

CONSTRUCTION MANAGER AT RISK CONSTRUCTION CONTRACT

PROJECT TITLE: Multigenerational Center / Swim Facility

This CONTRACT is made this 30th day of October, 2012, by and between the City of Maricopa, an Arizona municipal corporation, (hereinafter referred to as "CITY,") and CORE Construction, Inc., an Arizona corporation, (hereinafter referred to as "CM@RISK.")

CITY and CM@RISK, in consideration of the mutual covenants hereinafter set forth, agree as follows:

1. ARTICLE ONE – CITY’S STANDARD CONSTRUCTION GENERAL CONDITIONS

The City’s General Conditions for Construction Contracts are incorporated herein by reference and the parties agree to be bound by all provisions therein. If any of the provisions of the contract conflict with the City’s General Conditions for Construction Contracts, the parties are bound by the General Conditions. For the purposes of this Agreement, references to CONTRACTOR and to CM@RISK in said General Conditions refer to CM@RISK herein.

2. ARTICLE TWO – DEFINITIONS

Words used in this Agreement which are defined in CITY’s General Conditions for Construction Contracts shall have the meaning stated therein. CM@RISK is the CONTRACTOR as defined in said General Conditions.

2.1. “Construction Allowance Items” means those items included in the GMP as allowances, which items shall be paid based on the actual cost to CM@RISK as described in the City’s General Conditions for Construction Projects, Subsection 12.4., provided, however, no overhead or profit shall be included in the item as these are paid separately. The actual amounts paid for Allowance items shall be included in the Contract Price Subtotal by which the percentage for the Contractor’s fee for overhead and profit is multiplied.

2.2. “Guaranteed Maximum Price” (GMP) means the maximum amount to be paid by the City to CM@RISK for the performance of the Work which shall constitute payment in full for the furnishing of all materials, equipment, appurtenances, labor, plant and tools necessary to provide a complete workmanlike, finished and satisfactory Project as described herein.

3. ARTICLE THREE – CM@RISK – FIDUCIARY DUTY

3.1. This is a contract for complete construction services in accordance with the Construction Manager at Risk method of delivery of construction services. CM@RISK has participated in the design process and been an active member of the Project Design Team and is fully aware of any issues and constraints involved in this construction project.

3.2. CM@RISK is the CITY’s fiduciary responsible for undertaking all necessary action contemplated under the contract documents to construct the Project and ensure timely and quality completion of the project at a cost within the Guaranteed Maximum Price (GMP).

3.3. This project is an “open book” project. CITY is entitled to attend any and all meetings, and CITY shall have access to any and all records of CM@RISK or maintained by CM@RISK relating to the Project.

4. ARTICLE FOUR – WORK

4.1. CM@RISK shall perform all Work necessary to complete the Project described herein. The Project is known as and is hereinafter referred to as, MULTIGENERATIONAL CENTER / SWIM FACILITY and is described as follows: construction of a Multigenerational Center and Swim Facility as described in the Contract Documents and including the furnishing of all materials, equipment, appurtenances, labor, plant and tools necessary to provide a complete workmanlike, finished and satisfactory Project as described herein. Each item shall be completed with all necessary connections, testing, painting and related work accomplished to provide for the satisfactory use and/or operation of the item.

4.2. CM@RISK shall complete, provide and perform, or cause to be performed, all Work in a proper and workmanlike manner, with appropriate consideration for public safety and convenience, consistent with the highest standards of professional and construction practices and in full compliance with, and as required by or pursuant to, this Contract, and with the greatest economy, efficiency, and expediency consistent therewith all as more particularly described in the Contract Documents.

5. ARTICLE FIVE – CITY’S REPRESENTATIVE

5.1. CITY has appointed a CITY’S REPRESENTATIVE (sometimes referred to as CITY REP and sometimes known as the Owner’s Representative or Construction Manager) to manage this Project and to represent the CITY on the Project site. The CITY REP will assume all duties and responsibilities and will have all rights and authority assigned to the CITY REP in the Contract Documents in connection with completion of the Work in accordance with the Contract Documents. Any references in the Contract Documents, or other pertinent documents, to the Engineer or Project Engineer shall mean the CITY REP.

5.2. The CITY’S Representative is Brent Billingsley, Director of Development Services, 45145 W. Madison Avenue, PO Box 610, Maricopa, AZ 85139, (520) 316-6942.

6. ARTICLE SIX - CONTRACT TIME

6.1. Completion time. The Work shall be substantially complete within 482 Calendar days after the date when the Contract Time commences to run as provided in the Contract Documents, and all Work shall be finally completed and ready for final payment in accordance with the Contract Documents within 496 Calendar days after the date when the Contract Time commences to run.

6.2. CPM Schedule. CM@RISK shall submit to CITY, on or before the effective date of the Construction Contract, a Construction Progress Schedule in Critical Path Method (CPM) format indicating the times for starting and completing the various stages of the Work, including any Milestones specified in this Contract and as more fully described in the General Conditions and other Contract Documents. Revisions/updates to the CPM schedule shall be submitted as often as necessary to accurately reflect plans for completion of the Work, but no less frequently than required in the Contract Documents.

6.3. Time is of the Essence. All of the time limits for Milestones, if any, for Substantial Completion and for Final Completion and readiness for final payment as stated in the Contract Documents, are of the essence of the Contract.

6.4. No Waiver. Failure of CITY to insist upon the performance of any covenant or condition within the time periods specified herein, shall not constitute a waiver of CM@RISK'S duty to perform every other covenant or condition within the designated periods, unless a specific waiver is granted in writing for each such covenant or condition.

6.5. Specific Waiver. CITY'S agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of any other time provisions contained in the Contract Documents. Failure of CM@RISK to complete performance promptly within the additional time authorized in the waiver or extension of time agreement shall constitute a material breach of this Contract entitling CITY to all the remedies set forth herein or provided by law.

6.6. Material Breach. Failure of CM@RISK to perform any covenant or condition contained in the Contract Documents within the time periods specified herein, shall constitute a material breach of this Agreement entitling CITY to terminate the Agreement unless CM@RISK applies for and receives an extension of time, in accordance with the procedures set forth in the Contract Documents.

6.7. Written Extensions. Failure of CITY to insist upon the performance of any covenant or condition within the time periods specified herein, or CITY's agreement to waive a specific time provision or to extend the time for performance shall not constitute a waiver of CM@RISK's duty to perform every other covenant or condition within the designated periods, unless a specific waiver is granted in writing for each such covenant or condition. Failure of CM@RISK to complete performance promptly within the additional time authorized in the waiver or extension of time agreement shall constitute a material breach of this Agreement entitling CITY to all the remedies set forth herein or provided by law.

7. ARTICLE SEVEN - LIQUIDATED AND SPECIAL DAMAGES

7.1. Liquidated Damages:

7.1.1. It is hereby agreed that the amounts per day set forth herein in paragraphs 7.1.2. are reasonable estimates of such damages, that said amounts do in fact bear a reasonable relationship to the damage that would be sustained by CITY, and CM@RISK agrees to pay such liquidated damages as herein provided.

7.1.2. CITY and CM@RISK recognize that time is of the essence of this Contract and that CITY will suffer financial loss, in addition to and apart from the costs described in Paragraph 7.2, if the Work and/or portions of the Work are not performed and completed within the times specified in Article Six, plus any extensions thereof allowed in accordance with the Contract Documents. CITY and CM@RISK also recognize the delays, expense, and difficulties involved in proving, through legal or arbitration proceedings, the actual loss suffered by CITY if the Work or portion of the Work is not completed on time. Accordingly, instead of requiring any such proof, CITY and CM@RISK agree that as liquidated damages for delay (but not as a penalty) CM@RISK shall pay CITY One Thousand and 00/100 Dollars (\$1,000.00) for each calendar day that expires after the time specified in Article Six for substantial completion, until the Work is substantially complete. After Substantial Completion, if CM@RISK shall neglect, refuse or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by CITY, CM@RISK shall pay CITY One Thousand and 00/100 Dollars (\$1,000.00) for each day that expires after the time specified in Article Six for final completion and readiness for final payment.

7.2. Special Damages: In addition to the amounts provided for liquidated damages, CM@RISK shall pay CITY the actual costs reasonably incurred by CITY for the CITY REP, the Project Designer and for engineering and inspection forces employed on the Work for each day that expires after the time specified in Article Six for Final Completion, including any extensions thereof made in accordance with the Contract Documents, until the Work is finally complete. The rate for inspection services for this contract is One Hundred Forty Eight and 00/100 Dollars (\$148.00) per hour. The rate for work by the Project Designer for this Contract is One Hundred Ninety dollars (\$190) per hour. The rate for work by the CITY REP is One Hundred Ninety and 00/100 Dollars (\$190.00) per hour. Each of these hourly rates is calculated at time and one half for work required to be performed during other than normal business hours

7.3. CITY may withhold and deduct from any payment due to CM@RISK the amount of liquidated damages, special damages, and other costs, such as CM@RISK'S failed testing costs or damages to other CITY property, from any moneys due CM@RISK under the Contract.

8. ARTICLE EIGHT - CONTRACT PRICE

8.1. Guaranteed Maximum Price. The Guaranteed Maximum Price (GMP) is the total amount payable by the City to Contractor for the complete construction of the Project. CM@RISK represents, warrants and guarantees to CITY that the total maximum cost to be paid by CITY for CM@RISK's complete performance of this Contract, including, without limitation, Final Completion of all Work, all services of CM@RISK under this Contract, and all fees, compensation and reimbursements to CM@RISK, shall not exceed the total amount of Seventeen Million Eight Hundred Forty One Thousand One Hundred Seventy Nine and 00/100 Dollars (\$17,841,179.00) ("Guaranteed Maximum Price"), as set forth in Exhibit B, attached hereto and incorporated herein by reference. Costs which would cause the Guaranteed Maximum Price to be exceeded shall be paid by the CM@RISK without reimbursement by CITY.

8.2. Guaranteed Maximum Price Components. The Guaranteed Maximum Price is comprised of the maximum amount payable by CITY for:

8.2.1. The Cost of the Work for full and complete performance of the Work to complete the Project as described herein. The items to be included in Cost of Work are those listed in Section 12.4 of the City's General Conditions for Construction Projects, except that no overhead and profit shall be included in the cost of work and shall be subtracted out of items listed in 12.4 A 5) c, and the items listed in 12.4.A 5) d and h are not included in the cost of the work. The Cost of the Work will be referred to as the Work Item Direct Costs. No additional payments will be made for any Work included in and/or necessary for completion of the Project unless specifically noted and excluded from the GMP in the assumptions and clarifications of the GMP. Progress payments will be made based on the schedule of values, however, City reserves the right to audit the books of CM@RISK, at any time, to determine actual costs and to modify the schedule of values to better reflect actual costs of the Work.

8.2.2. A fee to CM@RISK for Overhead and Profit which has been estimated for inclusion in the GMP to be the amount of Eight Hundred Seventy Thousand Eight Hundred Nine and 00/100 Dollars (\$870,809.00) ("CM@RISK's Fee"). This fee shall be determined by multiplying the agreed upon percentages listed in the GMP by the Work Item Direct Costs less the amounts listed for Contractor's General Conditions. This CM@RISK's Fee shall be the CM@RISK's sole and exclusive compensation for all costs not included

in Subsections 8.2.1 or 8.2.3 herein and for those costs and expenses listed in Subsection 12.4 B and 12.5 of the City's General Conditions for Construction Projects, and is inclusive of all overhead and profit arising out of or relating to the CM@RISK's Work.

8.2.3. Reimbursement to CM@RISK by CITY for the cost of insurance, bonds and taxes actually incurred by CM@RISK for this Project.

8.2.4. The Guaranteed Maximum Price is further broken down into line items and categories on Exhibit B attached hereto.

8.3. Quantities. The quantities set forth in the GMP are used only for the purpose of substantiating and demonstrating the basis for the GMP submitted by CM@RISK and are not a part of this Contract nor any guarantee by CITY. CM@RISK shall install and perform such quantities as necessary to complete the Project in accordance with the Project description and the Contractor agrees to perform all of the Work for costs plus fees and reimbursements described herein, not to exceed the Guaranteed Maximum Price, regardless of whether or not the items or units are decreased or increased.

8.4. Cost Overruns. CM@RISK shall be solely liable and responsible for and shall pay any and all costs, fees and other expenditures in excess of the Guaranteed Maximum Price for and/or relating to the Work, without entitlement to reimbursement from CITY. CM@RISK is not entitled to any fee, payment, compensation or reimbursement under this Agreement or relating to the Work or Project other than as expressly provided in this Article 8.

8.5. Inferable Work (intent of the Project). CM@RISK agrees that the scope of the Guaranteed Maximum Price includes Work not expressly indicated on the Contract Documents, but which is reasonably inferable from the Project description and/or Contract Documents, or consistent therewith, and such Work shall be performed by CM@RISK without any increase in the Guaranteed Maximum Price.

8.6. Allowances. The GMP includes some work items with the cost listed as an allowance. Allowances are to be used specifically for the areas of work defined in the Contract Documents; provided however,

8.6.1. If the designated work is completed for less than the allowance, the surplus will revert to the project construction contingency.

8.6.2. If the designated work requires more than the allowance, the additional funds will be allocated by the CITY with assistance from CM@RISK within the GMP by transferring excess from other allowance items, value engineering or using less expensive means, methods or components or as a last resort reducing the scope of the Project.

8.6.3. A running balance sheet will be kept concerning the various allowances so that monies can be floated among the allowances to maintain the integrity of the overall GMP. Thus, savings in one area of work will be available to offset overruns in another area of work specifically associated with these allowances.

8.7. Construction Contingency. This GMP includes a dollar amount listed as a Construction Contingency which shall be readily available for increased costs for subcontractors, material and equipment subject to prior approval of City, which approval will not be withheld

unreasonably. The Construction Contingency may also be used, at the discretion of CITY, to reimburse CM@RISK for unexpected costs due to (a) scope gaps between trade subcontractors; (b) contract default by trade subcontractors; (c) unforeseen field conditions but only as defined in Subsection 4.3 of the City's General Conditions for Construction Projects; (d) work completed to meet the intent of the design, but which was not indicated on the plans; (e) costs overruns not covered by allowances; (f) costs of corrective work not provided for elsewhere and (g) implementation of any Recovery Plan. Cost for which CM@RISK desires to be paid from the Construction Contingency shall be documented by CM@RISK on a time and materials basis and are subject to verification by the CITY. If agreed to by CITY, a "Use of Contingency" form shall be executed by both parties authorizing the actual cost of the work to be paid and included in the Work Item Direct Costs. The Construction Contingency is not allocated to any particular item of the Project but may be used for any portion of the work as determined above. The Construction Contingency Use Authorizations shall be marked-up to include Tax, Bond, Insurance and Fees, as these amounts were carried below the mark-ups of the original GMP Summary Calculation Sheet included herein as Exhibit B. Any amount not used in the Construction Contingency shall belong to the CITY and shall reduce the GMP.

8.8. Owner's Contingency. This GMP also includes a dollar amount listed as an Owner's Contingency which may be used only by the CITY (owner department) for upgrades and changes in scope or other changes not already included within the intent of the Project Program. CITY shall provide CM@RISK with a Work Change Directive authorizing CM@RISK to perform the additional work and to transfer funds from the Owner's Contingency to the Work Item Direct Costs category to be paid with such direct costs. These additional costs shall be in amount mutually agreed upon by CM@RISK and CITY or shall be documented by CM@RISK on a time and materials basis and are subject to verification by the CITY. The Owner's Contingency Use Authorizations shall be marked-up to include Tax, Bond, Insurance and Fees, as these amounts were carried below the mark-ups of the original GMP Summary Calculation Sheet included herein as Exhibit B. Any amount not used in the Owner's Contingency shall belong to the CITY and shall reduce the GMP.

8.9. Reduction of the Work. If CITY elects to have a party other than CM@RISK, or one of CM@RISK's Subcontractors, perform the Work related to an Allowance Item or other portion of the Work, or otherwise eliminates or reduces the scope of an Allowance Item or other portion of the Work, the Guaranteed Maximum Price shall be reduced by the Allowance Amount for any such Allowance Item or the budgeted amount in the Guaranteed Maximum Price for such item, and such amount shall be excluded from the Work Item Direct Costs upon which the CM@RISK's Fee is calculated.

8.10. Taxes. CM@RISK shall pay all existing and future applicable Federal, State and local sales, consumer, use and similar taxes, whether direct or indirect, relating to, or incurred in connection with the performance of the Work. In the event CM@RISK is obligated to pay any new or increased taxes or duties arising after the date hereof, the amount of such new or increased taxes shall increase the Guaranteed Maximum Price pursuant to the Change Order provisions of this Agreement and as set forth in the General Conditions. In the event CM@RISK receives the benefit of a tax exemption or tax reduction taking effect after the date hereof, the amount of such exemption or reduction shall decrease the Guaranteed Maximum Price pursuant to the Change Order provisions of this Agreement and as set forth in the General Conditions.

9. ARTICLE NINE - PAYMENT PROCEDURES

9.1. Schedule of Values. Before the first application for Payment, CM@RISK shall submit to CITY, and the parties shall agree upon, a Schedule of Values, setting forth the various portions of the Work, and the costs listed in the Guaranteed Maximum Price allocated to each such portion of the Work. The Schedule shall be used as a basis for reviewing the contractor's applications for payment and as a basis for progress payments. The Schedule of Values shall be updated as actual costs become known to accurately reflect the cost of the Work. City reserves the right to audit the books of CM@RISK, at any time, to determine actual costs and to modify the schedule of values to better reflect actual costs of the Work. At Project completion and prior to final payment the parties will reconcile the Schedule of Values with the actual costs in accordance with provisions in Article Eight herein to determine the final payment.

9.2. Applications for Payment. CM@RISK shall submit completed Applications for Payment in accordance with the Contract Documents. No payment application will be considered complete unless it is accompanied by an updated Construction Progress Schedule and a certification that the on-site, red lined, as-built drawings are up to date. Completed Applications for Payment will be processed by CITY REP as provided in the Contract Documents.

9.3. Waiver of Claims at Final Payment. Acceptance of Final Payment by CM@RISK shall constitute a waiver of affirmative claims by CM@RISK except those previously made in writing and identified as unsettled at the time of Final Payment.

9.4. Retention. Prior to Substantial Completion, progress payments will be made in the amount equal to the percentages indicated below, but in each case less the aggregate of payments previously made and less such amounts as CITY'S REPRESENTATIVE may determine, in accordance with the General Conditions or other provisions of the Contract Documents.

9.4.1. To insure the proper performance of the contract CITY shall retain ten per cent (10%) of the amount of each approved progress payment until the Work is fifty percent (50%) complete.

9.4.2. When the Work is fifty percent (50%) complete as measured by the Schedule of Values and approved by CITY REP, one-half of the amount retained under the ten percent (10%) retention provision, shall be paid to CM@RISK, provided CM@RISK is on schedule for project completion and is making satisfactory progress on the Work and there is no specific cause or claim requiring a greater amount to be retained. After fifty percent (50%) completion, CITY shall retain five percent (5%) of each approved progress payment providing CM@RISK is on schedule for project completion, is making satisfactory progress on the Work, except that if at any time CITY determines satisfactory progress is not being made, ten percent (10%) retention shall be reinstated for all progress payments made under the contract subsequent to such determination

9.4.3. In lieu of retention, CITY will, at the option of CM@RISK, accept security as provided in ARS § 34-221.

9.5. CITY may withhold and deduct from each progress payment and final payment an amount equal to CITY'S estimate of the liquidated damages then due, or that would become due based on CITY'S estimate of late completion of the Work, provided CM@RISK fails to

submit and implement a written schedule recovery plan describing the cause of schedule slippage or delayed progress and the actions proposed and taken to recover schedule slippage.

9.6. Final Payment: Upon final completion and acceptance of the Work and upon compliance with all other terms and conditions of the Contract Documents, CITY shall pay the remainder of the Contract Price, including retainage withheld, less such deductions as may be withheld to cover claims in accordance with state law and the Contract Documents, and to cover liquidated and special damages and other charges owing to CITY.

10. ARTICLE TEN – CHANGES TO CONTRACT GMP

10.1. Changes to Scope. CITY reserves the right to change the scope of the Project by adding or deducting work to be performed by CM@RISK under this Contract. Increases to the scope of work to be paid for out of the Owner's Contingency shall be documented by a Work Change Directive. Deductions from the work and additions after the Owner's Contingency has been exhausted shall be documented by a Change Order executed by both parties.

11. ARTICLE ELEVEN - CM@RISK'S REPRESENTATIONS

As part of the inducement for CITY to enter into this Contract, CM@RISK makes the following representations:

11.1. CM@RISK was a member of the Design Team for this Project and participated in and provided recommendations concerning the Contract Documents and Project Design.

11.2. CM@RISK has examined and carefully studied the Contract Documents (including any Addenda) and other related data identified in the Bidding Documents, including "technical data" and all federal, state and local laws, ordinances, standards, rules and regulations that in any manner may affect cost, progress, performance or furnishing of the Work.

11.3. CM@RISK has obtained and carefully studied (or assumes responsibility for having done so) the reports of investigations, explorations, tests, studies and data concerning conditions (surface, subsurface and Underground Facilities) and the drawings of physical conditions in or relating to existing surface or subsurface structures, at or contiguous to the site or otherwise which may affect cost, progress, performance or furnishing all the Work or which relate to any aspect of the means, methods, techniques, sequences and procedures of construction to be employed by CM@RISK and safety precautions and programs incident thereto. CM@RISK acknowledges that CITY and CITY'S REP do not assume responsibility for the accuracy or completeness of information and data shown or indicated therein with respect to Underground Facilities at or contiguous to the site. CM@RISK acknowledges full responsibility for locating and resolving any conflicts with any Underground Facilities.

11.4. CM@RISK has visited the site and become familiar with and is satisfied as to the general, local and site conditions that may affect cost, progress, performance or furnishing of the Work.

11.5. CM@RISK has made or caused to be made examinations, investigations, tests, studies and related data as he deems necessary, and CM@RISK does not consider that any additional examinations, investigations, explorations, tests, studies or data are necessary for the performance and furnishing of the Work at the Contract Price, within the Contract Times and in accordance with the other terms and conditions of the Contract Documents.

11.6. CM@RISK has correlated the information known to CM@RISK, information and observations obtained from visits to the site, reports and drawings identified in the Contract Documents and all additional examinations, investigations, explorations, tests, studies, reports, and data, with the terms and conditions of the Contract Documents.

11.7. CM@RISK has given CITY REP written notice of all conflicts, errors, or discrepancies that CM@RISK has discovered in the Contract Documents, and the written resolution thereof by CITY is acceptable to CM@RISK, and the Contract Documents are sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work. CM@RISK assumes full responsibility and liability for any conflicts, errors or discrepancies in the Contract Documents, including, but not limited to, the specifications, design and engineering for the project, for which written notice has not been provided and which a reasonable Contractor, participating in the Design Process as the Construction Manager at Risk would have discovered.

12. ARTICLE TWELVE – CONTRACT DOCUMENTS, DRAWINGS AND ADDENDA

The Contract Documents which comprise the entire agreement between CITY and CM@RISK concerning the Work consist of those listed below. There are no Contract Documents other than the following:

12.1. This Contract

12.2. The project Design, Engineering and Specifications entitled: MARICOPA MULTIGENERATIONAL CENTER AND AQUATIC FACILITY PROJECT MANUAL, VOLUMES 1 AND 2

12.3. The Drawings, comprised of two sets entitled: MARICOPA MULTIGENERATIONAL CENTER AND AQUATIC FACILITY VOLUMES 1 AND 2

12.4. Performance Bond and Payment Bond.

12.5. The approved Construction Schedule (CPM).

12.6. General Conditions (pages 1 to 55, inclusive).

12.7. Notice to Proceed.

12.8. Approved Construction GMP and attached Assumptions

12.9. CM@RISK'S Schedule of Manufacturers and Suppliers of Major Equipment and Material Items.

12.10. The following which may be delivered or issued after the Effective Date of this Contract and are not attached hereto:

- A. Written Amendments;
- B. Work Change Directives;
- C. Change Order(s).

13. ARTICLE THIRTEEN – BONDS

CM@RISK shall furnish Payment and Performance bonds, each in an amount at least equal to the Contract Price, as security of the faithful performance and payment of all CM@RISK obligations under the contract documents. Exhibit C and Exhibit D attached hereto and incorporated in by reference.

14. ARTICLE FOURTEEN – INSURANCE

14.1. General Requirements:

- A. CM@RISK, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of A-6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.
- B. With the exception of professional liability policies, policies written on a “Claims made” basis are not acceptable without written permission from the City’s Risk Manager.
- C. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.
- D. If any of the insurance policies are not renewed prior to expiration, payments to the CM@RISK may be withheld until these requirements have been met, or at the option of the City, the City may pay the Renewal Premium and withhold such payments from any monies due the CM@RISK.
- E. All insurance policies, except Workers’ Compensation and Professional Liability required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Maricopa, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
- F. CM@RISK’s insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
- G. The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of CM@RISK's acts, errors, mistakes, omissions, work or service.
- H. The insurance policies may provide coverage which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of CM@RISK. CM@RISK shall be solely responsible for the deductible and/or self-insured retention. The amounts of any self-insured retentions shall be noted on the Certificate of Insurance. CITY, at its option, may require CM@RISK to secure payment of such deductibles or self-insured retentions by a Surety Bond or an

irrevocable and unconditional letter of credit. Self-insured retentions (SIR) in excess of \$25,000 will not be accepted except with permission of the Financial Services Director/designee.

- I. All policies shall contain an endorsement providing that the coverage afforded under such policies shall not be reduced, canceled or allowed to expire until at least thirty (30) days prior written notice has been given to CITY.
- J. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the CM@RISK with reasonable promptness in accordance with the CM@RISK's information and belief.
- K. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CM@RISK until such time as the CM@RISK shall furnish such additional security covering such claims as may be determined by the CITY.

14.2. Proof of Insurance - Certificates of Insurance

- A. Prior to commencing Work or services under this Agreement, CM@RISK shall furnish to CITY Certificates of Insurance, issued by CM@RISK's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.
- B. If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Maricopa five (5) days prior to the expiration date.
- C. All Certificates of Insurance shall identify the policies in effect on behalf of CM@RISK, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.
- D. CITY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. CITY shall not be obligated, however, to review same or to advise CM@RISK of any deficiencies in such policies and endorsements, and such receipt shall not relieve CM@RISK from, or be deemed a waiver of CITY's right to insist on, strict fulfillment of CM@RISK's obligations under this Agreement.

14.3. Required Coverage

Such insurance shall protect CM@RISK from claims set forth below which may arise out of or result from the operations of CM@RISK under this Contract and for which CM@RISK may be legally liable, whether such operations be by the CM@RISK or by a Sub-consultant or subCM@RISK or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Coverage under the policy will be at least as broad as

Insurance Services Office, Inc., policy form CG00011093 or equivalent thereof, including but not limited to severability of interest and waiver of subrogation clauses.

- A. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
- B. Claims for damages because of bodily injury, occupational sickness or disease, or death of the CM@RISK's employees;
- C. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the CM@RISK's employees;
- D. Claims for damages insured by usual personal injury liability coverage;
- E. Claims for damages, other than to Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
- F. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; Coverage will be at least as broad as Insurance Service Office, Inc., coverage Code "1" "any auto" policy form CA00011293 or equivalent thereof.
- G. Claims for bodily injury or property damage arising out of completed operations;
- H. Claims involving contractual liability insurance applicable to the CM@RISK's obligations under the Indemnification Agreement contained in Section 15 herein;
- I. Claims for injury or damages in connection with one's professional services;
- J. Claims involving construction projects while they are in progress. Such insurance shall include coverage for loading and off loading hazards. If any hazardous material, as defined by any local, state or federal authorities are to be transported, MCS 90 endorsement shall be included;

14.3.1. Commercial General Liability - Minimum Coverage Limits:

The Commercial General Liability insurance required herein shall be written for not less than \$1,000,000 limits of liability or ten percent (10%) of the Contract Price, whichever coverage is greater. Any combination between general liability and excess general liability alone amounting to a minimum of \$1,000,000 per occurrence (or 10% per occurrence) and an aggregate of \$2,000,000 (or 20% whichever is greater) in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as broad as the Insurance Services, Inc's (ISO) Additional Insured, Form B, CG 20101001, and shall include coverage for CM@RISK's operations and products, and completed operations.

14.3.2. Automobile Liability - Minimum Coverage Limits

Automobile Liability: CM@RISK shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the CM@RISK's work. Coverage shall be at least as

broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards if hazardous substances, materials or wastes are to be transported and a MCS 90 endorsement shall be included with coverage limits of \$5,000,000 per accident for bodily injury and property damage.

14.3.3. Worker's Compensation and Employer's Liability:

CM@RISK shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over CM@RISK's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease coverage for each employee, and \$1,000,000 disease policy limit. In case any work is subcontracted, CM@RISK will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of CM@RISK.

14.3.4. Builders' Risk (Property) Insurance:

CM@RISK shall purchase and maintain in force on a replacement cost basis, Builders' Risk insurance in the amount of the initial Contract Amount as well as subsequent modifications thereto for the entire work at the site. Such Builders' Risk insurance shall be maintained until final payment has been made or until no person or entity other than the City of Maricopa has an insurable interest in the property required to be covered, whichever is earlier. The insurance shall, at a minimum, cover the perils insured under the Insurance Services Office, Inc. (ISO) special causes of loss form CP1030, and shall be endorsed as needed to provide full coverage for loss or damage from collapse, including collapse resulting from design error. CM@RISK shall provide and maintain Builder's Risk insurance covering construction activities including but not limited to fire, extended coverage, vandalism and malicious mischief, theft, collapse, flood, with the coverage limit of not less than the contract value, less site preparation.

14.3.5. Construction Insurance:

CM@RISK shall provide and maintain construction insurance coverage listed below until the project is accepted by the City of Maricopa which shall be written for 100% of the completed value covering the City of Maricopa as the insured.

- A. For construction of new buildings: "Builders Risk Form" - all risk forms with an extension of buildings coverage to include personal property of others in the care, custody and control of the insured.
- B. For additions or repairs of existing buildings or structures: "Builders Risk Completed Value Form", covering CM@RISKs' interest in improvements, repairs, additions, alteration to completed buildings, and subject the coverages described in item A above.
- C. For construction of bridges, viaducts or similar structures: "Bridge Builders Risk Form", All Risk Contract.

15. ARTICLE FIFTEEN – INDEMNIFICATION

To the fullest extent permitted by law, CM@RISK shall defend, indemnify and hold harmless the City of Maricopa, its agents, representatives, officers, directors, officials and employees, individually and collectively, (hereinafter CoM) from and against all losses, claims, damages,

suits, actions, payments, judgments, demands, expenses and costs, including, but not limited to, attorney's fees, defense costs, court costs, and the cost of appellate proceedings, or actions of any kind and nature, wages or overtime compensation due employees in rendering service under this Contract and whether to any person or property, including natural resources and any claim made under the Fair Labor Standards Act or any other federal or state laws, related to, arising out of, or alleged to have resulted from acts, errors, mistakes, omissions, work or services of CM@RISK, its employees, agents, or any tier of subcontractors in the performance of this Contract or of any other person for whose acts, errors, mistakes or omissions CM@RISK may be legally liable, and from any claims or amounts arising or recovered under Workers' Compensation laws or any other law, bylaw, or ordinance, order or decree or any failure on the part of CM@RISK, its agents, employees or representatives to fulfill CM@RISK'S obligations under this Contract. This indemnity shall not be construed to include losses, claims, damages, suits, or actions of any kind and nature, to the extent arising from or alleged to have resulted from the errors, mistakes or omissions of CoM, (other than CM@RISK, its employees, agents, or any tier of subcontractors). The provisions of this paragraph shall survive termination of this Contract.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

16. ARTICLE SIXTEEN - MISCELLANEOUS

16.1. Terms used in this Contract which are defined in the General Conditions, shall have the meanings indicated in the General Conditions.

16.2. The failure of any party to enforce against another party any provision of this Contract shall not constitute a waiver of that party's right to enforce such a provision at a later time, and shall not serve to vary the terms of this Contract.

16.3. CITY and CM@RISK each binds itself, its partners, successors, assigns and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in these Contract Documents.

17. ARTICLE SEVENTEEN – CONFLICT OF INTEREST

CM@RISK stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this Contract.

Pursuant to A.R.S. Section 38-511, the City may cancel this contract within three (3) years after its execution without penalty or further obligation by the City if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the City of Maricopa is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

18. ARTICLE EIGHTEEN - TERMINATION WITHOUT CAUSE

CITY may at any time and for any or no reason, at its convenience, terminate this Agreement or any part of the services to be rendered pursuant thereto by ten (10) day written notice to CM@RISK specifying the termination date. Immediately after receiving such notice, CM@RISK shall discontinue advancing the work under this Agreement and shall deliver to CITY all drawings, notes, calculations, sketches and other materials entirely or partially completed, together with all unused materials supplied by CITY. If this Agreement is terminated, CM@RISK shall be paid for work performed to the date of receipt of such termination notice.

19. ARTICLE NINETEEN - COMPLIANCE WITH ARIZONA STATE PROCUREMENT LAW

Compliance with A.R.S. § 41-4401. Pursuant to the provisions of A.R.S. § 41-4401, the CM@RISK hereby warrants to the City that the CM@RISK and each of its subcontractors (“Subcontractors”) will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter “Contractor Immigration Warranty”).

A breach of the Contractor Immigration Warranty shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.

The City retains the legal right to inspect the papers of the CM@RISK or any Subcontractor employee who works on this Contract to ensure that the CM@RISK or Subcontractor is complying with the Contractor Immigration Warranty. The CM@RISK agrees to assist the City in the conduct of any such inspections.

The City may, at its sole discretion, conduct random verifications of the employment records of the CM@RISK and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The CM@RISK agrees to assist the City in performing any such random verifications.

The provisions of this Article must be included in any contract the CM@RISK enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. “Services” are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

In accordance with A.R.S. §35-393.06, the CM@RISK hereby certifies that the offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. §35-391.06, the CM@RISK hereby certifies that the offeror does not have scrutinized business operations in Sudan.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on the day and year first written above.

City of Maricopa

Construction Manager at Risk

Christian Price, Mayor

ADDRESS FOR NOTICE:

City of Maricopa
PO Box 610
Maricopa, AZ 85139

Attest:

Vanessa Bueras
City Clerk

Approved as to Form:

Denis Fitzgibbons
City Attorney

ADDRESS FOR NOTICE:

CORE Construction, Inc.
3036 E. Greenway Road
Phoenix, AZ 85032

Attest:

Secretary

Contractor Immigration Warranty

To Be Completed by CM@RISK Prior to Execution of Contract

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form and attached Employee Verification Worksheet the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Project Title:		
Contractor Name (as listed in the contract):		
Street Name and Number:		
City:	State:	Zip Code:

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees; and
3. The contractor has identified all contractor and subcontractor employees who perform work under the contract and has verified compliance with Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214.

Signature of Contractor (Employer) or Authorized Designee:

Printed Name: _____

Title: _____

Date (month/day/year): _____

EXHIBIT A
GMP ASSUMPTIONS AND CLARIFICATIONS

EXHIBIT A-1 SCOPE OF WORK

Complete turnkey scope of work for all site, utility, building and aquatic improvements associated with an approximate 10 acre site and 50,000 square feet of structure, per the contract documents as listed in Article 12 above and the list below.

EXHIBIT B
GMP

EXHIBIT C
PERFORMANCE BOND

**EXHIBIT D
PAYMENT BOND**

CITY OF MARICOPA, ARIZONA
CERTIFICATE OF INSURABILITY

CITY OF MARICOPA PRIVILEGE TAX LICENSE

(Refer to Article 6.9, General Conditions; CONTRACTOR'S RESPONSIBILITIES)

PROJECT NAME: Multigenerational Center / Swim Facility

Please attach current certificate per Article 6.9 General Conditions.

**CITY OF MARICOPA, ARIZONA
DEPARTMENT OF PUBLIC WORKS**

CONTRACTOR'S AFFIDAVIT REGARDING SETTLEMENT OF CLAIMS

_____, Arizona

Date _____

Project Name: Multigenerational Center / Swim Facility

To the City of Maricopa, Arizona

Gentlemen:

This is to certify that all lawful claims for materials, rental of equipment and labor used in connection with the construction of the above project, whether by subcontractor or claimant in person, have been duly discharged.

The undersigned, for the consideration of \$_____, as set out in the final pay estimate, as full and complete payment under the terms of the contract, hereby waives and relinquishes any and all further claims or right of lien under, in connection with, or as a result of the above described project. The undersigned further agrees to indemnify and save harmless the City of Maricopa against any and all liens, claims or liens, suits, actions, damages, charges and expenses whatsoever, which said City may suffer arising out of the failure of the undersigned to pay for all labor performances and materials furnished for the performance of said installation.

Signed and dated at _____, this _____ day of _____ 20_____.

CONTRACTOR

By _____

STATE OF ARIZONA)
) SS
COUNTY OF PINAL)

The foregoing instrument was subscribed and sworn to before me this _____ day of _____ 20_____.

Notary Public

My Commission Expires

**CITY OF MARICOPA, ARIZONA
PUBLIC WORKS DEPARTMENT**

CERTIFICATE OF COMPLETION

Project Name: Multigenerational Center / Swim Facility

(TO BE COMPLETED BY CONTRACTOR)

I HEREBY CERTIFY THAT ALL GOODS AND/OR SERVICES REQUIRED BY CITY OF MARICOPA PROJECT NAME MULTIGENERATIONAL CENTER/SWIM FACILITY HAVE BEEN DELIVERED IN ACCORDANCE WITH THE CONTRACT DOCUMENTS AND BID SPECIFICATIONS AND ALL ACTIVITIES REQUIRED BY THE CONTRACTOR UNDER THE CONTRACT HAVE BEEN COMPLETED AS OF _____.
(Date)

FIRM NAME: _____

PRINCIPAL: _____
(Name)

(Signature)

(Title)

DATE: _____

CERTIFIED BY ENGINEER/CONSULTANT:

(Signature)

DATE: _____

(Firm Name)

PROJECT ACCEPTED BY USER DEPARTMENT

(Signature)

DATE: _____

(Dept./Div.)

_____ Date of Final Walk-Through

_____ Date As-Built Received

_____ City As-Built Number

City of Maricopa
GENERAL CONDITIONS