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# CONTRACT GENERAL CONDITIONS

## FOR JOB ORDER CONTRACTS

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CONTRACT GENERAL CONDITIONS
FOR JOB ORDER CONTRACTS

1.00 DEFINITIONS

Acceptance – When the Project has been completed in all respects in accordance with the Plans and Specifications, and the Contract has been otherwise fully performed by the Contractor, to the full satisfaction of the Trustees, the Trustees will accept the Project as complete.

Addendum - A document issued by the University during the bidding period that modifies or supersedes portions of the Contract Documents.

Adjustment Factor - The Contractor’s competitively bid price adjustment to the unit prices as published in the Unit Price Book. Contractors must bid three adjustment factors, one for work to be accomplished during normal working hours, one for work to be performed during other than normal working hours and one for work to be performed during premium working hours. All adjustment factors are expressed as an increase or decrease from the published prices.

Agreement – A form that is executed by both the Contractor and the Trustees, that provides the work will be done in accordance with the Contract Documents, as approved and on file with the Trustees and as incorporated into the Contract Documents by reference.

Architect - The person or organization, including the authorized representative thereof, commissioned by the University for the Project. For projects on which an engineer or landscape architect is commissioned instead of an architect, the term ‘Architect’ shall mean the design professional so commissioned for the Project (if any).

Bid Date - The Day on which bid proposals for the Contract are opened.

Bidder - Any individual or business entity acting directly or through an authorized representative that submits a proposal for the Work.

Business Day – Calendar Day excluding Saturdays, Sundays, national holidays or state holidays; same as Working Day.

Campus - The California State University campus on which the Project is located.

Change Order - A written agreement entered into after the award of the Job Order that alters or amends the Job Order. Changes in the Work requested are accomplished by the issuance of a new Job Order. Changes involving extensions of time, assessment of liquidated damages, adjustment for net credits, and minor additive changes are accomplished by issuance of a written change order to the original Job Order.

Capital Planning, Design and Construction - A department within Business and Finance, a division in the Office of the Chancellor of The California State University, responsible for all major capital outlay projects.

Construction Administrator - The person delegated by the University to manage the construction phase of a Job Order.

Construction Inspector - The inspector on the Project site who receives administrative direction from the University.

Contract - The Contract Documents which collectively represent the entire agreement between the University and the Contractor, and which supersedes any prior negotiations, representations, or agreements either written or oral.

Contract Award Figure - The price as determined on the Contract award worksheet provided in the bid form.

Contract Documents - The Bid Proposal Form, Notice to Contractors, the Unit Price Book, Technical Specifications, Addenda, Agreement, Bonds, Contract General Conditions, Supplementary General Conditions, Special Conditions, Change Orders, Job Orders, and any other documents so designated by the Trustees.

Contractor - The individual, firm, or corporation, its successors and assigns, that enters into this Agreement with the Trustees.

Contract Time - The period of time, set out in Calendar Days, established in the Job Order within which the Work must be completed. The Contract Time may be adjusted by time extensions through Change Orders.

Day – Unless otherwise indicated herein, Day is a calendar Day.

Daytime Working Hours - A daytime work shift of eight (8) hours per day and 40 hours per week, Mondays through Fridays. Exact applicable hours are defined in the Special Conditions of this Contract.
Directed - ‘Directed,’ ‘required,’ ‘permitted,’ ‘ordered,’ ‘designated,’ ‘selected,’ ‘prescribed’ or words of like import used in the specifications or in the Contract Documents to mean respectively the direction, requirement, permission, order, designation, selection or prescription of the Construction Administrator, and similarly the words ‘approved,’ ‘acceptable,’ ‘satisfactory,’ ‘equal,’ ‘necessary’ or words of like import to mean respectively, approved by, or acceptable or satisfactory to, or equal, or necessary in the opinion of the Construction Administrator.

Environmental Requirements - Means all applicable federal, state, and local laws, ordinances, rules, regulations, and executive orders pertaining to environmental compliance requirements.

Executive Facilities Officer – University official who oversees the capital outlay process.

Field Instruction - A written communication from the Trustees to the Contractor, signed by the Construction Administrator.

Final Completion of the Job Order - The last date on which all of the following events have occurred: the University has determined that all punch list Work and any other remaining Work has been completed in accordance with the Contract Documents; final inspections have been completed and all operation systems and equipment testing have been completed; certificates of occupancy (if any) have been issued; all deliverables have been provided to the University and all contractual requirements for final payment have been completed.

Hazardous Materials - Asbestos and asbestos-containing materials, polychlorinated biphenyl (PCB), oil or any other petroleum products, natural gas, source material, special nuclear materials, and by-product materials regulated under the Atomic Energy Act (42 U.S.C. Sec 201 1 et G.), pesticides under the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. Sec 136, et M.) and any hazardous waste, ‘toxic substance’ (or comparable term) in the Comprehensive Environmental Responsibility, Compensation and Liability Act (42 U.S.C. Sec 1801, et seq.), the Resource Conservation and Recovery Act (42 U.S.C. Sec 6901, et M), the Toxic Substance Control Act (15 U.S.C. Sec 2601, et seq.) and any rules or regulations promulgated pursuant to such statutes or any other applicable Federal or State statute, rule, or regulation or local law, ordinance, rule, or regulation, as amended in each case.

Job Order - A document that describes the Work to be accomplished under this Contract. The University will be responsible for the development of the Job Order as well as the supervision and acceptance of the Work contained within the Job Order description. The University will review the Contractor’s proposal for each Job Order requested and, if acceptable, shall issue a Job Order for the Work described therein. Each Job Order will include a detailed scope of Work, a lump sum, firm fixed price proposal from the Contractor, a time duration for the completion of the Work and any special conditions that might apply to that specific Job Order, such as liquidated damages.

Job Order Contract - A firm, fixed price, competitively bid, indefinite quantity type Contract designed to accomplish small to medium, multi-traded maintenance, repair and minor new construction projects.

Job Order Contractor - See ‘Contractor.’

Job Order Proposal (JOP) - See ‘Proposal.’

Materials - All material of any kind, nature and class as may be specified which becomes part of or is used in the performance of the Work together with all manufactured or prepared materials, articles, accessories, appurtenances and parts used therein or placed thereon.

Maximum Contract Amount - The maximum dollar value of Work that can be ordered during the base term of the Contract. This maximum Contract amount may be increased by mutual agreement to an amount not greater than $3,000,000. Refer to the Special Conditions.

Minimum Contract Amount - The minimum dollar value of Work that will be ordered under this Contract during the base term of the Contract. Refer to the Special Conditions.

Nighttime Working Hours - A nighttime Work shift of eight (8) hours per Day and 40 hours per week, Mondays through Saturdays. The exact applicable hours are defined in the Special Conditions of this Contract.

Non Pre-Priced Tasks - Those units of Work that are not included in the Unit Price Book but are within the general scope and intent of this Contract and may be negotiated into the Contract as needs arise. Such Work requirements as shall be incorporated into and made a part of this Contract for the Job Order to which they pertain, and may be incorporated into the Unit Price Book, if determined appropriated by the University, at the base price determined in this Contract. Non pre-priced tasks shall be separately identified and submitted in the Job Order proposal.
Notice to Proceed - Written notification from the University identifying the beginning date of the Contract. In reference to a Job Order issued under the Contract, it is written authorization from the University for the Contractor to commence a Job Order.

Other Contractor - Any individual, firm or corporation (other than the Contractor) having a Contract with the University for Work at or near the Project site.

Owner - The Trustees of The California State University.

Plans - The scope of Work including task descriptions in the Unit Price Book, drawings, sketches, illustrations, specifications or other pertinent information included on or attached to the Job Order.

Premium Working Hours - All working hours not designated by the University as daytime or nighttime working hours. Premium working hours will include overtime, Sundays and holidays. The exact applicable hours are defined in the Special Conditions of this Contract.

Prevailing Wages - The general prevailing rate of wages identified by the Director of the Department of Industrial Relations of the State of California pursuant to section 1770 of the Labor Code.

Pre-Priced Task - A unit of Work included within the Unit Price Book for which a unit price has been established.

Project - Collectively, the improvements to be constructed by the Contractor pursuant to a discrete, fixed-price Job Order.

Project Completion Time - The period of time allotted for the Contractor to achieve final completion of Job Order.

Project Limit Lines - The geographical boundaries of a Project, as more fully identified and described in the Job Order.

Project Record Documents - All documents the Contract requires the Contractor to provide to the University, including but not limited to shop drawings, as-built documents, parts manuals, operation and maintenance manuals, blue line drawings, Project manuals and specifications.

Project Site - The area where the Work will be performed.

Proposal - The Contractor-prepared document including a lump sum, firm fixed price and schedule for the completion of a scope of Work as requested by the University. The proposal shall also contain, when appropriate, approved drawings, permits, or other such documentation as the University may require for the Job Order.

Punch List Work - A list of items that have not been completed in accordance with the Contract Documents.

Request for Job Order Proposal - The University’s invitation for a proposal for a specific Job Order, hereafter, ‘Request for Proposal’ or ‘RFP.’

Scope of Work - The complete description of services to be provided by the Contractor pursuant to an individual Job Order. The scope of Work may include a narrative description of the Work, partial design documents, or full design documents, depending on the complexity of the specific Project.

Site - The area specified in the specific, discrete Job Order made available for the Job Order Contractor’s operation.

State - The State of California.

Stop Work Order - The suspension of the Work as set forth in Article 5.10.

Standard Specifications - A body of documents, maintained by the University, containing instructions and requirements prepared by an Architect which complement the individual Job Order scopes of Work and describe the manner of performing the Work or the quantities, qualities and types of materials to be furnished.

Subcontractor - Any person or firm, other than the employees of the Contractor, who contracts with the Contractor or another subcontractor to furnish labor, or labor and materials, at the Work site or in connection with the Project with appropriate license for the Work to be accomplished.

Superintendent - The representative of the Contractor at the construction site, who is authorized to receive instructions from the University, and who is authorized to direct the performance of the Work on behalf of the Contractor.

Supplier or Vendor - Any person or business entity that contracts with the Contractor to provide materials or equipment.
Trustees – The Board of Trustees of The California State University and their authorized representatives who act on behalf of the Trustees. See also Executive Facilities Officer and Construction Administrator.

University - The California State University upon which the Work is located and the University President and other University officers and employees acting within the scope of their duties.

Unit Price Book - A comprehensive listing of specific construction related tasks together with a specific unit of measurement and a unit price.

Unit Price - The price published in the Unit Price Book for a specific construction or construction related task. The unit prices are fixed for the duration of the Contract. Each unit price is comprised of the labor, equipment and material costs to accomplish that specific task.

Work – That which is proposed to be constructed or done under the Job Order, including the furnishing of all labor, materials, equipment and other incidentals.

Working Day – Calendar Day excluding Saturdays, Sundays, national holidays or state holidays; same as Business Day

2.00 BIDDING

2.01 Contractor’s License
No bidder may bid on Work for which it is not properly licensed. The Trustees shall disregard any bid received from a bidder who is not properly licensed (Business and Professions Code, section 7028.15). A Contract shall not be awarded to a bidder who does not possess the appropriate contractor’s license, which is that specified in the Notice to Contractors. Bidders participating in a joint venture must individually possess a current license when submitting the joint venture bid, and the joint venture must possess a joint venture license at the time of award (Public Contract Code section 3300).

2.02 Prequalification Rating
A. Prequalification Rating
The Trustees shall issue proposal packages only to bidders who have prequalified with the Trustees. To prequalify, a bidder must file a statement of financial condition and previous experience in performing public works on a standard questionnaire form obtained from the Trustees. Bidders shall verify, under oath, the completed questionnaire, including the financial statement. The completed forms must be filed ten (10) Business Days prior to the date for opening bids and approved not less than one (1) Business Day prior to the date set for opening bids.

Bidders may download the standard questionnaire forms (Prequalification of Prospective Bidders, Form No. 703.11) from the Internet at: http://www.calstate.edu/cpdc/cm/contractor_prequal_bidders.shtml. Forms are also available from The California State University, Office of the Chancellor, Capital Planning, Design and Construction, Attention: Prequalification Coordinator, at the following address: 401 Golden Shore, Long Beach, California, 90802-4210, or via e-mail to cocm@calstate.edu (Public Contract Code sections 10764).

The Trustees will review the bidder’s statement of experience and financial condition upon receipt, check references, and notify the bidder of the rating that has been established based on the information contained in the statement. The Trustees shall disregard any bid received either from a bidder that is not currently prequalified, or from a bidder that is prequalified but the rating is not high enough to accommodate its bid. To bid a Job Order contract, the available prequalification rating (prequalification rating minus receivables on contracts that the bidder may have with the Trustees) shall be not less than the maximum amount of the Job Order Contract. Although this prequalification permits participation in the bidding of the Contract, it does not mean that the bidder satisfies the requirements of being a “responsible” bidder. This determination occurs later in the process (see Article 2.09, Failure to be a Responsible Bidder).

B. Joint Ventures
If two or more prospective bidders desire to bid as a joint venture on a single Job Order contract, they must file an affidavit of joint venture with the Trustees at least five (5) Days prior to the date and time set for opening bids, on a form obtained from the Trustees. The affidavit of joint venture will be valid only for the specific Job Order Contract for which it was filed. Each party to the joint venture must be prequalified, as provided herein, at least one (1) Business Day before the time set for opening bids. If Trustees announce that the joint venture is the successful bidder, the joint venture shall obtain the joint venture license prior to Trustees’ award of the Contract (Business and Professions Code sections 7029 and 7029.1).
2.03 Necessity for Careful Examination of Site and Contract Documents

Prospective bidders should visit the University campus for which this Job Order Contract is applicable to familiarize themselves with the general state of the facilities, any special conditions that they may encounter (such as possible isolated locales), or typical weather conditions that may affect Work during certain seasons. Some campuses are not located near large metropolitan areas; hence, availability of subcontractors may be a bidding concern.

Generally, prospective bidders shall examine the Contract Documents carefully and, before bidding, shall make a written request to the University for clarification of any ambiguity, or correction of any inconsistency or error in the documents. Requests for such clarification must be received at least ten (10) Days before the date fixed for the opening of the bid.

Only the University official, as identified in the Notice to Contractors, is authorized to answer questions or prepare addenda relative to the Project. Information obtained verbally from any source has no contractual authority, may not be relied upon, and shall have no standing in any event that may occur.

2.04 Bidding Information

A. Preparation of Bids

1. Bids must be submitted on the forms supplied by the University. Bids shall be enclosed in a sealed envelope, addressed to the University and marked with the name and address of the bidder, the bid opening date and time, and the description of the Contract. All blank spaces must be filled in, using figures. Conditional bids will be rejected. Bids shall not contain any recapitulation of the Work to be done. No oral, telegraphic or telephonic bids or modifications will be considered.

2. Bids that are illegible or that contain omissions, alterations, additions or items not called for in the bidding documents may be rejected as non-responsive. Any bid that modifies, limits, or restricts all or any part of such bid, other than as expressly provided for in the Contract Documents, will be rejected as non-responsive.

3. The University may reject as non-responsive any bid not prepared and submitted in accordance with the provisions of the Contract Documents.

4. Any bid received after the scheduled closing time for receipt of bids shall not be considered and will be returned to the bidder unopened (Public Contract Code section 10766).

B. Pre-Bid Conferences.

Bidders must attend one (1) mandatory pre-bid conference and may attend a second pre-bid conference if so desired. The pre-bid conferences will be held at the times and dates described in the Notice to Contractors and Special Conditions issued by the University. The purpose for the first pre-bid conference is to discuss the concept, documents and bid considerations. The purpose for the second pre-bid conference is to answer questions and discuss Job Order contracting from a Contractor’s viewpoint.

C. Description of the Job Order Contract Agreement

1. This solicitation is for the award of a Job Order Contract. A Job Order Contract is a competitively bid, indefinite quantity contract. It includes a collection of detailed repair and construction tasks and specifications that have established unit prices. It is awarded to a Contractor for the accomplishment of repair, alteration, modernization, maintenance, rehabilitation, and construction of infrastructure, buildings, structures, or other real property. The University issues discrete, fixed priced Job Orders under the Contract to accomplish the Work.

2. Minimum and Maximum Contract Values

a. The minimum Contract value is the amount so stated by the University in the Special Conditions of the Contract. The Contractor is guaranteed to be offered Work valued not less than the minimum amount so stated in the Special Conditions during the base Contract period.

b. The maximum Contract value is the amount so stated by the University in the Special Conditions of the Contract. The Contractor will not be issued Job Orders exceeding the maximum Contract value during any Contract period. However, the Contractor is not guaranteed to receive this volume of Work. The University has no obligation to issue Job Orders exceeding the minimum Contract value.

c. The maximum value may be increased by mutual agreement to an amount not greater than $3,000,000. Refer to Special Conditions.

3. Contract Term.
The term of the Contract is one year or when an amount equal to the maximum Contract value has been ordered, whichever occurs first.
4. Adjustment Factors.
   There are three adjustment factors for the Contract. When preparing a proposal for an individual Job Order, the Contractor shall select the appropriate adjustment factor for each task. The three adjustment factors are as follows:
   a. Daytime working hours
   b. Nighttime working hours
   c. Premium working hours as defined and qualified in the Special Conditions.

   Each adjustment factor is independent of the other. Bidder shall not specify adjustment factors for Nighttime working hours and Premium working hours that are less than the specified adjustment factor for Daytime working hours.

5. Work to Be Performed
   a. The Contractor shall perform the Work described in the detailed scope of Work referenced in each Job Order. The University shall have the right to require the Contractor to perform Work at any location within the campus at the adjustment factors set forth herein.
   b. The price of each Job Order shall be:
      (1) the sum of the following calculation for each pre-priced task: the unit price multiplied by the quantity of units, multiplied by the appropriate adjustment factor; plus
      (2) the total of all non pre-priced tasks.

D. Filings and Permits.
   Contractor shall make the necessary arrangements for and obtain all filings and permits, including payment therefore, if any are required for the Work, including the preparation of all drawings, sketches, calculations and other documents and information that may be required therefor.

E. Final Approvals.
   The Contractor shall obtain all final approvals for the Work, in the form of such certificates that are required by all governmental agencies having jurisdiction over the Work.

F. Incidental Engineering and Architectural Services.
   The Contractor shall provide incidental engineering, architectural and consultant services required in connection with a particular Job Order including drawings required for filing with appropriate agencies (including hazardous materials, if necessary).

2.05 Bidding Documents
A. Bid Proposal Package.
   Following a request from a prequalified bidder, the University will furnish a bid proposal package, which when completely filled out and executed, may be submitted as a bid. Bids not presented using the furnished bid package shall be disregarded (Public Contract Code section 10764). The bid package is not transferable to another bidder, and must be submitted in the same name as is used on the bidder’s license and prequalification.

   The bid proposal contains a standard proposal form that shall be used for bidder’s proposal. Each proposal shall give the adjustment factors proposed in the manner required by the bid and shall be signed by the bidder or the bidder’s duly authorized representative, with its address and telephone number. If an individual makes the proposal, the individual’s name, postal address, and telephone number must be shown. If made by a partnership, the proposal shall have the signature of all partners or an affidavit signed by all partners empowering one partner as an agent to act in their behalf; and shall include the address and telephone number of the partnership. A proposal submitted by a corporation shall show the name of the state in which the corporation is chartered, the name of the corporation, its address and telephone number, and the title of the person who signs on behalf of the corporation. The corporation shall also submit a certified copy of corporate board action that identifies and authorizes the person who may sign and submit bids for the corporation. The Trustees shall reject any proposal submitted that is not signed by the bidder or by the bidder’s duly authorized representative.

B. Listing of Subcontractors.
   The Trustees do not require Bidders to submit a List of Proposed Subcontractors form with their bids, since the scope of Work is not known at the time of bid. The successful Bidder shall submit the list of subcontractors performing Work under each Job Order in excess of one-half of one percent of the net bid price for each Job Order by submitting the List of Proposed Subcontractors form with the Job Order proposal.
If a Non-small Business Bidder claims the small business preference, Contractor shall list all subcontractors certified as California small businesses for each Job Order proposal, and the total of these subcontracts shall be at least 25% of the net bid price for each Job Order.

(2) Disabled Veteran Business Enterprises (DVBE) Participation Requirement.
The successful Bidder is required to achieve three percent DVBE participation in this Contract and may qualify for the DVBE bid incentive if Bidder proposes sufficient additional DVBE participation in this Contract. Trustees will calculate the Bidder’s DVBE participation on the net bid price for each Job Order. The successful Bidder shall list in its Job Order proposal, on the List of Proposed Subcontractors form, the DVBEs participating in the job order and the dollar amount of participation by each DVBE. The total of the DVBE participation amounts the successful Bidder provides on the List of Proposed Subcontractors form shall equal at least the successful Bidder’s proposed percentage of DVBE participation. For each alternative the successful Bidder shall list any DVBE not included in the base contract Work subcontractor listing and the dollar amount of DVBE participation by each subcontractor listed for Work to be performed on the alternative. If Trustees granted the successful Bidder the DVBE Bid Incentive, then the total amount of DVBE participation shall equal at least the incentive percentage of the net bid price, including awarded alternatives.

(3) List of Subcontractors—Additional Information Form.
Bidders shall submit the List of Subcontractors—Additional Information form, within 24 hours after the acceptance of the Job Order proposal. Bidders shall indicate on this form the dollar amount of each small business (if the Bidder claimed the non-small business bid preference) and each DVBE participating in its bid.

C. Bidder’s Security.
All bids shall be presented under sealed cover and have enclosed an amount equal twenty-five thousand dollars ($25,000) as bid security. The bid security may be a cashier’s check, or certified check made payable to the University, or a bidder’s bond. No bid shall be considered unless one of these forms of bid security is enclosed therewith (Public Contract Code section 10765). If the bid security is a bond, a corporation authorized as an admitted surety to issue surety bonds in California shall execute the bond, and it shall be executed on the form prescribed by the University.

For bids that are submitted electronically, Bidders shall present their bidder’s security in electronic form when tendering their bids, and then only the three lowest bidders shall submit original bidder’s security within 24 hours of bid opening, or their bids will be deemed nonresponsive.
F. Waiver of Irregularities.
The University reserves the right to waive minor irregularities in proposals submitted.

G. Basis of Award.
The bid proposal package contains a standard proposal form that shall be used for bidder’s proposal. In its bid proposal, the Bidder shall specify each of three adjustment factors to four decimal places. Each adjustment factor is independent of the other. Bidder shall not specify adjustment factors for Nighttime working hours and Premium working hours that are less than the specified adjustment factor for Daytime working hours. The University shall assign weight to each of these factors, in order to calculate a composite score for each bidder. Refer to the Special Conditions of the Contract. If the University awards a contract, it will be awarded to the bidder with the lowest composite score.

2.07 Competitive Bidding
If more than one bid proposal is offered by an individual or business entity or combination thereof, under the same or different names, all such bid proposals may be rejected, or the Trustees may accept the lowest proposal. A party who has quoted prices on materials or Work to a Bidder is not thereby disqualified from quoting prices to other Bidders, or from submitting a bid directly for the materials or Work.

All bidders are hereby notified that any collusive agreement fixing the prices to be bid so as to control or affect the awarding of this Contract may render void any contract awarded under such circumstances. The bidder, by act of submitting a bid, certifies that in the preparation of the bid, no bid was received by the bidder from a bid depository, which depository, as to any portion of the Work, prohibits, or imposes sanctions for, the obtaining by the bidder, or the submission to the bidder by any subcontractor, vendor or supplier of goods and services, of a bid outside the bid depository. The certification shall constitute a warranty, the falsity of which shall entitle the University to pursue any remedy authorized by law and shall include the right at the option of University of declaring any contract made as a result thereof to be void (Business & Professions Code section 16600 et seq.).

2.08 Mistake in Bid
As required by Public Contract Code section 5100 et seq., a bidder shall not be relieved of a bid without consent of the University, nor shall any change be made in a bid because of mistakes. However, a bidder may pursue relief of its bid in accordance with section 5100 et seq. of the Public Contract Code.

2.09 Failure to be a Responsible Bidder
In order to be considered for award of a contract a bidder must be a responsible bidder (Public Contract Code section 10780). To be responsible, the bidder, in the judgment of the University, must be sufficiently trustworthy and possessed of the requisite quality, fitness, capacity and experience to satisfactorily perform the Work (Public Contract Code section 1103). Should the University question the bidder’s responsibility, the bidder shall be given an opportunity to rebut any evidence of non-responsibility, and to present evidence of responsibility. The hearing shall be informal, and an individual appointed by the University to hear the matter may conduct it in whole or in part in writing. A decision concerning the bidder’s responsibility shall be mailed to the bidder within ten (10) Days of the conclusion of the hearing.

2.10 Small Business Five Percent Bid Advantage
A. Preference for Small Businesses.
In accordance with Government Code section 14835 et seq., and California Code of Regulations, Title 2, section 1896 et seq., the Trustees shall give a small business bid advantage of five percent up to a maximum of $50,000 to contracting firms that have been certified as a “Small Business” by the Office of Small Business & DVBE Services, in the Procurement Division of the Department of General Services. To receive the five percent advantage, certified small businesses shall:
1. submit with the bid a completed form “Request for Small Business Five Percent Preference Certification,”
2. be certified Small Business upon verification in accordance with section 1896.2, having applied for certification no later than 5:00 PM on bid date,
3. submit a timely and responsive bid,
4. be determined to be a responsible bidder.

B. Preference for Non-Small Businesses.
The application of the five percent small business bidding preference is also extended to any non-small business that commits to subcontracting at least 25% of its net bid price to California certified small businesses and/or microbusinesses. To receive this preference the non-small business must satisfy the following criteria:
1. indicate in its bid its commitment to subcontract at least 25% of each Job Order proposal with one or more small businesses [submit the Request for Small Business Bidding Preference form],
2. submit a timely and responsive bid,
3. be determined to be a responsible bidder,

4. submit the California certified small businesses on each Job Order proposal, and indicate the dollar amount of the small business subcontract bid for that Job Order proposal on the Expanded List of Subcontractors form, which is to be submitted with each Job Order proposal.

The Trustees will impose a penalty to any non-small business who receives the small business preference and does not contract 25% of its net bid price to California certified small businesses and/or micro businesses. The imposed penalty will be no more than two times the amount of the bid preference received. For example, if the contractor received a bid preference of $49,000, and does not contract 25% of its net bid price with certified small businesses and/or micro businesses, then the Trustees will assess a penalty to be forfeited by the Contractor of $98,000.

C. Calculation of the Small Business Preference.

In calculating the Small Business preference, the University official shall multiply the total weighted composite adjustment factors by the maximum Contract amount to determine the lowest, responsible bidder, taking into consideration the five percent bid preference, not to exceed $50,000. See the following example for basis of award:

Maximum job order Contract Amount is $1,000,000. Use the total weighted composite factor in this bid evaluation.

Bid #1 = 0.9921
Bid #2 = 1.0201 (this bidder is a certified Small business)

Multiply the total weighted composite adjustment factors by the maximum job order contract amount:

Bid #1 = 0.9921 (x $1,000,000 = $992,100)
Bid #2 = 1.0201 (x $1,000,000 = $1,020,100)

Take 5% of Bid #1, or $49,605, and subtract that amount from Bid #2 to get $970,495. Award to Bid #2 at 1.0201.

Note: If a Small Business is the low bidder, the Trustees will not calculate the Small Business preference for any bidders. The Trustees will only calculate the DVBE Incentive for the bidders who are Small Businesses, as only a Small Business may displace a Small Business.

D. Trustees’ Reporting of Small Business Participation.

Responsive to direction from the State Legislature, the Trustees are seeking to report increased statewide participation of certified small businesses in contract awards. To this end, the successful Bidder shall inform the Trustees of any contractual arrangements with subcontractors, consultants or suppliers that are certified small businesses.

2.11 California Company; Reciprocal Preference against Nonresident Contractors; Certification

The Trustees shall grant a California company a reciprocal preference as against a nonresident contractor from any state that gives or requires a preference to be given contractors from that state on its public entity construction contracts. The amount of the reciprocal preference shall be equal to the amount of the preference applied by the state of the nonresident contractor with the lowest responsive bid, except where the resident contractor is eligible for a California small business preference, in which case the preference applied shall be the greater of the two, but not both. Any such reciprocal preference shall be applied to the adjustment factors in determining the lowest responsible bidder.

Each bidder shall certify at the time of bid that the bidder qualifies as a ‘California company,’ which means a business entity licensed in California on the date of bid opening and which is one of the following:

A. a business entity with its prime place of business in California,

B. an out-of-state contractor whose state does not provide a local Contractor preference, or

C. an out-of-state contractor that has paid at least $5,000 in sales or use taxes in the immediately preceding five years.

If the bidder does not qualify as a California company, then it shall indicate the name of the state in which its principal place of business is, and the amount of the local contractor preference in that state (Public Contract Code section 6107).

2.12 Disabled Veteran Business Enterprise Participation Requirement

California state law requires that its state agencies achieve three (3) percent participation for disabled veteran business enterprises (DVBE) in state contracts. Under the Job Order Contracting system it is not feasible to identify potential DVBE subcontractors at time of bidding, since the individual jobs are not known. However, the successful low bidder will be required to meet or exceed the DVBE participation requirement by identifying DVBEs to be utilized on each Job Order during the job order proposal submission phase after Contract award. Failure of the Job Order Contractor to comply with the DVBE requirement may cause individual proposals to be rejected, thereby endangering the potential for a Contractor to receive any further Work under the Contract. The procedure for complying with this requirement is described in Article 5.05, Preparation of the Proposal, subdivision E.
3.00 AWARD AND EXECUTION OF CONTRACT

3.01 Award of Contract
If the University deems the acceptance of the lowest responsible bid or bids is not in the best interests of the State, the University may reject all bids (Public Contract Code section 10785). If the Contract is awarded, it shall be to the lowest responsible bidder whose proposal complies with all the requirements prescribed (Public Contract Code section 10780). Such award shall be made within sixty Days after the opening of the proposals.

If the lowest responsible bidder refuses or fails to execute the Contract, or perform the Contract, or is found to be non-responsible, the University may award the Contract to the second lowest responsible bidder. Such award shall be made within 120 Days after the opening of proposals. The above time periods within which the award of Contract may be made are subject to such no-cost extensions as may be agreed upon in writing between the University and the bidder concerned (Public Contract Code section 10782).

3.02 Return of Bidder’s Security
The Trustees may withhold the bidder’s security of the second lowest responsible bidder until the Contract has been finally executed. The cashier’s checks and certified checks submitted by all other unsuccessful bidders shall be returned to them within ten (10) Days after the Contract is awarded, and their bidder’s bonds shall be of no further effect (Public Contract Code section 10784).

3.03 Contract Bonds
The successful bidder shall furnish for each counterpart signed, two surety bonds in the form prescribed by the University. Each bond shall be in an amount equal to 100 percent of the awarded maximum Contract value and executed by an admitted surety insurer licensed in the State of California and listed in the latest published United States Treasury Department list of “Companies Holding Certificates of University as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies.” (Reference the State of California Department of Insurance on the following website: http://interactive.web.insurance.ca.gov/companyprofile/companyprofile, and the US Treasury listing at the following website: http://www.fms.treas.gov/c570/c570.html.) One of the surety bonds shall guarantee faithful performance of the Contract by the Contractor and the other shall secure payment of laborers, mechanics, or materialmen employed on the Project. Such bonds are subject to the approval of the University. Contract bonds shall remain in full force and effect during the term of the Contract including the one-year guarantee period, and through the ten-year limit on latent defects (Public Contract Code sections 10821-10824, Code of Civil Procedure section 337.15).

All alterations, extensions of time, extra and additional Work, and other changes authorized by any part of the Contract, including determinations made under Article 8.01, Claims, shall be made without securing the consent of the surety or sureties on the Contract bonds. If the original Contract is amended during the term to increase the awarded contract value, the Contractor shall furnish additional or revised performance and payment surety bonds, so that each such performance and payment bond equals 100% of the increased maximum contract value.

Whenever the University has cause to believe that the surety has become insufficient, the University may demand in writing that the Contractor provide such further bonds or additional surety, not exceeding that originally required, as in the University’ opinion is necessary, considering the extent of the Work remaining to be done. Thereafter no payment shall be made to the Contractor or any assignee of the Contractor until the further bonds or additional surety has been furnished (Public Contract Code section 10825).

Riders or modifications of any kind on bidders bonds, performance bonds and payment bonds are not acceptable and may result in bidder’s disqualification as non-responsive. Bond document forms approved by the Trustees must be used without alteration.

3.04 Execution of Contract
The Contract shall be signed by the successful bidder and returned to the University together with the Contract bonds and certification, along with other requisite documentation such as certificates evidencing the required insurance coverage (see Article 4.06, Contractor Insurance) within ten (10) Business Days of receipt from the University. If the successful Bidder is a joint venture, then the joint venture shall submit with the Contract certification form a formal resolution designating the person authorized to sign on behalf of the joint venture. No contract shall be binding upon the Trustees until it has been executed by the Contractor and the University, and approved by the attorney appointed according to law and authorized to represent the Trustees (Public Contract Code section 10820).

After the Trustees’ Office of General Counsel has fully executed the Contract, the University may contact the Contractor to begin joint scoping of potential projects. The University will issue individual Notices to Proceed for each discrete Job Order. The Contractor may not begin Work before receiving the Trustees’ written Notice to Proceed. Any Work performed by the University prior to receipt of the Notice to Proceed shall be at the risk and expense of the Contractor.
Contractor before receipt of the written Notice to Proceed shall be considered as having been done at the Contractor’s own risk.

3.05 Failure or Refusal to Execute Contract
Failure or refusal by the bidder to execute the Contract within the time set in Article 3.04, Execution of Contract, shall be just cause for the rescission of the award and the forfeiture of the bidder’s security. Failure or refusal to file acceptable bonds within the time set in Article 3.04 constitutes a failure or refusal to execute the Contract. If the successful bidder fails or refuses to execute the Contract, the University may award the Contract as set forth in Article 3.01, Award of Contract. On the failure or refusal of the second lowest responsible bidder to execute the Contract, bidder’s security in each case shall be forfeited (Public Contract Code sections 10781-10783).

4.00 CONDUCT OF THE WORK

4.01 Laws to be Observed--Generally
A. The Contractor shall observe all state and federal laws that affect the Work under this Contract. The Contractor shall hold harmless, defend and indemnify the University against any claim arising from the violation of any law, whether by itself or its agents, employees or subcontractors. If a conflict arises between the provisions of this Contract and a law, the Contractor shall immediately notify the University in writing. ‘Law’ as used in this paragraph includes statutes and regulations adopted pursuant to statute, as well as executive orders, authoritative interpretations and other rules and directives issued by legally constituted authority.

B. In executing this Contract, the Contractor swears, under penalty of perjury, that no more than one final, unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor’s failure to comply with an order of a federal court which directs the Contractor to comply with an order of the National Labor Relations Board. The University may rescind this Contract if Contractor falsely swears to this statement (Public Contract Code section 10296).

C. The Contractor acknowledges State of California policy regarding the importance of child and family support obligations expressed in Public Contract Code section 7110(a). The Contractor acknowledges that to the best of its knowledge, it is fully complying with the earning assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the State’s Employment Development Department.

D. The contracting parties shall be subject to examination and audit by both the Trustees (or designee) of The California State University and the State Auditor of the State of California at any time during construction and for a period of three (3) years after final payment of the Contract. Such examination and audit shall include access to the Contractor and the subcontractor records as delineated in the following:

The Contractor’s records which shall include but not be limited to accounting records (hard copy, as well as computer readable data if it can be made available), written policies and procedures; subcontract files (including proposals of successful and unsuccessful bidders, bid recaps, etc.); original estimates; estimating work sheets; correspondence; change order files (including documentation covering negotiated settlements); back charge logs and supporting documentation; general ledger entries detailing cash and trade discounts earned, insurance rebates and dividends; and any other supporting evidence deemed necessary by the Trustees/Auditor General to substantiate charges related to this Contract (all foregoing hereinafter referred to as ‘records’) and shall be open to inspection and subject to audit and/or reproduction to adequately permit evaluation and verification of (a) the Contractor’s compliance with Contract requirements and (b) compliance with provisions for pricing change orders, payments or claims submitted by the Contractor or any of its payees. The Contractor is required to have as part of the records the following reports: a detailed cost ledger reflecting total charges against the Project which present an itemization by invoice and labor costs by cost codes; a summary report identifying total Project costs by cost codes; and a subcontractor history report including each subcontract amount and change orders issued thereto.

E. The Contractor’s Work under this Contract shall comply with all applicable building codes pertaining to the individual Project sites. As a minimum, compliance with Title 24 will apply.

F. If the Contractor is a natural person, the Contractor certifies in accepting this Contract that she/he is a citizen or national of the United States or otherwise qualified to receive public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193; 110 Stat. 2105, 2268-69).

G. Declaration of Eligibility to Contract with the State.
If the Contractor is a corporation, the Contractor certifies and declares by signing the Agreement that it is eligible to contract with the State of California pursuant to the California Taxpayer and Shareholder Protection Act of 2003 (Public Contract Code section 10286 et seq.).
4.02 Laws to be Observed--Regarding Labor

A. Nondiscrimination

1. During the performance of the Contract, the Contractor and its subcontractors shall not deny the Contract’s benefits to any person on the basis of religion, color, ethnic group identification, sex, age, physical or mental disability, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religion, color, national origin, ancestry, physical handicap, mental disability, medical condition, marital status, age (over 40) or sex. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

2. Contractor shall comply with the provisions of the Fair Employment and Housing Act (Government Code section 12900 et seq.), the regulations promulgated thereunder (Title 2, California Code of Regulations sections 7285 et seq.) and the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Government Code sections 11135-11139.5).

3. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the Trustees upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours notice, to such of its books, records, accounts, other sources of information, and its facilities as said Department or Trustees shall require to ascertain compliance with this clause.

4. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

5. Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform Work under the Agreement (Title 2, California Code of Regulations section 8107).

B. Hours of Labor.

Eight (8) hours of labor constitutes a legal day’s work. The Contractor or any subcontractor shall forfeit, as a penalty to State, $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor under it for each calendar day during which the worker is required or permitted to work more than eight hours in any one calendar day, and forty hours in any one calendar week, in violation of the provisions of the Labor Code, and in particular, sections 1810 to 1814, thereof, inclusive. Notwithstanding the provisions of Labor Code sections 1810 to 1814, Work performed by employees of the Contractor or any subcontractor in the execution of the Contract, in excess of eight hours per day, and forty hours during any one week, shall be permitted upon compensation for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay as provided in Labor Code section 1815.

C. Prevailing Wage.

Contractor represents and warrants that the Contract Amount includes sufficient funds to allow Contractor and all subcontractors to comply with all applicable laws and contractual agreements. Contractor shall defend, indemnify and hold the Trustees of the California State University, the University, its officers, employees and agents harmless from and against any and all claims, demands, losses, liabilities, and damages arising out of or relating to the failure of Contractor or any subcontractor to comply with any applicable law in this regard, including, but not limited to, Labor Code section 2810. Contractor agrees to pay any and all assessments, including wages, penalties and liquidated damages (those liquidated damages pursuant to Labor Code section 1742.1) made against the Trustees in relation to such failure.

1. The Work under this Contract is a public works Project (see definition of public works, Labor Code section 1720 et seq.) and must be performed in accordance with the requirements of Labor Code sections 1720 to 1815 and Title 8 California Code of Regulations sections 16000 to 17270, which govern the payment of prevailing wage rates on public works projects. The prevailing wage rates set forth are the minimum that must be paid by the Contractor on a public works contract. Nothing herein contained shall be construed as preventing the Contractor from paying more than the minimum rates set forth. No extra compensation whatsoever will be allowed by the University due to the inability of the Contractor to hire labor at minimum rates, nor for the necessity for payment by the Contractor of subsistence, travel time, overtime, or other added compensations, all of which possibilities are elements to be considered and ascertained to the Contractor’s own satisfaction in preparing the bid.

2. If it becomes necessary to employ crafts other than those listed, the Contractor shall notify the University immediately, and the University will ascertain additional prevailing rates and the rates thus determined shall be applicable as minimum from time of initial employment.

3. Pursuant to Labor Code section 1770, the Director of the Department of Industrial Relations has ascertained the general prevailing rate of per diem wages and the general prevailing rate for legal holiday and overtime Work
for each craft needed in execution of the Contract as set forth in the Notice to Contractors. Contractor shall post a schedule showing all applicable prevailing wage rates at appropriate and conspicuous locations on the Project site in accordance with Labor Code section 1773.2. The Trustees shall maintain copies of the prevailing rate of per diem wages, and shall make them available to any interested party upon request.

4. The Contractor and any subcontractor under the Contractor shall comply with Labor Code section 1775. The Contractor shall include provisions in its contract with its subcontractors that will require compliance with Labor Code section 1775. As required by section 1775(b) the Contractor shall include a copy of the provisions of sections 1771, 1775, 1776, 1777.5, 1813, and 1815 in the contract between the Contractor and the subcontractor. The Contractor shall monitor its subcontractors’ compliance with the prevailing wage law as required by section 1775(b). In accordance with section 1775, the Contractor and any subcontractor under the Contractor shall forfeit as a penalty to the State not more than $200 for each Day or portion thereof, for each worker paid less than the prevailing wage rates for the work or craft in which the worker is employed for any public work done under the Contract by it or, except as provided in section 1775(b), by any subcontractor under it. In addition to this penalty, the difference between the prevailing wage rates and the amount paid to each worker for each Day or portion thereof for which each worker was paid less than the prevailing wage rate shall be paid to each worker by the Contractor or subcontractor. If a worker employed by a subcontractor on a public works project is not paid the general prevailing per diem wages by the subcontractor, the Contractor is not liable for any penalties under section 1775(a) unless the Contractor had knowledge of that failure of the subcontractor to pay the specified prevailing rate of wages to those workers or unless the Contractor fails to comply with the requirements of section 1775(b).

5. In accordance with Labor Code section 1776, the Contractor and subcontractors shall keep an accurate payroll record on forms provided by the Division of Labor Standards Enforcement (or shall contain the same information as the forms provided by the division). The payroll records may consist of printouts of payroll data that are maintained as computer records, if the printouts contain the same information as the forms provided by the division, and the printouts are verified in the manner specified. Payroll records shall show the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and actual per diem wages paid to each journeyman, apprentice or worker employed in connection with the public work. Each payroll record shall contain verification by written declaration that it is made under penalty of perjury that the information contained in the payroll record is true and correct and that the Contractor and subcontractors have complied with the requirements of Labor Code sections 1771, 1811 and 1815 for any work performed by its employees on the Project.

The Contractor’s and subcontractors’ payroll records shall be available for inspection at all reasonable hours, and a certified copy shall be made available upon request to the employee or his or her authorized representative, the University, the Division of Labor Standards Enforcement, the Division of Apprenticeship Standards, agencies that are included in the Joint Enforcement Strike Force on the Underground Economy established pursuant to section 329 of the Unemployment Insurance Code, and other law enforcement agencies investigating violations of law. Upon receipt of written notice from the Trustees, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement, and within ten Days of that receipt, the Contractor shall file with the requesting entity a certified copy of the payroll records. Should the Contractor or subcontractor fail to comply within the ten-Day period, the Contractor or subcontractor shall forfeit $100 for each Day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. Contractor is not subject to a penalty assessment due to the failure of a subcontractor to comply with this section. A contractor or subcontractor may be subject to debarment by the Labor Commissioner for failure to submit certified payroll records timely.

6. Contractor is required to submit a minimum of the first week’s certified payroll for its workers and all subcontractors for each job order; additional weeks may be required at the discretion of the University.

7. Consistent with Public Contract Code section 6109, the Contractor is prohibited from performing a portion of Work with a subcontractor who is debarred pursuant to Labor Code section 1777.1 or 1777.7.

D. Workers’ Compensation.
The Contractor shall be required to secure payment of workers’ Compensation to its employees in accordance with Labor Code section 3700 and shall file with the University prior to performing the Work the certification required in Labor Code section 1861 (refer also to Article 4.06-A, Policies and Coverage).
E. Apprentices.
If the Contractor or any subcontractor employs workers on the Project in any apprenticeable craft, it shall apply to the joint apprenticeship committee administering the apprenticeship standards for the craft in the area of the Work for a certificate approving the Contractor or subcontractor for the employment and training of apprentices. The Contractor or subcontractor shall employ the number of apprentices or the ratio of apprentices to journeymen specified in the certificate unless the conditions set out in Labor Code section 1777.5 excuse it from this requirement.

Every apprentice shall be paid the standard wage paid to apprentices under the regulations of the craft or trade in which they are employed and shall be employed only in the Work of the craft or trade to which they are indentured. The employment and training of each apprentice shall be in accordance with the provisions of the apprenticeship agreements under which a person is training.

The Contractor or subcontractor employing journeymen or apprentices in any apprenticeable craft or trade shall contribute to the fund or funds set up in the area of Work to administer the apprenticeship program in each trade in which it employs such journeymen or apprentices in the same amount and manner as the contributing Contractors.

Special attention is directed to Labor Code sections 1777.5, 1777.6 and 1777.7, and California Code of Regulations, Title 8, section 200 et seq. Each Contractor and subcontractor must, before commencement of Work under this Contract, contact the Division of Apprenticeship Standards, 455 Golden Gate, 8th Floor, San Francisco, California, 94102, or one of its branch offices to ensure compliance and understanding of the law regarding apprentices and specifically the required ratio thereunder. Responsibility for compliance with this section lies with the prime Contractor.

F. Education, Counseling, and Training Programs.
All educational, counseling and vocational guidance programs and all apprenticeship and on-the-job training programs, under this Contract, shall be open to all qualified persons, without regard to race, sex, color, religion, national origin or ancestry. Such programs shall be conducted to encourage the fullest development of the interests, skills, aptitudes, and capacities of all students and trainees, with special attention to the problems of culturally deprived, educationally handicapped, or economically disadvantaged persons. Expansion of training opportunities under these programs shall also be encouraged with a view toward involving larger numbers of participants from these segments of the labor force where the need for upgrading levels of skills is the greatest.

G. Occupational Safety and Health.
The Contractor shall comply with all the provisions of the Federal Occupational Safety and Health Act of 1970 (29 U.S.C. section 651 et seq.) and all rules, regulations, and orders adopted pursuant thereto. The Contractor shall comply with all the provisions of the California Occupational Safety and Health Act of 1973 (Labor Code section 6300 et seq.) and all rules, regulations and orders adopted pursuant thereto. These laws provide for job safety and health protection for workers.

The Contractor shall obtain copies of such safety orders as are applicable to the type of work to be performed and shall be governed by their requirements in all construction operations. The Contractor shall fully inform each subcontractor and materials supplier as to the requirements of the applicable safety orders.

H. Assignment of Rights Relating to Federal and State Anti-Trust Actions.
The Contractor and all subcontractors shall be bound by the provisions of Public Contract Code section 7103.5 as follows: in entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the Trustees all rights, title, and interest in and to all causes of action it may have under section 4 of the Clayton Act (15 U.S.C. section 15) or under the Cartwright Act (Chapter 2, commencing with section 16700) or Part 2 of Division 7 of the California Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the public works contract or the subcontract. This assignment shall be made and become effective at the time the Trustees tender final payment to the Contractor, without further acknowledgment by the parties.

4.03 Environmental Requirements
Mitigation Monitoring and Reporting Programs (MMRP), when included in California Environmental Quality Act (CEQA) documentation, provide a description of required mitigation measures associated with California State University capital projects. The Contractor shall implement those mitigation measures in the MMRP for which the Contractor has been designated the responsible party. In addition, the Contractor shall comply with the following environmental requirements.

A. Air and Water Pollution Control.
The Contractor shall comply with all air and water pollution control rules, regulations, ordinances and statutes which apply to the Work performed under the Contract, including any air pollution control rules, regulations, ordinances and statutes adopted under the authority of Government Code section 11017. Contractor must be eligible to perform work
for the State, and is deemed eligible if not found to be in violation of any order, resolution, or regulation relating to air or water pollution adopted in accordance with Government Code section 4477.

In the absence of any applicable air pollution control rules, regulations, ordinances or statutes governing solvents, all solvents, including but not limited to the solvent portions of paints, thinners, curing compounds, and liquid asphalt used on the Project, shall comply with the applicable material requirements of the Air Quality Management District (AQMD). All containers of solvent, paint, thinner, curing compound or liquid asphalt shall be labeled to indicate that the contents fully comply with these requirements.

Unless otherwise provided in the special provisions, material to be disposed of shall not be burned either inside or outside the premises.

A regular watering program shall be initiated to adequately control the amount of fugitive dust in accordance with applicable AQMD rules. Exposed soil surfaces shall be sprayed with water at least daily and as needed to mitigate dust (see also Article 4.08-C, Protection of Facilities).

Trucks hauling dirt from the site shall be covered in accordance with applicable state and local requirements. To reduce exhaust emissions, unnecessary idling of construction vehicles and equipment shall be avoided.

B. Sound Control Requirements.
The Contractor shall comply with all sound control and noise level rules, regulations and ordinances that apply to the Work. In the absence of any such rules, regulations and ordinances, the Contractor shall conduct its Work to minimize disruption to others due to sound and noise from the workers, and shall be responsive to the University’s requests to reduce noise levels.

Each internal combustion engine, used for any purpose on the Project or related to the Project, shall be equipped with a muffler of a type recommended by the manufacturer. No internal combustion engine shall be operated on the Project without a muffler. Construction equipment shall be fitted with modern emission control devices and shall be kept in proper tune.

Loading and unloading of construction materials will be scheduled so as to minimize disruptions to University activities. Construction activities will be scheduled to minimize disruption to the University and to University users.

C. Environmental Clearances.
The Contractor shall provide state and federal agencies all information necessary for environmental clearances and other authorizations necessary for this Project. The Contractor shall comply with the provisions, including giving notices during construction when so required. The University shall not compensate the Contractor for the delays in obtaining environmental clearances and authorizations. However, the University will grant an appropriate extension of time in accordance with the provisions in Article 4.14-F, University’s Adjustment of Job Order Time, if the Contractor demonstrates to the satisfaction of the University that it has made every reasonable effort to obtain the requisite clearance or authorizations, and cannot obtain it in a timely manner.

D. Source of Aggregates.
The Public Contract Code section 10295.5 requires that no State agency shall purchase or utilize sand, gravel, aggregates, or other minerals unless the source is on an eligible list identifying operations that have met certain requirements of the Surface Mining and Reclamation Act of 1975 (Public Resources Code section 2710 et seq.). Accordingly, the Contractor shall submit to the University documentation that it is complying with the requirements of this law in purchasing these materials.

E. Archaeological Finds.
If the Contractor discovers any artifacts during excavation and/or construction, the Contractor shall stop all affected Work and notify the University, who will call in a qualified archaeologist designated by the California Archaeological Inventory to assess the discovery and suggest further mitigation, as necessary.

If the Contractor discovers human remains, the Contractor shall notify the University who will be responsible for contacting the county coroner and a qualified archaeologist. If the remains are determined to be Native American, the University shall contact the appropriate tribal representatives to oversee removal of the remains.

F. Integrated Waste Management. Pursuant to the State Agency Integrated Waste Management Plan (Public Resources Code, Division 30, Part 3, Chapter 18.5), the California State University shall divert 50% of all solid waste generated in construction activities from landfill disposal or transformation facilities through source reduction, recycling and composting. Contractor shall report all source reduction, recycling and composting relative to this Contract to the Trustees. Refer to Contract Documents for further requirements.
4.04 Substitution of Subcontractors
The Contractor shall not substitute any subcontractor in place of a subcontractor listed in its Job Order proposal except as authorized in the Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4100 et seq.).

A. Bond Requirements.
It is the Trustees’ interpretation of section 4108 of the Public Contract Code that the Contractor clearly advertise the specific bond requirements for the Project, including the requirement of a bond, the kind of a bond, and the amount of the bond, in order to be eligible to substitute a subcontractor under section 4107(a)(4) of the Public Contract Code.

B. Substitution of a Small Business Subcontractor.
After award of the Contract based in part on the application of the small business preference, the Non-Small Business Contractor shall use the small business subcontractor(s) and/or suppliers listed in its bid proposal unless a substitution is requested in writing to the Trustees, and the Trustees approve the substitution in writing before the commencement of any Work. The substitution request must include at least the following:
1. An explanation of the reason for the substitution.
2. The Contractor must substitute a small business with another small business. If the small business substitution cannot occur, the Contractor must include a written justification and the steps taken to try to acquire a new small business subcontractor and how that portion of the Contract will be fulfilled.
3. A description of the Work to be performed, identified both as a task(s) and as a dollar amount or percentage of the overall Job Order that the substituted business will perform. The substituted business(es), if approved, shall be required to perform a commercially useful function in the Contract pursuant to California Code of Regulations section 1896.6.

Any substitution of subcontractors shall be performed in accordance with the Subletting and Subcontracting Fair Practices Act (Public Contract Code section 4100 et seq.). Failure of the Contractor to subcontract with the small business listed on its job order proposal or to follow these substitution requirements may be grounds for the Trustees to notify the Department of General Services to impose sanctions pursuant to Government Code section 14842.5 or Code of Regulations section 1896.16. In the event such sanctions are to be imposed, the Contractor shall be notified in writing and entitled to a hearing pursuant to Code of Regulations sections 1896.18 and 1896.20.

C. Substitution of a Disabled Veteran Business Enterprise.
The Contractor shall use the Disabled Veteran Business Enterprise (DVBE) companies listed on the List of Proposed Subcontractors form submitted with its job order proposal unless a substitution is requested in writing to the Trustees, and the Trustees and the Department of General Services (DGS) approve the substitution in writing before the commencement of any Work. The substitution request must include at least the following:
1. An explanation of the reason for the substitution.
2. A written description of the business enterprise to be substituted, including its business status as a sole proprietorship, partnership, corporation or other entity, and the DVBE certification status of the firm, if any.
3. The Contractor must substitute a DVBE with another DVBE. If the DVBE substitution cannot occur, the Contractor must include a written justification and the steps that were taken to try to acquire a new DVBE subcontractor and how that portion of the contract will be fulfilled.
4. A description of the Work to be performed identified both as a task(s) and as a dollar amount or percentage of the overall contract that the substituted business will perform.

The request for substitution of a DVBE and the Trustees’ and DGS approval or disapproval cannot be used as an excuse for noncompliance with any other provision of law, including, but not limited to, the Subletting and Subcontracting Fair Practices Act (Sections 4100 et seq., Public Contract Code) or any other contract requirements relating to substitution of subcontractors.

4.05 Delegation of Performance and Assignment of Money Earned
The performance of all or any part of this Contract may not be delegated without the written consent of the University. Consent will not be given to any proposed delegation that would relieve the Contractor or its surety of their responsibilities under the Contract.

The Contractor may assign moneys due or to become due under the Contract, only upon written consent of the University. Assignment of moneys earned by the Contractor shall be subject to proper retention in favor of the University and to all deductions provided for in the Contract, and such moneys shall be subject to use by the University for the completion of the Work in the event the Contractor is in default.
4.06 Insurance Requirements
The Contractor shall not commence Work on this site until it has obtained all the insurance required in this Article, and such insurance has been approved by the Trustees.

A. Policies and Coverage
1. The Contractor shall obtain and maintain for the term of the Contract the following policies and coverage:
   a. Comprehensive or Commercial Form General Liability Insurance, on an occurrence basis, covering Work done or to be done by or on behalf of the Contractor and providing insurance for bodily injury, personal injury, property damage, and contractual liability. The aggregate limit shall apply separately to the Work.
   b. Business Automobile Liability Insurance on an occurrence basis, covering owned, hired, and non owned automobiles used by or on behalf of the Contractor and providing insurance for bodily injury, property damage, and contractual liability. Such insurance shall include coverage for uninsured and underinsured motorists.
   c. Worker's Compensation including Employers Liability Insurance as required by law.

2. The Contractor also may be required to obtain and maintain the following policies and coverage:
   a. Environmental Impairment Liability Insurance may be required should the Work involve hazardous materials, such as asbestos, lead, fuel storage tanks, and PCBs.
   b. Other Insurance by agreement between the Trustees and the Contractor.

B. Verification of Coverage.
The Contractor shall submit original certificates of insurance and endorsements to the policies of insurance required by the Contract to the Trustees as evidence of the insurance coverage. The scope of coverage and deductible shall be shown on the certificate of insurance. Renewal certifications and endorsements shall be timely filed by the Contractor for all coverage until the Work is accepted as complete pursuant to Article 9.01, Acceptance. The Trustees reserve the right to require the Contractor to furnish the Trustees complete, certified copies of all required insurance policies.

Nothing in these insurance provisions shall be deemed to alter the indemnification provisions in Article 4.07. The insurance policies shall contain, or be endorsed to contain, the following provisions:
1. For the general and automobile liability policies, the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents are to be covered as additional insureds.
2. For any claims related to the Work, the Contractor’s insurance coverage shall be primary insurance as respects the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents. Any insurance or self-insurance maintained by the State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall be in excess of the Contractor’s insurance and shall not contribute with it.
3. Each insurance policy required by this Article shall state that coverage shall not be canceled by either the Contractor or the insurance carrier, except after thirty Days prior written notice by certified mail, return receipt requested, has been given to the Trustees.
4. The State of California, the Trustees of the California State University, the University, their officers, employees, representatives, volunteers, and agents shall not by reason of their inclusion as additional insureds incur liability to the insurance carriers for payment of premiums for such insurance.

D. Amounts of Insurance
1. For all projects, the insurance furnished by Contractor under this Article shall provide coverage in amounts not less than the following:
   a. Comprehensive or Commercial Form General Liability Insurance--Limits of Liability
      $2,000,000 General Aggregate
      $1,000,000 Each Occurrence--combined single limit for bodily injury and property damage.
   b. Business Automobile Liability Insurance-Limits of Liability
      $1,000,000 Each Accident-- combined single limit for bodily injury and property damage to include uninsured and underinsured motorist coverage.
   c. Workers’ Compensation limits as required by law with Employers Liability limits of $1,000,000.

2. For projects involving hazardous materials, the Contractor shall provide additional coverage in amounts not less than the following:
a. Environmental Impairment (pollution) Liability Insurance-Limits of Liability
   $10,000,000 General Aggregate
   $5,000,000 Each Occurrence--combined single limit for bodily injury and property damage, including clean up costs.

b. In addition to the coverage described in 4.06-D.1.b, Business Automobile Liability Insurance, the Contractor shall obtain for hazardous material transporter services:
   (1) MCS-90 endorsement
   (2) Sudden & Accidental Pollution endorsement--Limits of Liability*
      $2,000,000 Each Occurrence
      $2,000,000 General Aggregate

   *A higher limit on the MCS-90 endorsement required by law must be matched by the Sudden & Accidental Pollution Insurance.

With the Trustees’ approval, the Contractor may delegate the responsibility to provide this additional coverage, as described in this Article 4.06-D.2.b above, to its hazardous materials subcontractor. When the Contractor returns its signed Agreement to the Trustees, the Contractor shall also provide the Trustees with a letter stating that it is requiring its hazardous materials subcontractor to provide this additional coverage, if applicable. The Contractor shall affirm in this letter that the hazardous materials subcontractor’s certificate of insurance shall also adhere to all of the requirements in Articles 4.06-B, Verification of Coverage and 4.06-C, Insurance Provisions. Further, this letter will provide that the subcontractor’s certificate of insurance will be provided to the Trustees as soon as the Contractor fully executes its subcontract with the hazardous materials subcontractor, or within 30 Days of the Notice to Proceed, whichever is less.

E. Acceptability of Insurers.
   Insurers shall be licensed by the State of California to transact insurance and shall hold a current A.M. Best’s rating of no less than A:VII, or shall be a carrier otherwise acceptable to the University.

F. Subcontractor’s Insurance.
   Contractor shall ensure that its subcontractors are covered by insurance of the types required by this Article, and that the amount of insurance for each subcontractor is appropriate for that subcontractor’s work. Contractor shall not allow any subcontractor to commence work on its subcontract until the insurance has been obtained.

G. Miscellaneous
   1. Any deductible under any policy of insurance required in this Article shall be Contractor’s liability.
   2. Acceptance of certificates of insurance by the Trustees shall not limit the Contractor’s liability under the contract.
   3. In the event the Contractor does not comply with these insurance requirements, the Trustees may, at its option, provide insurance coverage to protect the Trustees. The cost of the insurance shall be paid by the Contractor and, if prompt payment is not received, may be deducted from contract sums otherwise due the Contractor.
   4. If the Trustees are damaged by the failure of Contractor to provide or maintain the required insurance, the Contractor shall pay the Trustees for all such damages.
   5. The Contractor’s obligations to obtain and maintain all required insurance are nondelegable duties under this contract.
   6. The Contractor’s liability for damages proximately caused by acts of God (as defined in Public Contract Code section 7105) and not involving Contractor negligence shall be limited to five percent of the Contract Amount if the Work damaged is built in accordance with the Contract and applicable building standards.

4.07 Indemnification
   Nothing in these indemnification provisions shall be deemed to alter the insurance provisions in Article 4.06.
   A. The Contractor shall hold harmless, defend, and indemnify the State of California, the Board of Trustees of The California State University, the University, and the officers, employees, representatives and agents of each of them, from and against all claims, damages and losses arising out of, resulting from, or relating to (1) the failure of the Contractor to perform its obligations under the Contract or the performance of its obligation in a willful, reckless, or negligent manner; (2) the inaccuracy of any representation or warranty by the Contractor given in accordance with or contained in the Contract Documents; and (3) any claim of damage or loss by any subcontractor, or supplier, or laborer against the Trustees arising out of any alleged act or omission of the Contractor or any other subcontractor, or anyone directly or indirectly employed by the Contractor or any subcontractor.
B. The Contractor shall hold harmless, defend, and indemnify the State of California, the Board of Trustees of The California State University, the University, and its officers, employees, representatives and agents from and against all claims, damages and losses arising out of, resulting from, or relating to the negligent acts or omissions, recklessness, or willful misconduct of the Contractor, a subcontractor, or anyone directly or indirectly employed by either of them, or anyone for whose acts either of them may be liable. Such obligation shall not be construed to negate, abridge, or reduce other rights or obligations of indemnity which would otherwise exist as to a party or person described in Article 4.07-C, following. Such obligation shall, however, apply in proportion to and to the extent that any such losses result from the negligent acts or omissions by an employee of the Contractor, a subcontractor, or a person indirectly employed by the Contractor or a subcontractor, or anyone for whose acts either may be liable.

C. In claims against any person or entity indemnified under this Article made by an employee of the Contractor or a subcontractor, or indirectly employed by either of them, or anyone for whose acts either may be liable, the indemnification obligation under this Article shall not be limited by a limitation on amount or type of damages, compensation, or benefits payable by or for the Contractor or a subcontractor under workers compensation laws, disability benefit laws, or other laws providing employee benefits.

D. The indemnification obligations under this Article shall not be limited by any assertion or finding that the person or entity indemnified is liable by reason of a non-delegable duty.

E. The Contractor shall hold harmless, defend, and indemnify the State of California, the Board of Trustees of The California State University, the University, and its officers, employees, representatives and agents from and against all claims, damages and losses resulting from any claim of damage made by any separate Contractor of the Trustees against the Trustees arising out of any alleged acts or omissions of the Contractor, a subcontractor, anyone directly or indirectly employed by either the Contractor or subcontractor, or anyone for whose acts the Contractor or subcontractor may be liable.

F. The Contractor shall hold harmless, defend, and indemnify the separate Contractors of the State of California, the Board of Trustees of the California State University, the University, and its officers, employees, representatives and agents from and against all claims, damages and losses arising out of the negligent acts or omissions, recklessness, or willful misconduct of the Contractor, a subcontractor, anyone directly or indirectly employed by the Contractor or subcontractor, or anyone for whose acts the Contractor or subcontractor may be liable. The Trustees shall cause a reciprocal indemnification provision in favor of the Contractor to be included in its contracts with separate Contractors of the Trustees. Liability for any negligent act or omission or willful misconduct shall be apportioned pursuant to the applicable law of the State of California.

4.08 Contractor’s Responsibility for the Work

The Contractor shall be responsible for all Work performed under this Contract, and no subcontractor will be recognized as such. For purposes of assessing responsibility to the Contractor, all persons engaged in the Work shall be considered employees of the Contractor. The Contractor shall give its personal attention to the fulfillment of the Contract and keep all phases of the Work under its control.

Contractor shall create a report of construction activities occurring each day, and include a listing of all subcontractors of all tiers and the numbers of workers for each that are on site each day, briefly describing the Work the subcontractors are performing. Each subcontractor shall create report of construction activities occurring each day, and include a listing of all subcontractors of all tiers and the numbers of workers for each that are on site each day, briefly describing the Work the subcontractors are performing. Contractor and every subcontractor shall submit these reports to the Trustees’ Construction Administrator daily. At the end of the Project, Contractor shall submit to the Trustees’ Construction Administrator a complete listing of all subcontractors, suppliers and other businesses that performed Work on the Project.

The University will not arbitrate disputes among subcontractors nor between the Contractor and one or more subcontractors concerning responsibility for performing any part of the Project.

A. Quality Control.

The Contractor shall be fully responsible for the quality of materials and workers’ skill in the Project. The Contractor shall not rely upon the inspection and testing provided by the University other than those special inspections and tests performed by the University’s selected laboratories for which there are written reports.

B. Burden for Damage.

From the issuance of the official notice to proceed until the formal acceptance of each discrete Job Order by the University, the Contractor shall have the charge and care of and shall bear the risk of damage to the University facilities and materials and equipment for the Job Order.
The Contractor, at its own expense, shall promptly rebuild, repair, restore, and make good all such damage to any portion or to all of the Project and materials therefor before the acceptance of the Project by the University except for such damage as is proximately caused by acts of the federal government or public enemy. In case of suspension of Work from any cause whatever, the Contractor shall be responsible for all materials, and shall properly store them, if necessary, and shall provide suitable drainage and erect temporary structures where necessary.

If the Contractor damages any property belonging to the University, the University may, in addition to other remedies available to the University, retain from the money due to the Contractor an amount sufficient to ensure repair of the damage or an amount to contribute toward repair of the damage.

Neither the State of California, the Trustees of The California State University, the University, nor the officers, employees, representatives, nor agents of each of them shall be responsible for any damage to the Project and materials and equipment for the Project.

C. Protection of Facilities.
From the issuance of the official Notice to Proceed until the formal acceptance of the Job Order by the University, Contractor shall protect the Site and Work from theft, acts of malicious mischief, vandalism and unauthorized entry. During all hours that Work is not prosecuted, Contractor shall furnish such watchman’s services as necessary to safeguard materials and equipment in storage on the Project site, including Work in place or in process of fabrication, against theft, acts of malicious mischief, vandalism and other losses or damages. The Contractor shall be liable for any loss or damage that result from its failure to protect the Site and the Work.

Contractor shall protect adjoining property and nearby buildings, roads, and other facilities and improvements from dust, dirt, debris and other nuisances arising out of Contractor’s operations or storing practices. Dust shall be controlled by sprinkling or other effective methods acceptable to University. An erosion and sedimentation control program shall be initiated, which includes measures addressing erosion caused by wind and water and sediment in runoff from site. A regular watering program shall be initiated to adequately control the amount of fugitive dust in accordance with applicable Air Quality Management District (AQMD) rules (see also Article 4.03-A, Air and Water Pollution Control).

D. Safety.
The Contractor shall exercise precaution at all times for the protection of persons and their property. The Contractor shall install adequate safety guards and protective devices for all equipment and machinery, whether used in the Work or permanently installed as part of the Project. The Contractor shall also provide and adequately maintain all proper temporary walks, roads, guards, railings, lights, and warning signs. The Contractor shall comply with all applicable laws relating to safety precautions, including the safety regulations of the California Division of Industrial Safety. Unless the Contractor designates other employees, its superintendent shall have the duty of prevention of accidents. The Contractor shall institute a safety program which includes all trades on the site.

Renovation, expansion, or remodel Work of any existing building may expose workers to asbestos and/or lead-containing materials. The Contractor shall comply with all applicable laws addressing such exposure, including the Cal/OSHA Lead in Construction Standards (Title 8, California Code of Regulations, section 1532.1).

The University may bring to the attention of the Contractor a possible hazardous situation in the field regarding the safety of personnel on the site. The Contractor shall be responsible for verifying the observance of all local, state, and federal workplace safety guidelines. In no case shall this right to notify the Contractor absolve the Contractor of its responsibility for monitoring safety conditions. Such notification shall not imply that anyone other than the Contractor has assumed any responsibility for field safety operations.

Explosives shall not be used without first obtaining written permission from the University and then shall be used only with the utmost care and within the limitations set in the written permission and in accordance with prudence and safety standards required by law. Storage of explosives on the Project site or University is prohibited. Powder activated tools are not explosive for purposes of this Article; however, such tools shall only be used in conformance with State safety regulations.

In the event of an accident, the Contractor shall make available to the University copies of its accident report to its insurance carrier. The Contractor shall determine the cause of the accident and immediately correct any equipment, procedure, or condition contributing to the accident.

E. Utilities
1. If the Contractor discovers utility facilities not identified in the Job Order documents, the Contractor shall immediately notify the University and the utility involved, in writing, of such discovery. When the Contractor is required by the scope of Work to locate, remove or relocate utility facilities not identified in the individual
4.10 Responsibility to Secure and Pay for Permits, Licenses, Utility Connections, Etc.

a public utility, telephone company, special district, or quasi-governmental entity. It is the responsibility of the Contractor to cost relating thereto as well as all other fees and charges that are required by the United States, the State, the county, the city, the Trustees of the California State University, the University, and the officers, employees, representatives and agents of each.

The Contractor shall secure all permits and licenses required for any operations required under this Contract and shall pay all subcontractor’s interest therein.

adjustments for any delays that may be caused by securing permits and licenses.

to ascertain the necessity of such permits and licenses in preparing its bid and include in its bid the cost thereof as well as processes used on or incorporated in the Project and agrees to save harmless, defend, and indemnify the State of California, the University, and the officers, employees, representatives and agents of each.

2. With the exception of the identification of main or trunk line utility facilities in the Contract Documents, the foregoing provisions of subdivision 1 shall not apply to, and University shall have no obligation to indicate, the presence of existing service laterals or appurtenances whenever the presence of such utilities on the site of the Project can be inferred from the presence of other visible facilities, such as buildings, meter and junction boxes, on or adjacent to the site of the construction.

3. Except as expressly provided in subdivisions 1 and 2 above, the Contractor shall be responsible at its own cost for all Work, expense, or special precautions caused by the existence or proximity of utilities encountered at the site or in the performance of the Project Work including, without limitation, repair of any damage that may result including any damage resulting from hand or exploratory excavation. The Contractor is cautioned that the utilities encountered at the site may include communication cables or electrical cables conducting high voltage. When excavating in the vicinity of the ducts enclosing such cables, special precautions are to be observed by the Contractor at its own cost and shall include the following: all cables and their enclosure ducts shall be exposed by careful hand excavation so as not to damage the ducts or cables nor cause injury to persons, and appropriate warning signs, barricades, and safety devices shall be erected.

4. The Contractor shall provide as-built drawings of all utilities encountered and constructed to the University, indicating the size, horizontal location, and vertical location based on the Project benchmark or a stable datum.

F. Hazardous Materials

1. Asbestos.
The Contractor is prohibited from installing any asbestos-containing materials or products in any Work to be performed under this Contract without the written consent of the University Executive Dean and University Director of Environmental Health and Safety. The Contractor shall be responsible for removal and replacement costs should it be determined this provision has been violated; this responsibility shall not be limited in duration by Project completion, the warranty period, or other provisions of this Contract.

2. Lead.
The Contractor is prohibited from installing any lead-containing materials or products, including paint, in any Work to be performed under this Contract without the written consent of the Executive Facilities Officer and the Director of Environmental Health and Safety. The Contractor shall be responsible for removal and replacement costs should it be determined this provision has been violated; this responsibility shall not be limited in duration by Project completion, the warranty period, or other provisions of this Contract.

4.09 Payments by Contractor

In accordance with section 7108.5 of the Business and Professions Code, the Contractor agrees to promptly pay all subcontractors within seven (7) Days of receipt of each progress payment, unless otherwise agreed in writing by the parties, the respective amounts allowed Contractor on account of the Work performed by its subcontractors, to the extent of each such subcontractor’s interest therein.

4.10 Responsibility to Secure and Pay for Permits, Licenses, Utility Connections, Etc.
The Contractor shall secure all permits and licenses required for any operations required under this Contract and shall pay all costs relating thereto as well as all other fees and charges that are required by the United States, the State, the county, the city, a public utility, telephone company, special district, or quasi-governmental entity. It is the responsibility of the Contractor to ascertain the necessity of such permits and licenses in preparing its bid and include in its bid the cost thereof as well as adjustments for any delays that may be caused by securing permits and licenses.

4.11 Patented or Copyrighted Materials

The Contractor shall assume all costs arising from the use of patented or copyrighted materials, equipment, devices, or processes used on or incorporated in the Project and agrees to save harmless, defend, and indemnify the State of California, the Trustees of the California State University, the University, and the officers, employees, representatives and agents of each.
of them from all suits, actions, or claims for, or on account of, the use of any patented or copyrighted materials, equipment, devices, or processes.

4.12 Property Rights in Materials and Equipment
Nothing in the Contract shall be construed as vesting in the Contractor any property right in the materials or equipment after the Project is complete. All such materials or equipment shall become the property of University upon completion of the Project, and the Contractor warrants that all such property shall pass to University free and clear of all liens, claims, security interests, or encumbrances.

4.13 Taxes
The Contractor shall pay all taxes imposed by law which are levied or become payable as a result of the Contractor’s performance under this Contract.

4.14 Contract Time
A. Time of the Essence.
All time limits specified in this Contract are of the essence of the Contract.

B. Starting and Completion Date.
The University shall designate in the Notice to Proceed the starting date of each discrete Job Order on which the Contractor shall immediately begin and thereafter diligently prosecute the Work to completion. The Contractor agrees to complete the Work on the date specified for completion of the Contractor’s performance in the Job Order unless such time is adjusted, in writing, by the University. The Contractor may complete the Work before the completion date if it will not interfere with the University or their other Contractors engaged in related or adjacent Work. The Work shall be regarded as completed on the acceptance date noted on the University’s Notice of Completion. This date shall be used as the date the guarantee period begins as defined in Article 9.05, Guarantee.

C. Adjustment of Job Order Time Due to Acts of God, etc.
The Contractor shall not be assessed with liquidated damages, nor the cost of engineering and inspection during any delay in the completion of the Project caused by acts of God, the public enemy, fire, flood, earthquake, epidemic, quarantine restriction, strike, freight embargo, discovery of archaeological or paleontological artifacts, and unusual action of the elements; provided that the Contractor shall notify the University in writing of the causes of delay within 24 hours from the beginning of any such delay. The University shall determine the facts with regard to the delay and the reasonable period of time by which the date of completion should be extended by reason thereof, if any. The University’s findings thereon shall be final and conclusive.

There shall be no compensation to the Contractor for costs associated with this kind of delay.

The term ‘unusual action of the elements’ is limited to extraordinary, adverse weather conditions and conditions immediately resulting therefrom which cause a cessation in the progress of the Work which will delay the time of completion of a Job Order.

The Contractor shall have no right to an adjustment in the time of completion due to weather conditions or industrial conditions which are normal for the locality of the site. The time for completion of each Job Order will be calculated with consideration given to the average climatic range and usual industrial conditions prevailing in the locality of the site.

D. Adjustment of Job Order Time Due to Acts of the University.
If the Contractor is delayed in completing a Job Order by reason of any act of the University not provided by the Contract, or by reason of changes without reaching agreement as to any time adjustments, the time for completion of a Job Order may be extended for a period commensurate with the delay. The Contractor shall notify the University in writing of the causes of the delay within seven Days from the beginning of the delay.

E. Contractor to Fully Prosecute Work.
No extension of time will be granted for any of the causes for which extensions are granted unless the Contractor demonstrates to the satisfaction of the University that the Contractor has made every reasonable effort to fully prosecute the Work and complete the Work within the Contract Time. The causes of delay shall be subject to the same determinations as stated in Article 4.14-C, Adjustment of Job Order Time Due to Acts of God, etc., above.

F. University’s Adjustment of Job Order Time.
Even though the Contractor has no right to an extension of time for completion, the University may extend the time at the request of the Contractor if they determine it to be in the best interest of the State. If the time is extended, the University may, in lieu of assessing liquidated damages, charge the Contractor, its successors, heirs, assigns, or sureties, and deduct from the final payment for the Work all or any part, as they may deem proper, the value of the lost
use of the completed Project, and of the actual cost to the University of engineering, inspection, superintendence, and other overhead expenses which are directly chargeable to the Contract, and which accrue during the period of such extension. The University may also extend the time for completion if the reason is due to circumstances beyond the control of the Contractor or the University (e.g., awaiting environmental clearance).

4.15 Labor Force and Superintendent
A. At all times the Contractor shall provide sufficient labor to properly prosecute the Work and to ensure completion of the Work within the Job Order Contract Time (Public Contract Code section 10843). The Contractor shall employ competent workers who are skilled in the type of Work required and whose workmanship is of the best, regardless of the quality of material. Contractor shall enforce strict discipline and good order at all times among Contractor’s employees and all subcontractors. All employees assigned to the Work by Contractor shall perform in the best manner and shall cooperate fully with the University and all other representatives of the University. The Contractor shall remove from the Work any employee of the Contractor or of any subcontractor when so directed by the University.

The Contractor shall make certain that all subcontractors employed are properly licensed and are in good standing with the California Department of Industrial Relations.

B. The Contractor shall retain a competent, full-time, on-site superintendent to represent the Contractor and to direct the Project at all times while any Work under this Contract is underway. The Contractor shall not replace a Superintendent without advanced written approval from the University. If, in the judgment of the University, the Superintendent is incompetent, unqualified, poorly performing or disorderly, the Contractor shall, upon request by the University, promptly remove such person from the Project and shall not re-employ such person thereon. In this event, the University shall approve the replacement Superintendent.

The superintendent shall prepare a daily report that includes worker count, Work in progress and pertinent details relating to the progress of the Work. Such report shall be provided to the University upon request.

C. Contractor’s Responsibility for Work:
1. The Work shall be under the charge and care of the Contractor until final acceptance by the University, including all punch list items, unless otherwise specified in the Contract Documents. The Contractor shall assume all responsibility for injury or damage to the Work by action of the elements and fire and from any other causes whatsoever, whether arising from the execution, or from the non-execution, of the Work. The Contractor shall rebuild, repair, restore and make good, at its expense, all injuries or damages to any portion of the Work occasioned by any of the above causes before final completion.

2. When the University furnishes equipment or materials to the Contractor for use or inclusion in the Work, the Contractor's responsibility for all such equipment and materials shall be the same as if furnished by him/her.

3. The Contractor shall not have Work performed, nor shall it employ labor or means, in the carrying out of this Contract that would in any way cause or result in a suspension, or delay of, or strike upon the Work to be performed hereunder of any of the trades working in or about the premises herein described, or in or about any other building of the University.

4. As a minimum staffing level, the Contractor shall have at all times a project manager, estimator, office manager and superintendent assigned to the Contract. Additional staff will be assigned depending on the Work load level but at all times the Contractor shall maintain a ratio of at least one (1) superintendent for every six (6) Job Orders.

4.16 Subsurface or Site Conditions Found Different
Should the Contractor encounter subsurface or physical conditions at the site materially differing from those shown on or described in or indicated in the Job Order, the Contractor shall immediately give written notice to the University of the differing conditions and shall not disturb the differing conditions until directed to do so by the University.

4.17 Verifying Dimensions
A. The Contractor shall take all measurements at the site and shall verify all dimensions at the site before submitting its proposal and before proceeding with the Work.

B. During the progress of Work, the Contractor shall verify all field measurements prior to fabrication of building components or equipment, and proceed with the fabrication to meet field conditions.

C. Special locations for equipment, pipelines, ductwork and other such items of Work, where not dimensioned on plans, shall be determined by sole authority of the University.

D. The Contractor shall be responsible for the proper fitting of the Work in place.
4.18 Meetings
The Contractor shall attend all scheduled progress meetings and any other special meetings as directed by the University.

4.19 Contractor’s Relationship to Subcontractors
A. The Contractor shall have full responsibility for all portions of the Work furnished by every subcontractor and for all acts and omissions (whether willful, negligent, or otherwise) of every subcontractor and such subcontractor’s employees. All Work, acts, and omissions, of every subcontractor and such subcontractor’s employees shall be deemed those of Contractor for all purposes of the Contract.

B. Before entering into any subcontract, the Contractor shall inform each subcontractor fully and completely of all requirements of this Contract relating to the Work to be performed under the subcontract. The Contractor shall require all agreements with or between subcontractors to be in writing. Every subcontract shall provide expressly that such subcontract (and all rights of any subcontractor thereunder) is subject in all respects whatsoever to all requirements of this Contract and that all Work under the subcontract shall comply with all requirements of this Contract. Each subcontract shall include a provision authorizing termination for necessity or convenience by the Contractor and a provision under which the subcontractor agrees that the subcontractor’s obligations shall be assigned to the University, at the University’s election, upon a termination of Contractor’s rights to perform the (effective upon the giving of the University’s notice of termination under either such section). Upon the University’s request, the Contractor shall deliver to the University a counterpart original of the signed subcontract between Contractor and each subcontractor (and any modifications thereof). Each subcontract shall contain the same terms and conditions as to method of payment for Work, and as to retained percentages, as are set forth in this Contract; and Contractor shall pay each subcontractor in accordance with the terms of the applicable subcontract, the contract general conditions and state statutes for Work performed by such subcontractor.

C. The Contractor’s execution of any subcontract shall be deemed a representation to the University that the Contractor (1) has informed the subcontractor fully and completely of all requirements of this Contract relating directly or indirectly to the subcontractor’s Work; and (2) has taken all steps necessary to ensure that each and every subcontractor meets the minimum qualifications required by the University of any Contractor submitting bids for any University Work.

D. The Contractor shall make certain that all subcontractors employed are properly licensed and are in good standing with California Department of Industrial Relations.

4.20 Character of Workers
A. The Contractor shall employ only competent and efficient laborers, mechanics, or artisans. Whenever, in the opinion of the University, any employee is careless, incompetent, violates safety or security rules, obstructs the progress of the Work, acts contrary to instructions or acts improperly, or fails to follow the safety requirements of this Contract, the Contractor shall, upon request of the University, discharge or otherwise remove such person from the Work and shall not employ such person, except with the written consent of the University. The Contractor shall not permit any person to enter any part of the Work or any buildings connected therewith who is under the influence of intoxicating liquors or controlled substances.

B. The Contractor and the Contractor’s employees shall be subjected to the same general rules of conduct while on University property that apply to University employees. The University reserves the right to refuse access to any Contractor’s employee if the University determines it to be in the best interests of the University.

C. The Contractor shall make certain that all subcontractors employed are properly licensed and are in good standing with California Department of Industrial Relations.

4.21 Limitation of Construction Operations
The Contractor shall limit the area and nature of the construction operations to that which is authorized in the plans or specifications or approved by the University.

4.22 Coordination with Other Work
The University reserves the right to do other Work in connection with the Project or adjacent thereto by contract or otherwise, and the Contractor shall at all times conduct the Work so as to impose no hardship on the University or others engaged in the University’s Work nor to cause any unreasonable delay or hindrance thereto. Where two or more Contractors are employed on related or adjacent Work, each shall conduct its operation in such a manner as not to cause delay or additional expense to the other.

The Contractor shall be responsible to others engaged in the related or adjacent Work for all damage to Work, to persons and to property, and for loss caused by failure to complete the Work within the specified time for completion. The Contractor shall coordinate its Work with the Work of others so that no discrepancies shall result in the Project.
4.23 Drawings Reflecting Actual Construction
During the course of construction, the Contractor shall maintain as-built drawings (if part of a Job Order) kept up each day to show the Project as it is actually constructed. Every sheet of the plans that differs from the actual construction shall be marked and sheets so changed shall be noted on the title sheets of the plans. All change orders shall be shown by reference to sketch drawings and any supplementary drawings or change order drawings shall be included. The altered Contract drawings shall be sufficiently detailed so that future Work on the Project or in adjacent areas may be conducted with a minimum of difficulty. Before completion of the Project, and before release of the final retention payments, the ‘as-built’ drawings and marked up drawings, if any, shall be transmitted to the Construction Administrator.

4.24 Cleanup of Project and Site
The Contractor shall clean up its Work at frequent intervals and shall clean up its Work at other times when directed by the University. At all times while finish Work is being done, floors shall be kept broom clean. Upon completion of the Work, the Contractor shall promptly remove from the premises construction equipment and any waste materials not previously disposed of, leaving the premises thoroughly clean and ready for occupancy.

When two or more Contractors are engaged in Work at or near the site, each shall be responsible for cleanup and removal of its own rubbish, equipment, and any waste materials not previously disposed.

In the event the Contractor does not maintain the Project or the site clear of debris and rubbish in a manner acceptable to the University, the University may, at its option, cause the Project or site to be properly cleaned and may withhold the expense incurred therefor from payments due the Contractor.

4.25 Access to Work
The University shall at all times have access to the Work, and the Contractor shall maintain such access during the Work on a Project.

4.26 Notice for Testing
If the Contract Documents, the University’s instructions, state laws, or regulations, require that any Work be inspected or tested, the Contractor shall give the University timely notice of readiness of the Work for inspection or testing and the date fixed for inspection or testing. The Contractor shall at all times permit the Trustees to visit and inspect the Work and shall maintain proper facilities and provide safe access for such inspection. Work requiring testing, inspection or verification shall not be covered up without such test, inspection, or approval.

4.27 Re-Examination of Work
Re-examination of any part of the Work may be ordered by the University, and if so ordered the Work must be uncovered by the Contractor. If the University finds such Work to be in accordance with the Contract, the University shall pay the cost of reexamination and the University does not find such Work to be in accordance with the Contract, the Contractor shall pay or be back-charged for the cost of re-examination.

4.28 Inspection of Work
A. All Work, all materials whether or not incorporated in the Work, all processes of manufacture, and all methods of construction shall be, at all times and places, subject to the inspection of the University, and the University shall judge the quality and suitability of the Work, materials, processes of manufacture, and methods of construction for the purposes for which such Work, materials, processes of manufacture and methods of construction are used. The University may direct that any Work not approved by the University shall, at no cost to the University, be immediately removed, reconstructed, made good, replaced or corrected by the Contractor to the satisfaction of the University. This corrective Work shall include all Work of any third party destroyed or damaged by such removal or replacement. Rejected material shall be removed immediately from the site at no extra cost to the University. Acceptance of material and workmanship by the University shall not relieve the Contractor from the Contractor’s obligation to replace all Work that is not in full compliance with the Contract.

B. If, after inspection, the University determines that it is undesirable to replace any defective or damaged materials or to reconstruct or correct any portion of the Work injured or not performed in accordance with the Contract, the compensation to be paid to the Contractor shall be reduced by an amount which the University deems equitable.

4.29 Testing
All materials and equipment used in the Work shall be subject to inspection and testing in accordance with accepted standards to establish conformance with specifications and suitability for uses intended, unless otherwise specified in the Contract. If any Work shall be covered or concealed without the approval or consent of the University, that Work shall, if directed by the University, be uncovered for examination. Any inspection by the University or by a testing laboratory on behalf of the University does not relieve the Contractor of the responsibility to maintain quality control of materials, equipment and installation to conform to the requirements of the Contract. If any test results are below specified minimums, the University
may order additional testing. The Contractor shall pay the cost of additional testing, any additional professional services required, and any other expenses incurred by the University as a result of such additional testing.

4.30 Acceptance of Work
No previous inspection shall relieve the Contractor of the obligation to perform the Work in accordance with the Contract. No payment, either partial or full, by the University to the Contractor shall excuse any failure by the Contractor to comply fully with the Contract. The Contractor shall remedy all defects, and shall incur the cost of any damage to other work resulting therefrom.

5.00 SCOPE AND PROCEDURE FOR JOB ORDER WORK

5.01 Pre-Construction Conference
After award of the Contract and before the issuance of the first discrete Job Order under this Contract, the University will conduct a conference to acquaint the Contractor with University policies and procedures that are to be observed during the prosecution of the Work and to develop mutual understanding relative to the administration of the Contract.

5.02 General Scope of Work
This is an indefinite-quantity Contract for construction Work. All costs associated with preparing proposals shall be the responsibility of the Contractor.

5.03 Description of Work
A. Work shall be performed only as authorized by Job Orders issued in accordance with the contract general conditions. The Contractor shall furnish to the University the construction services, supplies, equipment and related activities specified in the Job Orders up to and including the maximum Contract value. The University shall order at least the minimum Contract value.

B. The Work of this Contract shall be determined by individual Job Orders. The Contractor shall perform its Job Order construction Work in accordance with this Contract including provision of all pricing, management, shop drawings, documents, labor, materials, supplies, parts (to include system components), transportation, facilities, supervision, and equipment needed to complete each Job Order. The Contractor shall provide quality assurance as specified in strict accordance with Article 4 of the Contract General Conditions. The Contractor shall also be responsible for site safety as well as site preparation and cleanup.

C. Contractor shall maintain accurate and complete records, files and documents to include state and local laws, ordinances, rules and regulations and manufacturers’ instructions and recommendations which are necessary and related to the Work to be performed.

D. Contractor shall prepare and submit required reports, maintain current record drawings, and submit required information. The Contractor shall provide materials lists to include trade names, brand names, model number, and ratings (if appropriate) for all materials necessary for a complete job.

E. In addition to the tasks and requirements in the University’s Standard Specifications and the Unit Price Book, the University may, from time to time, require non pre-priced tasks. The parties will price these requirements in accordance with the procedures set forth below.

F. The University Standard Specifications and Standard Details, as amended, shall be used in the execution of Work under the Contract and are incorporated by reference and made a part of this Contract. Each Job Order shall state the applicability of those documents and standards to the Job Order. In the case of any inconsistency between this Contract and the University’s Standards, the University’s Standards shall govern.

G. The Contractor may be required to provide architectural, structural, mechanical, electrical, civil, or other engineering services for performance-based scopes of Work as requested by the University or as required for filings or permits or submittal of documents for regulatory agency approval. The services shall be provided by architects or engineers registered and insured in the State of California to practice in the particular professional field involved. Professional liability coverage shall be at least $1,000,000. All documents prepared by architects, consultants and engineers for the Contractor under this Contract are subject to review of the University. Review by the University does not relieve any architects, consultants or engineers from the professional liability associated with documents they have prepared.

5.04 Procedure for Initiating Job Order
A. As the need exists for performance by the Contractor under the terms of this Contract, the University will notify the Contractor of a Project.
B. The Contractor shall respond by:
   1. Obtaining from the University the scope of the requirement and collect any documents.
   2. Visiting the proposed site with the University staff and participating in a joint scope meeting which will at a minimum include establishment of the following:
      a. Job order number and title
      b. Existing site conditions
      c. Methods and alternatives for accomplishing work
      d. Definition and refinement of requirements
      e. Detailed scope of work
      f. Requirements for design drawings, sketches, submittals, catalogue cuts, samples, shop drawings, etc.
      g. Tentative construction schedule (bar chart or critical path method schedule)
      h. Preliminary quantity estimates
      i. Proposal due date

C. Upon completion of the joint scoping process, the University will issue a Request for Proposal and a detailed scope of Work that require the Contractor to prepare a proposal for the Work under consideration. The detailed scope of Work, unless modified by both the Contractor and the University, will be the basis on which the Contractor will develop its proposal and the University will evaluate the proposal.

5.05 Preparation of the Proposal
The Contractor will prepare a proposal in accordance with the following:
A. Pre-priced tasks.
   For pre-priced tasks the Contractor shall identify the task and quantities required from the Unit Price Book. The unit price set forth in the Unit Price Book shall serve as the base price for the purpose of the operation of this provision. The Contractor’s proposal shall include support documentation to indicate that adequate engineering and planning for the requirement has been done and that the tasks proposed are reasonable for the Work to be performed. Documentation to be submitted with the proposal shall include, as appropriate, but not be limited to, design drawings, calculations, catalog cuts, specifications, and subcontractor list, DVBE participation and construction schedule.

B. Non pre-priced tasks.
   Non pre-priced tasks, if any, shall be separately identified and submitted in the proposal. Information submitted in support of non pre-priced tasks shall include, but not be limited to, the following:
   1. Complete specifications and technical data, including task content, support drawings, task cost data, quality control and inspection requirements.
   2. Work schedule.
   3. Costing data shall include a cost analysis report, establishing the basis for selecting the approach proposed for accomplishment of the requirements. Unless otherwise directed by the University, costing data will be submitted demonstrating that the Contractor sought and received three quotes. The Contractor shall provide an installed unit price (or demolition price if appropriate) that shall include all costs required to accomplish the non pre-priced task.
   4. The final price submitted for non pre-priced tasks shall be according to the following formula:
      a. Contractor Performed Duties
         \[ A = \text{Direct labor cost and fringe benefits per prevailing wage rates} \]
         \[ B = \text{Direct material costs (supported by quotes)} \]
         \[ C = \text{Direct equipment costs (supported by equipment amortization data)} \]
         \[ D = \text{Allowable overhead costs} = A \times 55\% \text{ (this includes Worker’s Compensation insurance)} \]
         \[ E = \text{Allowable profit} = (A + B + C) \times 10\% \]
      b. Subcontractor Performed Duties
         \[ F = \text{Cost of subcontractors to contractor (supported by quotes)} \]
         \[ G = \text{Contractor’s allowance for subcontractor cost} = F \times 5\% \]
H = Contractor’s overhead for subcontractor cost in accordance with the following schedule:

- F x 0% for NPP tasks < 10% of total Work Order Value
- F x 7% for NPP tasks 10-20% of total Work Order Value
- F x 10% for NPP tasks > 20% of total Work Order Value

Total Cost of Non Pre-Priced Task = A + B + C + D + E + F + G + H

5. Following approval by the University of a non pre-priced task and unit price, the non pre-priced task unit price will be entered into the computer database.

6. The total extended price for the non pre-priced task will be determined by multiplying the unit price by the quantity required. The price offered in the proposal will be determined by multiplying the total extended price by an adjustment factor of 1.000.

7. After a non pre-priced task is used on three separate Job Orders, the unit price for such task will be established, following approval by the University, and fixed as a permanent pre-priced task that will no longer require price justification.

8. The University’s determination as to whether an item is a pre-priced task or a non pre-priced task shall be final, binding and conclusive as to the Contractor.

C. The Contractor’s proposal shall include support documentation to indicate that adequate engineering and planning for the requirement has been done, and that the tasks proposed are reasonable for the Work to be performed. Documentation to be submitted with the proposal shall include, but not be limited to:

1. Design drawings, calculations, specifications, and architectural renderings
2. Catalog cuts
3. Subcontractor and material supplier list
4. DVBE compliance documents
5. Construction schedule (detailed bar chart)
6. Special insurance
7. For special equipment a copy of the warranty document may be required.

D. Contractor’s proposal shall be submitted by the date indicated on the Request for Proposal. The time allowed for preparation of the Contractor’s proposal would depend on the complexity and urgency of the Job Order. On complex Job Orders, such as Job Orders requiring engineering/architectural drawings and approvals and permits, allowance will be made to provide adequate time for preparation and submittal of the necessary documents with the proposal and so reflected in the proposal due date entered on the Request for Proposal. In emergency situations and minor maintenance and repair Job Orders requiring immediate completion, the proposal may be required quickly and the due date will be so indicated on the Request for Proposal.

E. Disabled Veteran Business Enterprise Participation and Incentive.

The Contractor’s job order proposal shall comply with the disabled veteran business enterprises (DVBE) three (3) percent participation requirement for this Contract. Contractor understands and agrees that the DVBEs identified on the List of Proposed Subcontractors form submitted with the job order proposal may only be replaced by another DVBE, and the substitution must be approved by the Trustees and the Department of General Services (DGS). Trustees will document changes to the scope of Work that impact the DVBEs identified in the Job Order by Contract Change Order, and will provide their decision on DVBE substitutions in writing via the subcontractor substitution process per Public Contract Code section 4100.

Failure of Contractor to seek substitution and adhere to the DVBE participation level identified in its bid may be cause for Contract termination, recovery of damages under rights and remedies due the State, and penalties as outlined in Military and Veterans Code section 999.9 and Public Contract Code section 10115.10 or section 4110.

Following are the requirements to meet the three percent DVBE participation:

1. Special Definitions
   a. “Disabled veteran” as used herein, means a veteran of the military, naval or air service of the United States with at least a ten (10) percent service-connected disability and who is domiciled in the State of California.
   b. “Disabled veteran business enterprise contractor, subcontractor, or supplier” means any person or entity that has been certified by the Office of Small Business & DVBE Services and that performs a
“commercially useful function,” as defined below, in providing services or goods that contribute to the fulfillment of the contract requirements:

(1) A person or an entity is deemed to perform a “commercially useful function” if a person or entity does all of the following:

(a) (i) Is responsible for the execution of a distinct element of the Work of the contract;

(ii) Carries out the obligation by actually performing, managing, or supervising the Work involved;

(iii) Performs Work that is normal for its business services and functions.

(b) Is not further subcontracting a portion of the Work that is greater than that expected to be subcontracted by normal industry practices.

(2) A contractor, subcontractor, or supplier will not be considered to perform a “commercially useful function” if the contractor’s, subcontractor’s, or supplier’s role is limited to that of an extra participant in a transaction, contract, or Project through which funds are passed in order to obtain the appearance of disabled veteran business enterprise participation.

(3) Equipment Brokers

(a) A DVBE that rents equipment to the Trustees shall be deemed to be an equipment broker, unless one or more disabled veterans have 51-percent ownership of the quantity and the value of each piece of equipment. If the equipment is owned by one or more disabled veterans, each disabled veteran owner shall, prior to performance under any contract, submit to the Trustees a declaration signed by the disabled veteran owner stating that the owner is a disabled veteran and providing the name, address, telephone number, and tax identification number of the disabled veteran owner.

(b) A DVBE that rents equipment to the Trustees shall, prior to performing the contract, submit to the Trustees a declaration signed by each disabled veteran owner and manager of the enterprise stating that the enterprise obtained the contract by representing that the enterprise was a DVBE meeting and maintaining all of the requirements of a DVBE. The declaration shall include the name, address, telephone number, and tax identification number of the owner of each piece of equipment identified in the contract.

(c) State funds expended for equipment rented from equipment brokers pursuant to contracts awarded under this section shall not be credited toward the DVBE participation goal or requirement.

(d) A DVBE that is a broker or agent and that obtains a contract pursuant to these provisions shall, prior to performing the contract, disclose to the Trustees that the business is a broker or agent. The disclosure shall be made in a declaration signed and executed by each disabled veteran owner and manager of the enterprise, declaring that the enterprise is a broker or agent, and identifying the name, address, and telephone number of the principal for whom the enterprise is acting as a broker or agent.

(1) DVBE as used herein, means a business concern certified by the Office of Small Business & DVBE Services as meeting all of the following:

(a) The business is at least 51 percent owned by one or more disabled veterans, or in the case of a publicly owned business, at least 51 percent of its stock is owned by one or more disabled veterans; a subsidiary that is wholly owned by a parent corporation, but only if at least 51 percent of the voting stock of the parent corporation is owned by one or more disabled veterans; or a joint venture in which at least 51 percent of the joint venture’s management and control and earnings are held by one or more disabled veterans.

(b) One or more disabled veterans manage and control the daily business operations. The disabled veterans who exercise management and control are not required to be the same disabled veterans as the owners of the business concern.

(c) A sole proprietorship, corporation, or partnership with its home office located in the United States, which is not a branch or subsidiary of a foreign corporation, foreign firm or other foreign-based business.

(2) Notwithstanding subdivision (3)(a), after the death or the certification of a permanent medical disability of a disabled veteran who is a majority owner of a business that qualified as a DVBE prior to that death or certification of a permanent disability, and solely for purposes of any contract

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entered into before that death or certification, that business shall be deemed to be a DVBE for a period not to exceed three years after the date of that death or certification of a permanent medical disability, if the business is inherited or controlled by the spouse or child of that majority owner, or by both of those persons.

2. Participation Requirement.
   In order to satisfy and be responsive to this requirement, the Contractor must meet the three (3) percent DVBE participation requirement, which is attained when:
   a. The Contractor is not a DVBE and is committed to use DVBE subcontractors for not less than three (3) percent of the Contract dollar amount (including alternatives); or
   b. The Contractor is a DVBE and is committed to performing not less than three (3) percent of the Contract dollar amount (including alternatives) with its own forces or in combination with those of other DVBEs.

3. Documentation Requirements.
   The Contractor must document its satisfaction of the DVBE participation requirement. Final determination of DVBE participation attainment by the Contractor shall be at the Trustees’ sole discretion. If the Contractor meets or exceeds the three percent DVBE participation requirement for the maximum Contract value before the expiration of the Contract term, the Trustees may waive the DVBE participation requirement for subsequent job orders. Contractor shall continue to satisfy the DVBE participation requirement until the Trustees shall waive this requirement in writing.
   a. Required Documentation.
      In addition to documentation submitted with the job order proposal, the DVBE documentation forms that must be completed are as follows, and instructions for completing the required forms correctly are included to assist the Contractor.
      (1) DVBE Transmittal Form.
         Contractor must fill out the DVBE transmittal form as a cover sheet to the required documents, attach and submit it and the additional required documentation along with all other required submissions in the proposal packages for each job order. All requested DVBE documentation must be completed on the forms provided and submitted with the DVBE Transmittal Form.
      (2) Summary of Disabled Veteran Owned Business Participation (Attachment 1).
         Summary of Disabled Veteran Owned Business Participation, Attachment 1, must be completed showing the type of Work and company proposed for DVBE participation, their subcontractors (if any), and other related information. Complete the form providing the information as follows:
         (a) Company Name.
            List the name of the company proposed for DVBE participation. If the prime contractor is a DVBE, its name must also be listed to receive participation credit.
         (b) Nature of Work.
            Identify the proposed Work or service to be provided by the listed company.
         (c) Contracting With.
            List the name of the party with which the company listed is contracting.
         (d) Tier.
            Identify the contracting tier using the following level designations:
            0=Prime contractor;
            1=First tier subcontractor/supplier;
            2=Second tier subcontractor/supplier of first tier subcontractor/supplier;
            3=Third tier subcontractor/supplier of second tier subcontractor/supplier; etc.
         (e) Claimed DVBE Value.
            State the total dollar amount of the DVBE’s bid.
         (f) Percentage of Bid.
            State the percentage (%) of the claimed DVBE’s bid as it relates to the Contractor’s total Job Order proposal.
         (g) DVBE Certification.
            The Contractor must include one copy of the DVBE certification from the Office of Small Business & DVBE Services for each DVBE listed on the Summary of Disabled Veteran Owned Business Participation.
(3) Contractor’s Certification (Attachment 2).
The Contractor must sign and include the Contractor’s Certification, certifying that each DVBE listed on the Summary of Disabled Veteran Owned Business Participation (Attachment 1) complies with the legal definition of DVBE.

(4) Disabled Veteran Business Enterprise Declarations (STD. 843).
The disabled veteran owner(s) and disabled veteran manager(s) of the DVBE must complete this declaration when a DVBE contractor or subcontractor will provide materials, supplies, services or equipment.

b. Time Frame for Submitting Documentation.
The DVBE participation documentation must be submitted with each discrete job order.

4. Use of Proposed DVBE.
If awarded the Job Order, the Contractor must use the DVBE suppliers and/or subcontractors proposed in its Job Order proposal unless it has requested substitution and has received approval of the Trustees in compliance with the Subletting and Subcontracting Fair Practices Act. See Article 4.04, Substitution of Subcontractors.

5. Trustees’ Reporting of DVBE Participation.
Responsive to direction from the State Legislature, the Trustees are seeking to report increased statewide participation of DVBE in contract awards. To this end, the Contractor shall inform the Trustees of any contractual arrangements with subcontractors, consultants or suppliers that are certified DVBE.

6. Additional DVBE Information Sources.
For more information regarding DVBE certification, copies of directories or for general DVBE information, contact:
State of California, Department of General Services, Procurement Division
Office of Small Business & DVBE Services, Room 1-400, MS 210
P.O. Box 989052, West Sacramento, CA 95798-9052 (mailing address)
707 Third Street, First Floor, Room 400, West Sacramento, CA 95605 (physical address)
Telephone number: (916) 375-4940; Fax number: (916) 375-4950
E-mail: OSDSHelp@dgs.ca.gov. Or, via the Internet at http://www.dgs.ca.gov/pd/Programs/OSDS.aspx.

7. Incentive.
In accordance with Government Code section 14838(f), and Military and Veterans Code sections 999.5(a) and 999.5(d), the Trustees are granting a bid incentive for bid evaluation purposes only to bidders that exceed the three percent DVBE participation requirement. The level of DVBE incentive will correlate to the level of participation; that is, the more DVBE participation proposed, the higher the incentive. The bid incentives are as follows:

<table>
<thead>
<tr>
<th>DVBE Participation</th>
<th>Incentive</th>
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<tbody>
<tr>
<td>3.00% to 3.99%</td>
<td>None</td>
</tr>
<tr>
<td>4.00% to 4.99%</td>
<td>1%</td>
</tr>
<tr>
<td>5% or more</td>
<td>2%</td>
</tr>
</tbody>
</table>

The DVBE incentive may not exceed $100,000. When used on combination with the Small Business Preference, the cumulative adjustment amount shall not exceed $100,000. If the lowest responsive, responsible bid is a California certified small business, the only bidders eligible for the incentive will be California certified small businesses.

a. Contractor shall submit a form DVBE-AR to the Trustees as follows:
   (1) At end of Project and upon completion of the Work, but before Trustees’ release of retention
   (2) At end of Project and upon completion of the Work, but after Trustees’ (and Contractor’s) release of all retention

b. In submitting the DVBE-AR form, the Contractor certifies the following:
   (1) the total amount Contractor received from the Trustees under the Contract.
   (2) the name and address of the DVBE(s) that participated in the performance of the Contract.
   (3) the amount each DVBE received from the Contractor.
   (4) that all payments under the Contract have been made to the DVBEs; and
   (5) the actual percentage of DVBE participation that was achieved for this Contract.
A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation in accordance with Military and Veterans Code section 999.5(d).

   The Trustees will impose a penalty to any Contractor who receives the DVBE incentive and does not contract the incentive percentage dollar amount of its net bid price to DVBEs. The imposed penalty will be no more than two times the amount of the bid incentive received. For example, if the Contractor received a bid incentive of $49,000, and does not contract the incentive percentage dollar amount of its net bid price with DVBEs, then the Trustees will assess a penalty to be forfeited by the Contractor of $98,000.

5.06 Review of the Proposal and Issuance of Job Order
   A. The University will evaluate the Contractor’s proposal and proposed tasks and compare these with the University’s cost estimate of the detailed scope of Work to determine the reasonableness of approach, including the nature and quantity of tasks proposed.
   B. The University reserves the right to reject a proposal for any reason, including, but not limited to, the quantities or tasks selected by the Contractor, schedule, inadequate documentation, unacceptable pricing for non pre-priced tasks, selection of material, equipment or subcontractors. The University also reserves the right not to issue a Job Order if that is determined to be in the best interests of the University or the proposed cost exceeds the University’s estimate. The Contractor has no claim to recoup proposal expenses. The University may pursue the performance of such Work by other means.
   C. By submitting a signed proposal to the University, the Contractor agrees to accomplish the Work set forth in the detailed scope of Work in accordance with the Request for Proposal. It is the Contractor’s responsibility to include the necessary tasks and quantities in each discrete proposal prior to delivering it to the University.
   D. Each discrete Job Order provided to the Contractor shall state the agreed upon requirements and fixed price. All clauses of this Contract shall be applicable to each discrete Job Order. Job orders will be written on a University provided form. The Job Order, signed by the University and delivered to the Contractor constitutes the University’s acceptance of the Contractor’s proposal. A signed copy will be provided to the Contractor.
   E. In the event that immediate emergency response is necessary the Contractor shall be required to conform to alternative procedures as established by the University. The Contractor shall begin Work as directed notwithstanding the absence of a fully developed Request for Proposal, detailed scope of Work, or Job Order. The Contractor shall be compensated in accordance with the Unit Price Book and non pre-priced tasks as if the Work had been ordered under the standard process.

5.07 Computer and Communications Equipment Requirements
   The Contractor shall provide computer systems as described in the Special Conditions of this Contract at locations determined by the University and shall maintain them in an operational condition.

5.08 University-Furnished Software
   University-furnished software will be provided to the Contractor for use as a tool to assist with expedient preparation of proposals in response to University issued Request for Proposals. This software will contain an electronic version (copy) of the Unit Price Book, which can be accessed on the equipment provided by the Contractor to locate and select desired items from the Unit Price Book. Once the desired items are selected, the software shall provide for selection of quantities and based on the selected quantities, will extend and total Unit Price Book costs for each proposal. The software will also permit introduction of non pre-priced tasks and the application of the adjustment factors. The cost of installation and maintenance of the software is the responsibility of the University.

5.09 Contractor’s Detailed Schedule of Work
   A. The Contractor shall submit with each proposal a bar chart or critical path method schedule setting forth the manner and sequence of the Work. The Contractor shall schedule the Work in accordance with the time duration set forth in the Request for Proposal. The Contractor shall have broad discretion in scheduling the Work. The University’s basis for disapproval of any schedule shall generally be limited to a determination that the work sequence lacks logic, is unreasonable, is incomplete or is inconsistent with any other contractual requirement, such as a phasing plan or work shift requirements, noise, class schedules, campus holidays or non-construction activity days.
   B. With respect to any submission by the Contractor under this Article, no review, acceptance or approval by the University shall release or relieve the Contractor from its obligation to fully and properly complete the Work, or any other duty, responsibility or liability imposed on it under this Contract, including, but not limited to the obligation to complete the Work within the Job Order completion time.
5.10 Stop Work Order
A. The University may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the Work or change or delete any item of the Work from the Job Order.

B. Upon receipt of the notice of termination, the Contractor shall act promptly to minimize the expenses resulting from such termination. The University shall pay the Contractor the costs actually incurred by the Contractor up to the date of such termination, but in no event shall the Contractor be entitled to compensation in excess of the total consideration of the Contract. In the event of such termination the University may take over the Work and prosecute it to completion by contract or otherwise and may take possession of and may utilize such materials, appliances, and equipment as may be on the site and necessary or useful in completing the Work.

5.11 Unilateral Work Order
If the Contractor has failed to submit an acceptable Proposal, or after failing in multiple attempts to reach agreement on the Proposal, the University may issue a Unilateral Job Order. Compensation for the Work shall be in accordance with the Contract Documents. Contractor shall commence Work issued under a Unilateral Job Order in the time stated in the Job Order. Contractor’s failure to commence Work will result in the Trustees exercising their rights per Public Contract Code section 10843. The issuance of a Unilateral Job Order will not prejudice any of the Contractor’s rights to make claims or appeal disputed matters.

6.00 INTERPRETATION OF AND ADHERENCE TO CONTRACT REQUIREMENTS

6.01 Interpretation of Contract Requirements
A. Correlation.
Contract Documents shall be interpreted as being complementary, requiring a complete Project. Any requirement occurring in any one of the Contract Documents is as binding as though occurring in all Contract Documents. Generally, the specifications address quality, types of materials and Contract conditions, while the Plans show placement, sizes, fabrication details of materials.

B. Conflicts.
In the event of conflict in the Contract Documents, the priorities stated below shall govern:
1. Addenda shall govern over all other Contract Documents, and subsequent addenda shall govern over prior addenda only to the extent modified.
2. Supplementary General Conditions shall govern over the Contract General Conditions.
3. Contract General Conditions shall govern over all sections of the Specifications and any notation on the Plans. No other section of the Specifications shall modify the Contract General Conditions.
4. In case of conflict between Plans and Specifications, the specifications shall govern.
5. Conflicts within the Plans:
   a. Material and equipment schedules, when identified as such, shall govern over all other portions of the Plans.
   b. Specific notes shall govern over all other notes and all other portions of the Plans except the material and equipment schedules described in Article 6.01-B.5.a, above.
   c. Larger scale drawings shall govern over smaller scale drawings.
   d. Figured or numerical dimensions shall govern over dimensions obtained by scaling.
6. In the event that provisions of codes, safety orders Contract Documents, referenced manufacturers’ specifications or industry standards are in conflict, the more restrictive or higher quality shall govern.

C. Omissions.
In the event of omissions in the Contract Documents, the following shall apply:
1. If the Contract Documents are not complete as to any minor detail of a required construction system or with regard to the manner of combining or installing of parts, materials, or equipment, but there exists an accepted trade standard for good and skillful construction, such detail shall be deemed to be an implied requirement of the Contract Documents in accordance with such standard. ‘Minor Detail’ shall include the concept of substantially identical components, where the price of each such component is small even though the aggregate cost or importance is substantial, and shall include a single component that is incidental, even though its cost or importance may be substantial.
2. The quality and quantity of the parts or material so supplied shall conform to trade standards and be compatible with the type, composition, strength, size, and profile of the parts of materials otherwise set forth in the Contract Documents.

6.02 Issuance of Interpretations, Clarifications, Additional Instructions
Should the Contractor discover any conflicts, omissions, or errors in the Contract or have any question concerning interpretation or clarification of the Contract, the Contractor shall request in writing interpretation, clarification, or additional detailed instructions, before proceeding with the Work affected.

The University, shall, within a reasonable time, issue in writing the interpretation, clarification, or additional detailed instructions requested.

Should the Contractor proceed with the Work affected before receipt of the interpretation, clarification, or instructions from the University, the Contractor shall replace or adjust any Work not in conformance therewith and shall be responsible for any resultant damage or added cost.

Should any interpretation, clarification, or additional detailed instructions, in the opinion of the Contractor, constitute Work beyond the scope of the Contract, the Contractor must submit written notice thereof to the University within seven (7) Days following receipt of such interpretation, clarification, or additional detailed instructions and in any event prior to commencement of Work thereon. The Contractor shall submit an explanation of how the interpretation, clarification, or additional detailed instruction constitutes Work beyond the scope of the Contract, along with a detailed cost breakdown and an explanation of any delay impacts.

If, in the judgment of the University, the notice is justified, the interpretation, clarification or additional detailed instructions shall either be revised or the extra Work authorized by Contract change order or by field instruction with a change order to follow. If the University decides that the claim is not justified, the University shall give the Contractor a written order that the claim is not justified and direct the Contractor to perform such Work.

The Contractor must proceed with the Work upon receipt from the University of a written order to do so. If the Contractor objects to the written order, the Contractor must notify the University in writing of its objection and the reasons therefor, within seven (7) Days of receipt of the order. The Contractor shall have the right to have this claim later determined by a Claims Review Board pursuant to this Contract (see Article 8.01, Claims). When performing disputed Work, the Contractor shall prepare time and materials records for each day, and the Construction Inspector shall verify these records at the conclusion of each day. The Contractor shall have no claim for additional compensation because of such interpretation, clarification, or additional detailed instruction, unless it gives the written notices to the University within seven (7) Days as specified above.

6.03 Product and Reference Standards
A. Product Designation.
When the Contract references descriptive catalog designations, including the manufacturer’s name, product brand name, or model number, such designations shall be considered as those found in industry publications of current issue at the date specified in the Notice to Contractors.

B. Reference Standards.
When the Contract references standards of the federal government, trade societies, or trade associations by specific date of issue, these shall be considered a part of this Contract. When such references do not bear a date of issue, the current and most recently published edition at the date specified in the Notice to Contractors shall be considered a part of this Contract.

6.04 Shop Drawings, Samples, Alternatives or Equals, Substitutions
A. Submittal Procedure.
The Contractor shall review and approve all shop drawings. ‘Shop drawings’ include drawings, diagrams, illustrations, material and equipment schedules, performance charts, brochures and catalogs and other data prepared by the Contractor or any subcontractor, manufacturer, supplier or distributor, and which illustrate some portion of the Work. The Contractor shall promptly review and mark the shop drawing approved and submit to the University, so as to cause no delay in the Work, together with samples as required by the Contract and shall also submit any offers of alternatives or substitutions. At least six copies of shop drawings shall be submitted. All such submittals shall be sent to the party given in the instructions to the Contractor at the job start meeting. A letter shall accompany the submitted items which shall contain a list of all matters submitted and shall identify all deviations in the shop drawings and samples from the requirements of the Contract. Failure by the Contractor to identify all deviations may render any action taken on the materials submitted to be void. Whether to void such action shall be in the discretion of the University. By submitting the approved shop drawings and samples, the Contractor represents that the data contained therein have been verified
with conditions as they actually exist and that the shop drawings and samples have been checked and coordinated with
the Contract.

B. Samples.
Samples are physical examples furnished by the Contractor to illustrate materials, equipment, color, texture, or
workmanship, and to establish standards by which the Work will be judged.

C. Alternatives or Equals.
For convenience in designation on the plans or in the specifications, certain materials or equipment may be designated
by a brand or trade name or the name of the manufacturer together with catalog designation or other identifying
information, hereinafter referred to generically as ‘designated by brand name.’ Alternative material or equipment which
is of equal quality and of the required characteristics for the purpose intended may be proposed for use provided the
Contractor complies with the following requirements:
1. The Contractor shall submit its proposal to the University for an alternative as an “equal” in writing no later than
35 Days after the award of the Contract, unless otherwise specified in the Supplementary General Conditions. In
exceptional cases the University may give written consent to a submittal or re-submittal received after the
expiration of the time limit designated. The Contractor is responsible for timely submittal of its proposed “or
equal.”
2. No proposal will be considered unless accompanied by complete information necessary to permit determination
of the equality of the offered materials or equipment. Samples shall be provided when requested by the
University.
3. The burden proof as to the comparative quality and suitability of the offered materials or equipment shall be
upon the Contractor. Where the material is specified by capacity or performance, the burden of proof shall be on
the Contractor to show that any particular equipment or materials meet the minimum capacities or the
performance requirements specified. The Contractor shall furnish at its own expense all information necessary
for a determination as to whether the minimum capacities or performance requirements will be met. Such
information shall be submitted prior to award of the Contract as required by Public Contract Code section 3400.
The University shall be the judge of such matters. If the University rejects the use of any alternative materials or
equipment, then one of the products designated by brand name shall be furnished.

If changes or delays are required for proper installation or fit of alternative materials, articles, or equipment, or because
of deviations from Contract Documents, such changes or delays shall be made at the Contractor’s expense without
recourse for reimbursement from the University.

6.05 Quality of Materials, Articles and Equipment
Materials, articles and equipment furnished by the Contractor for incorporation into the Work shall be new. When the
Contract requires that materials, articles or equipment be furnished, but the quality or kind thereof is not specified, the
Contractor shall furnish materials, articles or equipment at least equal to the kind or quality or both of materials, articles or
equipment which are specified.

6.06 Testing Materials, Articles, Equipment and Work
Materials, articles, equipment or other Work requiring tests are specified in the Contract. Materials, articles and equipment
requiring tests shall be delivered to the site in ample time before intended use to allow for testing and shall not be used prior
to testing and receipt of written approval. The Contractor shall be solely responsible for notifying the University where and
when materials, articles, equipment and Work are ready for testing. Should any such materials, articles, equipment or Work be
covered without testing and approval, if required, they shall be uncovered at the Contractor’s expense.

6.07 Rejection
Should any portion of the Work fail to comply with the requirements of the Contract, such Work shall be rejected in writing
and shall immediately be made satisfactory to the University, by the Contractor, at no additional expense to the University.
Any Work that is rejected shall immediately be removed from the premises at the Contractor’s expense. The University may
retain one and one-fourth times the cost of the rejected Work from any payments due the Contractor until it is made
acceptable to the University. The University may back charge the Contractor for design costs incurred in the correction of
Contractor’s rejected Work.

6.08 Responsibility of Quality
The testing and inspection provided by the University shall not relieve the Contractor of its responsibility for the quality of
materials and workmanship provided by the Contractor, and the Contractor shall make good all defective Work discovered
during or after completion of the Project.
6.09 Accident Prevention
The Contractor shall, at all times, take every precaution against injuries to persons or damage to property and for the safety of persons engaged in the performance of the Work (see Article 4.08–D, Safety).

6.10 Protection of Work and Property
A. The Contractor shall, at all times, guard each site from injury or loss in connection with the Work. The Contractor shall, at all times, guard and protect the Contractor’s Work, and adjacent property. In carrying out its obligations hereunder, Contractor shall take into account that the site is an educational facility which may be or may become fully or partially occupied and utilized by teachers and students and in that event the Contractor must take into account that the students utilizing or attending the educational facilities are susceptible to the hazards of attractive nuisances or other hazards present on construction sites.

B. The Contractor shall have full responsibility to install, protect, and maintain all materials and supplies in proper condition and forthwith repair, replace and make good any damage thereto until final acceptance. The Contractor shall maintain an inventory of all materials and supplies for the Work at the site that are delivered to the site or approved for off-site storage facilities.

6.11 Construction Site Emergency
A. A construction emergency is defined as an unforeseen condition or event requiring prompt action by the Contractor. Construction site emergencies include, but are not limited to, construction related accidents; uncontrolled release of asbestos, lead dust or other hazardous materials; natural disasters; automobile accidents; and fires.

B. The Contractor must notify the University of a construction site emergency, within a half-hour of the occurrence of the event.

6.12 Failure to Comply with Provisions of Articles 6.9 - 6.11
This Contract may, at the sole option of the University, be declared void and no effect if the Contractor fails to comply with the provisions of Articles 6.9, Accident Prevention, 6.10, Protection of Work and Property, and 6.11, Construction Site Emergency.

7.00 CHANGES IN THE WORK

7.01 Change Orders
Additive changes in the Work requested in a Job Order (unless very minor) are dealt with by the issuance of a new Job Order to accommodate the changes. The procedures for the issuance of such a Job Order are the same as the procedures for the issuance of the original Job Order. Any additions are therefore calculated by using the appropriate item in the Unit Price Book, times the quantity to be added, times the appropriate adjustment factor. Time will be negotiated as appropriate for the scope of Work.

7.02 Emergency Changes
Changes in the Work agreed by the Trustees to be necessary due to unforeseen site conditions, discovery of errors in plans or specifications requiring immediate clarification in order to avoid a serious Work stoppage, changes of a kind where the extent cannot be determined until completed, or under any circumstances whatsoever when deemed necessary by the University are kinds of emergency changes which may be authorized by the University in writing to the Contractor. The Contractor shall commence performance of the emergency change immediately upon receipt of written direction from the University. Compensation for emergency changes shall be accommodated by the same process described in Articles 2.04-C, Description of the Job Order Contract Agreement, subdivision 5 (b) and 5.06, Review of the Proposal and Issuance of Job Order, subdivision E.

7.03 Time Extensions, Net Credit Changes, or Minor Additive Changes
A change order may be issued to a Job Order to extend the Job Order time as provided in article 4.14-F, University’s Adjustment of Job Order Time, to assess liquidated damages as provided in Article 8.02, Delay in Completion - Liquidated Damages, to adjust the Contract for a net credit per Article 4.28, Inspection of the Work, subdivision B, to delete a portion of the scope, or to perform a minor additive portion of Work. The Unit Price Book shall be used for additive Work, and the appropriate cost for deleted Work shall be taken from the approved proposal.
8.00 CLAIMS AND DAMAGES

8.01 Claims

A. Claim and Dispute Submittals

Any dispute related to this Contract or its breach that is not resolved by agreement shall be promptly submitted in accordance with this Article 8.01, with adequate supporting data. Adequate supporting data shall include, but is not limited to a statement of the reasons for the asserted entitlement, the certified payrolls, invoice(s) for material and equipment rental, and an itemized breakdown of any adjustment sought.

At the time of submission of any claim, the Contractor shall certify as follows:

SUBMISSION UNDER PENALTY OF PERJURY

“I, (insert full name) , am the (insert title--must be an Officer) of (insert name of firm ), and I declare under penalty of perjury under the laws of the State of California and do personally certify and attest that: I have thoroughly reviewed the attached claim for additional compensation and/or extension of time, and know its contents, and said claim is made in good faith; that the supporting data is truthful and accurate; that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Trustees are liable, and further, that I am familiar with California Penal Code section 72 and California Government Code section 12650 et seq., pertaining to false claims, and further know and understand that submission or certification of a false claim may lead to fines, imprisonment and/or other severe legal consequences.”

BY: (signature) Date: (insert date of signature)

Contractor’s submission of a claim, properly certified, with all required supporting documentation, and Trustees’ written rejection or denial of all or part of the claim(s) are conditions precedent to any action, proceeding, litigation, suit, or demand for arbitration by the Contractor.

B. Contractor’s Claim(s) – Notice of Claim

In accordance with Article 6.02, Issuance of Interpretations, Clarifications, Additional Instructions, should the Contractor disagree with the determination of the University on a matter that substantially affects the Contractor’s costs, compensation, or extent of Work, the Contractor may file a preliminary claim with the University and request a review of the decision. The Contractor must proceed with the Work upon receipt from the University of a written order to do so. However, within seven (7) Days of receipt of the written order, the Contractor must notify the University, by letter, that it protests the decision.

C. Contractor Submission of Unresolved Claims to the Claims Review Board

All unresolved claims arising from this Contract, for which the Contractor seeks resolution by a Claims Review Board, shall be submitted in writing in accordance with this Article 8.01 to the University no later than 30 Days after the County Recorder’s recordation date on the University’s Notice of Completion. The Contractor’s failure to submit its claims to the University within this 30-day period shall constitute a waiver by the Contractor of such claims. Once the claims have been submitted, and the 30 Days after the County Recorder’s recordation date on the Notice of Completion have expired, Contractor may not submit any additional claims. Contractor shall have 30 additional Days in which to submit six copies of a total and detailed claims package. Failure to submit the full detailed package within this second 30-day period shall constitute a waiver by the Contractor of such claims.

Contractor submits the claim recognizing the significant civil penalties and treble damages which follow from making a false claim or presenting a false claim to the Trustees (see Government Code sections 12650 et seq.).

D. University’s Claim(s) Submittal

The University shall submit a rebuttal to the Contractor’s claim, along with any University claims to the Claims Review Board within a reasonable time after the submission by the Contractor of a total and detailed claims package or the expiration of the time period to file Contractor’s claims.

E. Contractor Rebuttal to University’s Claims

Upon submission of any University claims, the Contractor shall have an additional 30-day period to submit to the Claims Review Board the Contractor’s rebuttal to the Trustees’ claims.

F. Claims Review Board

The University will convene a Claims Review Board to hear the submitted claims at the completion of the Project. Each Claims Review Board shall continue to function until all pertinent facts are reviewed, and it arrives at a recommendation. The Claims Review Board process shall be administered by the Assistant Vice Chancellor, or designee, for Capital Planning, Design and Construction. These administrative responsibilities include, but are not limited to, selection of the Claims Review Board members, determination of the time and location of the hearing, and
application of the Review Board procedures. The Review Board is comprised of representatives of the California State University, which may include representatives of Capital Planning, Design and Construction staff who have not had any direct connection to any claim from the Project. It is a lay board; attorneys and third party claims specialists may not participate in the hearings, with the exception of scheduling consultants. The Board’s recommendation will be made as soon as possible after the conclusion of the hearing. The decision of the Claims Review Board exhausts the Contractor’s contractual and administrative remedies with the University.

8.02 Delay in Completion - Liquidated Damages
If the Work is not completed within the time required, damage will be sustained by the University. It is, and will be, impractical and extremely difficult to determine the actual damage that the University will sustain by reason of the delay. It is therefore agreed that the Contractor will pay to the University the sum of money stipulated per day in the Job Order for each day’s delay in completing the Work beyond the time prescribed, see Article 9.01 Acceptance. A credit change order shall be executed to assess liquidated damages. If the Contractor fails to pay such liquidated damages, the University may deduct the amount thereof from any money due or that may become due the Contractor under the Contract (Public Contract Code section 10826). If the University has occupancy of all or a portion of the Project, the University may reduce the amount of assessment of liquidated damages, if it is determined to be in the best interest of the University. The University’s assessment of liquidated damages shall not commence on a Saturday, Sunday or legal holiday.

The application of liquidated damages shall be noted on the Request for Proposal for each Job Order. The University reserves the right to negotiate the amount of liquidated damages for each Job Order, but in no event will the liquidated damages be less than the following schedule:

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<thead>
<tr>
<th>SCHEDULE FOR LIQUIDATED DAMAGES</th>
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<tbody>
<tr>
<td>Job Order Amount</td>
</tr>
<tr>
<td>$1.00 to $25,000.00</td>
</tr>
<tr>
<td>$25,001.00 to $100,000.00</td>
</tr>
<tr>
<td>$100,001.00 to $250,000.00</td>
</tr>
<tr>
<td>$250,001.00 to $600,000.00</td>
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8.03 Failure to Meet Terms of Contract
If the University deems that the Contractor has failed to supply an adequate working force, or material of proper quality, or has failed in any other respect to prosecute the Work with the diligence and force specified in the Contract, it may take any of the actions authorized in Public Contract Code section 10843 et seq. The Contractor’s failure to complete a punch list with diligence is an example of such failure to meet the terms of the Contract.

8.04 Third-Party Claims
The Trustees have full authority to compromise or otherwise settle any claim relating to a contract at any time. However, the Trustees shall notify the Contractor of the receipt of any third-party claim relating to the Contract (Public Contract Code section 9201).

8.05 Termination for Cause
If the Trustees deem that Contractor has failed to supply an adequate working force or material of proper quality, or Contractor has failed in any other respect to prosecute the Work with the diligence and force as required by the Contract, then the Trustees may take any of the actions authorized by Public Contract Code section 10843 et seq. If the costs of finishing the Work exceed the unpaid balance of the Contract sum, the Contractor shall pay the difference to the Trustees.

The Contractor’s failure to submit an acceptable Proposal is an example of a failure to prosecute the Work with the diligence and force required by the Contract.

9.00 PAYMENT AND COMPLETION

9.01 Acceptance
When the discrete Job Order has been completed in all respects in accordance with the Contract Documents to the full satisfaction of the University, the University will then file a Notice of Completion with the County Recorder in the county in which the Project is located. The date of acceptance of the Job Order as stated on the Notice of Completion shall be the official completion date related to the assessment of liquidated damages. Acceptance shall be final and conclusive except for latent defects, gross mistakes amounting to fraud, audit rights, or Trustees’ rights under any warranty or guarantee.

The County Recorder’s date of recording on the Notice of Completion, if filed timely (within fifteen (15) Days of acceptance), shall be the official completion date relating to claims and stop payment notices. All stop payment notices must be filed with the University within 30 Days after the County Recorder’s recordation date on the University’s timely Notice of
Completion. All claims arising from this Contract shall be submitted in writing to the University no later than 30 Days after the recordation date on the University’s Notice of Completion, see Article 8.01, Claims.

9.02 Partial Payments
Once each month during the progress of the Work on each discrete Job Order, the Contractor shall submit a partial payment request. The Contractor shall base the partial payment request on the approved bid breakdown for the cost of the Work completed plus, where applicable, a maximum of 90% of the verified supplier-invoiced and Contractor-purchased value for the acceptable materials delivered to the site or stored subject to the control of the Contractor but identified as the property of the Trustees, and not yet installed and as allowed on the Contract Payment Request, Form 702.12, line 2-f.

The partial payment request shall be submitted on the monthly anniversary of the day selected by the Contractor in the pre-construction conference. Partial payment requests shall be processed with five percent retention. The University holds retention as security for the fulfillment of an individual Job Order by Contractor. The University will withhold sufficient funds in addition to the retention to cover for anticipated liquidated damages, stop payment notices, Labor Code wage and penalty assessments, unacceptable Work, and University back-charges such as for retesting and re-inspection.

Partial payments shall not be construed as acceptance of any Work that is not in accordance with the requirements of the Job Order. Payment will be processed in accordance with section 10853 of the Public Contract Code. Such procedure provides for 39 Days processing, from the date of receipt at the University, prior to assessment of late payment interest.

9.03 Stop Payment Notices
For each discrete job order, the University shall retain out of any money due or that may become due the Contractor, sums sufficient (125 percent of the claim) to cover claims filed pursuant to the stop payment notice provisions of the law (Civil Code, section 9000 et seq.).

Preliminary notices and stop payment notices shall be filed for each discrete job order, shall be presented to the Trustees in proper form, and should be addressed to the Construction Administrator and sent to the Trustees at the address identified in the letter transmitting the Contract for signature and at the preconstruction conference. Contractor shall be responsible to communicate this information to all subcontractors.

9.04 Payment
After Trustees’ acceptance of the Project as complete, the Contractor shall submit to the Construction Administrator a payment request of the total due under the Contract less the retention. This payment request will be processed in the same manner as the partial payment requests. Refer to Article 9.02, Partial Payments.

The University shall notify the Contractor of the date of recordation of the Notice of Completion. The Contractor shall submit a request for payment of the retention to the Construction Administrator, who will process the retention payment 30 Days after the date of recordation by the County Recorder.

The University shall continue to retain funds to cover liquidated damages, stop payment notices, state labor commissioner claims, back charges from the University, unexecuted credit change orders, and other such claims that may be received up to the end of the 30-day period following recordation. If any stop payment notices have been filed, payment shall be withheld in an amount of at least 125 percent of the total claims filed until either the rights under the stop payment notices have been settled or the Contractor has posted sufficient bond in an amount of at least 125 percent of the total claims filed to secure payment of such claims.

9.05 Guarantee
The Contractor hereby unconditionally guarantees the Work under this Contract to be in conformance with the Contract requirements and to be and remain free of defects in workmanship and materials for a period of one year from the date of acceptance of the Project pursuant to Article 4.14-B, Starting and Completion Date, unless a longer guarantee period is stipulated in the Contract Documents. Contractor shall obtain and deliver to the University all manufacturers’ warranties; the manufacturers’ warranties shall start on the acceptance date noted on the Notice of Completion and shall run through the full term of each manufacturer’s warranty. By this guarantee the Contractor agrees, within the guarantee period, to repair or replace any Work, together with any adjacent Work that may be displaced in so doing which is not in accordance with the requirements of a Job Order issued under this Contract or which is defective in its workmanship or material, all without any expense whatsoever to the University.

Contractor, who is responsible for the entire Work, shall sign special guarantees that are required by any Job Order, and the subcontractor that performs the Work shall countersign.

The Contractor further agrees that within ten (10) Days after being notified in writing by the University of any Work not in accordance with the requirements of any Job Order issued under this Contract or of any defects in the Work, Contractor shall commence and prosecute with due diligence all Work necessary to fulfill the terms of this guarantee and to complete the
Work in accordance with the requirements of the Contract within a reasonable period of time. The Contractor, in the event of failure to so comply, does hereby authorize the University to proceed to have the Work done at the Contractor’s expense, and it agrees to pay the cost thereof upon demand. The University shall be entitled to all costs necessarily incurred upon the Contractor’s refusal to pay the above cost.

Notwithstanding the foregoing paragraph, in the event of an emergency constituting an immediate hazard to health or safety of the Trustees’ employees, property, or licenses, the University may undertake at the Contractor’s expense, without prior notice, all Work necessary to correct such hazardous conditions caused by the Work of the Contractor that is not in accordance with the requirements of any Job Order issued under this Contract.

9.06 Contractor Evaluation
A contractor evaluation will be performed by the University, and a report filed with the Trustees after completion of the Contract. If the Contractor fails to perform the construction Contract responsibly by failing to complete all Work and requirements, including honoring the warranty, the construction administrator shall so state the facts on the Contractor Evaluation Form. An evaluation, which results in a non-responsible contractor finding, could affect the Contractor’s prequalification and may cause the Contractor to be deemed ineligible to bid on Trustees’ Work. Refer also to Article 2.09, Failure to be a Responsible Bidder.

10.00 MISCELLANEOUS

10.01 Governing Law
The Contract shall be governed by the law of the State of California.

10.02 Successors and Assigns
The Trustees and Contractor respectively bind themselves and their successors, permitted assigns, and legal representatives to the other party and to the successors, permitted assigns, and legal representatives of such other party in respect to covenants, agreements, and obligations contained in the Contract Documents. Neither party to the Contract shall assign the Contract, in whole or in part, without prior written consent of the other party. Notwithstanding any such assignment, each of the original contracting parties shall remain legally responsible for all of its obligations under the Contract.

10.03 Rights and Remedies
All Trustees' rights and remedies under the Contract Documents will be cumulative and in addition to and not in limitation of all other rights and remedies of Trustees under the Contract Documents or otherwise available at law or in equity.

No action or failure to act by Trustees or Trustees’ representative will constitute a waiver of a right afforded them under the Contract, nor will such action or failure to act constitute approval of or acquiescence in a condition or breach thereunder, except as may be specifically agreed in writing. No waiver by Trustees or Trustees’ representative of any condition, breach or default will constitute a waiver of any other condition, breach or default; nor will any such waiver constitute a continuing waiver.

No provision contained in the Contract Documents shall create or give to third parties any claim or right of action against the Trustees, Trustees’ representative, or Contractor.

10.04 Waiver
A waiver of or failure by Trustees or Trustees’ representative to enforce any requirement in this Agreement will not constitute a waiver of, and will not preclude the Trustees or Trustees’ representative from enforcing, any other requirement of the Agreement, and the Agreement will remain valid.

A waiver of or failure by Trustees or Trustees’ representative to enforce any requirement in this Agreement in connection with any adjustment of the Contract Amount or Contract Time will not constitute a waiver of, and will not preclude the Trustees or Trustees’ representative from enforcing, such requirements in connection with any other adjustments of the Contract Amount or Contract Time.

The Contractor agrees and understands that no oral directive, approval or representation, either express or implied, by Trustees or its agents shall be binding upon Trustees.

10.05 Survival
The provisions of the Contract which by their nature survive termination of the Contract or Acceptance under Article 9.01, including all warranties, indemnities, payment obligations, and Trustees’ right to audit Contractor's books and records, shall remain in full force and effect after Acceptance or any termination of the Contract.
10.06 **Complete Agreement**
The Contract Documents constitute the full and complete understanding of the parties and supersede any previous agreements or understandings, oral or written, with respect to the subject matter hereof. The Contract may be modified only by a written instrument signed by both parties or as provided in Article 7.00, Changes in the Work.

10.07 **Severability of Provisions**
If any one or more of the provisions contained in the Contract Documents should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10.08 **Notices**
Except as otherwise provided, all notices, requests, demands, and other communications to be given under the Contract Documents shall be in writing and shall be transmitted by one of the following methods:

a. **Personally delivered.**

b. **Sent by facsimile copy where receipt is confirmed.**

c. **Sent by courier where receipt is confirmed.**

d. **Sent by registered or certified mail, postage prepaid, return receipt requested.**

Such notices and other communications in this Article 10.08 shall be deemed given and received upon actual receipt in the case of all except registered or certified mail; and in the case of registered or certified mail, on the date shown on the return receipt or the date delivery during normal business hours was attempted. Such notices and communications shall be given at the respective street addresses set forth in the Agreement. Such street addresses may be changed by notice given in accordance with this Article 10.08.

10.09 **Counterparts**
Agreements may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. The exchange of copies of this Agreement and of signature pages by electronic mail in “portable document format” (“.pdf”) form or by any other electronic means shall constitute effective execution and delivery of this Agreement and shall have the same effect as copies executed and delivered with original signatures.

-End of Contract General Conditions for Job Order Contracts-