provided in Article 9.

3.02 *Reference Standards*

A. *Standards, Specifications, Codes, Laws, and Regulations*

- 1. Reference to standards, specifications, manuals, or codes of any technical society, organization, or association, or to Laws or Regulations, whether such reference be specific or by implication, shall mean the standard, specification, manual, code, or Laws or Regulations in effect at the time of opening of Bids (or on the Effective Date of the Agreement if there were no Bids), except as may be otherwise specifically stated in the Contract Documents.
- 2. No provision of any such standard, specification, manual or code, or any instruction of a Supplier shall be effective to change the duties or responsibilities of Owner, Contractor, or Engineer, or any of their subcontractors, consultants, agents, or employees from those set forth in the Contract Documents. No such provision or instruction shall be effective to assign to Owner, or Engineer, or any of their Related Entities, any duty or authority to supervise or direct the performance of the Work or any duty or authority to undertake responsibility inconsistent with the provisions of the Contract Documents.

3.03 *Reporting and Resolving Discrepancies*

A. *Reporting Discrepancies*

- 1. *Contractor’s Review of Contract Documents Before Starting Work:* Before undertaking each part of the Work, Contractor shall carefully study and compare the Contract Documents and check and verify pertinent figures therein and all applicable field measurements. Contractor shall promptly report in writing to Engineer any conflict, error, ambiguity, or discrepancy which Contractor may discover and shall obtain a written interpretation or clarification from Engineer before proceeding with any Work affected thereby.
- 2. *Contractor’s Review of Contract Documents During Performance of Work:* If, during the performance of the Work, Contractor discovers any conflict, error, ambiguity, or discrepancy within the Contract Documents or between the Contract Documents and any provision of any Law or Regulation applicable to the performance of the Work or of any standard, specification, manual or code, or of any instruction of any Supplier, Contractor shall promptly report it to Engineer in writing. Contractor shall not proceed with the Work affected thereby (except in an emergency as required by Paragraph 6.16.A) until an amendment or supplement to the Contract Documents has been issued by one of the methods indicated in Paragraph 3.04.
- 3. Contractor shall not be liable to Owner or Engineer for failure to report any conflict, error, ambiguity, or discrepancy in the Contract Documents unless Contractor knew or reasonably should have known thereof.

B. *Resolving Discrepancies*

1. Except as may be otherwise specifically stated in the Contract Documents, the provisions of the Contract Documents shall take precedence in resolving any conflict, error, ambiguity, or discrepancy between the provisions of the Contract Documents and:
 - a. the provisions of any standard, specification, manual, code, or instruction (whether or not specifically incorporated by reference in the Contract Documents); or
 - b. the provisions of any Laws or Regulations applicable to the performance of the Work (unless such an interpretation of the provisions of the Contract Documents would result in violation of such Law or Regulation).

3.04 *Amending and Supplementing Contract Documents*

- A. The Contract Documents may be amended to provide for additions, deletions, and revisions in the Work or to modify the terms and conditions thereof by either a Change Order or a Work Change Directive.
- B. The requirements of the Contract Documents may be supplemented, and minor variations and deviations in the Work may be authorized, by one or more of the following ways:
 1. A Field Order;
 2. Engineer's approval of a Shop Drawing or Sample; (Subject to the provisions of Paragraph 6.17.D.3) or
 3. Engineer's written interpretation or clarification.

3.05 *Reuse of Documents*

- A. Contractor and any Subcontractor or Supplier shall not:
 1. have or acquire any title to or ownership rights in any of the Drawings, Specifications, or other documents (or copies of any thereof) prepared by or bearing the seal of Engineer or Engineer's consultants, including electronic media editions; or
 2. reuse any of such Drawings, Specifications, other documents, or copies thereof on extensions of the Project or any other project without written consent of Owner and Engineer and specific written verification or adaptation by Engineer.
- B. The prohibition of this Paragraph 3.05 will survive final payment, or termination of the Contract. Nothing herein shall preclude Contractor from retaining copies of the Contract Documents for record purposes.

3.06 *Electronic Data*

- A. Copies of data furnished by Owner or Engineer to Contractor or Contractor to Owner or Engineer that may be relied upon are limited to the printed copies (also known as hard copies). Files in electronic media format of text, data, graphics, or other types are furnished only for the convenience of the receiving party. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.
- B. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the party receiving electronic files agrees that it will perform acceptance tests or procedures within 60 days, after which the receiving party shall be deemed to have accepted the data thus transferred. Any errors detected within the 60-day acceptance period will be corrected by the transferring party.

- C. When transferring documents in electronic media format, the transferring party makes no representations as to long term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by the data's creator.

ARTICLE 4 – AVAILABILITY OF LANDS; SUBSURFACE AND PHYSICAL CONDITIONS; HAZARDOUS ENVIRONMENTAL CONDITIONS; REFERENCE POINTS

4.01 *Availability of Lands*

- A. Owner shall furnish the Site. Owner shall notify Contractor of any encumbrances or restrictions not of general application but specifically related to use of the Site with which Contractor must comply in performing the Work. Owner will obtain in a timely manner and pay for easements for permanent structures or permanent changes in existing facilities. If Contractor and Owner are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, as a result of any delay in Owner's furnishing the Site or a part thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.
- B. Upon reasonable written request, Owner shall furnish Contractor with a current statement of record legal title and legal description of the lands upon which the Work is to be performed and Owner's interest therein as necessary for giving notice of or filing a mechanic's or construction lien against such lands in accordance with applicable Laws and Regulations.
- C. Contractor shall provide for all additional lands and access thereto that may be required for temporary construction facilities or storage of materials and equipment.

4.02 *Subsurface and Physical Conditions*

- A. *Reports and Drawings:* The Supplementary Conditions identify:
 - 1. those reports of explorations and tests of subsurface conditions at or contiguous to the Site that Engineer has used in preparing the Contract Documents; and
 - 2. those drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except Underground Facilities) that Engineer has used in preparing the Contract Documents.
- B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the general accuracy of the "technical data" contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such "technical data" is identified in the Supplementary Conditions. Except for such reliance on such "technical data," Contractor may not rely upon or make any claim against Owner or Engineer, or any of their Related Entities with respect to:
 - 1. the completeness of such reports and drawings for Contractor's purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, and safety precautions and programs incident thereto; or
 - 2. other data, interpretations, opinions, and information contained in such reports or shown or indicated in such drawings; or
 - 3. any Contractor interpretation of or conclusion drawn from any "technical data" or any such other data, interpretations, opinions, or information.

4.03 *Differing Subsurface or Physical Conditions*

- A. *Notice:* If Contractor believes that any subsurface or physical condition at or contiguous to the Site that is uncovered or revealed either:

1. is of such a nature as to establish that any “technical data” on which Contractor is entitled to rely as provided in Paragraph 4.02 is materially inaccurate; or
2. is of such a nature as to require a change in the Contract Documents; or
3. differs materially from that shown or indicated in the Contract Documents; or
4. is of an unusual nature, and differs materially from conditions ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract Documents;

then Contractor shall, promptly after becoming aware thereof and before further disturbing the subsurface or physical conditions or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.16.A), notify Owner and Engineer in writing about such condition. Contractor shall not further disturb such condition or perform any Work in connection therewith (except as aforesaid) until receipt of written order to do so.

B. *Engineer’s Review:* After receipt of written notice as required by Paragraph 4.03.A, Engineer will promptly review the pertinent condition, determine the necessity of Owner’s obtaining additional exploration or tests with respect thereto, and advise Owner in writing (with a copy to Contractor) of Engineer’s findings and conclusions.

C. *Possible Price and Times Adjustments*

1. The Contract Price or the Contract Times, or both, will be equitably adjusted to the extent that the existence of such differing subsurface or physical condition causes an increase or decrease in Contractor’s cost of, or time required for, performance of the Work; subject, however, to the following:
 - a. such condition must meet any one or more of the categories described in Paragraph 4.03.A; and
 - b. with respect to Work that is paid for on a Unit Price Basis, any adjustment in Contract Price will be subject to the provisions of Paragraphs 9.07 and 11.03.
2. Contractor shall not be entitled to any adjustment in the Contract Price or Contract Times if:
 - a. Contractor knew of the existence of such conditions at the time Contractor made a final commitment to Owner with respect to Contract Price and Contract Times by the submission of a Bid or becoming bound under a negotiated contract; or
 - b. the existence of such condition could reasonably have been discovered or revealed as a result of any examination, investigation, exploration, test, or study of the Site and contiguous areas required by the Bidding Requirements or Contract Documents to be conducted by or for Contractor prior to Contractor’s making such final commitment; or
 - c. Contractor failed to give the written notice as required by Paragraph 4.03.A.
3. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times, or both, a Claim may be made therefor as provided in Paragraph 10.05. However, Owner and Engineer, and any of their Related Entities shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.

4.04 *Underground Facilities*

- A. *Shown or Indicated:* The information and data shown or indicated in the Contract Documents with respect to existing Underground Facilities at or contiguous to the Site is based on information and data furnished to Owner or Engineer by the owners of such Underground Facilities, including Owner, or by others. Unless it is otherwise expressly provided in the Supplementary Conditions:
1. Owner and Engineer shall not be responsible for the accuracy or completeness of any such information or data; and
 2. the cost of all of the following will be included in the Contract Price, and Contractor shall have full responsibility for:
 - a. reviewing and checking all such information and data,
 - b. locating all Underground Facilities shown or indicated in the Contract Documents,
 - c. coordination of the Work with the owners of such Underground Facilities, including Owner, during construction, and
 - d. the safety and protection of all such Underground Facilities and repairing any damage thereto resulting from the Work.
- B. *Not Shown or Indicated*
1. If an Underground Facility is uncovered or revealed at or contiguous to the Site which was not shown or indicated, or not shown or indicated with reasonable accuracy in the Contract Documents, Contractor shall, promptly after becoming aware thereof and before further disturbing conditions affected thereby or performing any Work in connection therewith (except in an emergency as required by Paragraph 6.16.A), identify the owner of such Underground Facility and give written notice to that owner and to Owner and Engineer. Engineer will promptly review the Underground Facility and determine the extent, if any, to which a change is required in the Contract Documents to reflect and document the consequences of the existence or location of the Underground Facility. During such time, Contractor shall be responsible for the safety and protection of such Underground Facility.
 2. If Engineer concludes that a change in the Contract Documents is required, a Work Change Directive or a Change Order will be issued to reflect and document such consequences. An equitable adjustment shall be made in the Contract Price or Contract Times, or both, to the extent that they are attributable to the existence or location of any Underground Facility that was not shown or indicated or not shown or indicated with reasonable accuracy in the Contract Documents and that Contractor did not know of and could not reasonably have been expected to be aware of or to have anticipated. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment in Contract Price or Contract Times, Owner or Contractor may make a Claim therefor as provided in Paragraph 10.05.

4.05 *Reference Points*

- A. Owner shall provide engineering surveys to establish reference points for construction which in Engineer's judgment are necessary to enable Contractor to proceed with the Work. Contractor shall be responsible for laying out the Work, shall protect and preserve the established reference points and property monuments, and shall make no changes or relocations without the prior written approval of Owner. Contractor shall report to Engineer whenever any reference point or property monument is lost or destroyed or requires relocation because of necessary changes in grades or locations, and shall be responsible for the accurate replacement or relocation of such reference points or property monuments by professionally qualified personnel.

4.06 Hazardous Environmental Condition at Site

- A. *Reports and Drawings:* Reference is made to the Supplementary Conditions for the identification of those reports and drawings relating to a Hazardous Environmental Condition identified at the Site, if any, that have been utilized by the Engineer in the preparation of the Contract Documents.
- B. *Limited Reliance by Contractor on Technical Data Authorized:* Contractor may rely upon the general accuracy of the “technical data” contained in such reports and drawings, but such reports and drawings are not Contract Documents. Such “technical data” is identified in the Supplementary Conditions. Except for such reliance on such “technical data,” Contractor may not rely upon or make any claim against Owner or Engineer, or any of their Related Entities with respect to:
1. the completeness of such reports and drawings for Contractor’s purposes, including, but not limited to, any aspects of the means, methods, techniques, sequences and procedures of construction to be employed by Contractor and safety precautions and programs incident thereto; or
 2. other data, interpretations, opinions and information contained in such reports or shown or indicated in such drawings; or
 3. any Contractor interpretation of or conclusion drawn from any “technical data” or any such other data, interpretations, opinions or information.
- C. Contractor shall not be responsible for any Hazardous Environmental Condition uncovered or revealed at the Site which was not shown or indicated in Drawings or Specifications or identified in the Contract Documents to be within the scope of the Work. Contractor shall be responsible for a Hazardous Environmental Condition created with any materials brought to the Site by Contractor, Subcontractors, Suppliers, or anyone else for whom Contractor is responsible.
- D. If Contractor encounters a Hazardous Environmental Condition or if Contractor or anyone for whom Contractor is responsible creates a Hazardous Environmental Condition, Contractor shall immediately: (i) secure or otherwise isolate such condition; (ii) stop all Work in connection with such condition and in any area affected thereby (except in an emergency as required by Paragraph 6.16.A); and (iii) notify Owner and Engineer (and promptly thereafter confirm such notice in writing). Owner shall promptly consult with Engineer concerning the necessity for Owner to retain a qualified expert to evaluate such condition or take corrective action, if any.
- E. Contractor shall not be required to resume Work in connection with such condition or in any affected area until after Owner has obtained any required permits related thereto and delivered to Contractor written notice: (i) specifying that such condition and any affected area is or has been rendered safe for the resumption of Work; or (ii) specifying any special conditions under which such Work may be resumed safely. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of any adjustment in Contract Price or Contract Times, or both, as a result of such Work stoppage or such special conditions under which Work is agreed to be resumed by Contractor, either party may make a Claim therefor as provided in Paragraph 10.05.
- F. If after receipt of such written notice Contractor does not agree to resume such Work based on a reasonable belief it is unsafe, or does not agree to resume such Work under such special conditions, then Owner may order the portion of the Work that is in the area affected by such condition to be deleted from the Work. If Owner and Contractor cannot agree as to entitlement to or on the amount or extent, if any, of an adjustment in Contract Price or Contract Times as a result of deleting such portion of the Work, then either party may make a Claim therefor as provided in Paragraph 10.05. Owner may have such deleted portion of the Work performed by Owner’s own forces or others in accordance with Article 7.
- G. To the fullest extent permitted by Laws and Regulations, Owner shall indemnify and hold harmless Contractor, Subcontractors, and Engineer, and the officers, directors, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not

limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition, provided that such Hazardous Environmental Condition: (i) was not shown or indicated in the Drawings or Specifications or identified in the Contract Documents to be included within the scope of the Work, and (ii) was not created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06.G shall obligate Owner to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.

- H. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, partners, employees, agents, consultants, and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to a Hazardous Environmental Condition created by Contractor or by anyone for whom Contractor is responsible. Nothing in this Paragraph 4.06. H shall obligate Contractor to indemnify any individual or entity from and against the consequences of that individual's or entity's own negligence.
- I. The provisions of Paragraphs 4.02, 4.03, and 4.04 do not apply to a Hazardous Environmental Condition uncovered or revealed at the Site.

ARTICLE 5 – BONDS AND INSURANCE

5.01 Performance, Payment, and Other Bonds

- A. Contractor shall furnish performance and payment bonds, each in an amount at least equal to the Contract Price as security for the faithful performance and payment of all of Contractor's obligations under the Contract Documents. These bonds shall remain in effect until one year after the date when final payment becomes due or until completion of the correction period specified in Paragraph 13.07, whichever is later, except as provided otherwise by Laws or Regulations or by the Contract Documents. Contractor shall also furnish such other bonds as are required by the Contract Documents.
- B. All bonds shall be in the form prescribed by the Contract Documents except as provided otherwise by Laws or Regulations, and shall be executed by such sureties as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Financial Management Service, Surety Bond Branch, U.S. Department of the Treasury. All bonds signed by an agent must be accompanied by a certified copy of the agent's authority to act.
- C. If the surety on any bond furnished by Contractor is declared bankrupt or becomes insolvent or its right to do business is terminated in any state where any part of the Project is located or it ceases to meet the requirements of Paragraph 5.01.B, Contractor shall promptly notify Owner and Engineer and shall, within 20 days after the event giving rise to such notification, provide another bond and surety, both of which shall comply with the requirements of Paragraphs 5.01.B and 5.02.

5.02 Licensed Sureties and Insurers

- A. All bonds and insurance required by the Contract Documents to be purchased and maintained by Owner or Contractor shall be obtained from surety or insurance companies that are duly licensed or authorized in the jurisdiction in which the Project is located to issue bonds or insurance policies for the limits and coverages so required. Such surety and insurance companies shall also meet such additional requirements and qualifications as may be provided in the Supplementary Conditions.

5.03 *Certificates of Insurance*

- A. Contractor shall deliver to Owner, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by Owner or any other additional insured) which Contractor is required to purchase and maintain.
- B. Owner shall deliver to Contractor, with copies to each additional insured identified in the Supplementary Conditions, certificates of insurance (and other evidence of insurance requested by Contractor or any other additional insured) which Owner is required to purchase and maintain.

5.04 *Contractor's Liability Insurance*

- A. Contractor shall purchase and maintain such liability and other insurance as is appropriate for the Work being performed and as will provide protection from claims set forth below which may arise out of or result from Contractor's performance of the Work and Contractor's other obligations under the Contract Documents, whether it is to be performed by Contractor, any Subcontractor or Supplier, or by anyone directly or indirectly employed by any of them to perform any of the Work, or by anyone for whose acts any of them may be liable:
 - 1. claims under workers' compensation, disability benefits, and other similar employee benefit acts;
 - 2. claims for damages because of bodily injury, occupational sickness or disease, or death of Contractor's employees;
 - 3. claims for damages because of bodily injury, sickness or disease, or death of any person other than Contractor's employees;
 - 4. claims for damages insured by reasonably available personal injury liability coverage which are sustained:
 - a. by any person as a result of an offense directly or indirectly related to the employment of such person by Contractor, or
 - b. by any other person for any other reason;
 - 5. claims for damages, other than to the Work itself, because of injury to or destruction of tangible property wherever located, including loss of use resulting therefrom; and
 - 6. claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.
- B. The policies of insurance required by this Paragraph 5.04 shall:
 - 1. with respect to insurance required by Paragraphs 5.04.A.3 through 5.04.A.6 inclusive, include as additional insureds (subject to any customary exclusion regarding professional liability) Owner and Engineer, and any other individuals or entities identified in the Supplementary Conditions, all of whom shall be listed as additional insureds, and include coverage for the respective officers, directors, partners, employees, agents, consultants and subcontractors of each and any of all such additional insureds, and the insurance afforded to these additional insureds shall provide primary coverage for all claims covered thereby;
 - 2. include at least the specific coverages and be written for not less than the limits of liability provided in the Supplementary Conditions or required by Laws or Regulations, whichever is greater;
 - 3. include completed operations insurance;

4. include contractual liability insurance covering Contractor's indemnity obligations under Paragraphs 6.11 and 6.20;
5. contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least 30 days prior written notice has been given to Owner and Contractor and to each other additional insured identified in the Supplementary Conditions to whom a certificate of insurance has been issued (and the certificates of insurance furnished by the Contractor pursuant to Paragraph 5.03 will so provide);
6. remain in effect at least until final payment and at all times thereafter when Contractor may be correcting, removing, or replacing defective Work in accordance with Paragraph 13.07; and
7. with respect to completed operations insurance, and any insurance coverage written on a claims-made basis, remain in effect for at least two years after final payment.
 - a. Contractor shall furnish Owner and each other additional insured identified in the Supplementary Conditions, to whom a certificate of insurance has been issued, evidence satisfactory to Owner and any such additional insured of continuation of such insurance at final payment and one year thereafter.

5.05 *Owner's Liability Insurance*

- A. In addition to the insurance required to be provided by Contractor under Paragraph 5.04, Owner, at Owner's option, may purchase and maintain at Owner's expense Owner's own liability insurance as will protect Owner against claims which may arise from operations under the Contract Documents.

5.06 *Property Insurance*

- A. Unless otherwise provided in the Supplementary Conditions, Contractor shall purchase and maintain property insurance upon the Work at the Site in the amount of the full replacement cost thereof (Contractor shall be responsible for any deductible or self-insured retention.). This insurance shall:
 1. include the interests of Owner, Contractor, Subcontractors, and Engineer, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors, partners, employees, agents, consultants and subcontractors of any of them, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured;
 2. be written on a Builder's Risk "all-risk" or open peril or special causes of loss policy form that shall at least include insurance for physical loss or damage to the Work, temporary buildings, falsework, and materials and equipment in transit, and shall insure against at least the following perils or causes of loss: fire, lightning, extended coverage, theft, vandalism and malicious mischief, earthquake, collapse, debris removal, demolition occasioned by enforcement of Laws and Regulations, water damage (other than caused by flood), and such other perils or causes of loss as may be specifically required by the Supplementary Conditions;
 3. include expenses incurred in the repair or replacement of any insured property (including but not limited to fees and charges of engineers and architects);
 4. cover materials and equipment stored at the Site or at another location that was agreed to in writing by Owner prior to being incorporated in the Work, provided that such materials and equipment have been included in an Application for Payment recommended by Engineer;
 5. allow for partial utilization of the Work by Owner;
 6. include testing and startup; and

7. be maintained in effect until final payment is made unless otherwise agreed to in writing by Owner, Contractor, and Engineer with 30 days written notice to each other additional insured to whom a certificate of insurance has been issued.
- B. Contractor shall purchase and maintain such boiler and machinery insurance or additional property insurance as may be required by the Supplementary Conditions or Laws and Regulations which will include the interests of Owner, Contractor, Subcontractors, and Engineer, and any other individuals or entities identified in the Supplementary Conditions, and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them, each of whom is deemed to have an insurable interest and shall be listed as an insured or additional insured.
- C. All the policies of insurance (and the certificates or other evidence thereof) required to be purchased and maintained in accordance with Paragraph 5.06 will contain a provision or endorsement that the coverage afforded will not be canceled or materially changed or renewal refused until at least 30 days prior written notice has been given to Owner and Contractor and to each other additional insured to whom a certificate of insurance has been issued and will contain waiver provisions in accordance with Paragraph 5.07.
- D. Owner shall not be responsible for purchasing and maintaining any property insurance specified in this Paragraph 5.06 to protect the interests of Contractor, Subcontractors, or others in the Work to the extent of any deductible amounts that are identified in the Supplementary Conditions. The risk of loss within such identified deductible amount will be borne by Contractor, Subcontractors, or others suffering any such loss, and if any of them wishes property insurance coverage within the limits of such amounts, each may purchase and maintain it at the purchaser's own expense.

5.07 *Waiver of Rights*

- A. Owner and Contractor intend that all policies purchased in accordance with Paragraph 5.06 will protect Owner, Contractor, Subcontractors, and Engineer, and all other individuals or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds (and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them) in such policies and will provide primary coverage for all losses and damages caused by the perils or causes of loss covered thereby. All such policies shall contain provisions to the effect that in the event of payment of any loss or damage the insurers will have no rights of recovery against any of the insureds or additional insureds thereunder. Owner and Contractor waive all rights against each other and their respective officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them for all losses and damages caused by, arising out of or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work; and, in addition, waive all such rights against Subcontractors, and Engineer, and all other individuals or entities identified in the Supplementary Conditions to be listed as insured or additional insured (and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them) under such policies for losses and damages so caused. None of the above waivers shall extend to the rights that any party making such waiver may have to the proceeds of insurance held by Contractor as trustee or otherwise payable under any policy so issued.
- B. Owner waives all rights against Contractor, Subcontractors, and Engineer, and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them for:
 1. loss due to business interruption, loss of use, or other consequential loss extending beyond direct physical loss or damage to Owner's property or the Work caused by, arising out of, or resulting from fire or other perils whether or not insured by Owner; and
 2. loss or damage to the completed Project or part thereof caused by, arising out of, or resulting from fire or other insured peril or cause of loss covered by any property insurance maintained on the completed Project or part thereof by Owner during partial utilization pursuant to Paragraph 14.05, after Substantial Completion pursuant to Paragraph 14.04, or after final payment pursuant to Paragraph 14.07.

- C. Any insurance policy maintained by Owner covering any loss, damage or consequential loss referred to in Paragraph 5.07.B shall contain provisions to the effect that in the event of payment of any such loss, damage, or consequential loss, the insurers will have no rights of recovery against Contractor, Subcontractors, or Engineer, and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them.

5.08 *Receipt and Application of Insurance Proceeds*

- A. Any insured loss under the policies of insurance required by Paragraph 5.06 will be adjusted with Contractor and made payable to Contractor as fiduciary for the insureds, as their interests may appear, subject to the requirements of any applicable mortgage clause and of Paragraph 5.08.B. Contractor shall deposit in a separate account any money so received and shall distribute it in accordance with such agreement as the parties in interest may reach. If no other special agreement is reached, the damaged Work shall be repaired or replaced, the moneys so received applied on account thereof.
- B. Contractor as fiduciary shall have power to adjust and settle any loss with the insurers unless one of the parties in interest shall object in writing within 15 days after the occurrence of loss to Contractor's exercise of this power. If such objection be made, Contractor as fiduciary shall make settlement with the insurers in accordance with such agreement as the parties in interest may reach. If no such agreement among the parties in interest is reached, Contractor as fiduciary shall adjust and settle the loss with the insurers and, if required in writing by any party in interest, Contractor as fiduciary shall give bond for the proper performance of such duties.

5.09 *Acceptance of Bonds and Insurance; Option to Replace*

- A. If either Owner or Contractor has any objection to the coverage afforded by or other provisions of the bonds or insurance required to be purchased and maintained by the other party in accordance with Article 5 on the basis of non-conformance with the Contract Documents, the objecting party shall so notify the other party in writing within 10 days after receipt of the certificates (or other evidence requested) required by Paragraph 2.01.B. Owner and Contractor shall each provide to the other such additional information in respect of insurance provided as the other may reasonably request. If either party does not purchase or maintain all of the bonds and insurance required of such party by the Contract Documents, such party shall notify the other party in writing of such failure to purchase prior to the start of the Work, or of such failure to maintain prior to any change in the required coverage. Without prejudice to any other right or remedy, the other party may elect to obtain equivalent bonds or insurance to protect such other party's interests at the expense of the party who was required to provide such coverage, and a Change Order shall be issued to adjust the Contract Price accordingly.

5.10 *Partial Utilization, Acknowledgment of Property Insurer*

- A. If Owner finds it necessary to occupy or use a portion or portions of the Work prior to Substantial Completion of all the Work as provided in Paragraph 14.05, no such use or occupancy shall commence before the insurers providing the property insurance pursuant to Paragraph 5.06 have acknowledged notice thereof and in writing effected any changes in coverage necessitated thereby. The insurers providing the property insurance shall consent by endorsement on the policy or policies, but the property insurance shall not be canceled or permitted to lapse on account of any such partial use or occupancy.

ARTICLE 6 – CONTRACTOR'S RESPONSIBILITIES

6.01 *Supervision and Superintendence*

- A. Contractor shall supervise, inspect, and direct the Work competently and efficiently, devoting such attention thereto and applying such skills and expertise as may be necessary to perform the Work in accordance with the Contract Documents. Contractor shall be solely responsible for the means, methods, techniques, sequences, and procedures of construction. Contractor shall not be responsible for the negligence of Owner or Engineer in the design or specification of a specific means, method, technique, sequence, or procedure of construction which is shown or indicated in and expressly required by the Contract Documents.

- B. At all times during the progress of the Work, Contractor shall assign a competent resident superintendent who shall not be replaced without written notice to Owner and Engineer except under extraordinary circumstances. The superintendent will be Contractor's representative at the Site and shall have authority to act on behalf of Contractor. All communications given to or received from the superintendent shall be binding on Contractor.

6.02 *Labor; Working Hours*

- A. Contractor shall provide competent, suitably qualified personnel to survey and lay out the Work and perform construction as required by the Contract Documents. Contractor shall at all times maintain good discipline and order at the Site.
- B. Except as otherwise required for the safety or protection of persons or the Work or property at the Site or adjacent thereto, and except as otherwise stated in the Contract Documents, all Work at the Site shall be performed during regular working hours. Contractor will not permit the performance of Work on a Saturday, Sunday, or any legal holiday without Owner's written consent (which will not be unreasonably withheld) given after prior written notice to Engineer.

6.03 *Services, Materials, and Equipment*

- A. Unless otherwise specified in the Contract Documents, Contractor shall provide and assume full responsibility for all services, materials, equipment, labor, transportation, construction equipment and machinery, tools, appliances, fuel, power, light, heat, telephone, water, sanitary facilities, temporary facilities, and all other facilities and incidentals necessary for the performance, testing, start-up, and completion of the Work.
- B. All materials and equipment incorporated into the Work shall be as specified or, if not specified, shall be of good quality and new, except as otherwise provided in the Contract Documents. All special warranties and guarantees required by the Specifications shall expressly run to the benefit of Owner. If required by Engineer, Contractor shall furnish satisfactory evidence (including reports of required tests) as to the source, kind, and quality of materials and equipment.
- C. All materials and equipment shall be stored, applied, installed, connected, erected, protected, used, cleaned, and conditioned in accordance with instructions of the applicable Supplier, except as otherwise may be provided in the Contract Documents.

6.04 *Progress Schedule*

- A. Contractor shall adhere to the Progress Schedule established in accordance with Paragraph 2.07 as it may be adjusted from time to time as provided below.
 - 1. Contractor shall submit to Engineer for acceptance (to the extent indicated in Paragraph 2.07) proposed adjustments in the Progress Schedule that will not result in changing the Contract Times. Such adjustments will comply with any provisions of the General Requirements applicable thereto.
 - 2. Proposed adjustments in the Progress Schedule that will change the Contract Times shall be submitted in accordance with the requirements of Article 12. Adjustments in Contract Times may only be made by a Change Order.

6.05 *Substitutes and "Or-Equals"*

- A. Whenever an item of material or equipment is specified or described in the Contract Documents by using the name of a proprietary item or the name of a particular Supplier, the specification or description is intended to establish the type, function, appearance, and quality required. Unless the specification or description contains or is followed by words reading that no like, equivalent, or "or-equal" item or no substitution is permitted, other items of material or

equipment or material or equipment of other Suppliers may be submitted to Engineer for review under the circumstances described below.

1. *“Or-Equal” Items:* If in Engineer’s sole discretion an item of material or equipment proposed by Contractor is functionally equal to that named and sufficiently similar so that no change in related Work will be required, it may be considered by Engineer as an “or-equal” item, in which case review and approval of the proposed item may, in Engineer’s sole discretion, be accomplished without compliance with some or all of the requirements for approval of proposed substitute items. For the purposes of this Paragraph 6.05.A.1, a proposed item of material or equipment will be considered functionally equal to an item so named if:
 - a. in the exercise of reasonable judgment Engineer determines that:
 - 1) it is at least equal in materials of construction, quality, durability, appearance, strength, and design characteristics;
 - 2) it will reliably perform at least equally well the function and achieve the results imposed by the design concept of the completed Project as a functioning whole;
 - 3) it has a proven record of performance and availability of responsive service; and
 - b. Contractor certifies that, if approved and incorporated into the Work:
 - 1) there will be no increase in cost to the Owner or increase in Contract Times, and
 - 2) it will conform substantially to the detailed requirements of the item named in the Contract Documents.
2. *Substitute Items*
 - a. If in Engineer’s sole discretion an item of material or equipment proposed by Contractor does not qualify as an “or-equal” item under Paragraph 6.05.A.1, it will be considered a proposed substitute item.
 - b. Contractor shall submit sufficient information as provided below to allow Engineer to determine that the item of material or equipment proposed is essentially equivalent to that named and an acceptable substitute therefor. Requests for review of proposed substitute items of material or equipment will not be accepted by Engineer from anyone other than Contractor.
 - c. The procedure requirements for review by Engineer will be as set forth in Paragraph 6.05.A.2.d, as supplemented in the General Requirements and as Engineer may decide is appropriate under the circumstances.
 - d. Contractor shall make written application to Engineer for review of a proposed substitute item of material or equipment that Contractor seeks to furnish or use. The application:
 - 1) shall certify that the proposed substitute item will:
 - a) will perform adequately the functions and achieve the results called for by the general design,
 - b) be similar in substance to that specified, and
 - c) be suited to the same use as that specified;
 - 2) will state:

- a) the extent, if any, to which the use of the proposed substitute item will prejudice Contractor's achievement of Substantial Completion on time;
 - b) whether or not use of the proposed substitute item in the Work will require a change in any of the Contract Documents (or in the provisions of any other direct contract with Owner for other work on the Project) to adapt the design to the proposed substitute item; and
 - c) whether or not incorporation or use of the proposed substitute item in connection with the Work is subject to payment of any license fee or royalty;
- 3) will identify:
- a) all variations of the proposed substitute item from that specified , and
 - b) available engineering, sales, maintenance, repair, and replacement services;
- 4) and shall contain an itemized estimate of all costs or credits that will result directly or indirectly from use of such substitute item, including costs of redesign and claims of other contractors affected by any resulting change.
- B. *Substitute Construction Methods or Procedures:* If a specific means, method, technique, sequence, or procedure of construction is expressly required by the Contract Documents, Contractor may furnish or utilize a substitute means, method, technique, sequence, or procedure of construction approved by Engineer. Contractor shall submit sufficient information to allow Engineer, in Engineer's sole discretion, to determine that the substitute proposed is equivalent to that expressly called for by the Contract Documents. The requirements for review by Engineer will be similar to those provided in Paragraph 6.05.A.2.
- C. *Engineer's Evaluation:* Engineer will be allowed a reasonable time within which to evaluate each proposal or submittal made pursuant to Paragraphs 6.05.A and 6.05.B. Engineer may require Contractor to furnish additional data about the proposed substitute item. Engineer will be the sole judge of acceptability. No "or equal" or substitute will be ordered, installed or utilized until Engineer's review is complete, which will be evidenced by either a Change Order for a substitute or an approved Shop Drawing for an "or equal." Engineer will advise Contractor in writing of any negative determination.
- D. *Special Guarantee:* Owner may require Contractor to furnish at Contractor's expense a special performance guarantee or other surety with respect to any substitute.
- E. *Engineer's Cost Reimbursement:* Engineer will record Engineer's costs in evaluating a substitute proposed or submitted by Contractor pursuant to Paragraphs 6.05.A.2 and 6.05.B. Whether or not Engineer approves a substitute item so proposed or submitted by Contractor, Contractor shall reimburse Owner for the charges of Engineer for evaluating each such proposed substitute. Contractor shall also reimburse Owner for the charges of Engineer for making changes in the Contract Documents (or in the provisions of any other direct contract with Owner) resulting from the acceptance of each proposed substitute.
- F. *Contractor's Expense:* Contractor shall provide all data in support of any proposed substitute or "or-equal" at Contractor's expense.

6.06 Concerning Subcontractors, Suppliers, and Others

- A. Contractor shall not employ any Subcontractor, Supplier, or other individual or entity (including those acceptable to Owner as indicated in Paragraph 6.06.B), whether initially or as a replacement, against whom Owner may have reasonable objection. Contractor shall not be required to employ any Subcontractor, Supplier, or other individual or entity to furnish or perform any of the Work against whom Contractor has reasonable objection.

- B. If the Supplementary Conditions require the identity of certain Subcontractors, Suppliers, or other individuals or entities to be submitted to Owner in advance for acceptance by Owner by a specified date prior to the Effective Date of the Agreement, and if Contractor has submitted a list thereof in accordance with the Supplementary Conditions, Owner's acceptance (either in writing or by failing to make written objection thereto by the date indicated for acceptance or objection in the Bidding Documents or the Contract Documents) of any such Subcontractor, Supplier, or other individual or entity so identified may be revoked on the basis of reasonable objection after due investigation. Contractor shall submit an acceptable replacement for the rejected Subcontractor, Supplier, or other individual or entity, and the Contract Price will be adjusted by the difference in the cost occasioned by such replacement, and an appropriate Change Order will be issued. No acceptance by Owner of any such Subcontractor, Supplier, or other individual or entity, whether initially or as a replacement, shall constitute a waiver of any right of Owner or Engineer to reject defective Work.
- C. Contractor shall be fully responsible to Owner and Engineer for all acts and omissions of the Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work just as Contractor is responsible for Contractor's own acts and omissions. Nothing in the Contract Documents:
 - 1. shall create for the benefit of any such Subcontractor, Supplier, or other individual or entity any contractual relationship between Owner or Engineer and any such Subcontractor, Supplier or other individual or entity, nor
 - 2. shall anything in the Contract Documents create any obligation on the part of Owner or Engineer to pay or to see to the payment of any moneys due any such Subcontractor, Supplier, or other individual or entity except as may otherwise be required by Laws and Regulations.
- D. Contractor shall be solely responsible for scheduling and coordinating the Work of Subcontractors, Suppliers, and other individuals or entities performing or furnishing any of the Work under a direct or indirect contract with Contractor.
- E. Contractor shall require all Subcontractors, Suppliers, and such other individuals or entities performing or furnishing any of the Work to communicate with Engineer through Contractor.
- F. The divisions and sections of the Specifications and the identifications of any Drawings shall not control Contractor in dividing the Work among Subcontractors or Suppliers or delineating the Work to be performed by any specific trade.
- G. All Work performed for Contractor by a Subcontractor or Supplier will be pursuant to an appropriate agreement between Contractor and the Subcontractor or Supplier which specifically binds the Subcontractor or Supplier to the applicable terms and conditions of the Contract Documents for the benefit of Owner and Engineer. Whenever any such agreement is with a Subcontractor or Supplier who is listed as an additional insured on the property insurance provided in Paragraph 5.06, the agreement between the Contractor and the Subcontractor or Supplier will contain provisions whereby the Subcontractor or Supplier waives all rights against Owner, Contractor, and Engineer, and all other individuals or entities identified in the Supplementary Conditions to be listed as insureds or additional insureds (and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them) for all losses and damages caused by, arising out of, relating to, or resulting from any of the perils or causes of loss covered by such policies and any other property insurance applicable to the Work. If the insurers on any such policies require separate waiver forms to be signed by any Subcontractor or Supplier, Contractor will obtain the same.

6.07 *Patent Fees and Royalties*

- A. Contractor shall pay all license fees and royalties and assume all costs incident to the use in the performance of the Work or the incorporation in the Work of any invention, design, process, product, or device which is the subject of patent rights or copyrights held by others. If a particular invention, design, process, product, or device is specified in the Contract Documents for use in the performance of the Work and if to the actual knowledge of Owner or

Engineer its use is subject to patent rights or copyrights calling for the payment of any license fee or royalty to others, the existence of such rights shall be disclosed by Owner in the Contract Documents.

- B. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any infringement of patent rights or copyrights incident to the use in the performance of the Work or resulting from the incorporation in the Work of any invention, design, process, product, or device not specified in the Contract Documents.

6.08 *Permits*

- A. Unless otherwise provided in the Supplementary Conditions, Contractor shall obtain and pay for all construction permits and licenses. Owner shall assist Contractor, when necessary, in obtaining such permits and licenses. Contractor shall pay all governmental charges and inspection fees necessary for the prosecution of the Work which are applicable at the time of opening of Bids, or, if there are no Bids, on the Effective Date of the Agreement. Owner shall pay all charges of utility owners for connections for providing permanent service to the Work.

6.09 *Laws and Regulations*

- A. Contractor shall give all notices required by and shall comply with all Laws and Regulations applicable to the performance of the Work. Except where otherwise expressly required by applicable Laws and Regulations, neither Owner nor Engineer shall be responsible for monitoring Contractor's compliance with any Laws or Regulations.
- B. If Contractor performs any Work knowing or having reason to know that it is contrary to Laws or Regulations, Contractor shall bear all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such Work. However, it shall not be Contractor's primary responsibility to make certain that the Specifications and Drawings are in accordance with Laws and Regulations, but this shall not relieve Contractor of Contractor's obligations under Paragraph 3.03.
- C. Changes in Laws or Regulations not known at the time of opening of Bids (or, on the Effective Date of the Agreement if there were no Bids) having an effect on the cost or time of performance of the Work shall be the subject of an adjustment in Contract Price or Contract Times. If Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

6.10 *Taxes*

- A. Contractor shall pay all sales, consumer, use, and other similar taxes required to be paid by Contractor in accordance with the Laws and Regulations of the place of the Project which are applicable during the performance of the Work.

6.11 *Use of Site and Other Areas*

A. *Limitation on Use of Site and Other Areas*

- 1. Contractor shall confine construction equipment, the storage of materials and equipment, and the operations of workers to the Site and other areas permitted by Laws and Regulations, and shall not unreasonably encumber the Site and other areas with construction equipment or other materials or equipment. Contractor shall assume full responsibility for any damage to any such land or area, or to the owner or occupant thereof, or of any adjacent land or areas resulting from the performance of the Work.

2. Should any claim be made by any such owner or occupant because of the performance of the Work, Contractor shall promptly settle with such other party by negotiation or otherwise resolve the claim by arbitration or other dispute resolution proceeding or at law.
 3. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to any claim or action, legal or equitable, brought by any such owner or occupant against Owner, Engineer, or any other party indemnified hereunder to the extent caused by or based upon Contractor's performance of the Work.
- B. *Removal of Debris During Performance of the Work:* During the progress of the Work Contractor shall keep the Site and other areas free from accumulations of waste materials, rubbish, and other debris. Removal and disposal of such waste materials, rubbish, and other debris shall conform to applicable Laws and Regulations.
- C. *Cleaning:* Prior to Substantial Completion of the Work, Contractor shall clean the Site and the Work and make it ready for utilization by Owner. At the completion of the Work Contractor shall remove from the Site all tools, appliances, construction equipment and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Contract Documents.
- D. *Loading Structures:* Contractor shall not load nor permit any part of any structure to be loaded in any manner that will endanger the structure, nor shall Contractor subject any part of the Work or adjacent property to stresses or pressures that will endanger it.

6.12 *Record Documents*

- A. Contractor shall maintain in a safe place at the Site one record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications in good order and annotated to show changes made during construction. These record documents together with all approved Samples and a counterpart of all approved Shop Drawings will be available to Engineer for reference. Upon completion of the Work, these record documents, Samples, and Shop Drawings will be delivered to Engineer for Owner.

6.13 *Safety and Protection*

- A. Contractor shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Work. Contractor shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to:
1. all persons on the Site or who may be affected by the Work;
 2. all the Work and materials and equipment to be incorporated therein, whether in storage on or off the Site; and
 3. other property at the Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, utilities, and Underground Facilities not designated for removal, relocation, or replacement in the course of construction.
- B. Contractor shall comply with all applicable Laws and Regulations relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Contractor shall notify owners of adjacent property and of Underground Facilities and other utility owners when prosecution of the Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property.

- C. All damage, injury, or loss to any property referred to in Paragraph 6.13.A.2 or 6.13.A.3 caused, directly or indirectly, in whole or in part, by Contractor, any Subcontractor, Supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, shall be remedied by Contractor (except damage or loss attributable to the fault of Drawings or Specifications or to the acts or omissions of Owner or Engineer or , or anyone employed by any of them, or anyone for whose acts any of them may be liable, and not attributable, directly or indirectly, in whole or in part, to the fault or negligence of Contractor or any Subcontractor, Supplier, or other individual or entity directly or indirectly employed by any of them).
- D. Contractor's duties and responsibilities for safety and for protection of the Work shall continue until such time as all the Work is completed and Engineer has issued a notice to Owner and Contractor in accordance with Paragraph 14.07.B that the Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

6.14 *Safety Representative*

- A. Contractor shall designate a qualified and experienced safety representative at the Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

6.15 *Hazard Communication Programs*

- A. Contractor shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Site in accordance with Laws or Regulations.

6.16 *Emergencies*

- A. In emergencies affecting the safety or protection of persons or the Work or property at the Site or adjacent thereto, Contractor is obligated to act to prevent threatened damage, injury, or loss. Contractor shall give Engineer prompt written notice if Contractor believes that any significant changes in the Work or variations from the Contract Documents have been caused thereby or are required as a result thereof. If Engineer determines that a change in the Contract Documents is required because of the action taken by Contractor in response to such an emergency, a Work Change Directive or Change Order will be issued.

6.17 *Shop Drawings and Samples*

- A. Contractor shall submit Shop Drawings and Samples to Engineer for review and approval in accordance with the acceptable Schedule of Submittals (as required by Paragraph 2.07). Each submittal will be identified as Engineer may require.

1. *Shop Drawings*

- a. Submit number of copies specified in the General Requirements.
- b. Data shown on the Shop Drawings will be complete with respect to quantities, dimensions, specified performance and design criteria, materials, and similar data to show Engineer the services, materials, and equipment Contractor proposes to provide and to enable Engineer to review the information for the limited purposes required by Paragraph 6.17.D.

2. *Samples*

- a. Submit number of Samples specified in the Specifications.

- b. Clearly identify each Sample as to material, Supplier, pertinent data such as catalog numbers, the use for which intended and other data as Engineer may require to enable Engineer to review the submittal for the limited purposes required by Paragraph 6.17.D.
- B. Where a Shop Drawing or Sample is required by the Contract Documents or the Schedule of Submittals, any related Work performed prior to Engineer's review and approval of the pertinent submittal will be at the sole expense and responsibility of Contractor.
- C. *Submittal Procedures*
- 1. Before submitting each Shop Drawing or Sample, Contractor shall have determined and verified:
 - a. all field measurements, quantities, dimensions, specified performance and design criteria, installation requirements, materials, catalog numbers, and similar information with respect thereto;
 - b. the suitability of all materials with respect to intended use, fabrication, shipping, handling, storage, assembly, and installation pertaining to the performance of the Work;
 - c. all information relative to Contractor's responsibilities for means, methods, techniques, sequences, and procedures of construction, and safety precautions and programs incident thereto; and
 - d. shall also have reviewed and coordinated each Shop Drawing or Sample with other Shop Drawings and Samples and with the requirements of the Work and the Contract Documents.
 - 2. Each submittal shall bear a stamp or specific written certification that Contractor has satisfied Contractor's obligations under the Contract Documents with respect to Contractor's review and approval of that submittal.
 - 3. With each submittal, Contractor shall give Engineer specific written notice of any variations, that the Shop Drawing or Sample may have from the requirements of the Contract Documents. This notice shall be both a written communication separate from the Shop Drawings or Sample submittal; and, in addition, by a specific notation made on each Shop Drawing or Sample submitted to Engineer for review and approval of each such variation.
- D. *Engineer's Review*
- 1. Engineer will provide timely review of Shop Drawings and Samples in accordance with the Schedule of Submittals acceptable to Engineer. Engineer's review and approval will be only to determine if the items covered by the submittals will, after installation or incorporation in the Work, conform to the information given in the Contract Documents and be compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents.
 - 2. Engineer's review and approval will not extend to means, methods, techniques, sequences, or procedures of construction (except where a particular means, method, technique, sequence, or procedure of construction is specifically and expressly called for by the Contract Documents) or to safety precautions or programs incident thereto. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions.
 - 3. Engineer's review and approval shall not relieve Contractor from responsibility for any variation from the requirements of the Contract Documents unless Contractor has complied with the requirements of Paragraph 6.17.C.3 and Engineer has given written approval of each such variation by specific written notation thereof incorporated in or accompanying the Shop Drawing or Sample. Engineer's review and approval shall not relieve Contractor from responsibility for complying with the requirements of Paragraph 6.17.C.1.
- E. *Resubmittal Procedures*

1. Contractor shall make corrections required by Engineer and shall return the required number of corrected copies of Shop Drawings and submit, as required, new Samples for review and approval. Contractor shall direct specific attention in writing to revisions other than the corrections called for by Engineer on previous submittals.

6.18 *Continuing the Work*

- A. Contractor shall carry on the Work and adhere to the Progress Schedule during all disputes or disagreements with Owner. No Work shall be delayed or postponed pending resolution of any disputes or disagreements, except as permitted by Paragraph 15.04 or as Owner and Contractor may otherwise agree in writing.

6.19 *Contractor's General Warranty and Guarantee*

- A. Contractor warrants and guarantees to Owner that all Work will be in accordance with the Contract Documents and will not be defective. Engineer and its Related Entities shall be entitled to rely on representation of Contractor's warranty and guarantee.
- B. Contractor's warranty and guarantee hereunder excludes defects or damage caused by:
 1. abuse, modification, or improper maintenance or operation by persons other than Contractor, Subcontractors, Suppliers, or any other individual or entity for whom Contractor is responsible; or
 2. normal wear and tear under normal usage.
- C. Contractor's obligation to perform and complete the Work in accordance with the Contract Documents shall be absolute. None of the following will constitute an acceptance of Work that is not in accordance with the Contract Documents or a release of Contractor's obligation to perform the Work in accordance with the Contract Documents:
 1. observations by Engineer;
 2. recommendation by Engineer or payment by Owner of any progress or final payment;
 3. the issuance of a certificate of Substantial Completion by Engineer or any payment related thereto by Owner;
 4. use or occupancy of the Work or any part thereof by Owner;
 5. any review and approval of a Shop Drawing or Sample submittal or the issuance of a notice of acceptability by Engineer;
 6. any inspection, test, or approval by others; or
 7. any correction of defective Work by Owner.

6.20 *Indemnification*

- A. To the fullest extent permitted by Laws and Regulations, Contractor shall indemnify and hold harmless Owner and Engineer, and the officers, directors, partners, employees, agents, consultants and subcontractors of each and any of them from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to the performance of the Work, provided that any such claim, cost, loss, or damage is attributable to bodily injury, sickness, disease, or death, or to injury to or destruction of tangible property (other than the Work itself), including the loss of use resulting therefrom but only to the extent caused by any negligent act

or omission of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work or anyone for whose acts any of them may be liable.

- B. In any and all claims against Owner or Engineer or any of their respective consultants, agents, officers, directors, partners, or employees by any employee (or the survivor or personal representative of such employee) of Contractor, any Subcontractor, any Supplier, or any individual or entity directly or indirectly employed by any of them to perform any of the Work, or anyone for whose acts any of them may be liable, the indemnification obligation under Paragraph 6.20.A shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Contractor or any such Subcontractor, Supplier, or other individual or entity under workers' compensation acts, disability benefit acts, or other employee benefit acts.
- C. The indemnification obligations of Contractor under Paragraph 6.20.A shall not extend to the liability of Engineer and Engineer's officers, directors, partners, employees, agents, consultants and subcontractors arising out of:
 - 1. the preparation or approval of, or the failure to prepare or approve, maps, Drawings, opinions, reports, surveys, Change Orders, designs, or Specifications; or
 - 2. giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage.

6.21 *Delegation of Professional Design Services*

- A. Contractor will not be required to provide professional design services unless such services are specifically required by the Contract Documents for a portion of the Work or unless such services are required to carry out Contractor's responsibilities for construction means, methods, techniques, sequences and procedures. Contractor shall not be required to provide professional services in violation of applicable law.
- B. If professional design services or certifications by a design professional related to systems, materials or equipment are specifically required of Contractor by the Contract Documents, Owner and Engineer will specify all performance and design criteria that such services must satisfy. Contractor shall cause such services or certifications to be provided by a properly licensed professional, whose signature and seal shall appear on all drawings, calculations, specifications, certifications, Shop Drawings and other submittals prepared by such professional. Shop Drawings and other submittals related to the Work designed or certified by such professional, if prepared by others, shall bear such professional's written approval when submitted to Engineer.
- C. Owner and Engineer shall be entitled to rely upon the adequacy, accuracy and completeness of the services, certifications or approvals performed by such design professionals, provided Owner and Engineer have specified to Contractor all performance and design criteria that such services must satisfy.
- D. Pursuant to this Paragraph 6.21, Engineer's review and approval of design calculations and design drawings will be only for the limited purpose of checking for conformance with performance and design criteria given and the design concept expressed in the Contract Documents. Engineer's review and approval of Shop Drawings and other submittals (except design calculations and design drawings) will be only for the purpose stated in Paragraph 6.17.D.1.
- E. Contractor shall not be responsible for the adequacy of the performance or design criteria required by the Contract Documents.

ARTICLE 7 – OTHER WORK AT THE SITE

7.01 *Related Work at Site*

- A. Owner may perform other work related to the Project at the Site with Owner's employees, or via other direct contracts therefor, or have other work performed by utility owners. If such other work is not noted in the Contract Documents, then:

1. written notice thereof will be given to Contractor prior to starting any such other work; and
 2. if Owner and Contractor are unable to agree on entitlement to or on the amount or extent, if any, of any adjustment in the Contract Price or Contract Times that should be allowed as a result of such other work, a Claim may be made therefor as provided in Paragraph 10.05.
- B. Contractor shall afford each other contractor who is a party to such a direct contract, each utility owner and Owner, if Owner is performing other work with Owner's employees, proper and safe access to the Site, a reasonable opportunity for the introduction and storage of materials and equipment and the execution of such other work, and shall properly coordinate the Work with theirs. Contractor shall do all cutting, fitting, and patching of the Work that may be required to properly connect or otherwise make its several parts come together and properly integrate with such other work. Contractor shall not endanger any work of others by cutting, excavating, or otherwise altering their work and will only cut or alter their work with the written consent of Engineer and the others whose work will be affected. The duties and responsibilities of Contractor under this Paragraph are for the benefit of such utility owners and other contractors to the extent that there are comparable provisions for the benefit of Contractor in said direct contracts between Owner and such utility owners and other contractors.
- C. If the proper execution or results of any part of Contractor's Work depends upon work performed by others under this Article 7, Contractor shall inspect such other work and promptly report to Engineer in writing any delays, defects, or deficiencies in such other work that render it unavailable or unsuitable for the proper execution and results of Contractor's Work. Contractor's failure to so report will constitute an acceptance of such other work as fit and proper for integration with Contractor's Work except for latent defects and deficiencies in such other work.

7.02 *Coordination*

- A. If Owner intends to contract with others for the performance of other work on the Project at the Site, the following will be set forth in Supplementary Conditions:
1. the individual or entity who will have authority and responsibility for coordination of the activities among the various contractors will be identified;
 2. the specific matters to be covered by such authority and responsibility will be itemized; and
 3. the extent of such authority and responsibilities will be provided.
- B. Unless otherwise provided in the Supplementary Conditions, Owner shall have sole authority and responsibility for such coordination.

7.03 *Legal Relationships*

- A. Paragraphs 7.01.A and 7.02 are not applicable for utilities not under the control of Owner.
- B. Each other direct contract of Owner under Paragraph 7.01.A shall provide that the other contractor is liable to Owner and Contractor for the reasonable direct delay and disruption costs incurred by Contractor as a result of the other contractor's actions or inactions.
- C. Contractor shall be liable to Owner and any other contractor for the reasonable direct delay and disruption costs incurred by such other contractor as a result of Contractor's action or inactions.

ARTICLE 8 – OWNER’S RESPONSIBILITIES

8.01 *Communications to Contractor*

- A. Except as otherwise provided in these General Conditions, Owner shall issue all communications to Contractor through Engineer.

8.02 *Replacement of Engineer*

- A. In case of termination of the employment of Engineer, Owner shall appoint an engineer to whom Contractor makes no reasonable objection, whose status under the Contract Documents shall be that of the former Engineer.

8.03 *Furnish Data*

- A. Owner shall promptly furnish the data required of Owner under the Contract Documents.

8.04 *Pay When Due*

- A. Owner shall make payments to Contractor when they are due as provided in Paragraphs 14.02.C and 14.07.C.

8.05 *Lands and Easements; Reports and Tests*

- A. Owner’s duties in respect of providing lands and easements and providing engineering surveys to establish reference points are set forth in Paragraphs 4.01 and 4.05. Paragraph 4.02 refers to Owner’s identifying and making available to Contractor copies of reports of explorations and tests of subsurface conditions and drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site that have been utilized by Engineer in preparing the Contract Documents.

8.06 *Insurance*

- A. Owner’s responsibilities, if any, in respect to purchasing and maintaining liability and property insurance are set forth in Article 5.

8.07 *Change Orders*

- A. Owner is obligated to execute Change Orders as indicated in Paragraph 10.03.

8.08 *Inspections, Tests, and Approvals*

- A. Owner’s responsibility in respect to certain inspections, tests, and approvals is set forth in Paragraph 13.03.B.

8.09 *Limitations on Owner’s Responsibilities*

- A. The Owner shall not supervise, direct, or have control or authority over, nor be responsible for, Contractor’s means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Owner will not be responsible for Contractor’s failure to perform the Work in accordance with the Contract Documents.

8.10 *Undisclosed Hazardous Environmental Condition*

- A. Owner’s responsibility in respect to an undisclosed Hazardous Environmental Condition is set forth in Paragraph 4.06.

8.11 *Evidence of Financial Arrangements*

- A. If and to the extent Owner has agreed to furnish Contractor reasonable evidence that financial arrangements have been made to satisfy Owner's obligations under the Contract Documents, Owner's responsibility in respect thereof will be as set forth in the Supplementary Conditions.

ARTICLE 9 – ENGINEER'S STATUS DURING CONSTRUCTION

9.01 *Owner's Representative*

- A. Engineer will be Owner's representative during the construction period. The duties and responsibilities and the limitations of authority of Engineer as Owner's representative during construction are set forth in the Contract Documents and will not be changed without written consent of Owner and Engineer.

9.02 *Visits to Site*

- A. Engineer will make visits to the Site at intervals appropriate to the various stages of construction as Engineer deems necessary in order to observe as an experienced and qualified design professional the progress that has been made and the quality of the various aspects of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer, for the benefit of Owner, will determine, in general, if the Work is proceeding in accordance with the Contract Documents. Engineer will not be required to make exhaustive or continuous inspections on the Site to check the quality or quantity of the Work. Engineer's efforts will be directed toward providing for Owner a greater degree of confidence that the completed Work will conform generally to the Contract Documents. On the basis of such visits and observations, Engineer will keep Owner informed of the progress of the Work and will endeavor to guard Owner against defective Work.
- B. Engineer's visits and observations are subject to all the limitations on Engineer's authority and responsibility set forth in Paragraph 9.09. Particularly, but without limitation, during or as a result of Engineer's visits or observations of Contractor's Work Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work.

9.03 *Project Representative*

- A. If Owner and Engineer agree, Engineer will furnish a Resident Project Representative to assist Engineer in providing more extensive observation of the Work. The authority and responsibilities of any such Resident Project Representative and assistants will be as provided in the Supplementary Conditions, and limitations on the responsibilities thereof will be as provided in Paragraph 9.09. If Owner designates another representative or agent to represent Owner at the Site who is not Engineer's consultant, agent or employee, the responsibilities and authority and limitations thereon of such other individual or entity will be as provided in the Supplementary Conditions.

9.04 *Authorized Variations in Work*

- A. Engineer may authorize minor variations in the Work from the requirements of the Contract Documents which do not involve an adjustment in the Contract Price or the Contract Times and are compatible with the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. These may be accomplished by a Field Order and will be binding on Owner and also on Contractor, who shall perform the Work involved promptly. If Owner or Contractor believes that a Field Order justifies an adjustment in the Contract Price or Contract Times, or both, and the parties are unable to agree on entitlement to or on the amount or extent, if any, of any such adjustment, a Claim may be made therefor as provided in Paragraph 10.05.

9.05 *Rejecting Defective Work*

- A. Engineer will have authority to reject Work which Engineer believes to be defective, or that Engineer believes will not produce a completed Project that conforms to the Contract Documents or that will prejudice the integrity of the design concept of the completed Project as a functioning whole as indicated by the Contract Documents. Engineer will also have authority to require special inspection or testing of the Work as provided in Paragraph 13.04, whether or not the Work is fabricated, installed, or completed.

9.06 *Shop Drawings, Change Orders and Payments*

- A. In connection with Engineer's authority, and limitations thereof, as to Shop Drawings and Samples, see Paragraph 6.17.
- B. In connection with Engineer's authority, and limitations thereof, as to design calculations and design drawings submitted in response to a delegation of professional design services, if any, see Paragraph 6.21.
- C. In connection with Engineer's authority as to Change Orders, see Articles 10, 11, and 12.
- D. In connection with Engineer's authority as to Applications for Payment, see Article 14.

9.07 *Determinations for Unit Price Work*

- A. Engineer will determine the actual quantities and classifications of Unit Price Work performed by Contractor. Engineer will review with Contractor the Engineer's preliminary determinations on such matters before rendering a written decision thereon (by recommendation of an Application for Payment or otherwise). Engineer's written decision thereon will be final and binding (except as modified by Engineer to reflect changed factual conditions or more accurate data) upon Owner and Contractor, subject to the provisions of Paragraph 10.05.

9.08 *Decisions on Requirements of Contract Documents and Acceptability of Work*

- A. Engineer will be the initial interpreter of the requirements of the Contract Documents and judge of the acceptability of the Work thereunder. All matters in question and other matters between Owner and Contractor arising prior to the date final payment is due relating to the acceptability of the Work, and the interpretation of the requirements of the Contract Documents pertaining to the performance of the Work, will be referred initially to Engineer in writing within 30 days of the event giving rise to the question.
- B. Engineer will, with reasonable promptness, render a written decision on the issue referred. If Owner or Contractor believe that any such decision entitles them to an adjustment in the Contract Price or Contract Times or both, a Claim may be made under Paragraph 10.05. The date of Engineer's decision shall be the date of the event giving rise to the issues referenced for the purposes of Paragraph 10.05.B.
- C. Engineer's written decision on the issue referred will be final and binding on Owner and Contractor, subject to the provisions of Paragraph 10.05.
- D. When functioning as interpreter and judge under this Paragraph 9.08, Engineer will not show partiality to Owner or Contractor and will not be liable in connection with any interpretation or decision rendered in good faith in such capacity.

9.09 *Limitations on Engineer's Authority and Responsibilities*

- A. Neither Engineer's authority or responsibility under this Article 9 or under any other provision of the Contract Documents nor any decision made by Engineer in good faith either to exercise or not exercise such authority or responsibility or the undertaking, exercise, or performance of any authority or responsibility by Engineer shall

create, impose, or give rise to any duty in contract, tort, or otherwise owed by Engineer to Contractor, any Subcontractor, any Supplier, any other individual or entity, or to any surety for or employee or agent of any of them.

- B. Engineer will not supervise, direct, control, or have authority over or be responsible for Contractor's means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or for any failure of Contractor to comply with Laws and Regulations applicable to the performance of the Work. Engineer will not be responsible for Contractor's failure to perform the Work in accordance with the Contract Documents.
- C. Engineer will not be responsible for the acts or omissions of Contractor or of any Subcontractor, any Supplier, or of any other individual or entity performing any of the Work.
- D. Engineer's review of the final Application for Payment and accompanying documentation and all maintenance and operating instructions, schedules, guarantees, bonds, certificates of inspection, tests and approvals, and other documentation required to be delivered by Paragraph 14.07.A will only be to determine generally that their content complies with the requirements of, and in the case of certificates of inspections, tests, and approvals that the results certified indicate compliance with the Contract Documents.
- E. The limitations upon authority and responsibility set forth in this Paragraph 9.09 shall also apply to the Resident Project Representative, if any, and assistants, if any.

ARTICLE 10 – CHANGES IN THE WORK; CLAIMS

10.01 *Authorized Changes in the Work*

- A. Without invalidating the Contract and without notice to any surety, Owner may, subject to written approval by Agency at any time or from time to time, order additions, deletions, or revisions in the Work by a Change Order, or a Work Change Directive. Upon receipt of any such document, Contractor shall promptly proceed with the Work involved which will be performed under the applicable conditions of the Contract Documents (except as otherwise specifically provided).
- B. If Owner and Contractor are unable to agree on entitlement to, or on the amount or extent, if any, of an adjustment in the Contract Price or Contract Times, or both, that should be allowed as a result of a Work Change Directive, a Claim may be made therefor as provided in Paragraph 10.05.

10.02 *Unauthorized Changes in the Work*

- A. Contractor shall not be entitled to an increase in the Contract Price or an extension of the Contract Times with respect to any work performed that is not required by the Contract Documents as amended, modified, or supplemented as provided in Paragraph 3.04, except in the case of an emergency as provided in Paragraph 6.16 or in the case of uncovering Work as provided in Paragraph 13.04.B.

10.03 *Execution of Change Orders*

- A. Owner and Contractor shall execute appropriate Change Orders recommended by Engineer covering:
 - 1. changes in the Work which are: (i) ordered by Owner pursuant to Paragraph 10.01.A, (ii) required because of acceptance of defective Work under Paragraph 13.08.A or Owner's correction of defective Work under Paragraph 13.09, or (iii) agreed to by the parties;
 - 2. changes in the Contract Price or Contract Times which are agreed to by the parties, including any undisputed sum or amount of time for Work actually performed in accordance with a Work Change Directive; and

3. changes in the Contract Price or Contract Times which embody the substance of any written decision rendered by Engineer pursuant to Paragraph 10.05; provided that, in lieu of executing any such Change Order, an appeal may be taken from any such decision in accordance with the provisions of the Contract Documents and applicable Laws and Regulations, but during any such appeal, Contractor shall carry on the Work and adhere to the Progress Schedule as provided in Paragraph 6.18.A.

10.04 *Notification to Surety*

- A. If notice of any change affecting the general scope of the Work or the provisions of the Contract Documents (including, but not limited to, Contract Price or Contract Times) is required by the provisions of any bond to be given to a surety, the giving of any such notice will be Contractor's responsibility. The amount of each applicable bond will be adjusted to reflect the effect of any such change.

10.05 *Claims*

- A. *Engineer's Decision Required:* All Claims, except those waived pursuant to Paragraph 14.09, shall be referred to the Engineer for decision. A decision by Engineer shall be required as a condition precedent to any exercise by Owner or Contractor of any rights or remedies either may otherwise have under the Contract Documents or by Laws and Regulations in respect of such Claims.
- B. *Notice:* Written notice stating the general nature of each Claim shall be delivered by the claimant to Engineer and the other party to the Contract promptly (but in no event later than 30 days) after the start of the event giving rise thereto. The responsibility to substantiate a Claim shall rest with the party making the Claim. Notice of the amount or extent of the Claim, with supporting data shall be delivered to the Engineer and the other party to the Contract within 60 days after the start of such event (unless Engineer allows additional time for claimant to submit additional or more accurate data in support of such Claim). A Claim for an adjustment in Contract Price shall be prepared in accordance with the provisions of Paragraph 12.01.B. A Claim for an adjustment in Contract Time shall be prepared in accordance with the provisions of Paragraph 12.02.B. Each Claim shall be accompanied by claimant's written statement that the adjustment claimed is the entire adjustment to which the claimant believes it is entitled as a result of said event. The opposing party shall submit any response to Engineer and the claimant within 30 days after receipt of the claimant's last submittal (unless Engineer allows additional time).
- C. *Engineer's Action:* Engineer will review each Claim and, within 30 days after receipt of the last submittal of the claimant or the last submittal of the opposing party, if any, take one of the following actions in writing:
 1. deny the Claim in whole or in part,
 2. approve the Claim, or
 3. notify the parties that the Engineer is unable to resolve the Claim if, in the Engineer's sole discretion, it would be inappropriate for the Engineer to do so. For purposes of further resolution of the Claim, such notice shall be deemed a denial.
- D. In the event that Engineer does not take action on a Claim within said 30 days, the Claim shall be deemed denied.
- E. Engineer's written action under Paragraph 10.05.C or denial pursuant to Paragraphs 10.05.C.3 or 10.05.D will be final and binding upon Owner and Contractor, unless Owner or Contractor invoke the dispute resolution procedure set forth in Article 16 within 30 days of such action or denial.
- F. No Claim for an adjustment in Contract Price or Contract Times will be valid if not submitted in accordance with this Paragraph 10.05.

ARTICLE 11 – COST OF THE WORK; ALLOWANCES; UNIT PRICE WORK

11.01 *Cost of the Work*

- A. *Costs Included:* The term Cost of the Work means the sum of all costs, except those excluded in Paragraph 11.01.B, necessarily incurred and paid by Contractor in the proper performance of the Work. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, the costs to be reimbursed to Contractor will be only those additional or incremental costs required because of the change in the Work or because of the event giving rise to the Claim. Except as otherwise may be agreed to in writing by Owner, such costs shall be in amounts no higher than those prevailing in the locality of the Project, shall include only the following items, and shall not include any of the costs itemized in Paragraph 11.01.B.
1. Payroll costs for employees in the direct employ of Contractor in the performance of the Work under schedules of job classifications agreed upon by Owner and Contractor. Such employees shall include, without limitation, superintendents, foremen, and other personnel employed full time at the Site. Payroll costs for employees not employed full time on the Work shall be apportioned on the basis of their time spent on the Work. Payroll costs shall include, but not be limited to, salaries and wages plus the cost of fringe benefits, which shall include social security contributions, unemployment, excise, and payroll taxes, workers' compensation, health and retirement benefits, bonuses, sick leave, vacation and holiday pay applicable thereto. The expenses of performing Work outside of regular working hours, on Saturday, Sunday, or legal holidays, shall be included in the above to the extent authorized by Owner.
 2. Cost of all materials and equipment furnished and incorporated in the Work, including costs of transportation and storage thereof, and Suppliers' field services required in connection therewith. All cash discounts shall accrue to Contractor unless Owner deposits funds with Contractor with which to make payments, in which case the cash discounts shall accrue to Owner. All trade discounts, rebates and refunds and returns from sale of surplus materials and equipment shall accrue to Owner, and Contractor shall make provisions so that they may be obtained.
 3. Payments made by Contractor to Subcontractors for Work performed by Subcontractors. If required by Owner, Contractor shall obtain competitive bids from subcontractors acceptable to Owner and Contractor and shall deliver such bids to Owner, who will then determine, with the advice of Engineer, which bids, if any, will be acceptable. If any subcontract provides that the Subcontractor is to be paid on the basis of Cost of the Work plus a fee, the Subcontractor's Cost of the Work and fee shall be determined in the same manner as Contractor's Cost of the Work and fee as provided in this Paragraph 11.01.
 4. Costs of special consultants (including but not limited to Engineers, architects, testing laboratories, surveyors, attorneys, and accountants) employed for services specifically related to the Work.
 5. Supplemental costs including the following:
 - a. The proportion of necessary transportation, travel, and subsistence expenses of Contractor's employees incurred in discharge of duties connected with the Work.
 - b. Cost, including transportation and maintenance, of all materials, supplies, equipment, machinery, appliances, office, and temporary facilities at the Site, and hand tools not owned by the workers, which are consumed in the performance of the Work, and cost, less market value, of such items used but not consumed which remain the property of Contractor.
 - c. Rentals of all construction equipment and machinery, and the parts thereof whether rented from Contractor or others in accordance with rental agreements approved by Owner with the advice of Engineer, and the costs of transportation, loading, unloading, assembly, dismantling, and removal thereof. All such costs

shall be in accordance with the terms of said rental agreements. The rental of any such equipment, machinery, or parts shall cease when the use thereof is no longer necessary for the Work.

- d. Sales, consumer, use, and other similar taxes related to the Work, and for which Contractor is liable, imposed by Laws and Regulations.
 - e. Deposits lost for causes other than negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, and royalty payments and fees for permits and licenses.
 - f. Losses and damages (and related expenses) caused by damage to the Work, not compensated by insurance or otherwise, sustained by Contractor in connection with the performance of the Work (except losses and damages within the deductible amounts of property insurance established in accordance with Paragraph 5.06.D), provided such losses and damages have resulted from causes other than the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable. Such losses shall include settlements made with the written consent and approval of Owner. No such losses, damages, and expenses shall be included in the Cost of the Work for the purpose of determining Contractor's fee.
 - g. The cost of utilities, fuel, and sanitary facilities at the Site.
 - h. Minor expenses such as telegrams, long distance telephone calls, telephone service at the Site, expressages, and similar petty cash items in connection with the Work.
 - i. The costs of premiums for all bonds and insurance Contractor is required by the Contract Documents to purchase and maintain.
- B. *Costs Excluded:* The term Cost of the Work shall not include any of the following items:
1. Payroll costs and other compensation of Contractor's officers, executives, principals (of partnerships and sole proprietorships), general managers, safety managers, engineers, architects, estimators, attorneys, auditors, accountants, purchasing and contracting agents, expeditors, timekeepers, clerks, and other personnel employed by Contractor, whether at the Site or in Contractor's principal or branch office for general administration of the Work and not specifically included in the agreed upon schedule of job classifications referred to in Paragraph 11.01.A.1 or specifically covered by Paragraph 11.01.A.4, all of which are to be considered administrative costs covered by the Contractor's fee.
 2. Expenses of Contractor's principal and branch offices other than Contractor's office at the Site.
 3. Any part of Contractor's capital expenses, including interest on Contractor's capital employed for the Work and charges against Contractor for delinquent payments.
 4. Costs due to the negligence of Contractor, any Subcontractor, or anyone directly or indirectly employed by any of them or for whose acts any of them may be liable, including but not limited to, the correction of defective Work, disposal of materials or equipment wrongly supplied, and making good any damage to property.
 5. Other overhead or general expense costs of any kind and the costs of any item not specifically and expressly included in Paragraphs 11.01.A and 11.01.B.
- C. *Contractor's Fee:* When all the Work is performed on the basis of cost-plus, Contractor's fee shall be determined as set forth in the Agreement. When the value of any Work covered by a Change Order or when a Claim for an adjustment in Contract Price is determined on the basis of Cost of the Work, Contractor's fee shall be determined as set forth in Paragraph 12.01.C.

- D. *Documentation:* Whenever the Cost of the Work for any purpose is to be determined pursuant to Paragraphs 11.01.A and 11.01.B, Contractor will establish and maintain records thereof in accordance with generally accepted accounting practices and submit in a form acceptable to Engineer an itemized cost breakdown together with supporting data.

11.02 *Allowances*

- A. It is understood that Contractor has included in the Contract Price all allowances so named in the Contract Documents and shall cause the Work so covered to be performed for such sums and by such persons or entities as may be acceptable to Owner and Engineer.
- B. Cash Allowances
 - 1. Contractor agrees that:
 - a. the cash allowances include the cost to Contractor (less any applicable trade discounts) of materials and equipment required by the allowances to be delivered at the Site, and all applicable taxes; and
 - b. Contractor's costs for unloading and handling on the Site, labor, installation, overhead, profit, and other expenses contemplated for the cash allowances have been included in the Contract Price and not in the allowances, and no demand for additional payment on account of any of the foregoing will be valid.
- C. *Contingency Allowance*
 - 1. Contractor agrees that a contingency allowance, if any, is for the sole use of Owner to cover unanticipated costs.
- D. Prior to final payment, an appropriate Change Order will be issued as recommended by Engineer to reflect actual amounts due Contractor on account of Work covered by allowances, and the Contract Price shall be correspondingly adjusted.

11.03 *Unit Price Work*

- A. Where the Contract Documents provide that all or part of the Work is to be Unit Price Work, initially the Contract Price will be deemed to include for all Unit Price Work an amount equal to the sum of the unit price for each separately identified item of Unit Price Work times the estimated quantity of each item as indicated in the Agreement.
- B. The estimated quantities of items of Unit Price Work are not guaranteed and are solely for the purpose of comparison of Bids and determining an initial Contract Price. Determinations of the actual quantities and classifications of Unit Price Work performed by Contractor will be made by Engineer subject to the provisions of Paragraph 9.07.
- C. Each unit price will be deemed to include an amount considered by Contractor to be adequate to cover Contractor's overhead and profit for each separately identified item.
- D. Owner or Contractor may make a Claim for an adjustment in the Contract Price in accordance with Paragraph 10.05 if:
 - 1. the Bid price of a particular item of Unit Price Work amounts to more than 5 percent of the Contract Price and the variation in the quantity of that particular item of Unit Price Work performed by Contractor differs by more than 25 percent from the estimated quantity of such item indicated in the Agreement; and
 - 2. there is no corresponding adjustment with respect to any other item of Work; and

3. Contractor believes that Contractor is entitled to an increase in Contract Price as a result of having incurred additional expense or Owner believes that Owner is entitled to a decrease in Contract Price and the parties are unable to agree as to the amount of any such increase or decrease.

ARTICLE 12 – CHANGE OF CONTRACT PRICE; CHANGE OF CONTRACT TIMES

12.01 *Change of Contract Price*

- A. The Contract Price may only be changed by a Change Order. Any Claim for an adjustment in the Contract Price shall be based on written notice submitted by the party making the Claim to the Engineer and the other party to the Contract in accordance with the provisions of Paragraph 10.05.
- B. The value of any Work covered by a Change Order or of any Claim for an adjustment in the Contract Price will be determined as follows:
 1. where the Work involved is covered by unit prices contained in the Contract Documents, by application of such unit prices to the quantities of the items involved (subject to the provisions of Paragraph 11.03); or
 2. where the Work involved is not covered by unit prices contained in the Contract Documents, by a mutually agreed lump sum (which may include an allowance for overhead and profit not necessarily in accordance with Paragraph 12.01.C.2); or
 3. where the Work involved is not covered by unit prices contained in the Contract Documents and agreement to a lump sum is not reached under Paragraph 12.01.B.2, on the basis of the Cost of the Work (determined as provided in Paragraph 11.01) plus a Contractor's fee for overhead and profit (determined as provided in Paragraph 12.01.C).
- C. Contractor's Fee: The Contractor's fee for overhead and profit shall be determined as follows:
 1. a mutually acceptable fixed fee; or
 2. if a fixed fee is not agreed upon, then a fee based on the following percentages of the various portions of the Cost of the Work:
 - a. for costs incurred under Paragraphs 11.01.A.1 and 11.01.A.2, the Contractor's fee shall be 15 percent;
 - b. for costs incurred under Paragraph 11.01.A.3, the Contractor's fee shall be five percent;
 - c. where one or more tiers of subcontracts are on the basis of Cost of the Work plus a fee and no fixed fee is agreed upon, the intent of Paragraph 12.01.C.2.a is that the Subcontractor who actually performs the Work, at whatever tier, will be paid a fee of 15 percent of the costs incurred by such Subcontractor under Paragraphs 11.01.A.1 and 11.01.A.2 and that any higher tier Subcontractor and Contractor will each be paid a fee of five percent of the amount paid to the next lower tier Subcontractor;
 - d. no fee shall be payable on the basis of costs itemized under Paragraphs 11.01.A.4, 11.01.A.5, and 11.01.B;
 - e. the amount of credit to be allowed by Contractor to Owner for any change which results in a net decrease in cost will be the amount of the actual net decrease in cost plus a deduction in Contractor's fee by an amount equal to five percent of such net decrease; and
 - f. when both additions and credits are involved in any one change, the adjustment in Contractor's fee shall be computed on the basis of the net change in accordance with Paragraphs 12.01.C.2.a through 12.01.C.2.e, inclusive.

12.02 *Change of Contract Times*

- A. The Contract Times may only be changed by a Change Order. Any Claim for an adjustment in the Contract Times shall be based on written notice submitted by the party making the Claim to the Engineer and the other party to the Contract in accordance with the provisions of Paragraph 10.05.
- B. Any adjustment of the Contract Times covered by a Change Order or any Claim for an adjustment in the Contract Times will be determined in accordance with the provisions of this Article 12.

12.03 *Delays*

- A. Where Contractor is prevented from completing any part of the Work within the Contract Times due to delay beyond the control of Contractor, the Contract Times will be extended in an amount equal to the time lost due to such delay if a Claim is made therefor as provided in Paragraph 12.02.A. Delays beyond the control of Contractor shall include, but not be limited to, acts or neglect by Owner, acts or neglect of utility owners or other contractors performing other work as contemplated by Article 7, fires, floods, epidemics, abnormal weather conditions, or acts of God.
- B. If Owner, Engineer, or other contractors or utility owners performing other work for Owner as contemplated by Article 7, or anyone for whom Owner is responsible, delays, disrupts, or interferes with the performance or progress of the Work, then Contractor shall be entitled to an equitable adjustment in the Contract Price or the Contract Times, or both. Contractor's entitlement to an adjustment of the Contract Times is conditioned on such adjustment being essential to Contractor's ability to complete the Work within the Contract Times.
- C. If Contractor is delayed in the performance or progress of the Work by fire, flood, epidemic, abnormal weather conditions, acts of God, acts or failures to act of utility owners not under the control of Owner, or other causes not the fault of and beyond control of Owner and Contractor, then Contractor shall be entitled to an equitable adjustment in Contract Times, if such adjustment is essential to Contractor's ability to complete the Work within the Contract Times. Such an adjustment shall be Contractor's sole and exclusive remedy for the delays described in this Paragraph 12.03.B.
 - 1. delays caused by or within the control of Contractor; or
- D. Owner, Engineer and the Related Entities of each of them shall not be liable to Contractor for any claims, costs, losses, or damages (including but not limited to all fees and charges of Engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Contractor on or in connection with any other project or anticipated project.
- E. Contractor shall not be entitled to an adjustment in Contract Price or Contract Times for delays within the control of Contractor. Delays attributable to and within the control of a Subcontractor or Supplier shall be deemed to be delays within the control of Contractor.

ARTICLE 13 – TESTS AND INSPECTIONS; CORRECTION, REMOVAL OR ACCEPTANCE OF DEFECTIVE WORK

13.01 *Notice of Defects*

- A. Prompt notice of all defective Work of which Owner or Engineer has actual knowledge will be given to Contractor. All defective Work may be rejected, corrected, or accepted as provided in this Article 13.

13.02 *Access to Work*

- A. Owner, Engineer, their consultants and other representatives and personnel of Owner, independent testing laboratories, and governmental agencies with jurisdictional interests will have access to the Site and the Work at

reasonable times for their observation, inspecting, and testing. Contractor shall provide them proper and safe conditions for such access and advise them of Contractor's Site safety procedures and programs so that they may comply therewith as applicable.

13.03 *Tests and Inspections*

- A. Contractor shall give Engineer timely notice of readiness of the Work for all required inspections, tests, or approvals and shall cooperate with inspection and testing personnel to facilitate required inspections or tests.
- B. Owner shall employ and pay for the services of an independent testing laboratory to perform all inspections, tests, or approvals required by the Contract Documents except:
 - 1. for inspections, tests, or approvals covered by Paragraphs 13.03.C and 13.03.D below;
 - 2. that costs incurred in connection with tests or inspections conducted pursuant to Paragraph 13.04.B shall be paid as provided in said Paragraph 13.04.C; and
 - 3. as otherwise specifically provided in the Contract Documents.
- C. If Laws or Regulations of any public body having jurisdiction require any Work (or part thereof) specifically to be inspected, tested, or approved by an employee or other representative of such public body, Contractor shall assume full responsibility for arranging and obtaining such inspections, tests, or approvals, pay all costs in connection therewith, and furnish Engineer the required certificates of inspection or approval.
- D. Contractor shall be responsible for arranging and obtaining and shall pay all costs in connection with any inspections, tests, or approvals required for Owner's and Engineer's acceptance of materials or equipment to be incorporated in the Work; or acceptance of materials, mix designs, or equipment submitted for approval prior to Contractor's purchase thereof for incorporation in the Work. Such inspections, tests, or approvals shall be performed by organizations acceptable to Owner and Engineer.
- E. If any Work (or the work of others) that is to be inspected, tested, or approved is covered by Contractor without written concurrence of Engineer, it must, if requested by Engineer, be uncovered for observation.
- F. Uncovering Work as provided in Paragraph 13.03.E shall be at Contractor's expense unless Contractor has given Engineer timely notice of Contractor's intention to cover the same and Engineer has not acted with reasonable promptness in response to such notice.

13.04 *Uncovering Work*

- A. If any Work is covered contrary to the written request of Engineer, it must, if requested by Engineer, be uncovered for Engineer's observation and replaced at Contractor's expense.
- B. If Engineer considers it necessary or advisable that covered Work be observed by Engineer or inspected or tested by others, Contractor, at Engineer's request, shall uncover, expose, or otherwise make available for observation, inspection, or testing as Engineer may require, that portion of the Work in question, furnishing all necessary labor, material, and equipment.
- C. If it is found that the uncovered Work is defective, Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such uncovering, exposure, observation, inspection, and testing, and of satisfactory replacement or reconstruction (including but not limited to all costs of repair or replacement of work of others); and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05.

- D. If the uncovered Work is not found to be defective, Contractor shall be allowed an increase in the Contract Price or an extension of the Contract Times, or both, directly attributable to such uncovering, exposure, observation, inspection, testing, replacement, and reconstruction. If the parties are unable to agree as to the amount or extent thereof, Contractor may make a Claim therefor as provided in Paragraph 10.05.

13.05 *Owner May Stop the Work*

- A. If the Work is defective, or Contractor fails to supply sufficient skilled workers or suitable materials or equipment, or fails to perform the Work in such a way that the completed Work will conform to the Contract Documents, Owner may order Contractor to stop the Work, or any portion thereof, until the cause for such order has been eliminated; however, this right of Owner to stop the Work shall not give rise to any duty on the part of Owner to exercise this right for the benefit of Contractor, any Subcontractor, any Supplier, any other individual or entity, or any surety for, or employee or agent of any of them.

13.06 *Correction or Removal of Defective Work*

- A. Promptly after receipt of notice, Contractor shall correct all defective Work, whether or not fabricated, installed, or completed, or, if the Work has been rejected by Engineer, remove it from the Project and replace it with Work that is not defective. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or removal (including but not limited to all costs of repair or replacement of work of others).
- B. When correcting defective Work under the terms of this Paragraph 13.06 or Paragraph 13.07, Contractor shall take no action that would void or otherwise impair Owner's special warranty and guarantee, if any, on said Work.

13.07 *Correction Period*

- A. If within one year after the date of Substantial Completion (or such longer period of time as may be prescribed by the terms of any applicable special guarantee required by the Contract Documents) or by any specific provision of the Contract Documents, any Work is found to be defective, or if the repair of any damages to the land or areas made available for Contractor's use by Owner or permitted by Laws and Regulations as contemplated in Paragraph 6.11.A is found to be defective, Contractor shall promptly, without cost to Owner and in accordance with Owner's written instructions:
 - 1. repair such defective land or areas; or
 - 2. correct such defective Work; or
 - 3. if the defective Work has been rejected by Owner, remove it from the Project and replace it with Work that is not defective, and
 - 4. satisfactorily correct or repair or remove and replace any damage to other Work, to the work of others or other land or areas resulting therefrom.
- B. If Contractor does not promptly comply with the terms of Owner's written instructions, or in an emergency where delay would cause serious risk of loss or damage, Owner may have the defective Work corrected or repaired or may have the rejected Work removed and replaced. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) arising out of or relating to such correction or repair or such removal and replacement (including but not limited to all costs of repair or replacement of work of others) will be paid by Contractor.

- C. In special circumstances where a particular item of equipment is placed in continuous service before Substantial Completion of all the Work, the correction period for that item may start to run from an earlier date if so provided in the Specifications.
- D. Where defective Work (and damage to other Work resulting therefrom) has been corrected or removed and replaced under this Paragraph 13.07, the correction period hereunder with respect to such Work will be extended for an additional period of one year after such correction or removal and replacement has been satisfactorily completed.
- E. Contractor's obligations under this Paragraph 13.07 are in addition to any other obligation or warranty. The provisions of this Paragraph 13.07 shall not be construed as a substitute for or a waiver of the provisions of any applicable statute of limitation or repose.

13.08 *Acceptance of Defective Work*

- A. If, instead of requiring correction or removal and replacement of defective Work, Owner (and, prior to Engineer's recommendation of final payment, Engineer) prefers to accept it, Owner may do so. Contractor shall pay all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) attributable to Owner's evaluation of and determination to accept such defective Work (such costs to be approved by Engineer as to reasonableness) and the diminished value of the Work to the extent not otherwise paid by Contractor pursuant to this sentence. If any such acceptance occurs prior to Engineer's recommendation of final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work, and Owner shall be entitled to an appropriate decrease in the Contract Price, reflecting the diminished value of Work so accepted. If the parties are unable to agree as to the amount thereof, Owner may make a Claim therefor as provided in Paragraph 10.05. If the acceptance occurs after such recommendation, an appropriate amount will be paid by Contractor to Owner.

13.09 *Owner May Correct Defective Work*

- A. If Contractor fails within a reasonable time after written notice from Engineer to correct defective Work or to remove and replace rejected Work as required by Engineer in accordance with Paragraph 13.06.A, or if Contractor fails to perform the Work in accordance with the Contract Documents, or if Contractor fails to comply with any other provision of the Contract Documents, Owner may, after seven days written notice to Contractor, correct or remedy any such deficiency.
- B. In exercising the rights and remedies under this Paragraph 13.09, Owner shall proceed expeditiously. In connection with such corrective or remedial action, Owner may exclude Contractor from all or part of the Site, take possession of all or part of the Work and suspend Contractor's services related thereto, take possession of Contractor's tools, appliances, construction equipment and machinery at the Site, and incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere. Contractor shall allow Owner, Owner's representatives, agents and employees, Owner's other contractors, and Engineer and Engineer's consultants access to the Site to enable Owner to exercise the rights and remedies under this Paragraph.
- C. All claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred or sustained by Owner in exercising the rights and remedies under this Paragraph 13.09 will be charged against Contractor, and a Change Order will be issued incorporating the necessary revisions in the Contract Documents with respect to the Work; and Owner shall be entitled to an appropriate decrease in the Contract Price. If the parties are unable to agree as to the amount of the adjustment, Owner may make a Claim therefor as provided in Paragraph 10.05. Such claims, costs, losses and damages will include but not be limited to all costs of repair, or replacement of work of others destroyed or damaged by correction, removal, or replacement of Contractor's defective Work.

- D. Contractor shall not be allowed an extension of the Contract Times because of any delay in the performance of the Work attributable to the exercise by Owner of Owner's rights and remedies under this Paragraph 13.09.

ARTICLE 14 – PAYMENTS TO CONTRACTOR AND COMPLETION

14.01 *Schedule of Values*

- A. The Schedule of Values established as provided in Paragraph 2.07.A will serve as the basis for progress payments and will be incorporated into a form of Application for Payment acceptable to Engineer. Progress payments on account of Unit Price Work will be based on the number of units completed.

14.02 *Progress Payments*

A. *Applications for Payments*

1. At least 20 days before the date established in the Agreement for each progress payment (but not more often than once a month), Contractor shall submit to Engineer for review an Application for Payment filled out and signed by Contractor covering the Work completed as of the date of the Application and accompanied by such supporting documentation as is required by the Contract Documents. If payment is requested on the basis of materials and equipment not incorporated in the Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice, or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance or other arrangements to protect Owner's interest therein, all of which must be satisfactory to Owner.
2. Beginning with the second Application for Payment, each Application shall include an affidavit of Contractor stating that all previous progress payments received on account of the Work have been applied on account to discharge Contractor's legitimate obligations associated with prior Applications for Payment.
3. The amount of retainage with respect to progress payments will be as stipulated in the Agreement.

B. *Review of Applications*

1. Engineer will, within 10 days after receipt of each Application for Payment, either indicate in writing a recommendation of payment and present the Application to Owner or return the Application to Contractor indicating in writing Engineer's reasons for refusing to recommend payment. In the latter case, Contractor may make the necessary corrections and resubmit the Application.
2. Engineer's recommendation of any payment requested in an Application for Payment will constitute a representation by Engineer to Owner, based on Engineer's observations on the Site of the executed Work as an experienced and qualified design professional and on Engineer's review of the Application for Payment and the accompanying data and schedules, that to the best of Engineer's knowledge, information and belief:
 - a. the Work has progressed to the point indicated;
 - b. the quality of the Work is generally in accordance with the Contract Documents (subject to an evaluation of the Work as a functioning whole prior to or upon Substantial Completion, to the results of any subsequent tests called for in the Contract Documents, to a final determination of quantities and classifications for Unit Price Work under Paragraph 9.07, and to any other qualifications stated in the recommendation); and
 - c. the conditions precedent to Contractor's being entitled to such payment appear to have been fulfilled in so far as it is Engineer's responsibility to observe the Work.

3. By recommending any such payment Engineer will not thereby be deemed to have represented that:
 - a. inspections made to check the quality or the quantity of the Work as it has been performed have been exhaustive, extended to every aspect of the Work in progress, or involved detailed inspections of the Work beyond the responsibilities specifically assigned to Engineer in the Contract Documents; or
 - b. that there may not be other matters or issues between the parties that might entitle Contractor to be paid additionally by Owner or entitle Owner to withhold payment to Contractor.
4. Neither Engineer's review of Contractor's Work for the purposes of recommending payments nor Engineer's recommendation of any payment, including final payment, will impose responsibility on Engineer:
 - a. to supervise, direct, or control the Work, or
 - b. for the means, methods, techniques, sequences, or procedures of construction, or the safety precautions and programs incident thereto, or
 - c. for Contractor's failure to comply with Laws and Regulations applicable to Contractor's performance of the Work, or
 - d. to make any examination to ascertain how or for what purposes Contractor has used the moneys paid on account of the Contract Price, or
 - e. to determine that title to any of the Work, materials, or equipment has passed to Owner free and clear of any Liens.
5. Engineer may refuse to recommend the whole or any part of any payment if, in Engineer's opinion, it would be incorrect to make the representations to Owner stated in Paragraph 14.02.B.2. Engineer may also refuse to recommend any such payment or, because of subsequently discovered evidence or the results of subsequent inspections or tests, revise or revoke any such payment recommendation previously made, to such extent as may be necessary in Engineer's opinion to protect Owner from loss because:
 - a. the Work is defective, or completed Work has been damaged, requiring correction or replacement;
 - b. the Contract Price has been reduced by Change Orders;
 - c. Owner has been required to correct defective Work or complete Work in accordance with Paragraph 13.09; or
 - d. Engineer has actual knowledge of the occurrence of any of the events enumerated in Paragraph 15.02.A.

C. Payment Becomes Due

1. Ten days after presentation of the Application for Payment to Owner with Engineer's recommendation, the amount recommended will (subject to the provisions of Paragraph 14.02.D) become due, and when due will be paid by Owner to Contractor.

D. Reduction in Payment

1. Owner may refuse to make payment of the full amount recommended by Engineer because:
 - a. claims have been made against Owner on account of Contractor's performance or furnishing of the Work;

- b. Liens have been filed in connection with the Work, except where Contractor has delivered a specific bond satisfactory to Owner to secure the satisfaction and discharge of such Liens;
 - c. the Contractor's performance or furnishing of the Work is inconsistent with funding Agency requirements;
 - d. there are other items entitling Owner to a set-off against the amount recommended; or
 - e. Owner has actual knowledge of the occurrence of any of the events enumerated in Paragraphs 14.02.B.5.a through 14.02.B.5.c or Paragraph 15.02.A.
2. If Owner refuses to make payment of the full amount recommended by Engineer, Owner will give Contractor immediate written notice (with a copy to Engineer) stating the reasons for such action and promptly pay Contractor any amount remaining after deduction of the amount so withheld. Owner shall promptly pay Contractor the amount so withheld, or any adjustment thereto agreed to by Owner and Contractor, when Contractor corrects to Owner's satisfaction the reasons for such action.
3. If it is subsequently determined that Owner's refusal of payment was not justified, the amount wrongfully withheld shall be treated as an amount due as determined by Paragraph 14.02.C.1.

14.03 *Contractor's Warranty of Title*

- A. Contractor warrants and guarantees that title to all Work, materials, and equipment covered by any Application for Payment, whether incorporated in the Project or not, will pass to Owner no later than the time of payment free and clear of all Liens.

14.04 *Substantial Completion*

- A. When Contractor considers the entire Work ready for its intended use Contractor shall notify Owner and Engineer in writing that the entire Work is substantially complete (except for items specifically listed by Contractor as incomplete) and request that Engineer issue a certificate of Substantial Completion.
- B. Promptly after Contractor's notification, Owner, Agency, Contractor, and Engineer shall make a prefinal inspection of the Work to determine the status of completion. If Engineer does not consider the Work substantially complete, Engineer will notify Contractor in writing giving the reasons therefor.
- C. If Engineer considers the Work substantially complete, Engineer will deliver to Owner a tentative certificate of Substantial Completion which shall fix the date of Substantial Completion. There shall be attached to the certificate a tentative list of items to be completed or corrected before final payment. Owner shall have seven days after receipt of the tentative certificate during which to make written objection to Engineer as to any provisions of the certificate or attached list. If, after considering such objections, Engineer concludes that the Work is not substantially complete, Engineer will within 14 days after submission of the tentative certificate to Owner notify Contractor in writing, stating the reasons therefor. If, after consideration of Owner's objections, Engineer considers the Work substantially complete, Engineer will within said 14 days execute and deliver to Owner and Contractor a definitive certificate of Substantial Completion (with a revised tentative list of items to be completed or corrected) reflecting such changes from the tentative certificate as Engineer believes justified after consideration of any objections from Owner.
- D. At the time of delivery of the tentative certificate of Substantial Completion, Engineer will deliver to Owner and Contractor a written recommendation as to division of responsibilities pending final payment between Owner and Contractor with respect to security, operation, safety, and protection of the Work, maintenance, heat, utilities, insurance, and warranties and guarantees. Unless Owner and Contractor agree otherwise in writing and so inform Engineer in writing prior to Engineer's issuing the definitive certificate of Substantial Completion, Engineer's aforesaid recommendation will be binding on Owner and Contractor until final payment.

- E. Owner shall have the right to exclude Contractor from the Site after the date of Substantial Completion subject to allowing Contractor reasonable access to complete or correct items on the tentative list.

14.05 *Partial Utilization*

- A. Prior to Substantial Completion of all the Work, Owner may use or occupy any substantially completed part of the Work which has specifically been identified in the Contract Documents, or which Owner, Engineer, and Contractor agree constitutes a separately functioning and usable part of the Work that can be used by Owner for its intended purpose without significant interference with Contractor's performance of the remainder of the Work, subject to the following conditions.
 - 1. Owner at any time may request Contractor in writing to permit Owner to use or occupy any such part of the Work which Owner believes to be ready for its intended use and substantially complete. If and when Contractor agrees that such part of the Work is substantially complete, Contractor will certify to Owner and Engineer that such part of the Work is substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
 - 2. Contractor at any time may notify Owner and Engineer in writing that Contractor considers any such part of the Work ready for its intended use and substantially complete and request Engineer to issue a certificate of Substantial Completion for that part of the Work.
 - 3. Within a reasonable time after either such request, Owner, Contractor, and Engineer shall make an inspection of that part of the Work to determine its status of completion. If Engineer does not consider that part of the Work to be substantially complete, Engineer will notify Owner and Contractor in writing giving the reasons therefor. If Engineer considers that part of the Work to be substantially complete, the provisions of Paragraph 14.04 will apply with respect to certification of Substantial Completion of that part of the Work and the division of responsibility in respect thereof and access thereto.
 - 4. No use or occupancy or separate operation of part of the Work may occur prior to compliance with the requirements of Paragraph 5.10 regarding property insurance.

14.06 *Final Inspection*

- A. Upon written notice from Contractor that the entire Work or an agreed portion thereof is complete, Engineer will promptly make a final inspection with Owner, Agency, and Contractor and will notify Contractor in writing of all particulars in which this inspection reveals that the Work is incomplete or defective. Contractor shall immediately take such measures as are necessary to complete such Work or remedy such deficiencies.

14.07 *Final Payment*

A. *Application for Payment*

- 1. After Contractor has, in the opinion of Engineer, satisfactorily completed all corrections identified during the final inspection and has delivered, in accordance with the Contract Documents, all maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance certificates of inspection, marked-up record documents (as provided in Paragraph 6.12), and other documents, Contractor may make application for final payment following the procedure for progress payments.
- 2. The final Application for Payment shall be accompanied (except as previously delivered) by:
 - a. all documentation called for in the Contract Documents, including but not limited to the evidence of insurance required by Paragraph 5.04.B.7;
 - b. consent of the surety, if any, to final payment;

- c. a list of all Claims against Owner that Contractor believes are unsettled; and
 - d. complete and legally effective releases or waivers (satisfactory to Owner) of all Lien rights arising out of or Liens filed in connection with the Work.
3. In lieu of the releases or waivers of Liens specified in Paragraph 14.07.A.2 and as approved by Owner, Contractor may furnish receipts or releases in full and an affidavit of Contractor that: (i) the releases and receipts include all labor, services, material, and equipment for which a Lien could be filed; and (ii) all payrolls, material and equipment bills, and other indebtedness connected with the Work for which Owner or Owner's property might in any way be responsible have been paid or otherwise satisfied. If any Subcontractor or Supplier fails to furnish such a release or receipt in full, Contractor may furnish a bond or other collateral satisfactory to Owner to indemnify Owner against any Lien.

B. Engineer's Review of Application and Acceptance

1. If, on the basis of Engineer's observation of the Work during construction and final inspection, and Engineer's review of the final Application for Payment and accompanying documentation as required by the Contract Documents, Engineer is satisfied that the Work has been completed and Contractor's other obligations under the Contract Documents have been fulfilled, Engineer will, within ten days after receipt of the final Application for Payment, indicate in writing Engineer's recommendation of payment and present the Application for Payment to Owner for payment. At the same time Engineer will also give written notice to Owner and Contractor that the Work is acceptable subject to the provisions of Paragraph 14.09. Otherwise, Engineer will return the Application for Payment to Contractor, indicating in writing the reasons for refusing to recommend final payment, in which case Contractor shall make the necessary corrections and resubmit the Application for Payment.

C. Payment Becomes Due

1. Thirty days after the presentation to Owner of the Application for Payment and accompanying documentation, the amount recommended by Engineer, less any sum Owner is entitled to set off against Engineer's recommendation, including but not limited to liquidated damages, will become due and will be paid by Owner to Contractor.

14.08 *Final Completion Delayed*

- A. If, through no fault of Contractor, final completion of the Work is significantly delayed, and if Engineer so confirms, Owner shall, upon receipt of Contractor's final Application for Payment (for Work fully completed and accepted) and recommendation of Engineer, and without terminating the Contract, make payment of the balance due for that portion of the Work fully completed and accepted. If the remaining balance to be held by Owner for Work not fully completed or corrected is less than the retainage stipulated in the Agreement, and if bonds have been furnished as required in Paragraph 5.01, the written consent of the surety to the payment of the balance due for that portion of the Work fully completed and accepted shall be submitted by Contractor to Engineer with the Application for such payment. Such payment shall be made under the terms and conditions governing final payment, except that it shall not constitute a waiver of Claims. The remaining balance of any sum included in the final Application for Payment but held by OWNER for Work not fully completed and accepted will become due when the Work is fully completed and accepted.

14.09 *Waiver of Claims*

- A. The making and acceptance of final payment will constitute:
 1. a waiver of all Claims by Owner against Contractor, except Claims arising from unsettled Liens, from defective Work appearing after final inspection pursuant to Paragraph 14.06, from failure to comply with the Contract

- Documents or the terms of any special guarantees specified therein, or from Contractor's continuing obligations under the Contract Documents; and
2. a waiver of all Claims by Contractor against Owner other than those previously made in accordance with the requirements herein and expressly acknowledged by Owner in writing as still unsettled.

ARTICLE 15 – SUSPENSION OF WORK AND TERMINATION

15.01 *Owner May Suspend Work*

- A. At any time and without cause, Owner may suspend the Work or any portion thereof for a period of not more than 90 consecutive days by notice in writing to Contractor and Engineer which will fix the date on which Work will be resumed. Contractor shall resume the Work on the date so fixed. Contractor shall be granted an adjustment in the Contract Price or an extension of the Contract Times, or both, directly attributable to any such suspension if Contractor makes a Claim therefor as provided in Paragraph 10.05.

15.02 *Owner May Terminate for Cause*

- A. The occurrence of any one or more of the following events will justify termination for cause:
 1. Contractor's persistent failure to perform the Work in accordance with the Contract Documents (including, but not limited to, failure to supply sufficient skilled workers or suitable materials or equipment or failure to adhere to the Progress Schedule established under Paragraph 2.07 as adjusted from time to time pursuant to Paragraph 6.04);
 2. Contractor's disregard of Laws or Regulations of any public body having jurisdiction;
 3. Contractor's disregard of the authority of Engineer; or
 4. Contractor's violation in any substantial way of any provisions of the Contract Documents.
- B. If one or more of the events identified in Paragraph 15.02.A occur, Owner may, after giving Contractor (and surety) seven days written notice of its intent to terminate the services of Contractor:
 1. exclude Contractor from the Site, and take possession of the Work and of all Contractor's tools, appliances, construction equipment, and machinery at the Site, and use the same to the full extent they could be used by Contractor (without liability to Contractor for trespass or conversion),
 2. incorporate in the Work all materials and equipment stored at the Site or for which Owner has paid Contractor but which are stored elsewhere, and
 3. complete the Work as Owner may deem expedient.
- C. If Owner proceeds as provided in Paragraph 15.02.B, Contractor shall not be entitled to receive any further payment until the Work is completed. If the unpaid balance of the Contract Price exceeds all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) sustained by Owner arising out of or relating to completing the Work, such excess will be paid to Contractor. If such claims, costs, losses, and damages exceed such unpaid balance, Contractor shall pay the difference to Owner. Such claims, costs, losses, and damages incurred by Owner will be reviewed by Engineer as to their reasonableness and, when so approved by Engineer, incorporated in a Change Order. When exercising any rights or remedies under this Paragraph Owner shall not be required to obtain the lowest price for the Work performed.

- D. Notwithstanding Paragraphs 15.02.B and 15.02.C, Contractor's services will not be terminated if Contractor begins within seven days of receipt of notice of intent to terminate to correct its failure to perform and proceeds diligently to cure such failure within no more than 30 days of receipt of said notice.
- E. Where Contractor's services have been so terminated by Owner, the termination will not affect any rights or remedies of Owner against Contractor then existing or which may thereafter accrue. Any retention or payment of moneys due Contractor by Owner will not release Contractor from liability.
- F. If and to the extent that Contractor has provided a performance bond under the provisions of Paragraph 5.01.A, the termination procedures of that bond shall supersede the provisions of Paragraphs 15.02.B, and 15.02.C.

15.03 *Owner May Terminate For Convenience*

- A. Upon seven days written notice to Contractor and Engineer, Owner may, without cause and without prejudice to any other right or remedy of Owner, terminate the Contract. In such case, Contractor shall be paid for (without duplication of any items):
 - 1. completed and acceptable Work executed in accordance with the Contract Documents prior to the effective date of termination, including fair and reasonable sums for overhead and profit on such Work;
 - 2. expenses sustained prior to the effective date of termination in performing services and furnishing labor, materials, or equipment as required by the Contract Documents in connection with uncompleted Work, plus fair and reasonable sums for overhead and profit on such expenses;
 - 3. all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or other dispute resolution costs) incurred in settlement of terminated contracts with Subcontractors, Suppliers, and others; and
 - 4. reasonable expenses directly attributable to termination.
- B. Contractor shall not be paid on account of loss of anticipated profits or revenue or other economic loss arising out of or resulting from such termination.

15.04 *Contractor May Stop Work or Terminate*

- A. If, through no act or fault of Contractor, (i) the Work is suspended for more than 90 consecutive days by Owner or under an order of court or other public authority, or (ii) Engineer fails to act on any Application for Payment within 30 days after it is submitted, or (iii) Owner fails for 30 days to pay Contractor any sum finally determined to be due, then Contractor may, upon seven days written notice to Owner and Engineer, and provided Owner or Engineer do not remedy such suspension or failure within that time, terminate the Contract and recover from Owner payment on the same terms as provided in Paragraph 15.03.
- B. In lieu of terminating the Contract and without prejudice to any other right or remedy, if Engineer has failed to act on an Application for Payment within 30 days after it is submitted, or Owner has failed for 30 days to pay Contractor any sum finally determined to be due, Contractor may, seven days after written notice to Owner and Engineer, stop the Work until payment is made of all such amounts due Contractor, including interest thereon. The provisions of this Paragraph 15.04 are not intended to preclude Contractor from making a Claim under Paragraph 10.05 for an adjustment in Contract Price or Contract Times or otherwise for expenses or damage directly attributable to Contractor's stopping the Work as permitted by this Paragraph.

ARTICLE 16 – DISPUTE RESOLUTION

16.01 *Methods and Procedures*

- A. Owner and Contractor may mutually request mediation of any Claim submitted to Engineer for a decision under Paragraph 10.05 before such decision becomes final and binding. The mediation will be governed by the Construction Industry Mediation Rules of the American Arbitration Association in effect as of the Effective Date of the Agreement. The request for mediation shall be submitted in writing to the American Arbitration Association. Timely submission of the request shall stay the effect of Paragraph 10.05.E.
- B. Owner and Contractor shall participate in the mediation process in good faith. The process shall be concluded within 60 days of filing of the request. The date of termination of the mediation shall be determined by application of the mediation rules referenced above.
- C. If the claim is not resolved by mediation, Engineer’s action under Paragraph 10.05.C or a denial pursuant to Paragraphs 10.05.C.3 or 10.05.D shall become final and binding 30 days after termination of the mediation unless, within that time period, Owner or Contractor:
 - 1. elects in writing to invoke any dispute resolution process provided for in the Supplementary Conditions, or
 - 2. agrees with the other party to submit the Claim to another dispute resolution process, or
 - 3. gives written notice to the other party of their intent to submit the Claim to a court of competent jurisdiction.

ARTICLE 17 – MISCELLANEOUS

17.01 *Giving Notice*

- A. Whenever any provision of the Contract Documents requires the giving of written notice, it will be deemed to have been validly given if:
 - 1. 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
 - 2. delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

17.02 *Computation of Times*

- A. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or on a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the computation.

17.03 *Cumulative Remedies*

- A. The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto are in addition to, and are not to be construed in any way as a limitation of, any rights and remedies available to any or all of them which are otherwise imposed or available by Laws or Regulations, by special warranty or guarantee, or by other provisions of the Contract Documents. The provisions of this Paragraph will be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

17.04 *Survival of Obligations*

- A. All representations, indemnifications, warranties, and guarantees made in, required by, or given in accordance with the Contract Documents, as well as all continuing obligations indicated in the Contract Documents, will survive final payment, completion, and acceptance of the Work or termination or completion of the Contract or termination of the services of Contractor.

17.05 *Controlling Law*

- A. This Contract is to be governed by the law of the state in which the Project is located.

17.06 *Headings*

- A. Article and paragraph headings are inserted for convenience only and do not constitute parts of these General Conditions.

ARTICLE 18 – FEDERAL REQUIREMENTS

18.01 *Agency Not a Party*

- A. This Contract is expected to be funded in part with funds provided by Agency. Neither Agency, nor any of its departments, entities, or employees is a party to this Contract.

18.02 *Contract Approval*

- A. Owner and Contractor will furnish Owner’s attorney such evidence as required so that Owner’s attorney can complete and execute the following “Certificate of Owner’s Attorney” (Exhibit GC-A) before Owner submits the executed Contract Documents to Agency for approval.
- B. Concurrence by Agency in the award of the Contract is required before the Contract is effective.

18.03 *Conflict of Interest*

- A. Contractor may not knowingly contract with a supplier or manufacturer if the individual or entity who prepared the plans and specifications has a corporate or financial affiliation with the supplier or manufacturer.
- B. Owner’s officers, employees, or agents shall not engage in the award or administration of this Contract if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when: (i) the employee, officer or agent; (ii) any member of their immediate family; (iii) their partner or (iv) an organization that employs, or is about to employ, any of the above, has a financial interest in Contractor. Owner’s officers, employees, or agents shall neither solicit nor accept gratuities, favors or anything of monetary value from Contractor or subcontractors.

18.04 *Gratuities*

- A. If Owner finds after a notice and hearing that Contractor, or any of Contractor’s agents or representatives, offered or gave gratuities (in the form of entertainment, gifts, or otherwise) to any official, employee, or agent of Owner or Agency in an attempt to secure this Contract or favorable treatment in awarding, amending, or making any determinations related to the performance of this Contract, Owner may, by written notice to Contractor, terminate this Contract. Owner may also pursue other rights and remedies that the law or this Contract provides. However, the existence of the facts on which Owner bases such findings shall be an issue and may be reviewed in proceedings under the dispute resolution provisions of this Contract.
- B. In the event this Contract is terminated as provided in paragraph 18.04.A, Owner may pursue the same remedies against Contractor as it could pursue in the event of a breach of this Contract by Contractor. As a penalty, in

addition to any other damages to which it may be entitled by law, Owner may pursue exemplary damages in an amount (as determined by Owner) which shall not be less than three nor more than ten times the costs Contractor incurs in providing any such gratuities to any such officer or employee.

18.05 *Audit and Access to Records*

- A. For all negotiated contracts and negotiated modifications (except those of \$10,000 or less), Owner, Agency, the Comptroller General, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Contractor, which are pertinent to the Contract, for the purpose of making audits, examinations, excerpts and transcriptions. Contractor shall maintain all required records for three years after final payment is made and all other pending matters are closed.

18.06 *Small, Minority and Women's Businesses*

- A. If Contractor intends to let any subcontracts for a portion of the work, Contractor shall take affirmative steps to assure that small, minority and women's businesses are used when possible as sources of supplies, equipment, construction, and services. Affirmative steps shall consist of: (1) including qualified small, minority and women's businesses on solicitation lists; (2) assuring that small, minority and women's businesses are solicited whenever they are potential sources; (3) dividing total requirements when economically feasible, into small tasks or quantities to permit maximum participation of small, minority, and women's businesses; (4) establishing delivery schedules, where the requirements of the work permit, which will encourage participation by small, minority and women's businesses; (5) using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce; (6) requiring each party to a subcontract to take the affirmative steps of this section; and (7) Contractor is encouraged to procure goods and services from labor surplus area firms.

18.07 *Anti-Kickback*

- A. Contractor shall comply with the Copeland Anti-Kickback Act (18 USC 874 and 40 USC 276c) as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Buildings or Public Works Financed in Whole or in Part by Loans or Grants of the United States"). The Act provides that Contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public facilities, to give up any part of the compensation to which they are otherwise entitled. Owner shall report all suspected or reported violations to Agency.

18.08 *Clean Air and Pollution Control Acts*

- A. If this Contract exceeds \$100,000, Contractor shall comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 USC 7401 *et seq.*) and the Federal Water Pollution Control Act as amended (33 USC 1251 *et seq.*). Contractor will report violations to the Agency and the Regional Office of the EPA.

18.09 *State Energy Policy*

- A. Contractor shall comply with the Energy Policy and Conservation Act (P.L. 94-163). Mandatory standards and policies relating to energy efficiency, contained in any applicable State Energy Conservation Plan, shall be utilized.

18.10 *Equal Opportunity Requirements*

- A. If this Contract exceeds \$10,000, Contractor shall comply with Executive Order 11246, "Equal Employment Opportunity," as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

- B. Contractor's compliance with Executive Order 11246 shall be based on its implementation of the Equal Opportunity Clause, specific affirmative active obligations required by the Standard Federal Equal Employment Opportunity Construction Contract Specifications, as set forth in 41 CFR Part 60-4 and its efforts to meet the goals established for the geographical area where the Contract is to be performed. The hours of minority and female employment and training must be substantially uniform throughout the length of the Contract, and in each trade, and Contractor shall make a good faith effort to employ minorities and women evenly on each of its projects. The transfer of minority or female employees or trainees from Contractor to Contractor or from project to project for the sole purpose of meeting Contractor's goals shall be a violation of the Contract, the Executive Order, and the regulations in 41 CFR Part 60-4. Compliance with the goals will be measured against the total work hours performed.
- C. Contractor shall provide written notification to the Director of the Office of Federal Contract Compliance Programs within 10 working days of award of any construction subcontract in excess of \$10,000 at any tier for construction work under the Contract resulting from this solicitation. The notification shall list the name, address, and telephone number of the subcontractor; employer identification number; estimated dollar amount of subcontract; estimated starting and completion dates of the subcontract; and the geographical area in which the Contract is to be performed.

18.11 *Restrictions on Lobbying*

- A. Contractor and each subcontractor shall comply with Restrictions on Lobbying (Public Law 101-121, Section 319) as supplemented by applicable Agency regulations. This Law applies to the recipients of contracts and subcontracts that exceed \$100,000 at any tier under a Federal loan that exceeds \$150,000 or a Federal grant that exceeds \$100,000. If applicable, Contractor must complete a certification form on lobbying activities related to a specific Federal loan or grant that is a funding source for this Contract. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 USC 1352. Each tier shall disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Certifications and disclosures are forwarded from tier to tier up to the Owner. Necessary certification and disclosure forms shall be provided by Owner.

18.12 *Environmental Requirements*

- A. When constructing a project involving trenching and/or other related earth excavations, Contractor shall comply with the following environmental constraints:
 - 1. Wetlands – When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert wetlands.
 - 2. Floodplains – When disposing of excess, spoil, or other construction materials on public or private property, Contractor shall not fill in or otherwise convert 100 year floodplain areas delineated on the latest Federal Emergency Management Agency Floodplain Maps, or other appropriate maps, i.e., alluvial soils on NRCS Soil Survey Maps.
 - 3. Historic Preservation – Any excavation by Contractor that uncovers an historical or archaeological artifact shall be immediately reported to Owner and a representative of Agency. Construction shall be temporarily halted pending the notification process and further directions issued by Agency after consultation with the State Historic Preservation Officer (SHPO).
 - 4. Endangered Species – Contractor shall comply with the Endangered Species Act, which provides for the protection of endangered and/or threatened species and critical habitat. Should any evidence of the presence of endangered and/or threatened species or their critical habitat be brought to the attention of Contractor, Contractor will immediately report this evidence to Owner and a representative of Agency. Construction shall

be temporarily halted pending the notification process and further directions issued by Agency after consultation with the U.S. Fish and Wildlife Service.

EXHIBIT GC-A

Certificate of Owner's Attorney

I, the undersigned, _____, the duly authorized and acting legal representative of _____, do hereby certify as follows:

I have examined the attached Contract(s) and performance and payment bond(s) and the manner of execution thereof, and I am of the opinion that each of the aforesaid agreements is adequate and has been duly executed by the proper parties thereto acting through their duly authorized representatives; that said representatives have full power and authority to execute said agreements on behalf of the respective parties named thereon; and that the foregoing agreements constitute valid and legally binding obligations upon the parties executing the same in accordance with the terms, conditions, and provisions thereof.

Date: _____

Document 007110 – Supplementary Conditions

These Supplementary Conditions amend or supplement the Standard General Conditions of the Construction Contract Funding Agency Edition (No. C-710, 2002 Edition) and other provisions of the Contract Documents as indicated below. All provisions that are not so amended or supplemented remain in full force and effect.

The terms used in these Supplementary Conditions will have the meanings indicated in the General Conditions. Additional terms used in these Supplementary Conditions have the meanings stated below, which are applicable to both the singular and plural thereof.

SC-1.01.A.4. Add the following language to the end of Paragraph 1.01.A.4:

The Application for Payment form to be used on this Project is EJCDC No. C-620.

SC-1.01.A.10. Add the following language to the end of Paragraph 1.01.A.10:

The Change Order form to be used on this Project is EJCDC No. C-941.

SC-1.01.A.21. Add the following language to the end of Paragraph 1.01.A.21:

The Engineer's Consultants on this project are: KSKB Enterprises, Inc. – electrical design.

SC-2.03.A. Delete Paragraph 2.03.A in its entirety and insert the following in its place:

- A. The Contract Times will commence to run on the day indicated in the Notice to Proceed. A Notice to Proceed may be given at any time within 30 days after the Effective Date of the Agreement.

SC-4.06. Delete Paragraphs 4.06.A and 4.06.B in their entirety and insert the following:

- A. No reports or explorations or tests of hazardous environmental conditions at or contiguous to the Site are known to the Owner or Engineer.
- B. Not used.

SC-5.03. Add the following new paragraph immediately after Paragraph 5.03.B:

- C. Failure of the Owner to demand such certificates or other evidence of full compliance with these insurance requirements or failure of the Owner to identify a deficiency from evidence provided shall not be construed as a waiver of Contractor's obligation to maintain such insurance.

SC-5.04. Add the following new paragraph immediately after Paragraph 5.04.B:

- C. The limits of liability for insurance required by Paragraph 5.04 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:

1. Workers' Compensation, and related coverages under Paragraphs 5.04.A.1 and A.2 of the General Conditions:
 - a. State: Statutory
 - b. Applicable Federal (e.g., Longshoremen's) Statutory
 - c. Employer's Liability \$ 500,000

2. Contractor's General Liability under Paragraphs 5.04.A.3 through A.6 of the General Conditions which shall include completed operations and product liability coverages and eliminate the exclusion with respect to property under the care, custody, and control of the Contractor:
 - a. General Aggregate \$ 2,000,000
 - b. Products - Completed Operations Aggregate \$ 1,000,000
 - c. Personal and Advertising Injury \$ 1,000,000
 - d. Each Occurrence (Bodily Injury and Property Damage) \$ 1,000,000
 - e. **Property Damage liability insurance will provide Explosion, Collapse, and Underground coverages where applicable.**
 - f. Excess or Umbrella Liability
 - 1) General Aggregate \$ 5,000,000
 - 2) Each Occurrence \$ 5,000,000

3. Automobile Liability under Paragraph 5.04.A.6 of the General Conditions:
 - a. Bodily Injury:

Each Person	\$ 1,000,000
Each Accident	\$ 1,000,000
 - b. Property Damage:

Each Accident	\$ 1,000,000
---------------	--------------
 - c. Combined Single Limit of \$ 1,000,000

4. The Contractual Liability coverage required by paragraph 5.04.B.4 of the General Conditions shall provide coverage for not less than the following amounts:
 - a. Bodily Injury:

Each Person	\$ 2,000,000
Each Accident	\$ 2,000,000
 - b. Property Damage:

Each Accident	\$ 2,000,000
Annual Aggregate	\$ 2,000,000

5. The following shall be listed as additional insureds:

1. OWNER
2. Hurt & Proffitt, Inc.
2524 Langhorne Road
Lynchburg, VA 24501

SC-6.05.C. Amend the paragraph by making two subparagraphs under the title C. Engineer's Evaluation. The paragraph text is retitled, 6.05.C.2 After Effective Date of Agreement. A new paragraph is added before this paragraph to read as follows:

1. During Bidding. The Contract, if awarded, will be on the basis of materials and equipment specified or described in the Bidding Documents, or "or-equal" materials and equipment as defined in paragraph 6.05 of the General Conditions, or those substitute materials and equipment approved by the Engineer and identified by Addendum. The materials and equipment described in the Bidding Documents establish a standard of required type, function, and quality to be met by any proposed substitute or "or-equal" item. Request for Engineer's clarification of materials and equipment considered "or-equal" prior to the Effective Date of the Agreement must be received by the Engineer at least 5 days prior to the date for receipt of Bids. No item of material or equipment will be considered by Engineer as a substitute unless written request for approval has been submitted by Bidder and has been received by Engineer at least 15 days prior to the date for receipt of Bids. Each request shall conform to the requirements of Paragraph 6.05 of the General Conditions. The burden of proof of the merit of the proposed item is upon the Bidder. Engineer's decision of approval or disapproval of a proposed item will be final. If Engineer approves any proposed substitute item, such approval will be set forth in an Addendum issued to all prospective Bidders. Bidders shall not rely upon approvals made in any other manner.

SC-6.06 Add a new paragraph immediately after Paragraph 6.06.G:

- H. The Contractor shall not award work valued at more than fifty (50%) percent of the Contract Price to Subcontractor(s), without prior written approval of the Owner.

SC-6.09 Add the following new paragraph immediately after paragraph 6.09C:

- D. Compliance with VDOT Land Use Permit Regulations shall be as follows:

Where the Work is in, or encroaches upon, the VDOT Right-of-Way, CONTRACTOR shall perform all Work in strict compliance with all applicable VDOT regulations and requirements, and to the approval of local VDOT Resident Engineer and his/her agents. Strict adherence to the latest edition of the Virginia Work Area Protection Manual will be required. Frequent inspections of job conditions will be conducted to determine compliance with all VDOT requirements. Compliance with VDOT requirements shall be the sole responsibility of the CONTRACTOR, with the determination of compliance at the sole discretion of VDOT personnel. Failure to comply with any VDOT requirement will result in a full-time VDOT inspector being assigned to the project. Charges for the VDOT inspector will be based on the actual cost of the labor, materials, and incidentals as determined by VDOT, with the average rate being approximately \$30/hr; these charges will be at the expense of the CONTRACTOR. These charges will be invoiced from VDOT to the OWNER, and the OWNER shall deduct these expenses plus a 10% administrative fee from the progress payments to the CONTRACTOR. A retainage will

be held from the CONTRACTOR's final payment until the OWNER has received a Land Use Permit Completion Notice and the final invoice from VDOT has been received.

SC-6.12 Add the following paragraph immediately after paragraph 6.12.A of the General Conditions:

SC-6.12.B. If OWNER utilizes any part of the project in accordance with paragraph GC-14.05, CONTRACTOR shall provide ENGINEER for OWNER, a complete set of record drawings current to the date of OWNER's utilization together with all required operation and maintenance manuals, shop drawings, etc., relating to the part of the project being utilized. CONTRACTOR shall submit said documents prior to OWNER accepting the part of the project to be utilized, and CONTRACTOR will be required to submit an updated set of final record documents upon final completion of the project.

SC-6.16 Add the following paragraph immediately after paragraph 6.16.A of the General Conditions:

SC-6.16.B. CONTRACTOR shall designate one person to respond to emergencies and act on the CONTRACTOR's behalf during off-work hours at the project site. The person's name, address, and telephone number shall be provided to the OWNER during the preconstruction conference and the designated person shall be on call during off-work hours. Response time shall not exceed one hour after notification is given by OWNER or ENGINEER that an emergency exists at the project site.

SC-9.03.A. Add the following language at the end of paragraph 9.03.A:

The Engineer may provide Resident Project Representative services for this project. The Duties, Responsibilities, and Limitations of Authority of the Resident Project Representative will be as stated in Exhibit D of the Agreement Between Owner and Engineer, E-510, 2002 Edition, as amended and executed for this specific Project.

SC -12.03.E. Add the following new paragraph immediately after paragraph 12.03.E:

When establishing the contract time, an allowance will be made for four (4) calendar days of work lost per month due to inclement weather conditions. The Contractor, at the time of each periodic pay request, shall submit to the Engineer and Owner for approval a list of all working days lost due to either inclement weather or site conditions caused by inclement weather for the period.

Accompanying his list should be a summary of the specific conditions which caused the loss. This request will be reviewed by the Engineer in light of observations made by the Engineer and resident inspector. Approval of the periodic payment estimate by the Engineer, Owner, and Agency will also include approval of the weather delay request. After substantial completion, and not until then, a change order must be executed if a time extension for weather related delays is requested by the Contractor. The time extension must be based solely on the time requested within the periodic payment estimates. Subtracted from this time will be the four (4) days per month allowance assumed in the contract. There cannot be a decrease in contract length if the allowance for inclement weather exceeds the actual number of days lost due to inclement weather. To convert working days into calendar days, multiply the working days by seven (7) and divide by the number of working days in a typical work week.

SC-14.02.A.3 Add the following language at the end of paragraph 14.02.A.3:

No payments will be made that would deplete the retainage, place in escrow any funds that are required for retainage, or invest the retainage for the benefit of the Contractor.

SC-14.02.C.1. Delete Paragraph 14.02.C.1 in its entirety and insert the following in its place:

1. The Application for Payment with Engineer's recommendations will be presented to the Owner and Agency for consideration. If the Owner finds the Application for Payment acceptable, the recommended amount less any reduction under the provisions of Paragraph 14.02.D will become due twenty (s2) days after the Application for Payment is presented to the Owner, and the Owner will make payment to the Contractor.

SC -17.05.A Add the following language at the end of paragraph 17.05.A

The Code of Virginia (Virginia Public Procurement Act) requires all public bodies to include in every contract of more than \$10,000 the following two provisions: Section 2.2-4311, Employment discrimination by contractor prohibited; required contract provisions, and Section 2.2-4312, Drug-free workplace to be maintained by contractor; required contract provisions.

§ 2.2-4311.1. Compliance with federal, state, and local laws and federal immigration law; required contract provisions.

All public bodies shall provide in every written contract that the contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.

§ 2.2-4312. Drug-free workplace to be maintained by contractor; required contract provisions.

All public bodies shall include in every contract over \$10,000 the following provisions:

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor in accordance with this chapter, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

END OF DOCUMENT

Change Order No. _____

Date of Issuance: _____ Effective Date: _____

Project: Rocky Mount WTP Electrical System Upgrade	Owner: Town of Rocky Mount	Owner's Contract No.:
Contract: Contract 1		Date of Contract:
Contractor:		Engineer's Project No.: 20120279

The Contract Documents are modified as follows upon execution of this Change Order:

Description:

Attachments (list documents supporting change):

CHANGE IN CONTRACT PRICE:

CHANGE IN CONTRACT TIMES:

Original Contract Price: \$ _____	Original Contract Times: <input type="checkbox"/> Working days <input type="checkbox"/> Calendar days Substantial completion (days or date): _____ Ready for final payment (days or date): _____
--------------------------------------	--

[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: \$ _____	[Increase] [Decrease] from previously approved Change Orders No. _____ to No. _____: Substantial completion (days): _____ Ready for final payment (days): _____
--	---

Contract Price prior to this Change Order: \$ _____	Contract Times prior to this Change Order: Substantial completion (days or date): _____ Ready for final payment (days or date): _____
--	---

[Increase] [Decrease] of this Change Order: \$ _____	[Increase] [Decrease] of this Change Order: Substantial completion (days or date): _____ Ready for final payment (days or date): _____
---	--

Contract Price incorporating this Change Order: \$ _____	Contract Times with all approved Change Orders: Substantial completion (days or date): _____ Ready for final payment (days or date): _____
---	--

RECOMMENDED: By: _____ Engineer (Authorized Signature) Date: _____ Approved by Funding Agency (if applicable): _____	ACCEPTED: By: _____ Owner (Authorized Signature) Date: _____	ACCEPTED: By: _____ Contractor (Authorized Signature) Date: _____ Date: _____
--	---	---

Change Order

Instructions

A. GENERAL INFORMATION

This document was developed to provide a uniform format for handling contract changes that affect Contract Price or Contract Times. Changes that have been initiated by a Work Change Directive must be incorporated into a subsequent Change Order if they affect Price or Times.

Changes that affect Contract Price or Contract Times should be promptly covered by a Change Order. The practice of accumulating Change Orders to reduce the administrative burden may lead to unnecessary disputes.

If Milestones have been listed in the Agreement, any effect of a Change Order thereon should be addressed.

For supplemental instructions and minor changes not involving a change in the Contract Price or Contract Times, a Field Order should be used.

B. COMPLETING THE CHANGE ORDER FORM

Engineer normally initiates the form, including a description of the changes involved and attachments based upon documents and proposals submitted by Contractor, or requests from Owner, or both.

Once Engineer has completed and signed the form, all copies should be sent to Owner or Contractor for approval, depending on whether the Change Order is a true order to the Contractor or the formalization of a negotiated agreement for a previously performed change. After approval by one contracting party, all copies should be sent to the other party for approval. Engineer should make distribution of executed copies after approval by both parties.

If a change only applies to price or to times, cross out the part of the tabulation that does not apply.

END OF DOCUMENT

WORK CHANGE DIRECTIVE

No. _____

DATE OF ISSUANCE: _____

EFFECTIVE DATE: _____

OWNER Maury Service Authority

CONTRACTOR _____

Contract: Contract 1

Project: Town of Rocky Mount WTP Electrical System Upgrade

Project Contract No 20120279

You are directed to proceed promptly with the following changes(s):
Description:

Purpose of Work Change Directive:

Attachments: (List documents supporting change)

If OWNER or CONTRACTOR believe that the above change has affected Contract Price any Claim for a Change Order based thereon will involve one or more of the following methods as defined in the Contract Documents.

Method of determining change in
Contract Price:

Unit Prices

Lump Sum

Cost of the Work _____

Estimated increase (decrease) in Contract Price:
\$ _____
If the change involves an increase, the estimated amount is not to be exceeded without further authorization.

Estimated increase (decrease) in Contract Times:
Substantial Completion: _____ days;
Ready for final payment: _____ days;

RECOMMENDED:

AUTHORIZED:

ENGINEER

By: _____

OWNER

By: _____

EJCDC No. 1910-8-F (1996 Edition)

Prepared by the Engineers Joint Contract Documents Committee and endorsed by the Associated General Contractors of America and the Construction Specifications Institute.

END OF DOCUMENT

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens**
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED:	January 14, 2012
----------------------------	------------------

STAFF MAKING REQUEST:	Assistant Town Manager Police Department
BRIEF SUMMARY OF REQUEST:	Staff and departmental recommendation for purchase of police vehicles using grant funds supplied by USDA and appropriating funds from fund balance to provide the Town share.
ACTION NEEDED:	Authorize the purchase of two Ford Interceptor Utility vehicles in support of the K9 program, and appropriate the matching funds from fund balance.

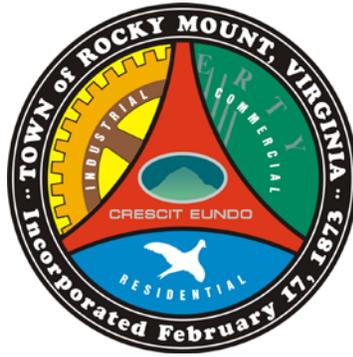
Attachment(s): Yes

FOLLOW-UP ACTION: (To be completed by Town Clerk)	

TOWN OF ROCKY MOUNT
345 DONALD AVE.
ROCKY MOUNT, VIRGINIA 24151

540.483.0907
FAX : 540.483.8830

E-MAIL: MHANKINS@ROCKYMOUNTVA.ORG
WWW.ROCKYMOUNTVA.ORG



TOWN COUNCIL
STEVEN C. ANGLE, *MAYOR*
GREGORY B. WALKER, *VICE MAYOR*

BOBBY M. CUNDIFF P. ANN LOVE
JERRY W. GREER, SR. BOBBY L. MOYER
BILLIE W. STOCKTON

MATTHEW C. HANKINS
Assistant Town Manager
Director, Community Development

MEMORANDUM

To: Mayor Angle & Town Council
C. James Ervin, Town Manager

From: Matthew C. Hankins, Assistant Town Manager
David Cundiff, Police Chief

Date: January 7, 2013

Re: Recommendation for use of USDA Grant Funds for Police Vehicles

Members of Council:

After you accepted the award of \$25,000 in USDA Rural Development funds for the purchase of two police vehicles, we have reviewed the Town Police Department needs to determine a recommendation for the vehicle purchase.

One of the department's most successful efforts over the past two years has been the implementation of the K9 officer program. Their efforts in drug detection have yielded tangible results in decreasing the amount of drug activity in the Town of Rocky Mount and increasing arrests made for drug activity.

Vehicles currently used for K9 officers are patrol cruisers not ideally suited to safely transport and deploy K9s. If this successful effort is to continue, the department needs vehicles to safely carry the animals and their handlers.

Secondarily, the department has a greater need for vehicles that can safely carry officers responding to emergencies during dangerous road conditions. Typically, under snow and ice conditions, the department either has to put chains on the Crown Victorias, use one or two available department four-wheel-drive vehicles, or borrow unmarked, non-police four-wheel-drives from other departments.

The appropriate response to both meet these needs and use the unexpected, unbudgeted USDA funds would be to purchase new 2013 Ford Interceptor Utility vehicles, the police equivalent of the Ford Explorer, using the state contract.

The base contract price for these vehicles is \$25,513 per vehicle before options. Staff recommends adding light, officer safety and secure operations dealer options at a cost of \$4,811 per vehicle, bringing the delivery price per vehicle to \$30,324.50.

The total delivery cost is \$60,649. The department will need an additional \$6,500 to install arrest cages, radios and miscellaneous racks and equipment in the vehicles, bringing the total to \$67,149. Credit that total with \$25,000 from USDA, and the total town share needed from fund balance is \$42,149. This amount would normally have been requested in Fiscal Year 2014 budget requests, but the USDA grant must be spent by the end of March. Staff recommends approval.



DRAFT

**TOWN OF ROCKY MOUNT
SUPPLEMENTAL APPROPRIATION RESOLUTION
FOR THE FISCAL YEAR ENDING JUNE 30, 2013**

WHEREAS, the Town Council of Rocky Mount approved a budget for the fiscal year beginning July 1, 2012 through June 30, 2013, hereafter known as FY 2013;

WHEREAS, the United States Department of Agriculture has awarded the Town Rural Development funds for the purchase of two police vehicles and,

WHEREAS, The Town will use the \$25,000 USDA grant funds with an additional \$42,149 in Town funds to total \$67,149 for the purchase of two 2013 Ford Interceptor Utility vehicles to safely transport the Town's K9 units, and

WHEREAS, the Town Council of Rocky Mount wishes to thank the U.S.D.A. for their generous grant award,

NOW, THEREFORE, BE IT RESOLVED, that the Town Council of Rocky Mount does hereby appropriate the following supplemental expenditure and supplemental revenue for FY 2013:

Account 01.3101.0000.0000.7005 (motor vehicles)	\$67,149
Account 01.2400.0423 (grant revenue)	\$25,000
Account 01.4100.9999 (appropriated fund balance)	\$42,149

GIVEN UNDER MY HAND, THIS 14TH DAY OF JANUARY 2013:

Steven C. Angle, Mayor

ATTESTED:

Patricia H. Keatts, Town Clerk

ITEM(S) TO BE CONSIDERED UNDER:

- Hearing of Citizens
 Consent Item
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED:	January 14, 2013
----------------------------	------------------

STAFF MAKING REQUEST:	Matthew C. Hankins, Assistant Town Manager Community Development Director
BRIEF SUMMARY OF REQUEST:	<p>The Performance Center Committee met on January 8, 2013 to review the architect's design to redevelop the former Lynch Hardware Building. The architect noted minor changes from the previous design, and indicated that the project can be ready to bid January 27 pending Town Council approval.</p> <p>The interior designer for Hill Studios presented two color scheme and finish materials options, but those finish materials will be selected by council after the bid is received.</p> <p>By a 3-0 vote, the Performance Center Committee recommends that Town Council approve the design and authorize the architect and staff to proceed with putting the project out to bid.</p>
ACTION NEEDED:	Approve the design and authorize staff and the architect to put the project out to bid.

Attachment(s): No

FOLLOW-UP ACTION: (To be completed by Town Clerk)



HILL STUDIO

Landscape Architecture
Architecture
Community Planning
Historic Preservation

120 W. Campbell Ave. SW
Roanoke, VA 24011
tel: 540-342-5263 fax: 540-345-5625
www.hillstudio.com

PERFORMANCE HALL
ROCKY MOUNT VIRGINIA

CONSULTANTS:

Seal

PROGRESS PRINTS
NOT FOR
CONSTRUCTION

Title:

FLOOR PLAN -
GROUND FLOOR

Date: 01/27/13

Revisions:

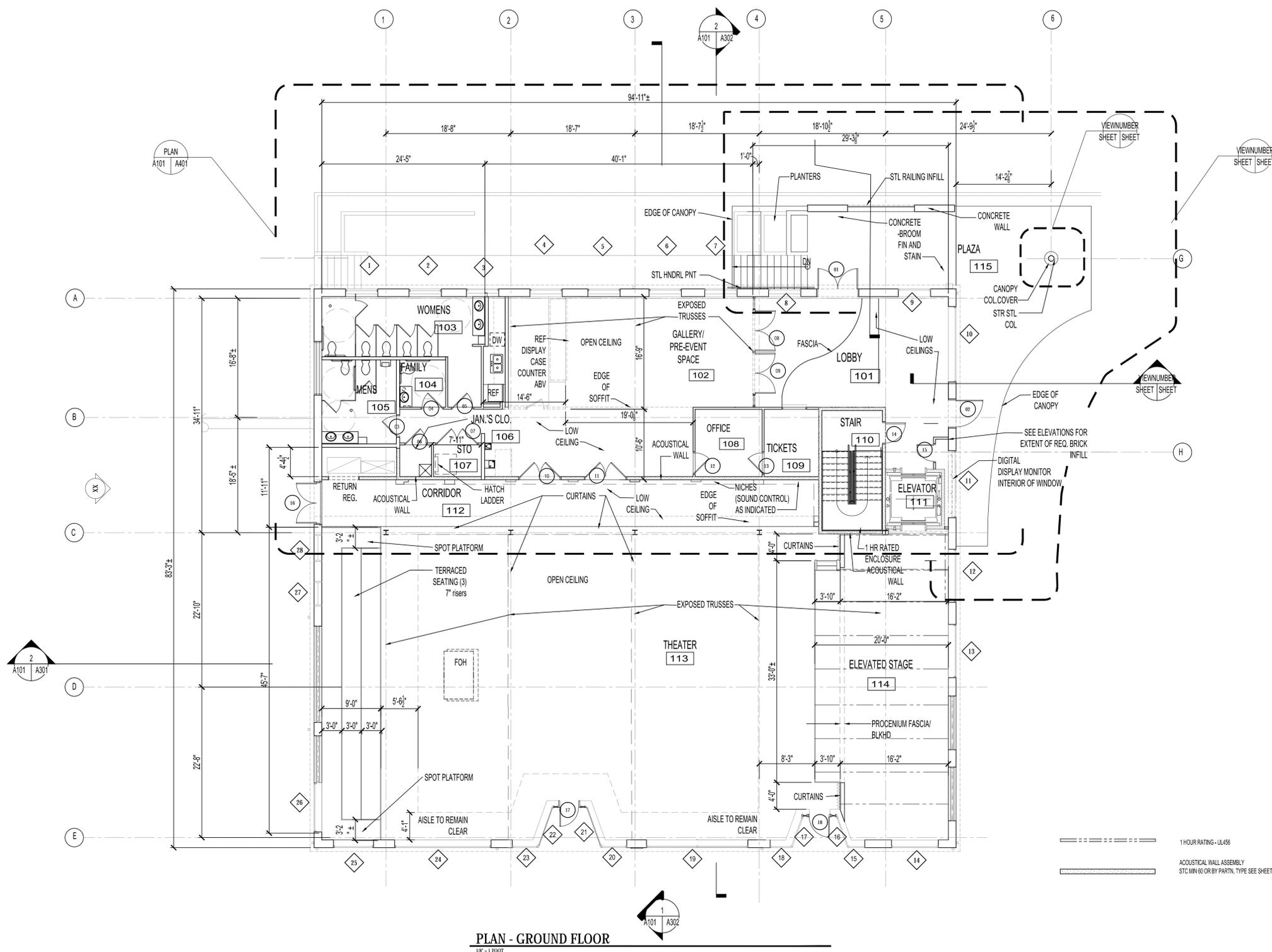
Drawn By: MZ

Review By: HG

Project No. 1208

Sheet No.

A 101



10
G
F
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B
A

9 8 7 6 5 4 3 2 1

9 8 7 6 5 4 3 2 1



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PERFORMANCE HALL
ROCKY MOUNT
VIRGINIA

CONSULTANTS:

Seal

PROGRESS PRINTS
NOT FOR
CONSTRUCTION

Title:

FLOOR PLAN -
BASEMENT

Date: 01/27/13

Revisions:

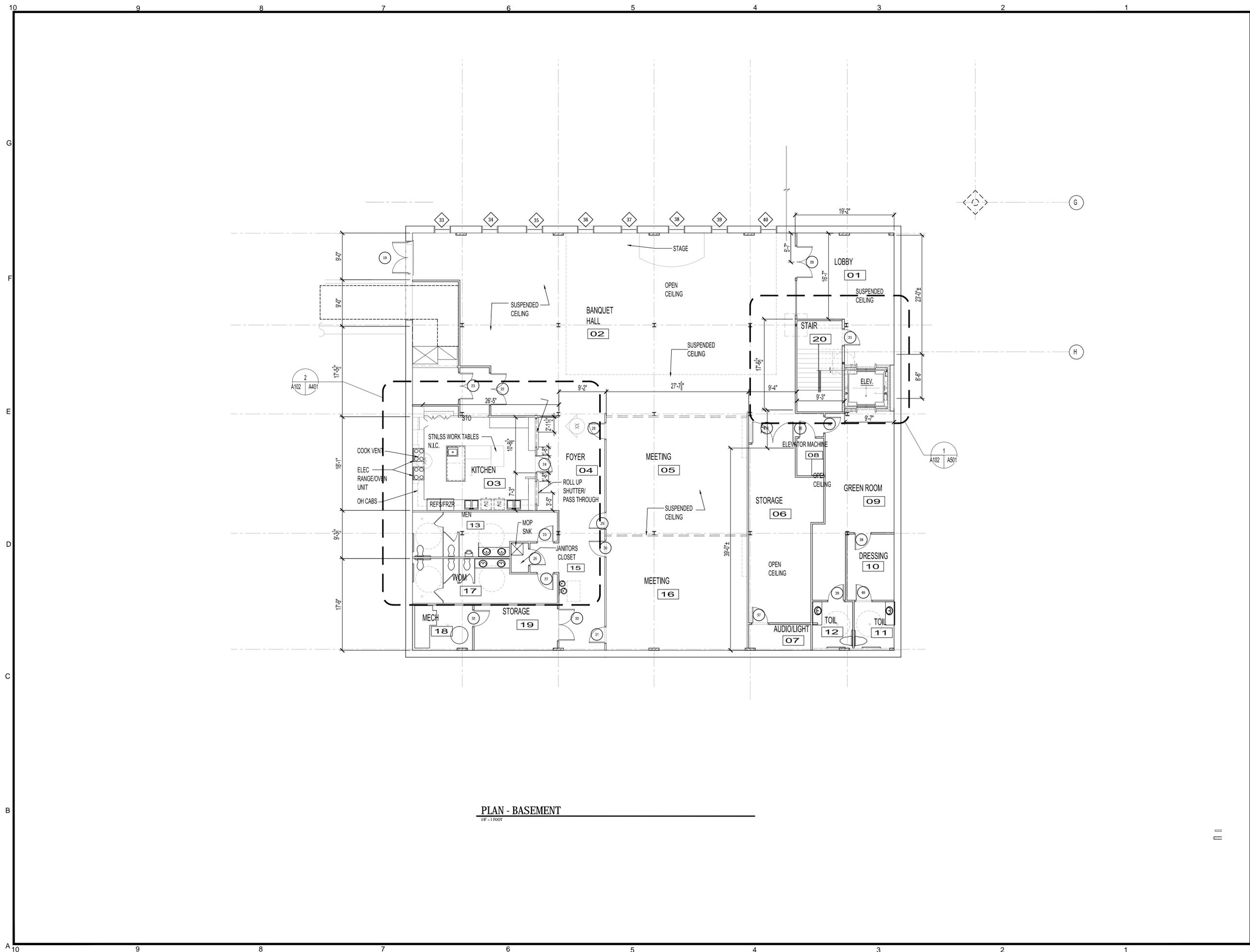
Drawn By: MZ

Review By: HG

Project No. 1208

Sheet No.

A 102



PLAN - BASEMENT

1/8" = 1' FOOT



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PERFORMANCE HALL ROCKY MOUNT VIRGINIA

CONSULTANTS:

Seal

PROGRESS PRINTS
NOT FOR
CONSTRUCTION

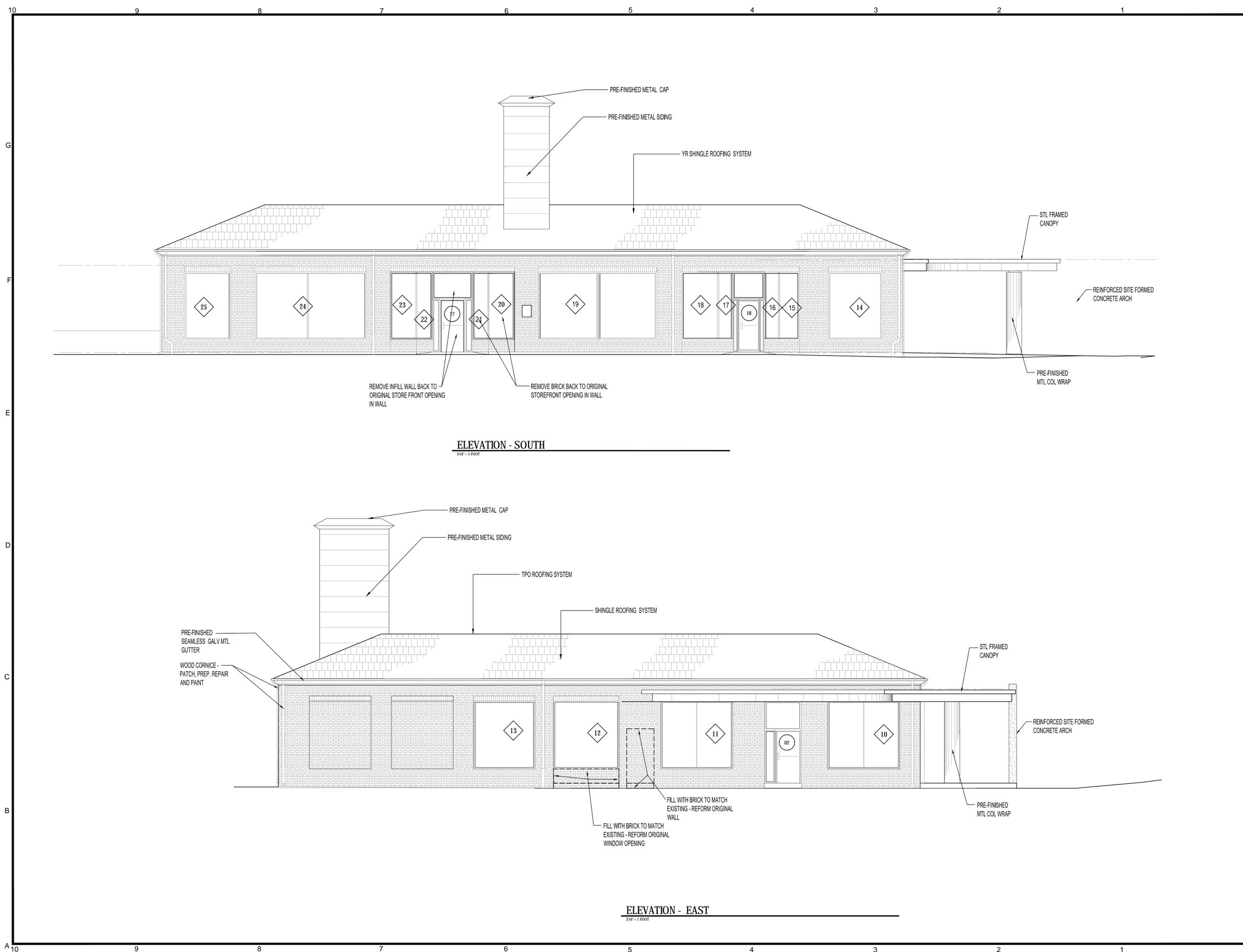
Table: BUILDING ELEVATIONS

Date: 01/27/13

Revisions:

Drawn By: MZ
Review By: HG
Project No. 1208

Sheet No.
A 200



ELEVATION - SOUTH
3/16" = 1 FOOT

ELEVATION - EAST
3/16" = 1 FOOT



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STUDIO**

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Architecture
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Historic Preservation

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**PERFORMANCE
HALL
ROCKY MOUNT
VIRGINIA**

CONSULTANTS:

Seal

**PROGRESS
PRINTS
NOT FOR
CONSTRUCTION**

Title:

**BUILDING
ELEVATIONS**

Date: 01/27/13

Revisions:

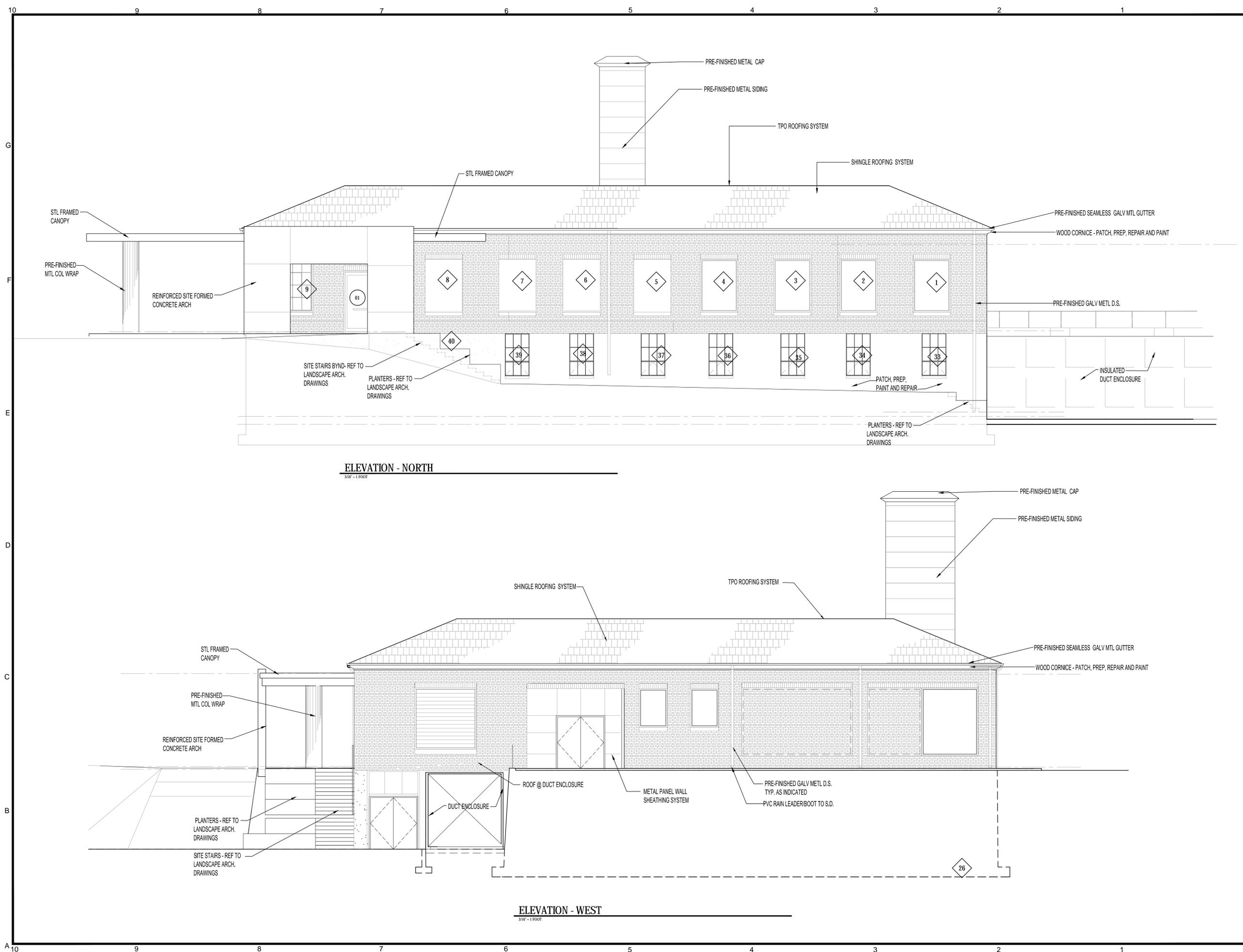
Drawn By: MZ

Review By: HG

Project No. 1208

Sheet No.

A 201



ELEVATION - NORTH
3/16" = 1 FOOT

ELEVATION - WEST
3/16" = 1 FOOT



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PERFORMANCE HALL
ROCKY MOUNT VIRGINIA

CONSULTANTS:

Seal

PROGRESS PRINTS
NOT FOR CONSTRUCTION

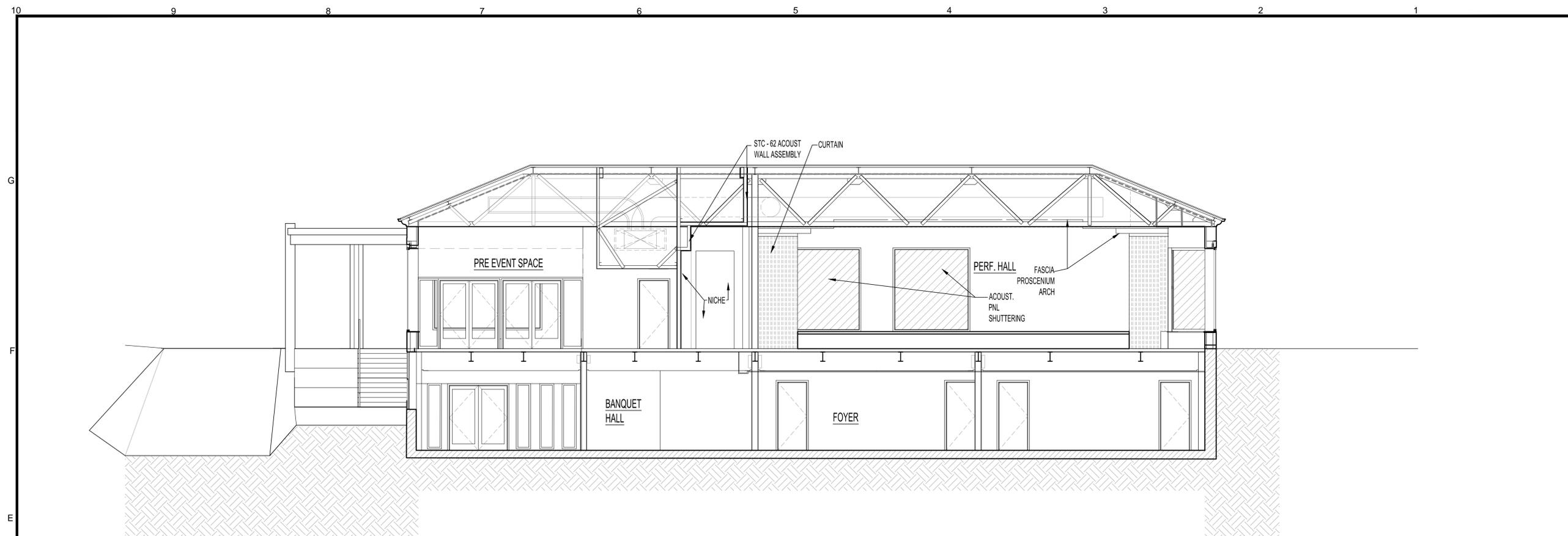
Title:
BUILDING SECTIONS

Date: 01/27/13
Revisions:

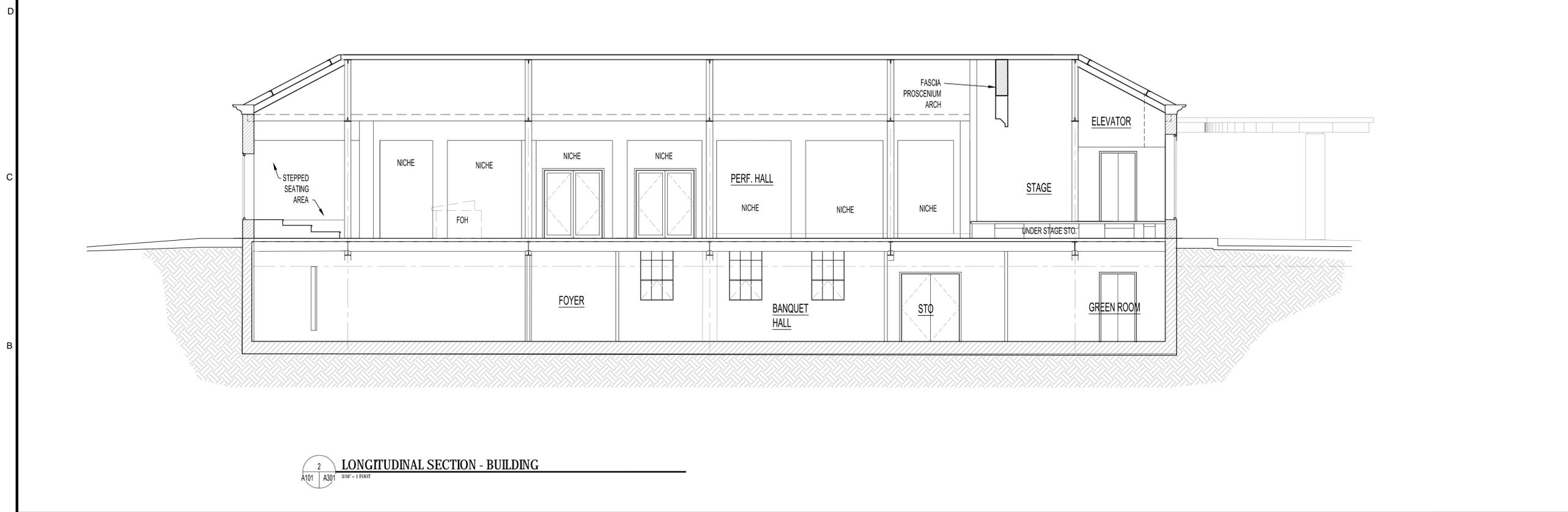
Drawn By: MZ
Review By: HG
Project No. 1208

Sheet No.

A 301



1 SECTION - BUILDING
A101 | A301 3/16" = 1'000"



2 LONGITUDINAL SECTION - BUILDING
A101 | A301 3/16" = 1'000"



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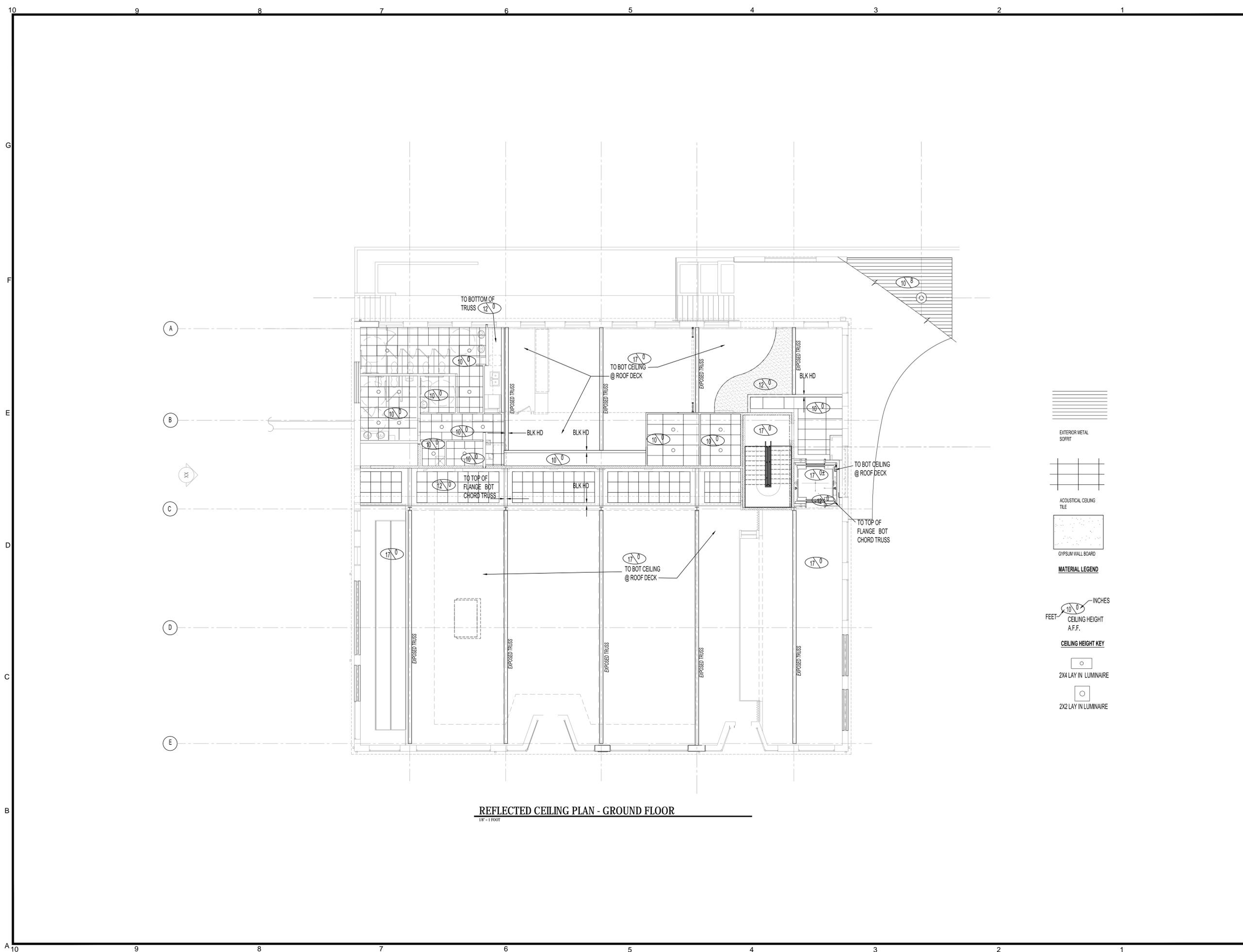
PROGRESS PRINTS
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REFLECTED CEILING PLAN GROUND FLOOR

Date: 01/27/13
Revisions:

Drawn By: MZ
Review By: HG
Project No. 1208

Sheet No.
A 801



REFLECTED CEILING PLAN - GROUND FLOOR
1/8" = 1' FOOT



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NOT FOR CONSTRUCTION

Title:
REFLECTED CEILING PLAN

Date: 01/27/13
Revisions:

Drawn By: MZ
Review By: HG
Project No. 1208

Sheet No.
A 802



MATERIAL LEGEND

- EXTERIOR METAL SOFFIT
- ACOUSTICAL CEILING TILE
- GYPSON WALL BOARD

CEILING HEIGHT KEY

INCHES
10 0

FEET
CEILING HEIGHT
A.F.F.

- 2X4 LAY IN LUMINAIRE
- 2X2 LAY IN LUMINAIRE
- FLUORESCENT PENDANT

REFLECTED CEILING PLAN - GROUND FLOOR
1/8" = 1 FOOT

ITEM(S) TO BE CONSIDERED UNDER:

- Consent Item**
 Old Business
 New Business
 Committee Report
 Other

FOR COUNCIL MEETING DATED:	January 14, 2013
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STAFF MAKING REQUEST:	Timothy Burton, Superintendent Waste Water Treatment Plant
BRIEF SUMMARY OF REQUEST:	<p>The Rocky Mount Waste Water Treatment Plant requests approval to make available a 2013 intern position for a person that is participating in the wastewater training program at Virginia Western Community College. Council authorized such an intern in 2012 and stated that any future extension of the intern program would need to be considered by Council.</p> <p>The funds for this position have already been placed in the current budget, not to exceed \$10,000. Last year's intern worked a total of 994.5 hours for the Town at a total cost of \$8,565. This experience and training helped him find full time employment in August 2012. The Town reaped many benefits from participating in the program. A major benefit of having an intern is providing coverage during vacations, sick leave and during periods of heavy workloads. While an intern receives valuable training, it also helped our full time staff stay up to date and sharp on their skills.</p>
ACTION NEEDED:	Approval/denial to allow the Waste Water Treatment Plant to hire an intern in 2013 that is participating with Virginia Western Community College wastewater training program and under the same conditions of employment for the Town as in 2012.

Attachment(s): No

FOLLOW-UP ACTION: (To be completed by Town Clerk)	