

CONSTRUCTION MANAGEMENT/GENERAL CONTRACTOR AGREEMENT

THIS AGREEMENT is made and entered into this ____day of ____, 2016, by and between SCHOOL DISTRICT 27-J (hereinafter referred to as the “Owner” or “School District”) and GENERAL CONTRACTOR, (hereinafter referred to as the “Construction Manager/General Contractor” or “CM/GC”), for services in connection with the following described Project:

PROJECT

This Contract shall be performed in conjunction with the services of the Architect for the Project, ARCHITECT.

In consideration of the mutual covenants and provisions contained herein, the parties agree as follows:

1.0 The Construction Team and Extent of Agreement

1.1 The CM/GC accepts the relationship of trust and confidence established with the Owner by this Agreement. The CM/GC covenants with the Owner to furnish its best skill and judgment and to cooperate with the Architect in furthering the interests of the Owner. The CM/GC agrees to furnish efficient business administration and superintendence and to use its best efforts to perform the Work in the best and soundest way and in the most expeditious and economical manner consistent with the interests of the Owner.

1.1.1 The Construction Team. The CM/GC, the Owner, and the Architect, collectively referred to as the “Construction Team,” shall work from the beginning of design through construction completion. The CM/GC shall provide leadership to the Construction Team on all matters relating to construction.

1.1.2 Extent of Agreement. This Agreement represents the entire agreement between the Owner and the CM/GC and supersedes all prior negotiations, representations, or agreements. When plans and specifications are complete, they shall be identified as part of the Contract Documents. This Agreement shall not be superseded by any provisions of the documents for construction and may be amended only by written instrument executed by both the Owner and the CM/GC. Nothing contained herein shall be deemed to create any contractual relationship between the CM/GC and the Architect, or any of the contractors, subcontractors, or material suppliers on the Project; nor shall anything contained herein be deemed to give any third party any claim or right of action against the Owner or the CM/GC that does not otherwise exist without regard to this Agreement.

1.1.3 Contract Documents. The provisions of the General Conditions and all of the “Contract Documents” for the Project as that term is defined therein are incorporated by this reference into this Construction Management/General Contractor Agreement, to the extent those documents and their provisions are not in conflict with the specific provisions herein.

2.0 Construction Manager/General Contractor Services

2.1 The CM/GC's basic services under this Agreement shall consist of the "Design Phase" and "Construction Phase" described below:

2.1.1 Design Phase. As part of the Design Phase services, the CM/GC shall do the following:

2.1.1.1 Consultation During Project Development. Attend regularly scheduled meetings with the Architect during the development of conceptual and preliminary design to advise on site use and improvements, selection of materials, building systems, and equipment. Provide recommendations on construction feasibility, availability of materials and labor, time requirements for installation and construction, and factors related to cost including costs of alternative designs or materials, preliminary budgets, and possible economies.

2.1.1.2 Scheduling. Develop a Project Time Schedule that coordinates and integrates the Architect's design efforts with construction schedules. Provide two (2) copies for the Owner's review and approval. Update the Project Time Schedule, at intervals required by the Owner, incorporating a detailed schedule for the construction operations of the Project, including realistic activity sequences and durations, allocation of labor and materials, processing of shop drawings and samples, and delivery of products requiring long lead-time procurement. Include the Owner's occupancy requirements showing portions of the Project having occupancy priority. Provide two (2) copies of the updates for the Owner's review and approval.

2.1.1.3 Project Construction Budget. Review the Owner's established Project budget as soon as major program requirements have been identified and update the budget, at intervals required by the Owner, for the Owner's approval. Prepare an estimate based on a quantity survey of drawings and specifications at the end of the Schematic Design Phase for approval by the Owner as the Project Construction Budget. Update and refine this estimate for Owner's approval as the development of the drawings and specifications proceeds. As a minimum, provide a complete estimate at the conclusion of Design Development and updates at fifty percent (50%) and ninety percent (90%) Construction Documents. Advise the Owner and the Architect if it appears that the Project Construction Budget will not be met and, in that event, make recommendations for corrective action. The amount of money appropriated by the Owner for the Project shall be equal to or in excess of the Project Construction Budget.

2.1.1.4 Value Engineering. Provide technical review and analysis of systems and materials being considered in the design as may be necessary to produce the greatest value for the least cost.

2.1.1.5 Coordination of Contract Documents. Review the drawings and specifications as they are being prepared, identifying conflicts, errors, and omissions and recommending alternative solutions whenever design details affect construction feasibility or schedules without, however, assuming any of the Architect's customary responsibilities for design. Forward all comments and recommendations in writing to the Architect for

response/action. As a minimum, conduct a formal review at the conclusion of Design Development, fifty percent (50%) and ninety percent (90%) Construction Documents.

2.1.1.6 Construction Planning. Recommend for purchase and expedite the procurement of long-lead items to ensure their delivery by the required dates.

2.1.1.7 Division of Work. Make recommendations to the Owner and the Architect regarding the division of the Work in the plans and specifications to facilitate the bidding and awarding of subcontractors and to allow for phased construction, taking into consideration such factors as time of performance, availability of labor, overlapping trade jurisdictions, provisions for temporary facilities, and other matters.

2.1.1.8 Construction Document Review. Perform final review of plans and specifications with the Architect and Owner to eliminate areas of conflict or misinterpretation and to assure proper coordination, accuracy, and completeness.

2.1.1.9 Labor. Analyze the types, quantity, and availability of appropriate categories of labor required for various phases of the Project.

2.1.1.10 Bidding. Develop and implement a subcontractor pre-qualification process with the cooperation and approval of the Owner. As working drawings and specifications are completed, establish bidding schedules and conduct pre-bid conferences to familiarize bidders with bidding documents, management techniques, and any special systems, materials, or methods. Receive competitive bids on the Work from various subcontractors, pursuant to bidding procedures acceptable to the Owner. Analyze all bids, review them with the Owner and Architect, make recommendations for contract awards, and award subcontractors.

2.1.1.11 Conferences. Conduct pre-construction conferences with successful subcontractors.

2.1.1.12 Equal Employment Opportunity. Determine applicable requirements for equal employment opportunity programs for inclusion in Project bidding documents.

2.1.2 Construction Phase. As part of the Construction Phase services, the CM/GC shall do the following:

2.1.2.1 Project Control. Supervise the Work of the subcontractors and coordinate the Work with the activities and responsibilities of the Owner and Architect in order to complete the Project in accordance with the Owner's objectives of cost, time, and quality.

2.1.2.2 Staffing. Maintain a competent full-time staff, approved by the Owner, at the Project site to coordinate, provide overall direction of the Work, and monitor progress of the subcontractors on the Project.

2.1.2.3 Organization. Establish, document, and communicate on-site organization and lines of authority in order to carry out the overall plans of the Construction Team.

2.1.2.4 Coordination. Establish and implement procedures for coordination among the Owner, Architect, subcontractors, and the CM/GC with respect to all aspects of the Project.

2.1.2.5 Scheduling. Schedule and conduct weekly progress meetings at which subcontractors, the Owner, Architect, and the CM/GC can discuss jointly such matters as procedures, progress, problems, and scheduling. Within twenty-one (21) calendar days from acceptance of the Guaranteed Maximum Price, as defined below, submit two (2) copies of a detailed CPM Schedule for the operations of the CM/GC and subcontractors on the Project, including realistic activity sequences and durations, allocation of labor, materials, and costs, processing of shop drawings and samples, and delivery of products requiring long lead-time procurement for approval by the Owner. Include the Owner's occupancy requirements in all schedules showing portions of the Project having occupancy priority, if any. The contents and format of the CPM Schedule shall be per the requirements stated in the General Conditions.

2.1.2.6 Schedule Updating. Provide regular updates of the schedule as construction progresses. Identify potential variances between scheduled and probable completion dates. Review schedule for Work not started or incomplete and recommend to the Owner and subcontractors adjustments in the schedule to meet the scheduled completion date. Provide two (2) copies of the monthly summary reports for the review and approval of the Owner of such updating activities and document all changes in the schedule.

2.1.2.7 Evaluation. Determine the adequacy of the subcontractors' personnel and equipment and the availability of materials and supplies to meet the schedule.

2.1.2.8 Cost Control. Develop and implement an effective system of Project cost control, showing actual costs for activities in process and estimates for uncompleted tasks. Revise and refine the initially approved Project Construction Budget, incorporate approved changes as they occur, and develop cash flow reports and forecasts as needed.

2.1.2.9 Change Orders. Develop and implement a system for the expeditious review and processing of Change Orders as approved by the Owner. Initiate necessary or desirable changes to the Owner and the Architect, review requests for changes, submit recommendations to the Owner and the Architect, and assist in negotiating Change Orders. The Owner shall not issue any change order or other directive that causes its payment obligations to exceed lawful appropriations to cover the cost thereof.

2.1.2.10 Permits. Secure and fund all necessary permits, licenses, and inspections for the proper completion and execution of the Work.

2.1.2.11 Owner's Consultants. If required, assist the Owner in selecting, retaining, and coordinating professional services of a surveyor, testing laboratories, and any special consultants.

2.1.2.12 Superintendent. Keep on the Project, during the progress of the Work, a full-time competent superintendent and any necessary assistants, all satisfactory to the Architect and the Owner. The superintendent shall not be changed except with the consent of the Architect and the Owner, unless the superintendent proves to be unsatisfactory to the CM/GC and ceases to be in its employ. The superintendent shall represent the CM/GC in its absence and all directions given to the superintendent shall be as binding as if given to the CM/GC. The superintendent shall remain on the Project full-time until all Work is complete, including the punch list. The Architect and the Owner shall not be responsible for the acts or omissions of the superintendent or his/her assistants.

2.1.2.12.1 The superintendent shall provide full-time, qualified and efficient supervision of the Work, using his/her best skill and attention. Carefully study and compare all drawings, specifications, and other instructions and immediately report to the Architect and the Owner any error, inconsistency, or omission that may be discovered. Inspect the Work of the subcontractors at all stages and at final completion and guard the Owner against defects and deficiencies in such Work. The CM/GC shall be responsible to the Owner for the acts and omissions of all its employees and of all subcontractors, their agents, and employees and all other persons performing any of the Work, for which the CM/GC has supervisory or inspection responsibility hereunder.

2.1.2.12.2 The superintendent shall see that the Work is carried out in accordance with the Contract Documents and in a thorough and first-class manner in every respect. The CM/GC's superintendent shall establish all lines, levels, and marks necessary to facilitate the operations of all concerned in subcontract work. The superintendent shall lay out the Work in a manner satisfactory to the Architect, making permanent records of all lines and levels required for excavation, grading, and foundations and for all other portions of the Work. The superintendent shall, together with the Architect, authorize the commencement and certify the proper completion of the various stages of construction. The CM/GC shall be responsible for construction means, methods, techniques, sequences, and procedures and for carrying out the Work in accordance with the Contract Documents.

2.1.2.13 Safety Measures. Establish procedures and measures for the safety of persons and property at and around the site of the Work. Assure compliance with all federal, state, and local statutes, rules, regulations, and orders applicable to the conduct of the Work.

2.1.2.14 Contract Interpretations. Refer all questions relative to interpretation of design intent to the Architect. Develop and implement an effective system of tracking the status of questions and responses.

2.1.2.15 Shop Drawings and Samples. In collaboration with the Architect, establish and implement procedures for expediting the processing and approval of shop drawings and samples.

2.1.2.16 Reports and Project Site Documents. Record the daily progress of the Project in a daily log available to the Owner and the Architect. Submit on a weekly basis written progress reports and summaries of meetings to the Owner and the Architect, including information on the subcontractors' work, manpower levels by trade, and the percentage of completion.

2.1.2.17 Record Sets. Maintain at the Project site, on a current basis, records of all necessary contracts, shop drawings, samples, purchases, materials, equipment, material safety data sheets, maintenance and operating manuals and instructions, and any other documents and revisions thereto which arise out of the Agreement or the Work. Obtain data from subcontractors and maintain a current set of record drawings, specifications, operating manuals, warranties, and guarantees. At the completion of the Project, submit all such documents to the Architect for delivery to the Owner.

2.1.2.18 Completion. Determine completion of the Work or designated portions by subcontractors thereof and prepare for the Architect a list of incomplete or unsatisfactory items together with a schedule for their completion.

2.1.2.19 Start-Up and Training. With the Owner's maintenance personnel and the Architect, direct the checkout of utilities, operating systems, and equipment for readiness and assist in their initial start-up and testing by the subcontractors. Facilitate all training of Owner's personnel as required.

2.1.2.20 Final Completion. Determine final completion by subcontractors and provide written notice to the Owner and Architect that the Work is ready for final inspection. Include with the written notice a copy of the Architect's punch list signed off by each responsible party. Secure and transmit to the Architect required guarantees, tax affidavits, certificates, releases, bonds, and waivers. Turn over to the Owner all keys and maintenance stocks.

2.1.2.21 Warranty. During the two (2) year warranty period at no additional cost to the Owner, perform two (2) warranty inspections and ensure that Work which proves defective or deficient during such time is corrected either by the subcontractors or such other means as shall be required.

2.2 Additional Services. Additional service shall be performed only upon the express, prior written authorization of the Owner and paid for as provided herein. Additional services shall include the following:

2.2.1 Analysis of Existing Improvements. Services related to investigation, appraisals, or valuations of existing conditions, facilities, or equipment; or verifying the accuracy of existing drawings or other Owner-furnished information.

2.2.2 Owner-Furnished Equipment. Services related to Owner-furnished equipment, furniture, and furnishings that are not a part of the Work.

2.2.3 Expert Witness. Preparing to serve or serving as an expert witness in connection with any public hearing or legal proceeding.

2.2.4 After Completion. Inspections of and services related to the Project after completion of the services under this Agreement.

2.2.5 Other. Providing any other service not otherwise included in this Agreement.

3.0 The Owner's Responsibilities

3.1 Information. The Owner shall provide full information regarding its requirements for the Project.

3.2 Owner's Representative. The Owner shall designate a representative who shall be acquainted with the scope of the Work; shall have authority to approve budgets and adjustments thereto as contemplated by Section 2.1.1.3 within the Project Cost Estimate; shall render decisions; and shall otherwise furnish information.

3.3 Architect. The Owner shall retain an Architect to provide design services and to prepare Construction Documents for the Project. The Architect's services, duties, and responsibilities are described in the Agreement between the Owner and the Architect, a copy of which shall be furnished to the CM/GC.

3.4 Professional Services. The Owner shall furnish such legal services as may be necessary for its benefit, and such auditing services as it may require.

3.5 Documentation. The CM/GC shall be furnished, without charge, all copies of drawings and specifications reasonably necessary for the execution of the Work.

3.6 Defects. If the Owner becomes aware of any default or defect in the Project or non-conformance with the Contract Documents, it shall give prompt written notice thereof to the CM/GC. This provision shall not, however, charge the Owner with any obligation to make inspections and shall in no manner be construed to discharge or modify the CM/GC's obligations to supervise, inspect, and to otherwise complete the Project in accordance with the Contract Documents.

3.7 Surveys and Special Testing. So far as the Project contemplated by this Agreement may require, the CM/GC shall be entitled to information giving a complete and accurate survey of the building site and the existing grades and lines of streets, pavements, and adjoining properties; information as to the rights, restrictions, easements, surface water courses, boundaries, and contours of the building site; and full information as to existing sanitary sewer,

storm sewer, water, gas, and electrical services. The Owner, at its expense, shall furnish all such data, upon request. The Owner likewise shall pay for all borings or test pits and for any mechanical, chemical, or other tests as well as professional verifications and inspections incident to proper appraisal of the site for the contemplated structure. A copy of all reports of such tests and borings shall be filed with the Owner and shall be available to the CM/GC, upon request.

3.8 Owner's Expenses. The services, information, surveys, and reports required by Sections 3.3 - 3.5 and 3.7 shall be furnished at the Owner's expense.

4.0 Subcontracts

4.1 Bidding. All Work, except that portion commonly referred to as "General Condition Costs" set forth in Section 8.2.1, shall be competitively bid pursuant to procedures acceptable to the Owner.

4.2 Award. The CM/GC shall request and receive proposals from subcontractors, and subcontracts shall be awarded by the CM/GC after the proposals are reviewed by the CM/GC with the Architect and Owner. The CM/GC shall be authorized to submit proposals for portions of the Work only with the prior written consent of the Owner.

4.3 Substitution. If the Owner refuses to accept a subcontractor recommended by the CM/GC, the CM/GC shall recommend an acceptable substitute. The Guaranteed Maximum Price (GMP), if applicable, shall be increased or decreased by the difference in cost occasioned by such substitution and an appropriate Change Order shall be issued.

4.4 Forms. The form of the subcontract, including the General and Supplementary Conditions applicable thereto, shall be satisfactory to the Owner, Architect, and the CM/GC.

5.0 Contract Time Schedule

5.1 Schedule. The services and Work to be performed under this Agreement shall be in general accordance with the Contract Time Schedule attached hereto as Schedule 1.

5.2 Time of Completion. This date shall be established at the time a GMP is fixed or prior to the award of any subcontracts if a GMP is not fixed.

5.3 Revision. At the time a GMP is fixed, as provided for in Article 6, a new Contract Time Schedule shall also be established.

5.4 Delays and Extension of Time. If the CM/GC is delayed at any time in the progress of the Work by any act or neglect of the Owner or the Architect or by any employee of either; or by any separate contractor employed by the Owner; or by changes ordered in the Work; or by labor disputes, fire, unusual delay in transportation, unavoidable casualties, or any causes beyond the CM/GC's control; or by delay authorized by the Owner, the Contract Time Schedule shall be extended by Change Order for such reasonable time as the Owner may determine. All

requests for extension of time or claims for extra costs occasioned by delays or neglect shall be subject to the Owner's approval and shall be made in writing to the Owner no more than seven (7) days after the occurrence of the delay or event causing the extra costs; otherwise they shall be waived and barred.

5.5 Liquidated Damages. The CM/GC understands and agrees that the completion of the entire Project within the time specified is an essential feature of this Agreement and that the Owner will sustain substantial damages, the amount of which is not possible to accurately determine at the time of contracting and which may be difficult to prove, if the Work is not so completed. The CM/GC, therefore, agrees to proceed with due diligence, taking all precautions and making all necessary arrangements to ensure the completion of the Work within the prescribed time. The CM/GC further agrees that its failure to fully and finally complete the Work within the time allowed shall be considered a material breach of this Agreement and shall entitle the Owner to collect liquidated damages for the delay in completion in accordance with the General Conditions in the sum of One Thousand Dollars (\$1,000) per calendar day.

6.0 Guaranteed Maximum Price

6.1 Establishment. When the design, plans, and specifications are sufficiently complete to make the final cost estimates and after subcontract bids have been received, the CM/GC shall notify the Owner of the GMP proposal for Owner approval, guaranteeing the maximum cost to the Owner for the Cost of the Work and the CM/GC's Fees. Once approved by the Owner, such GMP shall be guaranteed by the CM/GC, subject only to modification for Changes in the Work as provided in Article 9 and for additional costs arising from delays caused by the Owner or the Architect.

6.2 Subcontracts. When the CM/GC provides a GMP, the subcontracts shall contain the necessary provisions to allow the CM/GC to control the performance of the Work.

6.3 Savings. To the extent that the final Cost of the Work, as herein defined, and the CM/GC's Fees are less than the GMP, the savings shall accrue to the Owner.

6.4 GMP Proposal: A GMP Proposal to Owner shall include the following, unless the parties mutually agree otherwise:

6.4.1 A proposed GMP;

6.4.2 A list of the Drawings and Specifications, including all addenda, used as the basis for the GMP proposal;

6.4.3 A list of the assumptions and clarifications made by CM/GC in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the Drawings and Specifications;

6.4.4 The Scheduled Final Completion Date upon which the proposed GMP

is based, to the extent said date has not already been established under Section 2.1.2.20 hereof, and a schedule upon which the Scheduled Financial Completion Date is based;

6.4.5 If applicable, a list of allowances and a statement of their basis and a statement that, to the best of CM/GC's knowledge, the cost pertaining to such allowance item is a reasonable estimate taking into account (i) the Project plans and other Contract Documents existing at the time the allowance estimate is made; (ii) the labor and material standards and construction means, methods and techniques prevailing in the industry for projects similar to the Project; and (iii) the level of labor and material costs generally prevailing in the locality of the Project at the time the allowance estimate is made;

6.4.6 If applicable, a schedule of alternate prices;

6.4.7 If applicable, a schedule of unit prices;

6.4.8 If applicable, a statement of Additional Services; and

6.4.9 The time limit for acceptance of the GMP Proposal.

7.0 Construction Manager/General Contractor's Fee

7.1 Determination. In consideration of the performance of this Agreement, the Owner agrees to pay the CM/GC in current funds as compensation for his services a CM/GC's Fee as set forth in Sections 7.1.1 and 7.1.2.

7.1.1 Design Phase Fee. For the performance of the Design Phase services, as defined in Section 2.1.1, the fee is \$_____, which shall be paid in one lump sum with the first Request for Payment submitted during the Construction Phase.

7.1.2 Construction Phase Fee. For Work or services performed during the Construction Phase, as defined in Section 2.1.2, a fee of ____ percent (____ %) of the estimated Cost of the Work, which will be converted into a lump sum once the final Guaranteed Maximum Price is established, which shall be paid proportionately to the ratio the monthly payment for the Cost of the Work bears to the total Cost of the Work, subject to retainage as provided in the Contract Documents. Any balance of this fee shall be paid at the time of final payment.

7.2 Adjustments. Adjustments in the Fee shall be made as follows:

7.2.1 Change Orders. For changes in the Work as provided for in Section 17 of the General Conditions, the CM/GC's Fee shall not be adjusted unless the change involves a substantial change in the scope of the Work and unless the total accumulated cost of Change Orders exceeds ____ percent (____ %) of the GMP. If such conditions for adjustment are met, a fee of ____ Percent (____ %) of the cost of the change shall be added to the Fee. A "substantial change in the scope of the Work" for purposes of this Section is defined as follows:

7.2.1.1 Change Orders involving the purchase of new or additional products of a type and nature not previously specified or contemplated for incorporation into the Work.

7.2.1.2 Change Orders involving the procurement of additional subcontractors, not previously contemplated by the Contract Documents.

7.2.1.3 Changes involving Work in different buildings or at different sites other than as specified in the Contract Documents.

7.2.1.4 Changes involving the revision or modification of major systems not contemplated in the original scope of Work.

7.2.2 Delays. For delays in the Work, other than for weather, in excess of seven (7) calendar days and that are not the responsibility of the CM/GC, there shall be an equitable adjustment in the Fee to compensate the CM/GC for verified and documented increased expenses.

7.2.3 Additional Services. Additional services, as described in Section 2.2, shall be computed as follows:

7.2.3.1 Labor = Direct Personnel Expense (base wage) times 1.54.

7.2.3.2 Expenses = Actual costs.

7.3 Items Included in Fee. Included in the CM/GC's Fee for the Construction Phase are the following:

7.3.1 Profit. Before tax profit.

7.3.2 Overhead. Off-site costs for general management of the Project including:

7.3.2.1 Salaries or other compensation of the CM/GC's employees at the principal office and branch offices, including to provide support in scheduling the Work, cost estimating, cost accounting, processing payment requests, processing Change Orders, processing shop drawings/samples, etc.

7.3.2.2 General operating expenses of the CM/GC's principal and branch offices other than the field office.

7.3.2.3 Any part of the CM/GC's capital expenses, including interest on the CM/GC's capital employed for the Work.

7.3.2.4 Costs due to any negligent, reckless or intentional act or omission of the CM/GC, any subcontractor, anyone directly or indirectly employed by any of them, or for

whose acts any of them may be liable, including, but not limited to, the correction of defective or nonconforming Work, disposal of materials and equipment wrongly supplied, or making good any damage to property.

7.3.2.5 Overhead or general expenses of any kind, except as may be expressly included in Article 8.

7.3.2.6 Costs in excess of the GMP, if any, as set forth in Article 6 and adjusted pursuant to Section 17 of the General Conditions.

8.0 Cost of the Work

8.1 Definition. The term Cost of the Work shall mean costs necessarily incurred in the proper performance of the Work during either the Design or Construction Phase, and paid by the CM/GC. Such costs shall be at the lowest responsible competitive rates not higher than the standard paid in the locality of the Work except with prior consent of the Owner, and shall include the items set forth below in this Article. The Owner agrees to pay the CM/GC for the Cost of the Work as defined in this Article 8. Such payment shall be in addition to the CM/GC's Fee stipulated in Article 7. Any savings accrued during construction shall be used for the following purposes: 1. Project enhancement approved by the Owner. 2. Balance to be returned to the Owner.

8.2 Cost Items Included. On-site costs of the Work, including General Conditions and the aggregate cost of subcontracts.

8.2.1 General Condition Costs. Those costs for Work outlined in the General Conditions of the Contract that are the responsibility of the CM/GC, unless specific items of Work are included in subcontract work. See Exhibit 2 for labor burden and indirect cost recovery rates.

8.2.1.1 Wages paid for labor in the direct employ of the CM/GC in the performance of the Work under applicable collective bargaining agreements, or under a salary or wage schedule agreed upon by the Owner and CM/GC and including such welfare or other benefits, if any, as may be payable with respect thereto. See Exhibit 1 for supervisory and administrative personnel rates.

8.2.1.2 Cost of ordinary employee benefits and taxes, such as pension contributions, hospitalization, vacations, medical insurance, assessments, or taxes for such items as unemployment compensation and Social Security, insofar as such cost is based on wages, salaries, or other remuneration paid to employees of the CM/GC and included in the Cost of the Work.

8.2.1.3 The proportion of reasonable transportation, traveling, and hotel

expenses of the CM/GC or of its officers or employees incurred in discharge of duties connected with the Work, when the necessity for such expenditures is approved in advance by the Owner.

8.2.1.4 Cost of all materials, supplies, and equipment incorporated in the Work, including costs of transportation thereof.

8.2.1.5 Cost, including transportation and maintenance, of all materials, supplies, equipment, and hand tools not owned by the workmen employed by the CM/GC, that are employed or consumed in the performance of the Work and cost less salvage value on such items used but not consumed that remain the property of the CM/GC.

8.2.1.6 Rental charges of all necessary machinery and equipment, exclusive of hand tools, used at the site of the Work, whether rented from the CM/GC or other, including installation, repairs and replacements, dismantling, removal, costs of lubrication, transportation and delivery costs thereof, at rental charges consistent with those prevailing in the area. All equipment which the CM/GC intends to rent to the Owner and the rates therefor must be approved by the Owner in writing prior to use. See Exhibits 3 and 4 for a list of Contractor's Equipment Rental Rates and Small Tools.

8.2.1.7 Cost of the premiums for all bonds and insurance that are required by the Contract Documents.

8.2.1.8 Unavoidable sales taxes, if approved in writing and in advance by the Owner.

8.2.1.9 Permit fees, license, tests, and royalties.

8.2.1.10 Minor expenses such as long distance telephone calls, telephone service at the site, expressage, and similar petty cash items in connection with the Work.

8.2.1.11 Cost of removal of all debris, snow removal, interim and final cleaning.

8.2.1.12 Costs incurred due to an emergency affecting the safety of persons or property, to the extent not compensated by insurance or otherwise, and not attributable to the fault of the CM/GC or its subcontractor.

8.2.1.13 Cost of site security during construction, if requested by the Owner, and the cost of site safety measures such as fences, signs, and barricades.

8.2.1.14 Cost of computer services as required at the field office.

8.2.1.15 Cost of construction support activities such as Work items included in the General Conditions and in the specifications, unless they are provided by subcontractors.

8.2.1.16 The cost of adequate, weatherproofed, heated, and well-lighted office space with telephone service at the site of the Work for the use of the CM/GC and the Architect and Owner representatives.

8.2.1.17 The cost of providing and maintaining neat, sanitary, and adequate temporary toilet facilities for all personnel at the construction site.

8.2.1.18 The cost of providing suitable temporary facilities and quarters for workers and of maintaining on premises water-tight storage sheds and tool houses for storage of building materials and tools.

8.2.1.19 The cost of providing temporary facilities required to supply all the power, light, water, and heat needed for the proper execution and completion of the Work. Unless provided by subcontractors, the cost of all power, light, water, and heat for the duration of the Work.

8.2.1.20 The cost of providing temporary weather protection and temporary heating as required for the expeditious prosecution of the Work.

8.2.1.21 Other costs incurred in the performance of the Work if and to the extent approved in advance and in writing by the Owner.

8.2.1.22 All costs directly incurred in the performance of the Work and not included in the CM/GC Fee as defined in Article 7.

8.2.2 Subcontracts. The cost of Work performed by subcontractors.

8.2.3 Estimates. The CM/GC shall include a detailed and itemized estimate of General Condition costs as a part of each estimate for the Cost of the Work. After the Contract Documents have been completed and before Work is released by bidding, the CM/GC shall prepare an estimate of the Cost of the Work that provides a subtotal of costs for each subcontract package and includes the costs for General Conditions.

8.2.4 Contingency: The CM/GC shall include in the GMP proposal its contingency for the CM/GC's exclusive use to cover those costs considered reimbursable as the Cost of the Work but not included in a Change Order. The contingency is not to be used without approval from the Owner, which shall not be unreasonably withheld.

9.0 Discounts

9.1 All discounts for prompt payment shall accrue to the Owner to the extent the Costs of the Work are paid directly by the Owner or from a fund made available by the Owner to the CM/GC for such payments. To the extent the Costs of the Work are paid with funds of the CM/GC, all cash discounts shall accrue to the CM/GC; provided, however, that all costs claimed pursuant to Article 8, billed to the Owner, reflect such discounts. All trade discounts, rebates,

and refunds and all returns from sale of surplus materials and equipment, shall accrue to the Owner and the CM/GC shall make provisions so that they can be secured.

10.0 Miscellaneous Provisions

10.1 Assignment. Neither party to this Agreement shall assign its interests herein in whole or in part without the written consent of the other, nor shall the CM/GC assign any moneys due or to become due to it hereunder, without the prior written consent of the Owner.

10.2 Independent Contractor. The CM/GC understands and acknowledges that an employee-employer relationship does not exist between the CM/GC and the Owner. The CM/GC shall perform all Work, using independent judgment and expertise, as an independent CM/GC and not as an employee of the Owner. Neither the CM/GC nor any agent, employee or subcontractor of the CM/GC shall be an agent or employee of the Owner nor shall any of them have any authority, express or implied, to bind the Owner to any agreement or incur any liability or obligation attributable to the Owner. **The CM/GC acknowledges that it is not entitled to workers' compensation or other benefits from the Owner and that the CM/GC is obligated to pay federal and state income tax on any moneys earned from the Owner pursuant to this Agreement.**

10.3 Binding Effect. This Agreement shall be binding upon the heirs, personal representatives, successors, and assigns of the respective parties.

10.4 Controlling Law. This Agreement is being executed and is to be performed in the State of Colorado, and shall be enforced and construed according to the laws of the State of Colorado.

10.5 Waiver. Any failure of the Owner or the CM/GC to require strict performance under this Agreement, or any waiver of any provision herein, shall not be construed as a consent or waiver to any other breach of the same or any other provision.

10.6 Severability. If in any instance any provision of this Agreement shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instances, but the remaining provisions shall be given effect in accordance with their terms.

10.7 Notices. Any notices required or permitted under this Agreement shall be deemed given when personally delivered or when deposited in the United States certified mail, postage prepaid and addressed to Owner: Attention: Mr. Terry Lucero, School District 27J, 18551 East 160th Avenue, Brighton, CO 80601 or to the CM/GC at the address set forth below: Contractor, address.

10.8 Counterparts. This Agreement may be executed in several counterparts. Each counterpart shall be deemed an original but all counterparts together shall constitute one and the same instrument.

This agreement is effective as of the day and year first written above upon the signatures of the undersigned parties.

OWNER:

School District No. 27-J

ATTEST:

Name_____

Title_____

By:_____

Name_____

Title_____

CONSTRUCTION MANAGER/GENERAL
CONTRACTOR:

Contractor

Address

Address

By:_____

Name_____

Title_____