



**AGENDA**  
**CITY COMMISSION MEETING**  
**WEDNESDAY, JULY 10, 2024**  
**CITY HALL | 130 N. NOTTAWA ST.**  
**WIESLOCH RAUM**

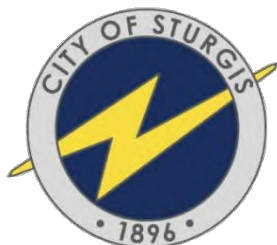
**REGULAR MEETING 6:00 P.M.**

1. CALL TO ORDER BY MAYOR
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. ROLL CALL
5. PROCLAMATIONS / PRESENTATIONS
  - A. Eric Eishen Proclamation – Mayor Perez
6. VISITORS – (Public comments for items not listed as agenda items)
7. APPROVAL OF AGENDA
8. APPROVAL OF CONSENT AGENDA
  - A. Action of Minutes of Previous Meetings
    - **APPROVE the minutes from the June 26, 2024 regular meeting as presented.**
  - B. Pay Bills
    - **AUTHORIZE the payment of the City bills in the amount of \$1,320,895.65 as presented.**
  - C. Walking Along Suicide Prevention 5K Walk
    - **APPROVE the request for the Walking Along Suicide Prevention 5K Walk on September 7, 2024 as presented.**
  - D. MML Workers' Compensation Board of Trustee's Election
    - **APPROVE submittal of ballot for the Michigan Municipal League Worker's Compensation Board of Trustees as presented and AUTHORIZE the City Manager to sign all necessary documents.**
  - E. AirVenture Fuel Discount
    - **APPROVE the airport fuel discount for July 14<sup>th</sup> to July 31<sup>st</sup> as presented.**
9. UNFINISHED BUSINESS - None
10. NEW BUSINESS
  - A. Stateline Substation Equipment – Tyler Stark
  - B. Michigan Ave. Lift Station Design – Thomas Sikorski
  - C. Cemetery Board Appointments – Kenneth Rhodes
11. COMMISSIONER / STAFF COMMENTS
12. ADJOURN

# Manager's Report

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JULY 10, 2024



CITY OF  
**Sturgis**  
MICHIGAN

Submitted by:

A handwritten signature in black ink, appearing to read "Andrew Kuk".

Andrew Kuk  
City Manager

## **5. Proclamation**

### **A. Eric Eishen Proclamation**

**Staff: Mayor Perez**

A proclamation will be presented to Eric Eishen by Mayor Perez. The proclamation information will be forwarded prior to the meeting.

## 8. Consent Agenda

### Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Consent Agenda for July 10, 2024 as presented.

### Staff Recommendation:

**APPROVE**

#### **8A. Action of Minutes of Previous Meetings**

##### Consent Agenda Motion:

*APPROVE the minutes from the June 26, 2024 regular meeting as presented.*

#### **8B. Pay Bills**

##### Consent Agenda Motion:

*AUTHORIZE the payment of the City bills in the amount of \$1,320,895.65 as presented.*

#### **8C. Walking Along Suicide Prevention 5K Walk**

Included in your packet is an event summary for the “Walking Along Suicide Prevention 5K Walk”. The event is scheduled to take place on Saturday, September 7<sup>th</sup>.

The event is looking for several approvals, including:

- Use of Oaklawn Terrace Park
- Completion of a 5K walk along the stated route; event would take place on sidewalks with participants following normal rules of pedestrian usage and crossing.
- Permission to hold a “car smash” fundraiser as part of the event.

The St. Joseph County United Way has agreed to act as a fiduciary for the event, handing all funds associated with the event.

Staff will work with the event to ensure the car smash is completed in a safe area and adequate cleanup of the park is completed following the event.

*Consent Agenda Motion:*

*APPROVE the requests for the Walking Along Suicide Prevention 5K Walk on September 7, 2024 as presented.*

Included in your packet:

1. Event Summary

**8D. MML Workers' Compensation Board of Trustee's Election**

Included in your packet is information and a proposed ballot for the Michigan Municipal League Worker's Compensation Board of Trustees Election. As a member of the pool, the City has voting rights for Board Trustees. Staff recommends voting for the candidates listed on the ballot, Victor Cardenas, Manager, City of Novi, Daniel Coss, Administrator, City of DeWitt, and Bridget Dean, Mayor, City of Berkley.

*Consent Agenda Motion:*

*APPROVE submittal of ballot for the Michigan Municipal League Worker's Compensation Board of Trustees as presented and AUTHORIZE the City Manager to sign all necessary documents.*

Included in your packet:

1. Ballot

**8E. AirVenture Fuel Discount**

The Experimental Aircraft Association (EAA) annually holds a major general aviation gathering / event called AirVenture in Oshkosh, WI (Oshkosh). This year the event will be held from July 22<sup>nd</sup> to the 28<sup>th</sup>. The event draws aviation enthusiasts from around the country, many flying their planes to Oshkosh.

Due to the large volume of general aviation traffic during this time, several airports throughout the country will offer fuel discounts. The City of Sturgis has offered a fuel discount in the past and sold well over our typical sales during the discount period. This serves not only as a sales boost, but also provides pilots the incentive to stop and view our facility, putting it “on the radar” for future flights.

Staff is recommending we again offer a fuel discount for the event. Looking at our current fuel price and pricing in the area, staff is suggesting a fuel discount of \$0.57 off the retail price of 100LL fuel, bringing our price to \$4.85 per gallon. The recommendation is to run the discount for 100LL starting on Sunday, July 14<sup>th</sup> and running until Wednesday, July 31<sup>st</sup>. These dates would cover the travel period for Oshkosh.

*Consent Agenda Motion:*

*APPROVE the airport fuel discount for July 14th to July 31st as presented.*

## 10. New Business

### A. Stateline Substation Equipment

**Staff: Tyler Stark**

As part of the 2024 and 2025 capital budget, the Electric Department is requesting approval for equipment for the Stateline Substation. This substation will feed new business south of town where the new property was purchased for future expansion. This substation will also be used for the proposed battery storage project to feed into. The Department has two 15 MVA transformers on hand for this project and needs to procure the remaining equipment. Staff has requested GRP to procure the long lead time items for this project.

On June 10<sup>th</sup> the City opened bids on four items, two 69kV breakers, two 69kV Circuit Switchers, five 69kV Potential Transformers, and seven 69kV switches. Each piece of equipment was bid individually and bids are included in your packet. The recommendations for award from GRP Engineering are as follows:

Description	Supplier	Cost per Unit	Total Cost	Lead Time
2-69kV 1200 Amp Breakers	CSI Utility Sales	\$ 92,407.00	\$ 184,814.00	81 Weeks
2-69kV Circuit Switchers	HEK Inc.	\$ 94,830.00	\$ 189,660.00	61-62 Weeks
5-69kV Potential Transformers	KW Associates	\$ 6,900.00	\$ 34,500.00	29 Weeks
7-69kV VEE Switches	ELUS	\$ 6,981.00	\$ 48,867.00	48-50 Weeks

Based on the projected lead times, all items will be delivered, and thus paid for, in the 2024-2025 fiscal year. The FY 2024-2025 capital budget includes \$3,888,000.00 for the project.

#### **Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY the purchases of breakers, switches, and potential transformers from CSI Utility Sales, HEK Inc., KW Associates, and ELUS as presented.**

#### **Staff Recommendation:**

**APPROVE**

Information Included in Packet:

1. 69kV 1200 Amp Breakers Bid Tab
2. 69kV Circuit Switchers Bid Tab
3. 69kV Potential Transformers Bid Tab
4. 69kV VEE Switches Bid Tab



## **10. New Business**

### **B. Michigan Ave. Lift Station Design**

**Staff: Thomas Sikorski**

The Michigan Avenue Pump Station was originally constructed in 1941 as a pneumatic ejector type station. In 1995 it was converted to a duplex submersible pump station with new controls. As part of the City's Asset Management Program, the condition assessment conducted in 2016 rated the station "fair-good".

Based on the current condition of the station, staff is recommending it be replaced. The existing pump station is located on the eastern portion of a 0.13-acre parcel owned by the City (Lot #68). This placement will allow the existing pump station to remain in service while a new pump station is built on the same parcel's western portion.

Staff is proposing that the Michigan Avenue Pump Station be designed similarly to the Stapleton Park Pump Station. The proposed pump station project improvements include a new duplex submersible pump station with wet well and valve chamber configuration, pump station bypass connection, and new control panel, instrumentation, and telemetry. These controls will utilize KI Systems Master (KISM), per City standards, until a future collection system SCADA is developed. In addition, the electrical will be upgraded to 480V three phase, including a new electrical receptacle and a manual transfer switch for use with our existing portable generator. A new service drive on Grand Avenue for vector truck access to the wet well and portable generator off-street parking will also be added.

Everything above-grade on the existing pump station structure will be demoed, including the existing pump station fencing, electrical service, and controls. Demo will go to a point two feet below final grade. The remaining wet well, 8-inch sewer, and structures below-grade will be abandoned in-place and infilled similar to the abandonment that occurred at the Market Street Pump Station.

To accommodate this project, staff anticipates excavation for the sewer will occur at the intersection of Michigan and Grand Avenues and extend west on Grand

Avenue. A full width roadway reconstruction will be required on a portion of Grand Avenue. The existing curb and gutter and ADA ramps will remain, if possible. A new curb and gutter will be installed along the north side of Lot #68 with the remainder of Grand Avenue west to Wilson Avenue being repaved as a mill and resurface project.

The project also includes replacement of a pre-1956, 4-inch watermain on Grand Avenue, which is an old cast iron pipe. Several water main breaks and repairs have been made to this line, during which it was discovered that the pipe bell and spigot joints are caulked with lead. Approximately 105 feet of this water main will be replaced with new 6-inch pipe. Other elements of the project include relocating water and sewer services for 1003 Michigan Avenue, tree removal, and geotechnical soil boring.

Staff recommends utilizing the Progressive Design-Build (PDB) process with F&V Construction (FVC) allowing the City to control costs and improve the project outcome by participating directly in both design and construction decisions. This process was utilized on the Stapleton lift station. Staff would work together with FVC staff collaborating on important decisions for the long-term reliability of the pump station. By using FVC as the Design-Builder, the City has a single point of responsibility while still maintaining direct involvement throughout the PDB process.

Included in your packet is a copy of the PDB contract with FVC. The process involves two steps. Step 1 is design, which involves three tasks: 1) Basis of Design preparation, defining and advancing the improvements and preliminary design concepts, 2) Preliminary Design and Pricing phase, also known as 30-percent submittal, and 3) Final Design and Final Pricing phase; this phase will incorporate adjustments through value engineering process and establishing a guaranteed maximum price (GMP) for the project.

This first step of the process is covered by a lump-sum fee of \$110,700.00. Step 2 is the construction phase; FVC's fee during this phase will be 8.5% of the construction contract. Contract terms for both steps are included as part of the contract in your packet. The City has the right to terminate the contract after Step

1 is complete without penalty, and final pricing will be presented to the Commission for approval as part of Step 2 Construction Phase.

The current Fiscal Year capital budget includes \$125,000.00 for Michigan Avenue lift station improvements. The FY 2024-2025 draft capital budget has \$1,500,000.00 budgeted for the project's completion next year.

**Proposed Motion:**

**Move that the Sturgis City Commission APPROVE/DENY the design phase for Michigan Avenue Pump Station Replacement project fees in the amount of one hundred ten thousand-seven hundred dollars (\$110,700.00) as presented.**

**Staff Recommendation:**

**APPROVE**

**Information Included in Packet:**

1. 2017 Michigan Avenue Pump Station Assessment
2. Design-Builder Agreement

## **10. New Business**

### **C. Cemetery Board Appointments**

**Staff: Kenneth Rhodes**

There are currently only two members of the five-member Cemetery Board, due to resignations and a relocation outside of the City limits. At the time of the separation of the Cemetery Board from the Parks and Cemetery Board, there was support to seek active members of the Doyle, Parks, and Recreation Board to the Cemetery Board because the meeting times aligned. John Mikulenas and Jeff Mullins have expressed a willingness to serve on the Cemetery Board. This would still leave one vacancy, which could be advertised in the same manner as other board vacancies.

**Proposed Motion:**

**Move that the Sturgis City Commission APPOINT/NOT APPOINT John Mikulenas and Jeff Mullins to the Cemetery Board.**

## Noteworthy Meetings / Events

- Sturgis Fest Fireworks | June 22<sup>nd</sup>
- Chamber Board Meeting | June 25<sup>th</sup>
- DDA Promotion Committee Meeting | June 28<sup>th</sup>
- DDA Promotion Committee Meeting | July 1<sup>st</sup>

## Upcoming Events

- City Hall Closed to the Public | July 5<sup>th</sup>
- MI Art Fest / Jeep Cruise-In | Downtown | 5pm-9pm | July 12<sup>th</sup>
- Commission Budget Work Session | 5:00pm | July 17<sup>th</sup>
- Dog Days of Summer | Downtown | 5:30pm-9pm | July 26<sup>th</sup>

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8A**



**REGULAR MEETING - STURGIS CITY COMMISSION**  
**WEDNESDAY, JUNE 26, 2024**  
**WIESLOCH RAUM – CITY HALL**

Mayor Perez called the meeting to order at 6:00 p.m.

The Pledge of Allegiance was said by all present.

The Invocation was given by City Controller Holly Keyser.

Commissioners present: Mullins, Bir, Nieves, Smith, Harrington, Hile, Mayor Perez

Commissioners absent: Vice-Mayor Miller

Also present: City Attorney, City Manager, City Controller, Public Safety Director, Deputy Fire Chief, Director of Public Services, City Clerk

Steven Creech, Electric Court, explained that his street is in disrepair and inquired as to when it may be addressed and how issues should be addressed. Discussion followed.

Vice-Mayor Miller joined the meeting.

Moved by Comm. Hile and seconded by Comm. Smith to approve the agenda as presented.

**Voting yea: Seven      Voting nay: None      Absent: Mullins      MOTION CARRIED**

Moved by Comm. Hile and seconded by Comm. Smith to approve the Consent Agenda of June 26, 2024 as presented.

**8A. Action of Minutes of Previous Meetings**

APPROVE the minutes from the June 12, 2024 regular meeting as presented.

**B. Pay Bills**

AUTHORIZE the payment of the City bills in the amount of \$1,434,492.65 as presented.

**C. 2024 Independence Day Children's Parade**

APPROVE the request for an Independence Day Children's Parade in the South Lakeview neighborhood to be held on Thursday, July 4, 2024 at 10:00 a.m. with a route as presented.

**Voting yea: Seven      Voting nay: None      Absent: Mullins      MOTION CARRIED**

Mayor Perez opened the Public Hearing for consideration of the City Operating and Streets/Sidewalks Improvement millages for 2024 property taxes.

City Clerk/Treasurer Kenneth Rhodes explained that the required notice included the two maximum rates allowed of 11.6689 and 2.9967 for City Operating and Streets/Sidewalks Improvement millages respectively.



There were no comments from the public.

Mayor Perez closed the Public Hearing.

Moved by Comm. Hile and seconded by Comm. Miller to set the 2024 millage rate at 11.6689 mils for the General Operating Millage and 2.9967 mils for Streets/Sidewalks Improvement.

**Voting yea: Harrington, Hile, Miller**

**Voting nay: Bir, Nieves, Smith, Perez**

**Absent: Mullins**

**MOTION DEFEATED**

There was additional discussion about when a decision needed to be made, the affect on the proposed budget, calculations on the millage rates and taxable value, and other issues.

Moved by Comm. Hile and seconded by Comm. Smith to set the 2024 millage rate at 2.9967 mils for Streets/Sidewalks Improvement.

**Voting yea: Seven**

**Voting nay: None**

**Absent: Mullins**

**MOTION CARRIED**

Moved by Comm. Hile and seconded by Comm. Smith to set the 2024 millage rate at 11.0800 mils for the General Operating Millage.

**Voting yea: Harrington, Hile, Miller, Nieves, Perez**

**Voting nay: Bir, Miller**

**Absent: Mullins**

**MOTION CARRIED**

Deputy Fire Chief Andy Strudwick provided information on new extrication tools. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Smith to approve the purchase of Holmatro extrication tools from Impact Rescue in the amount of thirty-seven thousand, seven hundred and ninety-two dollars (\$37,792.00) as presented.

**Voting yea: Seven**

**Voting nay: None**

**Absent: Mullins**

**MOTION CARRIED**

Public Safety Director Ryan Banaszak provided information on the opioid settlement funds received and the limitations on how it can be spent. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Smith to approve the proposal from Hype Brand Management for the Opioid public education campaign in the amount of twenty-five thousand dollars (\$25,000.00) as presented.

**Voting yea: Seven**

**Voting nay: None**

**Absent: Mullins**

**MOTION CARRIED**

Moved by Comm. Hile and seconded by Comm. Smith to approve the Budget Amendment for Fiscal Year 2023-2024 as presented.

**Voting yea: Seven**

**Voting nay: None**

**Absent: Mullins**

**MOTION CARRIED**

DPS Director Tom Sikorski provided information on a used sweeper and the planned use. Discussion followed.

Moved by Comm. Hile and seconded by Comm. Smith to approve the purchase of a used 2015 Johnson VT651 sweeper from Brown Equipment Company in the amount of one hundred eighty thousand dollars (\$180,000.00) as presented.

**Voting yea: Seven      Voting nay: None      Absent: Mullins      MOTION CARRIED**

Mayor Perez provided details on the City Manager evaluation method.

The meeting was adjourned at 7:23 p.m.

***Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer***

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8B**



# Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 7/10/2024 Month: 10

Date	Check#	Vendor	VendorName	Amount
06/21/2024	249364M	06544	NMCOA TREASURER	100.00
06/21/2024	249365M	06544	NMCOA TREASURER	450.00
06/21/2024	PR0639M	00061	CITY OF STURGIS PAYROLL	357,167.38
06/21/2024	T16823M	00062	CITY OF STURGIS-EMPLOYEE INS	71,770.50
06/21/2024	T16824M	05588	ALERUS FINANCIAL/MERS TRANSFER	3,091.51
06/21/2024	T16825M	00065	DOYLE MEMBERSHIP TRANSFER	4,438.86
06/21/2024	T16826M	00063	CITY OF STURGIS TAX TRANSFER	20,158.17
06/21/2024	T16827M	05123	COMERICA BANK-INST TRUST SERV	30,327.74
06/21/2024	T16828M	03229	CITY OF STURGIS-WORKERS COMP	2,941.21
06/21/2024	T16829M	00064	INTL CITY MGMT ASSOC RETR CORP	9,704.68
06/11/2024	T16830M	00181	GORDON FOOD SERVICE	1,285.48
06/21/2024	T16831M	03173	FIFTH THIRD BANK	19,929.54
07/04/2024	T16832M	00197	CITY OF STURGIS UTILITIES	17,959.69
07/03/2024	T16833M	06121	GB SOLAR TE 2020 HOLDINGS LLC	165,918.63
07/05/2024	T16834M	03770	MICHIGAN GAS UTILITIES	44.69
07/05/2024	T16835M	03770	MICHIGAN GAS UTILITIES	44.10
07/01/2024	T16836M	04389	FRONTIER COMMUNICATIONS A	121.42
07/12/2024	T16837M	00197	CITY OF STURGIS UTILITIES	13,279.62
07/20/2024	T16838M	00197	CITY OF STURGIS UTILITIES	26,854.43
07/11/2024	T16839M	03770	MICHIGAN GAS UTILITIES	100.77
07/11/2024	T16840M	03770	MICHIGAN GAS UTILITIES	14.10
07/15/2024	T16841M	04389	FRONTIER COMMUNICATIONS A	278.98
07/15/2024	T16842M	04389	FRONTIER COMMUNICATIONS A	147.08
07/15/2024	T16843M	04389	FRONTIER COMMUNICATIONS A	340.68
07/15/2024	T16844M	04389	FRONTIER COMMUNICATIONS A	62.50
07/15/2024	T16845M	04389	FRONTIER COMMUNICATIONS A	26.08
07/12/2024	T16846M	03770	MICHIGAN GAS UTILITIES	54.10
07/12/2024	T16847M	03770	MICHIGAN GAS UTILITIES	66.45
07/01/2024	T16848M	04088	BLUE CROSS BLUE SHIELD OF MI	21,844.17
06/07/2024	T16849M	05892	PAYCOR	2,039.76
07/20/2024	T16850M	00197	CITY OF STURGIS UTILITIES	5,630.53
07/01/2024	T16851M	03951	SOUTHERN MICHIGAN BANK & TRUST	5,277.77
07/01/2024	T16852M	03951	SOUTHERN MICHIGAN BANK & TRUST	1,658.42
06/01/2024	T16853M	06030	VERIZON CONNECT NWF INC	113.33
07/15/2024	T16854M	04389	FRONTIER COMMUNICATIONS A	61.96

## Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 7/10/2024 Month: 10

07/16/2024	T16855M	04389	FRONTIER COMMUNICATIONS A	604.00
07/11/2024	T16856M	02909	CHARTER COMMUNICATIONS	781.88
Manual Total				784,690.21
07/10/2024	249366	00110	A & K PRINTING & POOLS	95.00
07/10/2024	249367	00332	ALEXANDER CHEMICAL CORP	332.50
07/10/2024	249368	00002	ALL-PHASE ELECTRIC SUPPLY	3,734.64
07/10/2024	249369	05103	BRIDGETTE ALLEY	150.00
07/10/2024	249370	02334	ALLMAKE BROADCOM	554.00
07/10/2024	249371	05986	ALPHA BUILDING CENTER-NOTTAWA	2,206.02
07/10/2024	249372	06502	ALPHA OMEGA UTILITY SERVICES	4,785.00
07/10/2024	249373	06119	AMAZON.COM SALES INC	4,386.10
07/10/2024	249374	03635	AMERICAN HEALTH RESOURCES INC	246.76
07/10/2024	249375	03576	ARROW SERVICES INC	83.00
07/10/2024	249376	02292	ASPLUNDH TREE EXPERT CO	21,468.60
07/10/2024	249377	06117	BENITA ANN LEWIS	30.00
07/10/2024	249378	06082	BEST AIRE COMPRESSOR SERVICES	4,350.63
07/10/2024	249379	00072	BIRD, SCHESKE, REED & BEEMER,	7,750.00
07/10/2024	249380	00132	BOFA INC	5,476.44
07/10/2024	249381	00005	BOGEN CONCRETE INC	1,697.00
07/10/2024	249382	00006	BOLAND TIRE INC	865.76
07/10/2024	249383	03327	BOUND TREE MEDICAL LLC	718.45
07/10/2024	249384	00364	CAROL DUSTIN	320.00
07/10/2024	249385	00691	CENTRAL MEAT MARKET	121.85
07/10/2024	249386	00047	CITY OF THREE RIVERS	30.00
07/10/2024	249387	06325	COTTIN'S HARDWARE	208.85
07/10/2024	249388	06158	CULLIGAN WATER OF STURGIS	43.00
07/10/2024	249389	05909	TONY D'HAESE	168.00
07/10/2024	249390	02005	DELL MARKETING LP	1,833.63
07/10/2024	249391	03954	TITAN AVIATION FUELS	37,229.13
07/10/2024	249392	01064	EJ USA INC	1,225.65
07/10/2024	249393	00166	ELHORN ENGINEERING CO	1,433.00
07/10/2024	249394	00769	EMERGENCY VEHICLE PRODUCTS INC	755.18
07/10/2024	249395	04955	ENVIRO-CLEAN	6,158.00
07/10/2024	249396	05151	FAWN RIVER MECHANICAL LLC	267.50
07/10/2024	249397	05490	FERGUSON WATERWORKS #3386	2,405.50
07/10/2024	249398	04389	FRONTIER COMMUNICATIONS A	6,313.17
07/10/2024	249399	06505	GALLS LLC	2,674.47

## Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 7/10/2024 Month: 10

07/10/2024	249400	02082	GECKO SECURITY LLC	930.00
07/10/2024	249401	01403	GEORGE EARL	2,500.00
07/10/2024	249402	00183	GRAINGER INC	1,577.40
07/10/2024	249403	04243	GRP ENGINEERING INC	4,874.00
07/10/2024	249404	06219	HAVILAND PRODUCTS COMPANY	1,650.00
07/10/2024	249405	03359	HELWIG CARBON PRODUCTS INC	868.38
07/10/2024	249406	04922	HUTSON ASSESSING INC	5,047.50
07/10/2024	249407	01101	JANENE KOSMAN	80.00
07/10/2024	249408	06199	JANSEN PLUMBING, HEATING &	1,707.10
07/10/2024	249409	00296	JM DENTAL GROUP PC	108.67
07/10/2024	249410	06314	JODIE M JOHNSON	40.00
07/10/2024	249411	06217	JOHN J FLOWERS	40.00
07/10/2024	249412	06532	JUSTICE FENCE COMPANY	9,804.00
07/10/2024	249413	00296	KARLA Y ARVIZO PINON	100.00
07/10/2024	249414	00296	KEITH R SARGEANT	44.38
07/10/2024	249415	00889	KENTON KELLEY	891.00
07/10/2024	249416	04238	MICHELE KELLEY	841.50
07/10/2024	249417	06482	KENDRICK STATIONERS	695.51
07/10/2024	249418	01656	KOORSEN FIRE & SECURITY INC	3,212.69
07/10/2024	249419	04666	PAUL KRICK	420.00
07/10/2024	249420	00212	KSS ENTERPRISES	1,633.73
07/10/2024	249421	06506	L & J MECHANICAL LLC	2,531.52
07/10/2024	249422	04039	LAKELAND ASPHALT CORP	337.96
07/10/2024	249423	05977	LAKELAND INTERNET LLC	106.94
07/10/2024	249424	00394	LAWSON-FISHER ASSOCIATES PC	1,830.12
07/10/2024	249425	03256	LIMA ELEVATOR COMPANY INC	327.50
07/10/2024	249426	06464	LRS LLC	1,580.14
07/10/2024	249427	06250	MARANA GROUP	2,711.30
07/10/2024	249428	00296	MICHAEL L BEVERWYK	77.21
07/10/2024	249429	03774	STATE OF MICHIGAN	140.00
07/10/2024	249430	01641	MICHIGAN RURAL WATER ASSOC	825.00
07/10/2024	249431	04702	MILLER JOHNSON ATTORNEYS	5,166.81
07/10/2024	249432	05051	MILSOFT UTILITY SOLUTIONS	1,006.41
07/10/2024	249433	05932	O'REILLY AUTO ENTERPRISES LLC	13.77
07/10/2024	249434	00296	PAIGE M SUTTON	12.01
07/10/2024	249435	03635	PATRICIA KLEINE	200.00
07/10/2024	249436	04675	PATRICK ABSTRACT &	150.00

## Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 7/10/2024 Month: 10

07/10/2024	249437	06412	PAUL'S LAWN AND DOCKS	995.00
07/10/2024	249438	04287	ANDREW M PHILLIPS	2,500.00
07/10/2024	249439	01210	PIONEER MANUFACTURING COMPANY	677.00
07/10/2024	249440	05042	PLANT GROWTH MANAGEMENT SYSTEM	10,123.80
07/10/2024	249441	02741	PLATEMATE	109.50
07/10/2024	249442	00485	POWER LINE SUPPLY	8,774.96
07/10/2024	249443	04481	PROF SPORTS SPECIFIC TRAINING	360.00
07/10/2024	249444	05468	PVS TECHNOLOGIES INC	2,651.70
07/10/2024	249445	04251	RAI JETS LLC	1,260.00
07/10/2024	249446	05739	RENEWABLE WORLD ENERGIES LLC	6,351.77
07/10/2024	249447	00035	RESCO	66,273.31
07/10/2024	249448	06541	RESILIENT RESPONSE LLC	3,200.00
07/10/2024	249449	06038	REVOLUTION HEALTH, P.C.	150.00
07/10/2024	249450	06521	RICKETT'S LAWN CARE	4,218.50
07/10/2024	249451	00296	S & C DISCOUNT LLC	7.92
07/10/2024	249452	05379	S & S INDUSTRIAL SUPPLY	591.25
07/10/2024	249453	05765	SELKING INTERNATIONAL	41.96
07/10/2024	249454	01197	SHERWIN-WILLIAMS COMPANY	44.78
07/10/2024	249455	00707	SPORTSARAMA INC	608.00
07/10/2024	249456	01546	ST JOSEPH CO ROAD COMMISSION	3,750.00
07/10/2024	249457	03773	STOOPS FREIGHTLINER	189.95
07/10/2024	249458	06487	STURGIS ACE HARDWARE	463.78
07/10/2024	249459	01458	STURGIS AREA CHAMBER	420.00
07/10/2024	249460	00936	STURGIS COMMUNITY POOL	215.00
07/10/2024	249461	00101	STURGIS NEIGHBORHOOD PROGRAM	5,033.33
07/10/2024	249462	00507	STURGIS OVERHEAD DOOR & LADDER	921.90
07/10/2024	249463	00668	STURGIS TOWNSHIP	442.68
07/10/2024	249464	05855	STURGIS TROPHY HOUSE	161.00
07/10/2024	249465	06107	TALIA YEOMAN	490.00
07/10/2024	249466	00046	TELE-RAD INC	825.00
07/10/2024	249467	06426	TRACY LIVELY LLC	40.00
07/10/2024	249468	01238	UNITED PARCEL SERVICE	53.61
07/10/2024	249469	06150	UNITED WHOLESALE GROCERY	618.04
07/10/2024	249470	03362	UTILITY FINANCIAL SOLUTIONSLLC	23,000.00
07/10/2024	249471	03511	WASTE MANAGEMENT	4,642.23
07/10/2024	249472	06147	WAYNE DUCHARME	56.00
07/10/2024	249473	03872	JORY WEBB	240.00



## Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 7/10/2024 Month: 10

07/10/2024	249474	04994	W MICHIGAN INTERNATIONAL LLC	137.50
07/10/2024	249475	06451	WILCOX NEWSPAPERS	140.00
07/10/2024	D02344	00335	ALTEC INDUSTRIES, INC.	181,309.00
07/10/2024	D02345	00340	AMERICAN SAFETY & FIRST AID	601.86
07/10/2024	D02346	01213	BISBEE INFRARED SERVICES INC	500.00
07/10/2024	D02347	04066	BORDEN WASTE-AWAY SERVICE INC	6,401.19
07/10/2024	D02348	03413	CARLETON EQUIPMENT COMPANY	258.39
07/10/2024	D02349	02983	CINTAS LOCATION #351	1,420.74
07/10/2024	D02350	00216	LAWSON PRODUCTS INC	314.16
07/10/2024	D02351	03944	LINDE GAS & EQUIPMENT INC	115.80
07/10/2024	D02352	05121	MICKEY'S LINEN	220.04
07/10/2024	D02353	06026	MID-CITY SUPPLY CO INC	15.73
07/10/2024	D02354	06069	NAPA AUTO PARTS	695.11
07/10/2024	D02355	01411	NCL OF WISCONSIN INC	2,121.10
07/10/2024	D02356	03091	PRIME QUALITY ELECTRIC LLC	16,454.47
07/10/2024	D02357	06125	THE COPY IMAGE INC	799.00
Automatic Total				536,205.44
Grand Total				1,320,895.65

**PAYROLL DISBURSEMENT**  
**FOR PAYROLL ENDING 06/16/2024**  
**PR0639M PAYROLL DATE 06/21/2024**

GENERAL	\$165,815.16
MAJOR STREET	6,768.70
LOCAL STREET	5,390.72
CEMETERY	7,197.55
AIRPORT	1,715.80
BUILDING	3,586.45
HOUSING DEPARTMENT	232.97
STURGES-YOUNG CENTER FOR THE ARTS	7,080.56
RECREATION	8,772.81
DOYLE RECREATION CENTER	9,328.34
AMBULANCE	13,940.31
ELECTRIC	95,170.95
SEWER	17,467.08
WATER	12,348.60
MOTOR VEHICLE	2,351.38
<b>Payroll Sub-Total</b>	<b>\$357,167.38</b>

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8C**



**W.A.S.P.**  
**Walking Along Suicide Prevention**  
**5k Walk**

**EVENT DATE:**

Saturday, September 7, 2024

**EVENT LOCATION:**

Oaklawn Terrace Park, Sturgis MI

**EVENT ROUTE:**

Starting at Oaklawn Park to E.South st, E.South st to S.Lakeview, head North on S.Lakeview to Chicago St, West on Chicago St. to S.Jefferson St., S.Jefferson St. heading south to Magnolia St, East on Magnolia and finish back at Oaklawn Park. (We will be using sidewalks for event)

**EVENT GOAL:**

Have about 300 register for the W.A.S.P. event. Bringing together a community and making everyone aware of Suicide and mental health problems. We want to give people courage to talk about mental health and raise awareness to what suicide does to those left behind. Since suicide and mental health has affected Millions, together we can walk along side each other and walk in memory of those we have lost.

**PARTICIPATION:**

\$15 for students (cover T-shirt cost)

\$-- For adults

Free for volunteers (free t-shirt)

Sponsored businesses – Tents throughout the walk and in park; supplying water halfway on 5k route. (Tent/tables for Beads, color faces for kids, Memorial tent to make a sign to walk with)

Walking for them – signs through out walk.

Having uptown stores decorate through out month of September in fighting suicide prevention.

**REGISTRATION:**

- T-shirts
- Goodie bags
- Snacks
- Solicited for suicide prevention and walk.
- Suicide information
- Sponsored swag

**VOLUNTEERS:**

- Required at each cross area (5 cross areas w/2 at Chicago st)
- Registration table (2-3 tables)

**MARKETING:**

- Graphics – brochures with route
- Include porta bathrooms
- Water stations
- Social media – event page, community groups, calendar, graphics (share your story), radio, mail (United Way Mail?), News paper (press release), T-shirts (black and white for participants/teal for volunteers)

**EVENT SET UP:**

Tables and chairs

Bathrooms

Sound system

Car smash fundraiser

**FOCUSED BUSINESSES:**

Sara – Abbott, BOTI, Franks Foundation, Morgan Olson, Sturgis Bank and Trust, Meijers

Ramon – International Paper, Frank Perez Agency, Huntington Bank, 5 Lakes, Clark and Clark Logics.

**ACTION ITEMS:**

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 8D**







michigan  
municipal  
league

workers'  
compensation  
fund

1675 Green Road  
Ann Arbor, MI 48105  
P: 734-662-3246  
800-653-2483  
F: 734-662-8083  
mml.org

**To:** Members of the MML Workers' Compensation Fund  
**From:** Michael J. Forster, Fund Administrator  
**Date:** June 24, 2024  
**Subject:** Fund Trustee Election

RECEIVED MAIL

JUN 28 2024

CITY OF STURGIS

Dear Fund Member:

Enclosed is your ballot for this year's Board of Trustees election. Three appointees have agreed to seek election to their first term. You may also write in one or more candidates if you wish.

A brief biographical sketch of the candidates is provided for your review.

I hope you will affirm the work of the Nominating Committee by returning your completed ballot in the enclosed return envelope, no later than August 9th. Alternately, you may complete your ballot online:

Go to [www.mml.org](http://www.mml.org). At the top of the page, hover over *Programs & Services* and select *Risk Management* from the drop-down list. Next, look for the *Jump To* panel and select *Workers' Compensation Fund*. The ballot link is on the next page, in the *Jump To* panel, under *Online Forms*.

The MML Workers' Compensation Fund is owned and controlled by its members. Your comments and suggestions on how we can serve you better are very much appreciated. Thank you again for your membership in the Fund, and for participating in the election of your governing board.

Sincerely,

A handwritten signature in black ink that reads "Michael J. Forster".

Michael J. Forster  
Fund Administrator  
mforster@mml.org

THE CANDIDATES  
Four-year terms beginning October 1, 2024



***Victor Cardenas, City Manager, City of Novi***

Victor Cardenas joined the City of Novi as Assistant City Manager in October 2010. He was named Interim City Manager in November 2022 and was selected as City Manager in June 2023. For twelve years, Mr. Cardenas assisted the City Manager in developing program strategies to achieve City Council goals and to improve the quality of life in Novi. He coordinates day-to-day operations and ensures integration of services among City Departments as well as the dependable delivery of high-quality services while conserving community resources. Mr. Cardenas instituted a citizen relationship software that has greatly improved Novi's receipt of service requests and workflow management and created a digitized version of the City's Capital Improvement Program. He continues to be active with the International City/County Management Association, being elected to the Board of Directors in 2020, the Michigan Municipal Executives and multiple committees, associations, and organizations throughout the region. Additionally, he sits on the boards for the Intelligent Transportation Society of Michigan and the Michigan Library Network. Victor is seeking election to his first term.



***Daniel Coss, City Administrator, City of DeWitt***

Daniel Coss was appointed DeWitt's City Administrator in 2011, after previously working for the City of Marysville for more than 11 years. Dan is originally from the mid-Michigan area and has a Bachelor of Science in Forestry from Michigan State University and a Master's of Science Degree in Administration from Central Michigan University. Daniel is seeking election to his first term.



***Bridget Dean, Mayor, City of Berkley***

Bridget Dean was first elected to Berkley City Council in 2019 and re-elected in 2023. She and her husband have lived in Berkley since 2005 and have two grown children. Bridget has owned the knit shop "...have you any Wool?" in Berkley for twenty years. Being both a resident and business owner gives her a unique perspective and compliments the skills already on City Council. Bridget has been active in numerous organizations, as a member and vice chair of the Berkley Downtown Development Authority and several of its committees, and as a member and board member of the Greater Berkley Chamber of Commerce. Bridget is seeking election to her first term.

**Michigan Municipal League  
Workers' Compensation Fund**

**OFFICIAL BALLOT - 2024**

Vote for three Trustees by marking the line to the left of the name for four-year terms beginning October 1, 2024.

\_\_\_\_ **Victor Cardenas, Appointee**  
Manager, City of Novi

\_\_\_\_ **Daniel Coss, Appointee**  
Administrator, City of DeWitt

\_\_\_\_ **Bridget Dean, Appointee**  
Mayor, City of Berkley

\_\_\_\_\_  
Write-in Candidate

I hereby certify that:

\_\_\_\_\_  
(Municipality/Agency)

by action of its governing body, has authorized its vote to be cast for the above persons to serve as Trustees of the Michigan Municipal League Workers' Compensation Fund.

\_\_\_\_\_  
Official Signature  
Date:

**Ballot deadline:  
August 9, 2024**



**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10A**



July 17, 2024  
23-1473.01

Chris McArthur  
Electric Superintendent  
City of Sturgis  
130 North Nottawa Street  
Sturgis, MI. 49091

**RE: State Line Substation  
69kV Breaker Replacement  
Bid Evaluation & Recommendation**

Dear Chris:

GRP Engineering, Inc. has completed reviewing the bids submitted on June 10, 2024 for the State Line Substation 69kV Breakers. Of the three suppliers solicited for bids, one (1) bid was received. CSI Utility Sales, representing Siemens, submitted the low bid for the project in the amount of \$184,814.00. A complete bid tabulation is attached to this letter. CSI Utility Sales has submitted a complete and conforming bid.

<u>Contractor</u>	<u>Bid Price</u>	
CSI Utility Sales	\$181,814.00	<i>Low Bid</i>
Verhill Associates		
ELUS		

GRP Engineering, Inc. sees no reason not to accept CSI Utility Sales bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,  
**GRP Engineering, Inc.**



Nicholas Winsemius  
Project Engineer

## BID TABULATION

### 69kV Breakers

**OWNER:**  
City of Sturgis  
206 E. West Street  
Sturgis, MI 49091

**ENGINEER:**  
GRP ENGINEERING, INC.  
3300 Eagle Run Dr. NE Ste 101  
Grand Rapids, MI 49525

Bidder	Manufacturer	1200 Amp Unit Price	QTY	TOTAL COST	LEAD TIME (ARO)	REMARKS
Verhill	ABB		2			NO BID
ELUS	Mitsubishi		2			NO BID
CSI Utility Sales	Siemens	\$92,407.00	2	\$184,814.00	81 WKS	

This is to certify that at 4:00p.m., local time on Monday, June 10, 2024, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.



Nicholas Winsemius



**Quote #19828-R0**

Tyler Stark  
Sturgis, City of  
805 North Centerville Road  
Sturgis MI 49091

MANUFACTURER	END USER	PAYMENT	QUOTED	EXPIRES
Siemens Energy	Sturgis	Net 30	06/03/2024	07/03/2024

P: (269) 659-7219  
E: [tstark@sturgismi.gov](mailto:tstark@sturgismi.gov)

FGT TERMS	FOB POINT	FGT ALLOWED	MIN ORDER	YOUR INQUIRY
Prepaid & Add	Origin			69kV Circuit Breaker

We are pleased to quote the following items below. In order to expedite your order, please include our quote number on your purchase order. Please contact us if you have any questions. Thank you!

LINE	MFG CATALOG NUMBER	QTY	STD PK	UNIT PRICE	U/M	LEAD TIME
1	SPS2-72.5-40-1200-3PST	2.0000		\$92,407.000	EA	76-81 Weeks
	Circuit Breaker - Gas, Dead Tank, 69kV Nominal Voltage, 72.5kV Rated Max Voltage, 40kA Max Symmetrical Interrupting Capability, 1200A Max Continuous Current, 350kV BIL @ 3300 Feet ASL, 3 Cycle, 60 Hz, SF6 Gas Interrupting					
	LINE NOTES:					

Quote Notes: Please see Siemens proposal for full details.

Please address PO as

Siemens Energy  
c/o CSI Utility Sales  
6639 Centurion Dr, Suite 100  
Lansing MI 48917

Email PO to [sales@csiutilitysales.com](mailto:sales@csiutilitysales.com)

Lead times quoted are subject to Siemens Energy's availability of material at the time of order. Please contact us for current lead times prior to placing an order.

#### Siemens Energy Standard Terms & Conditions

(1) All prices are in USD. Terms of payment is net 30 days from the date of invoice for each shipment, and subject to credit approval. (2) This proposal is based upon Siemens Energy, Inc. standard terms and conditions of sale. Company hereby objects to any additional or different terms set forth in purchaser's request for proposal, specification, purchase order or any other document of purchaser. Acceptance of additional or different terms must be specifically assented to in writing by company. (3) Purchase Order must be made payable to Siemens Industry Inc. (4) If you are a first-time customer, for faster processing, please also provide W-9 and tax exemption certificate, if applicable.

CSI Utility Sales  
6639 Centurion Dr, Suite 100  
Lansing MI 48917

Page 1 of 2

Office: (517) 627-4971  
[www.csiutilitysales.com](http://www.csiutilitysales.com)  
[sales@csiutilitysales.com](mailto:sales@csiutilitysales.com)





***Quote #19828-R0***

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July 17, 2024  
23-1473.01

Chris McArthur  
Electric Superintendent  
City of Sturgis  
130 North Nottawa Street  
Sturgis, MI. 49091

**RE: State Line Substation  
69kV Circuit Switcher  
Bid Evaluation & Recommendation**

Dear Chris:

GRP Engineering, Inc. has completed reviewing the bids submitted on June 10, 2024 for the State Line Substation 69kV Circuit Switchers. Of the three suppliers solicited for bids, four (4) bids were received. HEK Inc, representing Southern States, submitted the low bid for the project in the amount of \$189,660.00. A complete bid tabulation is attached to this letter. HEK Inc has submitted a complete and conforming bid.

<u>Contractor</u>	<u>Bid Price</u>	
HEK Inc	\$189,660.00	<i>Low Bid</i>
IRBY	\$222,272.00	
CSI Utility Sales	\$202,532.00	
Graybar	\$202,844.00	

GRP Engineering, Inc. sees no reason not to accept HEK Inc's bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,  
**GRP Engineering, Inc.**



Nicholas Winsemius  
Project Engineer

## BID TABULATION

### 69kV Circuit Switcher

**OWNER:**

City of Sturgis  
206 E. West Street  
Sturgis, MI 49091

**ENGINEER:**

GRP ENGINEERING, INC.  
3300 Eagle Run Dr. NE Ste 101  
Grand Rapids, MI 49525

Bidder	Manufacturer	BASE BID	QTY	TOTAL COST	LEAD TIME (ARO)	REMARKS
CSI Utility Sales	Siemens	\$101,266.00	2	\$202,532.00	81-91 WKS	
IRBY	S&C	\$111,136.00	2	\$222,272.00	88-92 WKS	
HEK Inc	Southern States	\$94,830.00	2	\$189,660.00	61-62 WKS	
Graybar	Southern States	\$101,422.00	2	\$202,844.00	61-62 WKS	

This is to certify that at 4:00p.m., local time on Monday, June 10, 2024, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.



---

Nicholas Winsemius

Date: 6/8/2024

Attn: Project Manager

Customer: City of Sturgis

Proposal Number: SFO82050-1

Project Name: 69 Circuit Switcher - CSV72-25-1200 Proposal

Southern States is pleased to provide the following proposal per your request.

- Drawings can be submitted approximately 14-16 weeks after receipt of order
- Estimated shipment is 61-62 weeks after receipt of order
- Prices are FCA-Sturgis, MI; Freight Prepaid and Allowed
- Proposal is valid till 7/8/2024
- Payment terms are Net 30
- Proposed equipment is covered by Southern States Limited Warranty
- The equipment listed in this proposal is subject to the Southern States [Standard Terms and Conditions](#)
- Please send all new purchase orders to po@southernstatesllc.com

**Note:** Pricing does not include applicable sales tax unless specifically itemized in the proposal. If a current tax exemption certificate has not been provided, the applicable sales tax will be added to the invoice.

Your consideration of Southern States equipment is much appreciated. We trust you will find our bid favorable and look forward to working with you on this requirement.

Sincerely,

Gary Meekins  
Regional Manager  
g.meekins@southernstatesllc.com  
Off: +1 (770) 946-4562  
Cell: +1 (770) 355-9434

# Proposal: SFO82050-1

## Customer Information

**Name:** City of Sturgis

**Project Name:** City of Sturgis HV Circuit Switcher RFQ

**Contact:** Project Manager

**Exp. Date:** 7/8/2024

Est. Drawing Submission	Est. Shipment	Freight Terms	Payment Terms	Terms and Conditions	Currency
14-16 weeks after receipt of order	61-62 weeks after receipt of order	FCA Destination Freight Prepaid and Allowed	Net 30	Southern States standard	USD

Bid Item	Cust. Item	Description	Unit Price	Qty	Ext Price
1		CSV 72-25-1200 72.5 kV Rated 72.5 kV 3-cycle Wide Phase Spacing -40 C to +50 C 350 kV BIL 1200 A Continuous Current Rating 25 kA Primary Bus Fault 3 Cycle Interrupt Time 50 kA 3 sec Withstand 50kA Making 130kA Peak 84" Phase Spacing Double Channel Base for 96" to 102" Phase Spacing Dual Trip Coil Common Gas Ships with positive pressure SF6 Gas (25 lb) and Fill Kit Porcelain Interrupters 120 VAC Motor Voltage 125 VDC Control Voltage 120 VAC Utility Voltage 120 VAC Heater Voltage	\$ 94,830	2	\$ 189,660

Bid Item	Cust. Item	Description	Unit Price	Qty	Ext Price
		Customer Specified Low Voltage Protection Fused Disconnect (Class CC) Knife Switch Local - Remote Selector Switch Trip - Neutral - Close Switch Manual Charging Handle Manual Trip Close Levers Door Actuated Cabinet Light Mechanical Open-Close Position Indicator Spring Charged-Discharged Indicator Spring Charge Fail Alarm 120 VAC Duplex Receptacle with GFCI Position Indicating Lights Loss of Voltage Relay Common Gas Gauge Assembly Common Gas Tubing 11 LB SF6 Cylinder - Spare 145 kV/170kV 2 column structure 144 inch Customer Specified Column Height 120 (10 ft) Column Spacing 20" x 20" Standard Anchor Bolt Layout Separate Control Cabinet 4'x3/4" Anchor Bolt (*TBD) FCA-Sturgis, MI; Freight prepaid and allowed.			

**Special Terms:**

NONE

**Clarifications and Exceptions:**

- 1.03.C. Drawing lead time: 14-16 weeks ARO.
- 2.03.A.6. \*Anchor bolt size to be determined after structural engineering is completed.
- 2.03.A.7 Standard bolt hole spacing: 20" square.
- 2.07.F. 12 (6 NO/6 NC) auxiliary contacts.
- 2.11.C. Extra SF6 gas cylinder (11 LB) included.
- 2.15.A. Warranty: 12 months from energization or 18 months from shipment, whichever occurs first.

July 17, 2024  
23-1473.01

Chris McArthur  
Electric Superintendent  
City of Sturgis  
130 North Nottawa Street  
Sturgis, MI. 49091

**RE: State Line Substation  
69kV Potential Transformers  
Bid Evaluation & Recommendation**

Dear Chris:

GRP Engineering, Inc. has completed reviewing the bids submitted on June 10, 2024 for the State Line Substation 69kV Potential Transformers. Of the three suppliers solicited for bids, five (5) bids were received. KW Associates, representing GE, submitted the low bid for the project in the amount of \$34,500.00. A complete bid tabulation is attached to this letter. KW Associates has submitted a complete and conforming bid.

<u>Contractor</u>	<u>Bid Price</u>	
KW Associates	\$34,500.00	<i>Low Bid</i>
IRBY	\$39,200.00	
Border States (Arteche)	\$57,225.00	
Border States (RITZ)	\$72,920.00	
MJ Fein	\$44,250.00	

GRP Engineering, Inc. sees no reason not to accept KW Associates' bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,  
**GRP Engineering, Inc.**



Nicholas Winsemius  
Project Engineer

# BID TABULATION

## 69kV PT's

**OWNER:**  
City of Sturgis  
206 E. West Street  
Sturgis, MI 49091

**ENGINEER:**  
GRP ENGINEERING, INC.  
3300 Eagle Run Dr. NE Ste 101  
Grand Rapids, MI 49525

Bidder	Manufacturer	Base Bid Price	QTY	TOTAL COST	LEAD TIME (ARO)	REMARKS
IRBY	GE	\$7,840.00	5	\$39,200.00	29 WKS	
KW Associates	GE	\$6,900.00	5	\$34,500.00	29 WKS	LOW BID
Border States	Arteche	\$11,445.00	5	\$57,225.00	18 WKS	
Border States	RITZ	\$14,584.00	5	\$72,920.00	50 WKS	
MJ Fein MidAmerica	Trench	\$8,850.00	5	\$44,250.00	26 WKS	

This is to certify that at 4:00p.m., local time on Monday, June 10, 2024, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.



Nicholas Winsemius





**May 24th, 2024**

**City of Sturgis - 69kV Potential Transformer RFQ**

Thank you for the opportunity to provide pricing for your Instrument Transformer RFQ. Please see General Electric's Proposed Bid Submittal in accordance with your specification and work scope.

Please let us know if you have any questions.

Best Regards,

*Andrew Crane*

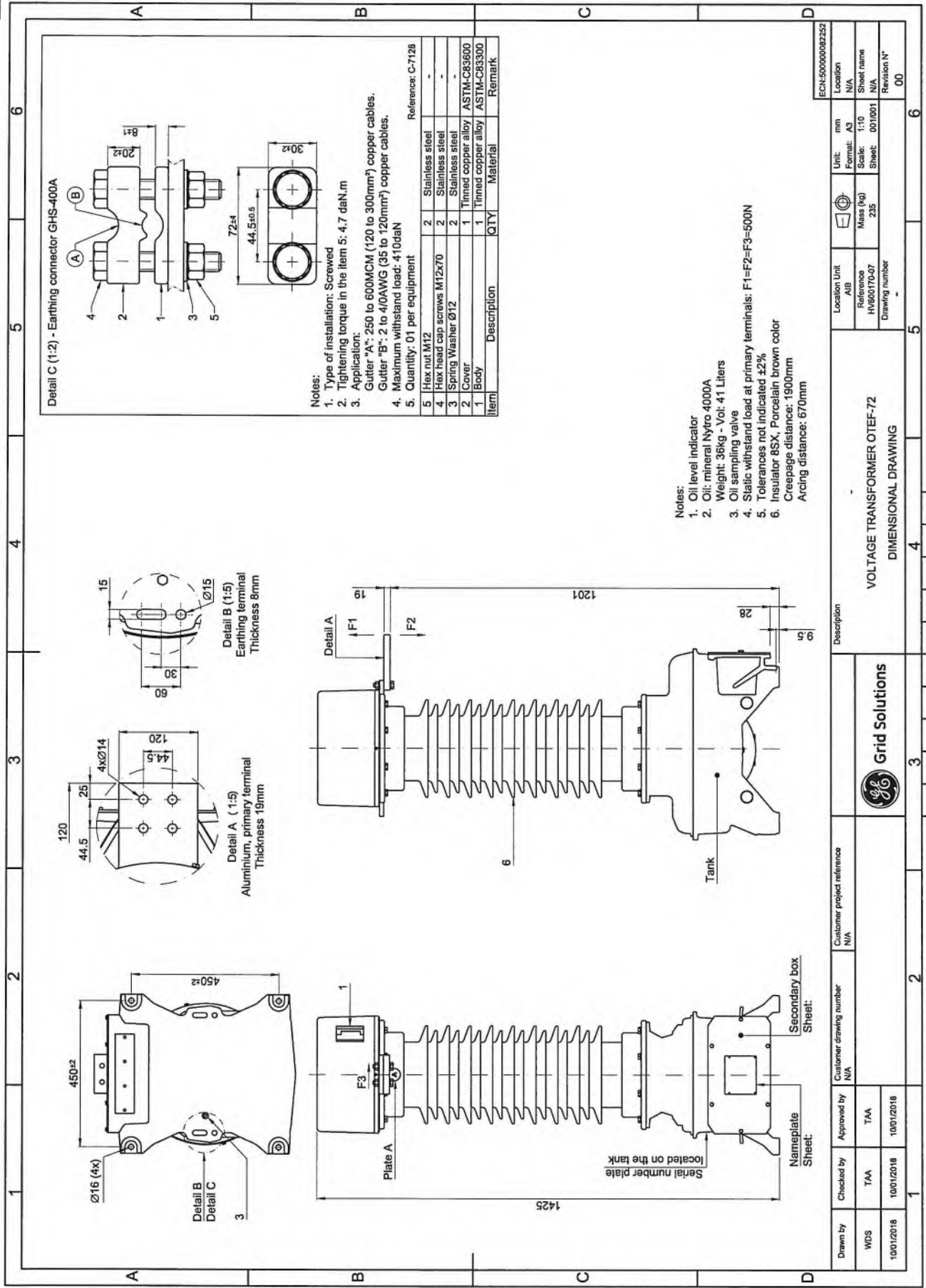
Andrew Crane, P.E.  
Michigan Territory Manager - KW Associates  
Cell: 248-330-3905  
[adcrane@kw-associates.com](mailto:adcrane@kw-associates.com)

# Quotation



GE VERNOVA

CITY OF STURGIS 124 N NOTTAWA ST STURGIS MI 49091		<b>INFORMATION</b>			
		DATE 22-MAY-2024 YOUR REFERENCE City of Sturgis OUR REFERENCE 21-MAY-2024 20075680 PL QUOTE NUMBER NOT_APPLICABLE <u>SALES CONDITIONS</u> PROJECT REFERENCE 3380043 VALIDITY PERIOD 05.21.2024 UNTIL 07.31.2024 INCOTERMS Free on board - Dest.-Prepaid and Allowed CONDITIONS OF PAYMENT Within 30 days CURRENCY USD  YOUR CONTACT John Stein TEL: 706-554-8775 FAX: 706-554-8808 MAIL: john.stein1@ge.com  UNIT CODE CC01			
CONSIGNEE 72033 CITY OF STURGIS 124 N NOTTAWA ST STURGIS MI 49091 USA					
Item	Material	Designation	Qty	Unit price	Total price
000010	JYHVOTEF072FG	OTEF072 FINISHED GOOD - AIB	5	6.900,00	34.500,00
	<u>Delivery Schedule</u>		Quantity	Amount	Delivery Date
			5	34.500,00	18-JAN-2025
TOTAL QUOTATION VALUE (VAT EXCLUDED)					34.500,00
VAT 0.00 %					0,00
TOTAL QUOTATION VALUE (VAT INCLUDED)					34.500,00



Drawn by		WDS	10/01/2018	Checked by	TAA	10/01/2018	Approved by	TAA	10/01/2018	Customer drawing number	N/A	Customer project reference	N/A	Description		Location Unit		Unit	mm	ECN:5000040252
WDS		10/01/2018	10/01/2018	TAA	10/01/2018	TAA	10/01/2018	TAA	10/01/2018	N/A	N/A	N/A	N/A	VOLTAGE TRANSFORMER OTEF-72		AIB		Format	A3	Location
10/01/2018		10/01/2018	10/01/2018	10/01/2018	10/01/2018	10/01/2018	10/01/2018	10/01/2018	10/01/2018	N/A	N/A	N/A	N/A	DIMENSIONAL DRAWING		Reference		Scale	1:10	Sheet name
																Drawing number		Mass (kg)	235	Sheet
																		Revision N°	001001	Revision N°
																			00	



## Technical Data Sheet

Offer Reference: GX240261-10      Quantity: 5  
 AC1 Reference: Grid7284078/Grid7284080      Standard: IEEE C57.13:2016  
 Date: 5/21/2024      Direct Customer:  
 End Customer: City of Sturgis

### Voltage Transformer OTEF-72.5

#### Environmental Conditions

Withstand voltage for operation at altitude up to: 1000 m (above sea level)  
 Wind speed: 22.4 mph  
 Ambient temperatures: -40 to 40 °C  
 Seismic conditions: Not Applicable  
 Max. Ice Thickness: 0.79 in

#### Electrical Parameters

Highest system voltage: 72.5 kV  
 System rating voltage: 69 / 40.25 Grd Y (Ratio 350/600:1) kV  
 Frequency: 60 Hz  
 Rated power frequency withstand voltage, 1 min: 140 kV  
 Rated power frequency withstand voltage-secondary: 2.5 kV  
 Rated lightning impulse withstand voltage(1,2/50µs) : 350 kV  
 Rated switching impulse withstand voltage: NA kV  
 Grounding System: Not Applicable  
 Insulation medium: APAR 1020-60 SNX (AIB Standard)

#### Insulator Data

Material: Porcelain  
 Creepage distance: 74.80 in  
 Color: Grey  
 Arcing distance: 26.38 in

#### Product Performance

Anti ferro-ressonance design: No      Overvoltage factor: 1.73Un for 1 minute

Winding	Primary Voltage [V]	Secondary voltage [V]	Ratio	Burden [VA]	Acc. Class	Thermal burden [VA]
X1-X2-X3	69000	115 - 67.08	1:350 - 1:600	WXMYZ,ZZ (400)	0.3	1250
Y1-Y2-Y3	69000	115 - 67.08	1:350 - 1:600	WXMYZ,ZZ (400)	0.3	1250

Total simultaneous burden: Not Applicable

#### Terminals

Primary Terminal Type: AL NEMA 4x Ø14mm Vertical      Static withstand testload: Voltage Transformers, IEEE C57.13.5, Table 6  
 Quantity primary terminal: 1      Sec. terminal board: Weidmuller|ST5-N |26 - 10AWG|Stud Type

#### Accessories

Secondary Terminal Box: One Box, Non Applicable      High Voltage Connector: No  
 Grounding Connector: No      Capacitive Tap (CT): No



Oil Level Indicator: Yes

Painting: No

### Comments

---

Routine tests according to offered standard. -

Packing: according to GE standard

Document language: English

Other Requirements:

### Technical deviations

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**Accessories Included in Price:**

- Aluminum 4 hole NEMA primary terminal.
- 2 hole NEMA ground pad.

**Additional Clarifications:**

- Our offer includes routine tests per the appropriate standard.
- Our offer does not include any type tests.
- GE factory is ISO 9001 certified.
- GE does not provide any equipment BOMs.
- GE does not recommend the purchasing and/or storage of any spare parts nor are any special tools required.
- GE equipment is hermetically sealed. No periodic maintenance of the insulating oil is required and no oil fill port is provided on PT, CTs, CMUs, or coupling capacitor sections.
- GE equipment is manufactured from marine grade Aluminum and/or galvanized steel and does not require any paint.
- Approval drawings will be provided approximately 3 weeks ARO and customer will be given 2 weeks to review and approve the drawings.

**NOTE: ANY PURCHASE ORDER SHOULD REFERENCE THIS QUOTE NUMBER.**

**Current Delivery:** 32-34 weeks delivered to customer

**Terms of Delivery:** F.O.B. destination with freight prepaid and allowed via open top trailer or flatbed truck.

**Warranty:** Twelve (12) months after installation, not to exceed eighteen (18) months after delivery.

**Commercial Terms:** Per the attached EM-104.

**Extended Warranty Adder:**

GE Grid Solutions can also provide an extended warranty for an additional 2% per 12 month period. The maximum total duration of the warranty (standard and extended) cannot exceed 60 months from operation or 66 months from notification of readiness to ship. operation or 66 months from notification of readiness to ship.

**2. Cancellation schedule – Inductive Products (CTs, PTs, CMUs).**

Schedule	Cancellation Charge (% of contract value)
1 – 2 weeks after receipt of order	5%
2 – 8 weeks after receipt of order	15%
> 8 weeks after receipt of order	50%
> 12 weeks before shipment	80%
8 – 12 weeks before shipment	80%
0 – 8 weeks before shipment	100%



**Customer KW ASSOCIATES**  
**Country USA**

Itajubá, 21 May 2024

**Project: 3380043: City of Sturgis - 69kV Potential Transformer RFP**  
**Reference number from AIB: GX240261**

=> Additional Information:

**1. Instrument Transformers:**

**1.1 Inductive Voltage Transformer (Standard: IEEE C57.13:2016):**

- Only the costs of routine tests, according to standard, are included in the quoted prices. Type tests and/or special tests may be performed for an additional cost.
- All the costs of the inspections are not included in the price.
- Spare parts and special tools are not necessary for the proposed equipment.
- All metallic components are made of hot dip galvanized steel or aluminum. No painting on these parts is recommended.
- Nuts, bolts etc. are made of stainless steel. Finishing of these parts are not necessary.
- Our transformers are explosion-proof design. A metallic bellow is provided at the top of the transformer and it expands with the oil variation, preventing slight internal overpressure and reducing the risk of explosion.
- Our transformers are single pole, oil filled type for outdoor installation.
- Supporting structures are not supplied by GE Grid Solutions.
- The protection grade of the secondary box is IP54.
- A blank, removable plate is provided in the bottom of the secondary terminal box for terminating all control cables. The plate must be field drilled for cable entrance.
- Connectors are not supplied by GE Grid Solutions.
- Complementary Base for fixation adjustments are not supplied by GE Grid Solutions.
- MCB's are not supplied by GE Grid Solutions.
- Our transformers are hermetically sealed. Spare porcelain insulator, spare oil, plug assembly for taking oil sample or oil filling device will not be provided.
- The Dimensional Drawing is only for offer level. In case of Order, drawings for approval will be sent.
- Pollution Level: 25 mm/kV.
- External distances of the equipment are designed for altitude operation up to 3300 feet above the sea level.
- Anti-condensation heaters are not necessary in the secondary terminal box because its design is naturally ventilated and no condensation is possible.
- For further considerations, see proposed technical sheet with the offer.
- The terms related to the technical guarantee are detailed and defined in the commercial offer.
- Special attention regarding delivery times guaranteed for the scope offered. These must be revalidated at the end of the process, regardless of the validity of this proposal. This fact is necessary due to the dynamism related to the productive capacity due to the demands confirmed in the period.
- All documents processed in this procurement process are the exclusive property of GE and the customer to which the purchase order belongs. They may not be reproduced,

Grid Solutions Transmissão de Energia Ltda – Av. Nossa Sra da Piedade, 1021 – CEP 37504-358– Itajubá – MG / Brasil  
Tel. :+55 35 3629 7000 – Fax : +55 35 3629 7007

CNPJ : 05.356.949/0002-23 Insc. Est. : 324.252476.00-63

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- Catalogues available on: [http://www.gegridsolutions.com/HVMV\\_Equipment.htm](http://www.gegridsolutions.com/HVMV_Equipment.htm)

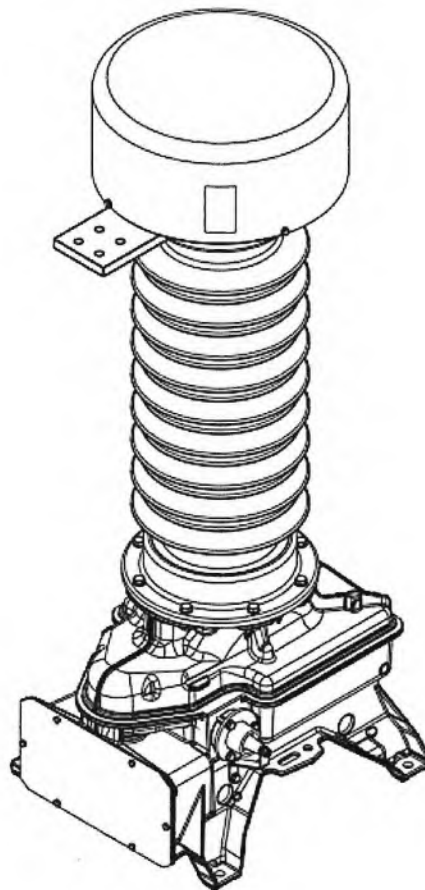




**INSTRUCTION MANUAL NUMBER MIITR101**

**INDUCTIVE VOLTAGE TRANSFORMER**

**OTEF-72 / OTEF-123 / OTEF-145 / OTEF-245**





## Instruction Manual

**GE Grid Solutions**  
**Av. Nossa Senhora da Piedade, 1021**  
**37504-358 Itajubá - MG – Brazil**

AIB	01	30/10/2017	PRB	TAA
AIB	00	24/11/2013	TAA	TCRP
Owner	revision	Date	Prepared	Approved



## Instruction Manual

### Warning!

Any person involved with transport, installation, energizing, operation and maintenance of Inductive Voltage Transformer (VT) type OTEF must read these instruction prior to any action related to these voltage transformers.

These VT is built under strict conditions which guarantee the Highest Quality achievement. In order to keep this high quality during VT's lifetime, it is utmost important that the instructions in this Book be thoroughly read and complied with.

**THESE VOLTAGE TRANSFORMERS CAN NOT BE STORED IN A HORIZONTAL POSITION FOR MORE THAN FOUR MONTHS.**

**IN CASE OF HORIZONTAL TRANSPORTATION, IF THE TIME OF TRANSPORT AND STORAGE EXCEEDS FOUR MOUNTHS, IT IS MANDATORY TO UNPACK THE VT AND FIX IT TO THE GROUND.**

#### Preliminary Remarks

During reception of the VT, it is important to check unpacking attentively to control the condition of the transport crate and transformer itself. Any irregularities should be recorded on the transport delivery note a formal communication sent to the responsible person immediately.

The supplied insulator can be made of porcelain, avoid sudden movements that could cause damage due to cracks for example.



## Instruction Manual

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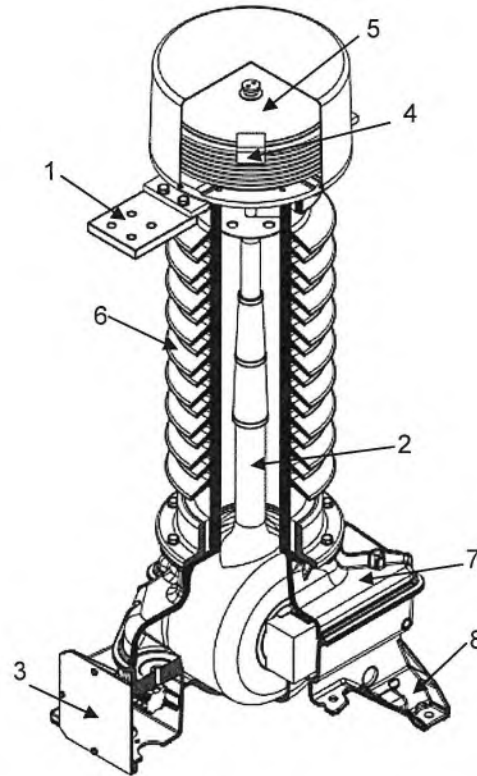
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## Instruction Manual

### 1. GENERAL DRAWING

Description and characteristics of the OTEF voltage Transformers



- 1- High voltage terminal
- 2- Insulation system (paper impregnated with oil)
- 3- Secondary terminal box
- 4- Oil level indicator
- 5- Metallic bellow
- 6- Insulator: porcelain or composite
- 7 – Aluminum tank
- 8- Feet with hole for anchoring

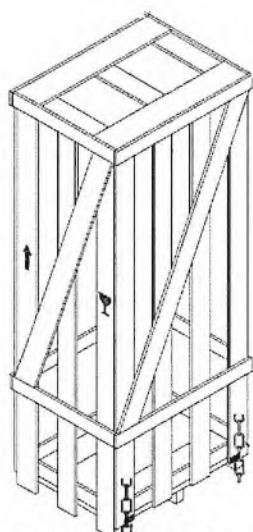


## Instruction Manual

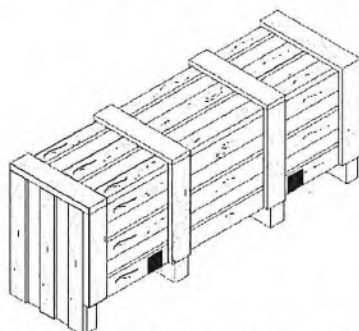
## 2. TRANSPORT, RECEPTION, UNPACKING AND STORAGE

### 2.1. Transport

The VT shall be transported as indicated by the manufacturer in an appropriate packing. Depending on the limits of transport heights, some of the VT can be transported in vertical position. To confirm this information on the packing documentations.



Example of vertical packing



Example of horizontal packing

It is important to follow Factory instructions regarding the stacking of the

packing in terms of transport and storage when applicable.

**ATTENTION:** The VT has fragile parts (insulator, bellows top cover, etc.) that can be damaged during transportation, by sea, air or by road (being the road paved or no). The transportation and handling shall be made with care. Sudden movements can cause impact and damage to the equipment.

### 2.2. Reception

Whether the shipment is of manufacturer's or customer's responsibility, the customer inspector or the service agent has to check the following on receipt of delivery:

If the crates show any signals of impact, blows or fractures, or if the transformers have any signal of damage, or oil leakage, the customer inspector or the service agent in charge of receipt shall make a written remark on shipment documents. The receipt control, mainly for the porcelain insulators and the secondary terminal box, shall be done in the presence of the forwarding agent, if possible. The remarks regarding the condition of the goods shall clearly state details of the damages found at the time of reception.

In case of damages, the customer inspector in charge of receipt shall notify GE and the insurance representative. All contact information shall be indicated on shipment insurance documents. This declaration shall be made within maximum of eight days after receipt of the material.



## Instruction Manual

### 2.3. Unpacking

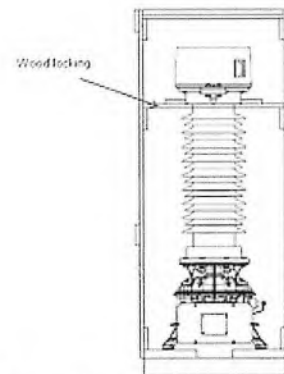
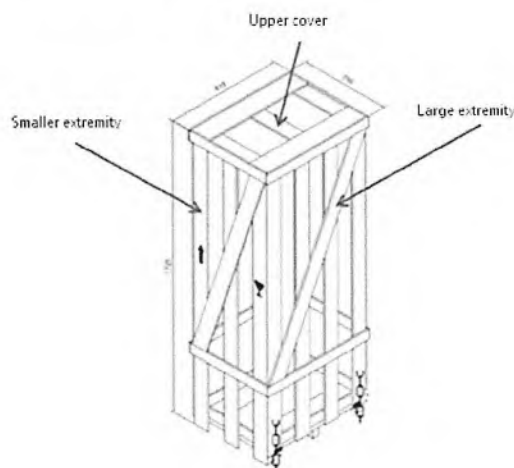
Material required for unpacking, lifting and put the transformer into service:

Qty	Description
1	Crane, munck or hoist.
1	Contact grease type PENETROX or equivalent.
1	Graphite grease MOLYKOTE type P37 or equivalent.
4	Slings of 4,5m of length (capacity 10.000 N)
1	Sling of 1,5m of length (capacity 1.000 N)

Unpacking of the transformer should be made with care.

#### • VT packed in vertical position:

- 1) Remove upper cover.
- 2) Remove the smaller extremities.
- 3) Remove the wood blocking pieces.
- 4) Remove the larger extremities
- 5) Remove the four screws at the equipment feet.
- 6) Lift the VT



Example of wood blocking pieces



Example of lifting a VT

**NEVER lift a transformer by its primary terminal. Always lift it by the four lifting holes on the bottom tank.**

#### • VT packed in horizontal position:

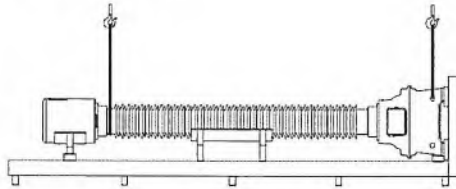
- 1) Remove upper cover.
- 2) Remove the four screws at the equipment feet.
- 3) Remove the smaller extremities.
- 4) Remove the larger extremities
- 5) Remove the green nylon slings pieces



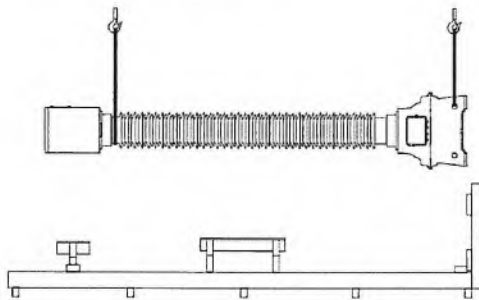
## Instruction Manual

6) Remove the VT from the packing and lift it following the next steps:

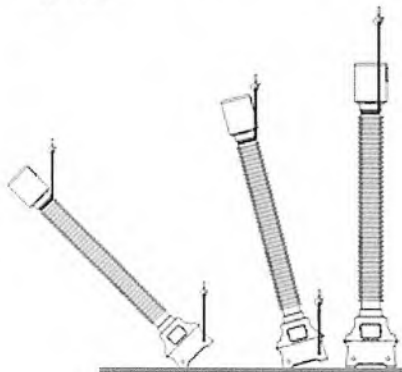
- Use two slings, one at the neck of the insulator and other at the hole for lifting



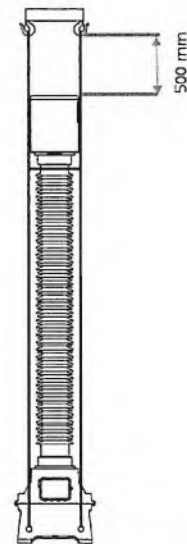
- Remove the VT keeping it in horizontal position.



- Gradually put the VT in vertical position by lifting the sling positioned in the neck of the insulator. Always keep the sling in vertical position. Handle with care in order do not damage the top cover.



- After confirming that the VT is in vertical position and supported in the ground, change the lift system by four slings positioned at the four lifting holes located in the bottom tank. Also use the 1,5m sling to connect the other ones near the area of the neck of the insulator to guarantee that the VT will not move horizontally when lifting.



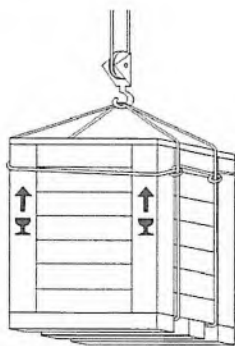
### •VT handled with its package:

To lift the packaged transformer with crane or munck follow the marks on the wood crate, once it indicates the right position for the slings (nylon belts reinforced) and avoid blows and vibrations. Handle with care





## Instruction Manual



Example of lifting the VT on its packing

### 2.4. Storage

- The transformers can be stored in vertical position in homogeneous surface. Every time that storage is outside, remove the bellows blocking system used for transportation only as shown in 6.0 below.

**NOTE:** Always fix the transformer to the ground even the stored is forecasted for a short period of time.

- It is not allowed to store the VT in horizontal position.

### 3. ANCHORING

The transformer should be set up in vertical position. It is very important that the surface on which the VT will be set up is flat (tolerance no more than 1mm). Verify if the four feet are supported on the structure. If not, it is necessary to insert a shim before putting the fixation screws.

### 4. CONTACT SURFACES PREPARATION

It is recommended to clean all aluminum contact surfaces with sandpaper 150 grain to eliminate the oxidation layer. Scrub the contact surfaces with a metallic brush

(diameter of the thread 0,3mm) and impregnate with grease of the type "PENETROX" or equivalent. All the surfaces must be completely covered with grease.

For silver or tinned contacts, only clean (do not use sandpaper) and polish the side of the aluminum. Cleaning silver or tinned surfaces with sandpaper could cause damage to the protection layer.

## 5. CONECTIONS

### 5.1. Primary terminal

Connect the high voltage cable, or tube, to the primary terminal with an appropriate connector, so that they assure a good contact. Be sure that the instructions of the item 4.0 is followed.

To fix the connect to the high voltage terminal use a M12 screw applying 5,0 kgf.m (50 N.m) of tightening torque.

Remark: The screw thread shall be covered with graphite grease MOLYKOTE type P37 or equivalent. Do not use this Grease in the contact surface.

### 5.2. Secondary terminals

For this connection, it is important to have the set of drawings for this equipment to confirm the type of secondary terminals and the cables accepted.

Use proper connectors to guarantee a good connection. Tightening torque is indicated in the drawing of the secondary terminal box.

## Instruction Manual



The neutral point of each secondary shall be connected to the grounding terminal located in the terminal block, in order to have a reference for the voltage.

**Secondary terminals not used must be kept opened and a point be grounded.**

**Never short circuit secondary terminals of a VT. It can cause damage and fail to the VT.**

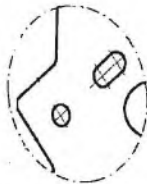
### 5.3. Terminal marking

Primary and secondary terminal marking are done according to the specified standard. See set of approved drawings.

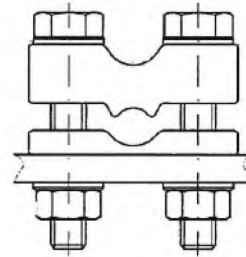
Primary and secondary connection scheme are shown on the name plate, fixed on the VT secondary box cover.

### 5.4. Grounding

The transformer tank has two earthing terminals located at the bottom tank that should be linked to the substation ground system through an appropriated grounding connector, if requested, supplied with the equipment. See set of drawings to confirm range of cable that can be used.



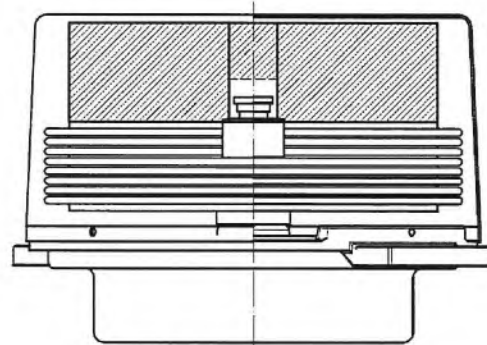
Example of grounding terminal



Example of grounding connector

## 6. BELLOWS BLOCKING SYSTEM FOR TRANSPORTATION

For transportation purposes, the bellows is fixed (no movement) using a KIT of synthetic cushion lightly compressed by the top cover as shown in the picture below:



Example of bellows blocking system

Before putting the VT in the pedestal or when storing, first it is necessary to remove the bellows blocking system for transportation following the steps below:

- Mark a reference line for the top cover relative to the primary terminal (using a marker or a pencil or any similar device) with the aim of at the end of the procedure the top cover will be at the original position.
- Remove the four M6 screws that fix the top cover to the bellows flange.
- Remove the top cover, with care, keeping a vertical movement. Do with care in order to



## Instruction Manual

not damage the bellows.

- Remove the bellows blocking system (kit of synthetic cushion).
- Confirm by visual inspection that the bellows are in good condition.

### Geometry:

- The bellows cover in at horizontal: it is not tilted by a possible deformation in the bellows.
- The bellows is neither distorted nor asymmetric: the convolutions are equally distributed around the bellows circumference.

### Surface:

- There is no damage or deformation like those caused by blows.

- Confirmed that the bellows is in good condition, put the top cover in the original position.
- Tight the four M6 screws with torque of 2kgf.m.

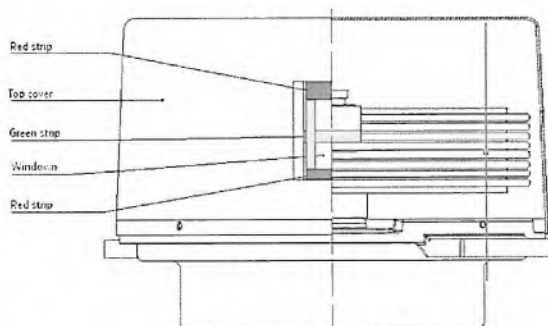
In case bellows show any type of deformation or blow the VT should not be put into service unless there is a formal release from GE. In case of doubts, to contact the technical assistance support of GE for further information.

## 7. OIL LEVEL INDICATOR

The position of the oil level indicator can be verified through the window of the top cover. The plate of the indicator is divided in three areas. Central green area shows the normal operation condition and higher and lower areas are shown with a red strip. In normal conditions, the indicator shows the central green area.

In case of oil level indicator is in either of the red areas, the VT shall be taken off from

operation and GE informed immediately.



Example of oil level indicator

## 8. INSPECTION BEFORE FIRST ENERGIZING

- Confirm terminals connections to assure the correct tightening torque.
- Confirm that there are no short-circuited secondary terminals. If so they must be opened and earthed.
- Confirm the ground connections of transformer tank.
- Confirm that the oil level indicator is in the central green area.

The VT are routine tested in the factory and do not require repeated electric test. Look for Project routine test reports for more details.

Whilst all care is taken in the factory during oil filling, the surface near of screws and bellows could have a small quantity of oil. This should not be considered as an oil leakage provided that the bellows are positioned within the green strip area.

**It is not necessary to remove oil samples for analysis. The VT is hermetically sealed.**

If required, small quantity of oil can be taken. Always verify oil level indicator before take oil samples.



## Instruction Manual

Never complete oil volume without prior formal authorization of GE.

**Important remark:** During commissioning, it is recommended to register the values founded for each of the performed test to compare with future measurements during the VT lifetime. The measurements taken in the factory are important and also the measurements during commissioning of each VT. Comparison between test results makes sense to the field measured once it is possible to follow the evolution of each parameter.

### 9. MAINTAINENCE AFTER ENERGIZING

After installation and energizing, the VT should not require any further intervention. However, it is suggested to perform a visual inspection during the first weeks of service to:

- Confirm the position of oil level indicator. If the indicator is significantly below or above the central green area, in comparison with other VT, it is recommend to check that there is no oil leakage and, if an oil leakage is discovered remove the VT from operation and inform GE.
- With an infrared device, check if connections are not overheating. Compare with other VT from the same circuit.

After one year of operation, it is recommended a detailed inspection of tightening torques and oil leakage and thereafter twice per year according to the substation maintenance contract.

If posible GE suggests disconnecting the VT and to perform the following examination:

- Insulator: Depending on the pollution level it is necessary to clean the porcelain.

- Metallic components: check for corrosions.
- Tightening torque of primary and secondary connections. Any adjustments should be carried out.
- Secondary terminal box: If necessary clean inside the terminal box.
- Confirm oil level indicator and if there is oil leakage.
- Remove top cover to have access to the bellows and confirm if there is an oil leakage near the fixation of the bellows and / or if the bellows is in good condition (no deformations

### 10. TESTS AT SITE

The following test could be performed during VT lifetime according to the best practice of the user:

- a) Voltage ratio (T.T. R)
- b) Polarity (Polarimeter)
- c) Winding resistance (Wheatstone bridge).
- e) Insulation resistance (Megger)
- f) Infrared measurement.

### 11. FINAL DISPOSAL OF THE TRANSFORMER PARTS AFTER LIFETIME

The high voltage instruments transformers are made of the following components, which after life time require a properly disposal to prevent environmental contamination:



## Instruction Manual

Components	Recommended Disposal
Metallic materials	Metal recycling company
Resin and materials saturated with resin	Industrial landfill, properly licensed by the state's responsible agency.
Oil (PCB-free) – classified as Class I hazardous residue	Oil refinery at a company which is properly licensed to perform such an activity
Material contaminated with oil	Co-processing or incineration at a company which is properly licensed by the state's responsible agency.
Porcelain insulator	Industrial landfill, properly licensed by the state's responsible agency
Other materials	Industrial landfill, properly licensed by the state's responsible agency

The disposal of oil and components contaminated with oil directly into the soil or water is **prohibited**.

For further information or clarifications, contact GE environment department:  
+55 35 36297112.



**Grid Solutions**  
a GE and Alstom joint venture

INSTRUMENT TRANSFORMERS PRODUCT SOLUTIONS

## OTEF

Voltage Transformers  
36.5 to 550 kV

Thousands of Grid Solutions' voltage transformers are in service worldwide, some for more than 30 years. In all types of climates and under the most severe conditions, they give full satisfaction to the most exacting customers.

## Reliable design for high life expectancy

GE manufactures a complete range of high voltage oil-filled voltage transformers (VTs). The OTEF is a tank-type potential transformer with post insulator.

### HERMETICALLY SEALED

For OTEF below 550 kV, GE's design incorporates a primary coil housed in the tank at the unit's base. Internal insulation is provided by hermetically sealed oil and oil-impregnated paper system. Outer insulation consists of a post-type insulator.

For voltages at Um 550 kV, the design consists of two coils at half potential located in a tank in the center of the voltage transformer. Internal insulation is provided by hermetically sealed oil and oil-impregnated paper system. Outer insulation is in the form of post-type insulators located above and below the transformer tank.

### HIGH QUALITY PAPER-OIL INSULATION

The insulation paper is applied mechanically using special machines, guaranteeing a homogeneous, high-density paper insulation. Defined grading layers with field-optimized electrode rings achieve a uniform field distribution along the insulator between line and ground. Most of the insulation is from Kraft paper.

The coil insulation is a closed style design resulting in a compact unit with good dielectric withstand characteristics. Surge arrestors are not necessary.

High quality mineral oil with aging stability and gas-absorbing properties is used. The oil meets IEC 296 and IEEE C57.106 requirements and contains no PCBs. Controlled vacuum and temperature treatments withdraw humidity and gas from the paper insulation and insulation oil. The impregnation process results in a high-grade dielectric system.

### BUILT FOR LONG LIFE

OTEF is built based on Grid Solution's quality and technology. It is designed for system voltages up to 550 kV.

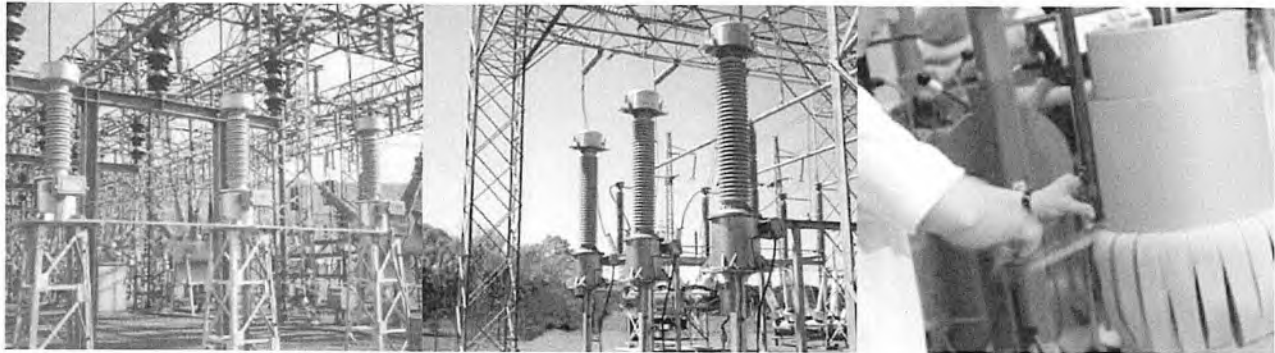
Long life insulation integrity is assured by a metallic diaphragm assembly that hermetically seals the oil from the atmosphere. All external parts are manufactured from corrosion-resistant material. No painting is required.

### CUSTOMER BENEFITS

- Extensive field experience
- Operational security
- Easy installation – no special tools required
- Leak proof design and rugged construction for long service life
- Maintenance free







### INSULATOR

The outer insulation is manufactured from high-quality aluminum oxide porcelain in RAL brown or ANSI grey. Composite insulators are available on request.

### WINDINGS AND RATINGS

During the winding of the primary coil, the double-enameled copper wire is continuously monitored by an electronic detector seeking faults in the insulation varnish. One or two secondary windings can be provided for metering and protection purposes, and optionally a separate winding can be supplied for ground fault detection. A double ratio achieved by a secondary tap is standard.

All IEEE accuracy classes or to other standards for metering and protection purposes can be provided. Accuracies beyond the requirements of normal standards like 0.15% Z can be provided.

### SECONDARY TERMINAL BOX

The terminal box is spacious and can accommodate all required connections. The secondaries of windings are brought out through an oil/air seal block assembly and terminated on separate terminal blocks with 8-32 screws. Other terminals on request.

An aluminum gland plate is provided to accommodate customer conduit hubs. The door can be made lockable on request.

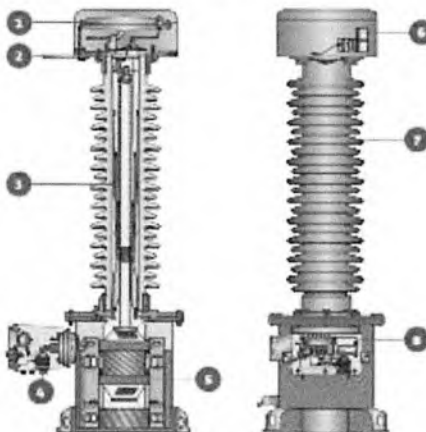
The neutral end of the primary winding is terminated in the secondary box. It is grounded with a lead and can be used to perform on site tests up to 4 kV.

### THERMAL BURDEN RATING

The thermal burden rating is 3,000 to 7,500 VA (please see table on the last page). The VT can sustain that load continuously, however cannot be used for metering during the same time.

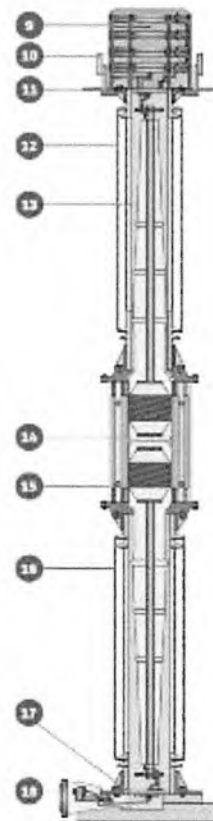
### HERMETIC SEALING SYSTEM

The active part of the transformer is hermetically sealed. Changes in oil volume, resulting from temperature variations, are compensated for by one or more stainless steel expansion chambers. These are connected to the main oil reservoir in the transformer body by a copper tube. Movements in the compensation system are registered by an oil level indicator located behind a window in the transformer head. Effectively oil maintenance, change or inspection is eliminated and the VT operates pressure free. All seals are formed by single piece O-Rings in fully machined grooves. All housings are helium leak tested before using in the manufacturing process. An overall leak up test is performed on every completely assembled VT prior to oil filling.



### OTEF 36.5 to 550 kV

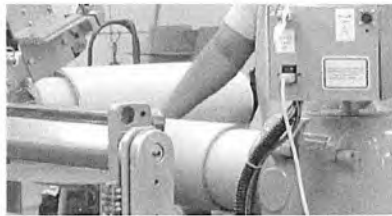
- |                                     |  |
|-------------------------------------|--|
| 1. Expansion bellow                 | 12. Post type porcelain insulator              |
| 2. Primary terminal                 | 13. Bushing                                    |
| 3. Bushing                          | 14. Two coil and core assembly                 |
| 4. Secondary terminal box           | 15. Transformer tank                           |
| 5. Core / coil assembly             | 16. Post type porcelain or composite insulator |
| 6. Oil-level indicator              | 17. Oil to air seal back                       |
| 7. Porcelain or composite insulator | 18. Secondary terminal box                     |
| 8. Secondary terminal box           |  |
| 9. Expansion bellow                 |  |
| 10. Lifting eye                     |  |



**OPTIMAL BURSTING PROTECTION**

Optimized insulation structures and appropriate mechanical designs ensure a long life and high quality insulation. The following additional measures are taken to prevent the insulator from bursting in the event of an inner insulation breakdown (e.g., in case of lightning strikes):

- In potential transformers with  $U_m$  below 550 kV, the active part is located below the insulator in an aluminum tank. At  $U_m$  550 kV, the active part is located in an aluminum tank between the two insulators.
- There is an internal fault current connection between the primary terminal and the primary winding. This connection can withstand the full short circuit current for one second.
- The capacitive grading in the high voltage insulation is designed to withstand transient overvoltages to be expected during service life.
- A pressure relief plate is located in the area of the expansion assembly on the top.
- Upon customer request: a composite insulator consisting of a fiberglass reinforced tube and silicone rubber sheds can be supplied.

**SERVICE LIFE AND MAINTENANCE**

OTEF voltage transformers have been designed for a 30 year plus life-time. They have no specific maintenance requirements and no painting is required:

- All hardware is made of stainless steel.
- Housings are made of marine grade aluminum alloy.
- Porcelain fittings are made from cast iron and hot dip galvanized.

Besides regular transformer surface cleaning, no routine maintenance is required. The hermetic seal alleviates the need for oil sampling or moisture checks unless unusual operating conditions occur.

**TRANSPORTATION AND INSTALLATION**

OTEF can be transported and stored horizontally. Vertical transportation is possible for lower voltage units depending on the permitted transportation height. The OTEF is supplied ready for energizing. No special tools are required to connect to the system. Instruction manuals are provided with the units.

**ADDITIONAL INFORMATION**

Rating plates are made from metallic anodized weather-proof aluminum or etched stainless steel.

**Ambient temperature:**

-40 °C to + 40 °C on a 24 hour average. Other values are available on request.

VT up to 245 kV can be provided meeting high seismic requirements per IEEE 693. Other values possible on request.

**Overvoltage factor:**

All VT's are designed for a standard overvoltage factor of 1.2 continuous and 1.73 for one minute (below 245 kV) and 1.4 for one minute (245 kV and above). Other values on request

**Frequency:**

60 Hz. Other values on request

**Radio Influence Voltage (RIV):**

Tested to ANSI/NEMA C93.1

**Dielectric loss factor:**

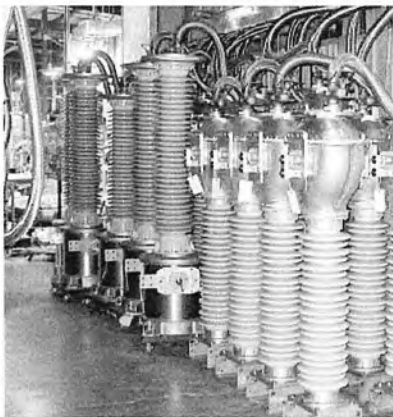
$\tan \delta$  smaller than 0.005 up to the power-frequency test voltage

**Inner partial discharge:**

- Less than 10 pC at  $1.2 U_m$
- Less than 5 pC at  $1.2 U_m / \sqrt{3}$

**Mechanical strength:**

The service load (applied to the terminal in any direction continuously is 650 lb., the short time load (impulse load like conductor whip) is 1595 lb. Other values on request

**INQUIRY CHECK LIST**

- Applicable standards
- Rated frequency
- Highest system voltage
- Power-frequency withstand test voltage
- Lightning impulse test voltage
- Switching impulse test voltage, if applicable (above 245 kV)
- Overvoltage factor (eg.  $1.73 U_n$  1 min)
- Voltage ratio
- Number of secondaries
- Accuracy class and rated burden for each secondary winding
- Thermal burden
- Required creepage distance in mm or in mm/kV
- HV terminal (material and dimensions)
- Composite insulator (light grey)
- Environmental conditions (altitude, temperature, site pollution, seismic conditions...)
- Secondary terminal box heater or fuses
- High voltage and ground connectors
- Options as required



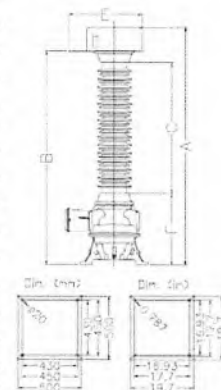
## DIMENSIONS

The following dimensions refer to standard versions. Other Um or BIL values affect the dimensions. The size of the base tank might change with higher output requirements and/or frequencies smaller than 60 Hz. Creepage and insulator strike distances can be adapted to customer's needs.

### TECHNICAL DATA

Type		OTEF 36		OTEF 48		OTEF 72		OTEF 123		OTEF 145		OTEF 170		OTEF 245	
Maximum system voltage (U <sub>m</sub> )	kV	36.5		48.3		72.5		123		145		170		245	
Impulse test voltage (BIL)	kV	200		250		350		550		650		750		900/1,050	
Minimum creepage distance	In	63		63		63		115		138.6		165.5		248	
	mm	1,600		1,600		1,600		2,921		3,521		4,204		6,300	
Thermal Burden	(VA)	3,000		3,000		5,000		5,000		6,500		7,000		7,500	
Accuracy acc. to ANSI/IEEE		0.3 WXYZ,ZZ or 0.15 WXYZ													
Dimensions		In	mm	In	mm	In	mm	In	mm	In	mm	In	mm	In	mm
	A	55.1	1400	55.1	1400	55.1	1400	69.5	1764	86.9	2206	94.4	2397	127.5	3236
	B	47.6	1209	47.6	1209	47.6	1209	62	1574	77.2	1961	84.7	2152	114	2905
	C/(C1 for OTEF 550)	22.3	566	22.3	566	22.3	566	36.7	931	44.9	1140	53.2	1350	79.5	2020
	C2														
	D														
	E	22.8	450	22.8	578	22.8	578	22.8	578	27.6	701	27.6	701	29.6	753
	F	22.1	450	22.1	561	22.1	561	22.1	561	28	710	29.1	740	30.5	775
	G									17.7	450	17.7	450	23.6	599
Total Weight (approx.)	lb	425		425		425		544		926		1055		1733	
	kg	193		193		193		246.8		420		478.5		786	
Oil weight (approx.)	lb	77		77		77		87.5		180		216		416	
	kg	35		35		35		40		82		98		189	

Indicative values only. All indicated dimensions must be confirmed with order. Other values available on request.

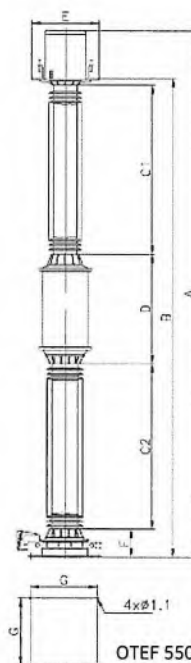


OTEF 36 - 123

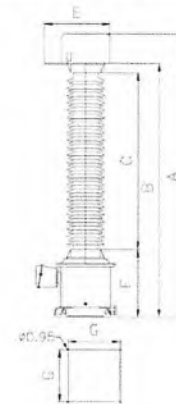
### TECHNICAL DATA

Type		OTEF 362		OTEF 550		
Maximum system voltage (U <sub>m</sub> )	kV	362		550		
Impulse test voltage (BIL)	kV	1300		1800		
Minimum creepage distance	In	459.8		401.6		
	mm	11680		10200		
Thermal Burden	(VA)	5000		5000		
Accuracy acc. to ANSI/IEEE		0.3 WXYZ, ZZ				
Dimensions		In	mm	In	mm	
	A	208.2	5287	278.4	7071	
	B	188.3	4782	253	6427	
	C/(C1 for OTEF 550)	118.1	3000	89.4	2270	
	C2			87.4	2220	
	D			57.9	1470	
	E	37.1	942	35.9	912	
	F	47.2	1200	14.8	375	
	G	35.4	900	35.4	900	
Total Weight (approx.)	lb	2870		4120		
	kg	1301.8		1869		
Oil weight (approx.)	lb	869		1072		
	kg	394.2		486		

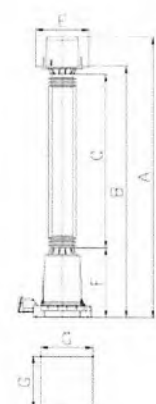
Indicative values only. All indicated dimensions must be confirmed with order. Other values available on request.



OTEF 550



OTEF 145 - 245



OTEF 362

For more information please contact  
GE Grid Solutions

### Worldwide Contact Center

Web: [www.GEGridSolutions.com/contact](http://www.GEGridSolutions.com/contact)  
Phone: +44 (0) 1785 250 070

[www.GEGridSolutions.com](http://www.GEGridSolutions.com)



**Terms and Conditions for Sale of Products and Services**  
Form EM 104 (Grid Solutions)

**NOTICE:** Sale of any Products or Services is expressly conditioned on Buyer's assent to these Terms and Conditions. Any acceptance of Seller's offer is expressly limited to acceptance of these Terms and Conditions and Seller expressly objects to any additional or different terms proposed by Buyer. No facility entry form shall modify these Terms and Conditions even if signed by Seller's representative. Any order to perform work and Seller's performance of work shall constitute Buyer's assent to these Terms and Conditions. Unless otherwise specified in the quotation, Seller's quotation shall expire 30 days from its date and may be modified or withdrawn by Seller before receipt of Buyer's conforming acceptance.

**1. Definitions**

"Buyer" means the entity to which Seller is providing Products or Services under the Contract.

"Contract" means either the contract agreement signed by both parties, or the purchase order signed by Buyer and accepted by Seller in writing, for the sale of Products or Services, together with these Terms and Conditions, Seller's final quotation, the agreed scope(s) of work, and Seller's order acknowledgement. In the event of any conflict, the Terms and Conditions shall take precedence over other documents included in the Contract.

"Contract Price" means the agreed price stated in the Contract for the sale of Products and Services, including adjustments (if any) in accordance with the Contract.

"Firmware" means software provided with or embedded in a Product and necessary for the proper functioning of the Product, but excluding software supplied by a third party and software applications licensed separately

"Hazardous Materials" means any toxic or hazardous substance, hazardous material, dangerous or hazardous waste, dangerous good, radioactive material, petroleum or petroleum-derived products or by-products, or any other chemical, substance, material or emission, that is regulated, listed or controlled pursuant to any national, state, provincial, or local law, statute, ordinance, directive, regulation or other legal requirement of the United States ("U.S.") or the country of the Site.

"Insolvent/Bankrupt" means that a party is insolvent, makes an assignment for the benefit of its creditors, has a receiver or trustee appointed for it or any of its assets, or files or has filed against it a proceeding under any bankruptcy, insolvency dissolution or liquidation laws.

"Products" means the equipment, parts, materials, supplies, software, and other goods Seller has agreed to supply to Buyer under the Contract.

"Seller" means the entity providing Products or performing Services under the Contract.

"Services" means the services Seller has agreed to perform for Buyer under the Contract.

"Site" means the premises where Products are used or Services are performed, not including Seller's premises from which it performs Services.

"Terms and Conditions" means these "Terms and Conditions for Sale of Products and Services", including any relevant addenda pursuant to Article 18, together with any modifications or additional provisions specifically stated in Seller's final quotation or specifically agreed upon by Seller in writing.

**2. Payment**

2.1 Buyer shall pay Seller for the Products and Services by paying all invoiced amounts by direct bank transfer in the currency specified by Seller in the Contract, without set-off for any payment from Seller not due under this Contract, within thirty (30) days from the invoice date. Invoicing and payment shall be in accordance with the Contract. If not otherwise agreed in the Contract, Seller shall issue invoices upon shipment of Products and as Services are performed, or if the Contract Price is U.S. Two Hundred Fifty Thousand Dollars (\$250,000) or more, progress payments shall be invoiced starting with twenty-five percent (25%) of the Contract Price for Products and Services upon the earlier of Contract signature or issuance of Seller's order acknowledgement and continuing such that ninety percent (90%) of the Contract Price for Products is received before the earliest scheduled Product shipment and Services are invoiced as performed ("the Progress Payments"). For each calendar month, or fraction thereof, that payment is late, Buyer shall pay a late payment

charge computed at the rate of 1.5% per month on the overdue balance, or the maximum rate permitted by law, whichever is less. If the price is set by the Contract in a currency other than U.S. dollars, references to U.S. dollars in this Section 2.1 shall mean the equivalent amount in the applicable currency.

2.2 As and if requested by Seller, Buyer shall at its expense establish and keep in force payment security in the form of an irrevocable, unconditional, sight letter of credit or bank guarantee allowing for pro-rata payments as Products are shipped and Services are performed, plus payment of cancellation and termination charges, and all other amounts due from Buyer under the Contract ("Payment Security"). The Payment Security shall be (a) in a form, and issued or confirmed by a bank acceptable to Seller, (b) payable at the counters of such acceptable bank or negotiating bank, (c) opened prior to commencement of work by Seller with respect to development, manufacturing and shipment of Products and at least sixty (60) days prior to commencement of Services, and (d) remain in effect until the latest of ninety (90) days after the last scheduled Product shipment, completion of all Services and Seller's receipt of the final payment required under the Contract. Buyer shall, at its expense, increase the amount(s), extend the validity period(s) and make other appropriate modifications to any Payment Security within ten (10) days of Seller's notification that such adjustment is necessary in connection with Buyer's obligations under the Contract.

2.3 Seller is not required to commence or continue its performance unless and until any required Payment Security is received, operative and in effect and all applicable Progress Payments have been received. For each day of delay in receiving Progress Payments or acceptable Payment Security, Seller shall be entitled to an equitable extension of the schedule. If at any time Seller reasonably determines that Buyer's financial condition or payment history does not justify continuation of Seller's performance, Seller shall be entitled to require full or partial payment in advance or otherwise restructure payments, request additional forms of Payment Security, suspend its performance or terminate the Contract.

### **3. Taxes and Duties**

Seller shall be responsible for all corporate taxes measured by net income due to performance of or payment for work under this Contract ("Seller Taxes"). Buyer shall be responsible for all taxes, duties, fees, or other charges of any nature (including, but not limited to, consumption, gross receipts, import, property, sales, stamp, turnover, use, or value-added taxes, and all items of withholding, deficiency, penalty, addition to tax, interest, or assessment related thereto, imposed by any governmental authority on Buyer or Seller or its subcontractors) in relation to the Contract or the performance of or payment for work under the Contract other than Seller Taxes ("Buyer Taxes"). The Contract Price does not include the amount of any Buyer Taxes. If Buyer deducts or withholds Buyer Taxes, Buyer shall pay additional amounts so that Seller receives the full Contract Price without reduction for Buyer Taxes. Buyer shall provide to Seller, within one month of payment, official receipts from the applicable governmental authority for deducted or withheld taxes.

### **4. Deliveries; Title Transfer; Risk of Loss; Storage**

4.1 For shipments that do not involve export, including shipments from one European Union ("EU") country to another EU country, Seller shall deliver Products to Buyer FCA Seller's facility or warehouse (Incoterms 2010). For export shipments, Seller shall deliver Products to Buyer FCA Port of Export (Incoterms 2010). Notwithstanding anything to the contrary, for any importation, Buyer shall be identified as the importer in all applicable documents. Buyer shall pay all delivery costs and charges or pay Seller's standard shipping charges plus up to twenty-five (25%) percent. Partial deliveries are permitted. Seller may deliver Products in advance of the delivery schedule. Delivery times are approximate and are dependent upon prompt receipt by Seller of all information necessary to proceed with the work without interruption. If Products delivered do not correspond in quantity, type or price to those itemized in the shipping invoice or documentation, Buyer shall so notify Seller within ten (10) days after receipt.

4.2 For shipments that do not involve export, title to Products shall pass to Buyer upon delivery in accordance with Section 4.1. For export shipments from a Seller facility or warehouse outside the U.S., title shall pass to Buyer upon delivery in accordance with Section 4.1. For shipments from the U.S. to another country, title shall pass to Buyer immediately after each item departs from the territorial land, seas and overlying airspace of the U.S. The 1982 United Nations Convention of the law of the Sea shall apply to determine the U.S. territorial seas. For all other shipments, title to Products shall pass to Buyer the earlier of (i) the port of export immediately after Products have been cleared for export or (ii) immediately after each item departs from the territorial land, seas and overlying airspace of the sending country. When Buyer arranges the export or intercommunity shipment, Buyer will provide Seller evidence of exportation or intercommunity shipment acceptable to the relevant tax and custom authorities. Notwithstanding the foregoing, Seller grants only a nonexclusive license, and does not pass title, to any Firmware and other software provided by Seller under this Contract, drawings and other documentation delivered for use of Buyer shall remain subject to ownership and/or intellectual property rights of Seller, as applicable and title to any leased equipment remains with Seller.

4.3 Risk of loss shall pass to Buyer upon delivery pursuant to Section 4.1, except that for export shipments from the U.S., risk of loss shall transfer to Buyer upon title passage.

4.4 If any Products to be delivered under this Contract or if any Buyer equipment repaired at Seller's facilities cannot be shipped to or received by Buyer or end user when ready due to any cause attributable to Buyer, its other contractors or the end user, Seller may ship the Products and equipment to a storage facility, including storage at the place of manufacture or repair, or to an agreed freight forwarder. If Seller places Products or equipment into storage, the following apply: (i) title and risk of loss immediately pass to Buyer, if they have not already passed, and delivery shall be deemed to have occurred; (ii) any amounts otherwise payable to Seller upon delivery or shipment shall be due; (iii) all expenses and charges incurred by Seller related to the storage shall be payable by Buyer upon submission of Seller's invoices; and (iv) when conditions permit and upon payment of all amounts due, Seller shall make Products and repaired equipment available to Buyer for delivery. If the Contract requires Seller to submit drawings or other documents for approval by Buyer, Buyer shall review and issue its response (either approval or disapproval with reasons for disapproval detailed) within 10 days of Seller's submittal. If Buyer fails to provide a response within 10 days, the submittal shall be deemed approved.

4.5 If repair Services are to be performed on Buyer's equipment at Seller's facility, Buyer shall be responsible for, and shall retain risk of loss of, such equipment at all times, except that Seller shall be responsible for damage to the equipment while at Seller's facility to the extent such damage is caused by Seller's negligence.

## **5. Warranty**

5.1 Seller warrants that Products shall be delivered free from defects in material, workmanship and title and that Services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications.

5.2 The warranty for Products shall expire one (1) year from first use or eighteen (18) months from delivery, whichever occurs first, except that software is warranted for ninety (90) days from delivery. The warranty for Services shall expire one (1) year after performance of the Service, except that software-related Services are warranted for ninety (90) days.

5.3 If Products or Services do not meet the above warranties, Buyer shall promptly notify Seller in writing prior to expiration of the warranty period. Seller shall (i) at its option, repair or replace defective Products and (ii) re-perform defective Services. If despite Seller's reasonable efforts, a non-conforming Product cannot be repaired or replaced, or non-conforming Services cannot be re-performed, Seller shall refund or credit monies paid by Buyer for such non-conforming Products and Services. Warranty repair, replacement or re-performance by Seller shall not extend or renew the applicable warranty period. Buyer shall obtain Seller's agreement on the specifications of any tests it plans to conduct to determine whether a non-conformance exists.

5.4 Buyer shall bear the costs of access for Seller's remedial warranty efforts (including removal and replacement of systems, structures or other parts of Buyer's facility), de-installation, decontamination, re-installation and transportation of defective Products to Seller and back to Buyer.

5.5 The warranties and remedies are conditioned upon (a) proper storage, installation (by properly certified installers or under the supervision of properly certified supervisors, if required), use, operation, and maintenance of Products, (b) Buyer keeping accurate and complete records of operation and maintenance during the warranty period and providing Seller access to those records, and (c) modification or repair of Products or Services only as authorized by Seller in writing. Failure to meet any such conditions renders the warranty null and void. Seller is not responsible for normal wear and tear.

5.6 This Article 5 provides the exclusive remedies for all claims based on failure of or defect in Products or Services, regardless of when the failure or defect arises, and whether a claim, however described, is based on contract, warranty, indemnity, tort/extra-contractual liability (including negligence), strict liability or otherwise. The warranties provided in this Article 5 are exclusive and are in lieu of all other warranties, conditions and guarantees whether written, oral, implied or statutory. NO IMPLIED OR STATUTORY WARRANTY, OR WARRANTY OR CONDITION OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE APPLIES.

## **6. Confidentiality**

6.1 Seller and Buyer (as to information disclosed, the "Disclosing Party") may each provide the other party (as to information received, the "Receiving Party") with Confidential Information in connection with this Contract. "Confidential Information" means (a) information that is designated in writing as "confidential" or "proprietary" by Disclosing Party at the time of written disclosure, and (b) information that is orally designated as "confidential" or "proprietary" by Disclosing Party at the time of oral or visual disclosure and is confirmed to be "confidential" or "proprietary" in writing within twenty (20) days after the oral or visual disclosure. In addition, prices for Products and Services shall be considered Seller's Confidential Information.

6.2 Receiving Party agrees: (i) to use the Confidential Information only in connection with the Contract and use of Products and Services, (ii) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (iii) not to disclose the Confidential Information to a competitor of Disclosing Party. Notwithstanding these restrictions, (a) Seller may disclose Confidential Information to its affiliates and subcontractors in connection with performance of the Contract, (b) a Receiving Party may disclose Confidential Information to its auditors, (c) Buyer may disclose Confidential Information to lenders as necessary for Buyer to secure or



retain financing needed to perform its obligations under the Contract, and (d) a Receiving Party may disclose Confidential Information to any other third party with the prior written permission of Disclosing Party, and in each case, only so long as the Receiving Party obtains a non-disclosure commitment from any such subcontractors, auditors, lenders or other permitted third party that prohibits disclosure of the Confidential Information and provided further that the Receiving Party remains responsible for any unauthorized use or disclosure of the Confidential Information. Receiving Party shall upon request return to Disclosing Party or destroy all copies of Confidential Information except to the extent that a specific provision of the Contract entitles Receiving Party to retain an item of Confidential Information. Seller may also retain one archive copy of Buyer's Confidential Information.

6.3 The obligations under this Article 6 shall not apply to any portion of the Confidential Information that: (i) is or becomes generally available to the public other than as a result of disclosure by Receiving Party, its representatives or its affiliates; (ii) is or becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party when the source is not, to the best of Receiving Party's knowledge, subject to a confidentiality obligation to Disclosing Party; (iii) is independently developed by Receiving Party, its representatives or affiliates, without reference to the Confidential Information; (iv) is required to be disclosed by law or valid legal process provided that the Receiving Party intending to make disclosure in response to such requirements or process shall promptly notify the Disclosing Party in advance of such disclosure and reasonably cooperate in attempts to maintain the confidentiality of the Confidential Information.

6.4 Each Disclosing Party warrants that it has the right to disclose the information that it discloses. Neither Buyer nor Seller shall make any public announcement about the Contract without prior written approval of the other party. As to any individual item of Confidential Information, the restrictions under this Article 6 shall expire five (5) years after the date of disclosure. Article 6 does not supersede any separate confidentiality or nondisclosure agreement signed by the parties.

## **7. Intellectual Property**

7.1 Seller shall defend and indemnify Buyer against any claim by a non-affiliated third party (a "Claim") alleging that Products or Services furnished under this Contract infringe a patent in effect in the U.S., an EU member state or the country of the Site (provided there is a corresponding patent issued by the U.S. or an EU member state), or any copyright or trademark registered in the country of the Site, provided that Buyer (a) promptly notifies Seller in writing of the Claim, (b) makes no admission of liability and does not take any position adverse to Seller, (c) gives Seller sole authority to control defense and settlement of the Claim, and (d) provides Seller with full disclosure and reasonable assistance as required to defend the Claim.

7.2 Section 7.1 shall not apply and Seller shall have no obligation or liability with respect to any Claim based upon (a) Products or Services that have been modified, or revised, (b) the combination of any Products or Services with other products or services when such combination is a basis of the alleged infringement, (c) failure of Buyer to implement any update provided by Seller that would have prevented the Claim, (d) unauthorized use of Products or Services, or (e) Products or Services made or performed to Buyer's specifications.

7.3 Should any Product or Service, or any portion thereof, become the subject of a Claim, Seller may at its option (a) procure for Buyer the right to continue using the Product or Service, or applicable portion thereof, (b) modify or replace it in whole or in part to make it non-infringing, or (c) failing (a) or (b), take back infringing Products or Services and refund the price received by Seller attributable to the infringing Products or Services.

7.4 Article 7 states Seller's exclusive liability for intellectual property infringement by Products and Services.

7.5 Each party shall retain ownership of all Confidential Information and intellectual property it had prior to the Contract. All rights in and to Firmware and software not expressly granted to Buyer are reserved by Seller. All new intellectual property conceived or created by Seller in the performance of this Contract, whether alone or with any contribution from Buyer, shall be owned exclusively by Seller. Buyer agrees to deliver assignment documentation as necessary to achieve that result.

## **8. Indemnity**

Each of Buyer and Seller (as an "Indemnifying Party") shall indemnify the other party (as an "Indemnified Party") from and against claims brought by a third party, on account of personal injury or damage to the third party's tangible property, to the extent caused by the negligence of the Indemnifying Party in connection with this Contract. In the event the injury or damage is caused by joint or concurrent negligence of Buyer and Seller, the loss or expense shall be borne by each party in proportion to its degree of negligence. For purposes of Seller's indemnity obligation, no part of the Products or Site is considered third party property.

## **9. Insurance**

During the term of the Contract, Seller shall maintain for its protection the following insurance coverage: (i) Worker's Compensation, Employer's Liability and other statutory insurance required by law with respect to work related injuries or disease of employees of Seller in such form(s) and amount(s) as required by applicable laws; (ii) Automobile Liability insurance with a combined single limit of

\$2,500,000.00; and (iii) Commercial General Liability or Public Liability insurance for bodily injury and property damage with a combined single limit of \$2,500,000.00. If required in the Contract, Seller shall provide a certificate of insurance reflecting such coverage.

#### **10. Excusable Events**

Seller shall not be liable or considered in breach of its obligations under this Contract to the extent that Seller's performance is delayed or prevented, directly or indirectly, by any cause beyond its reasonable control, or by armed conflict, acts or threats of terrorism, epidemics, strikes or other labor disturbances, or acts or omissions of any governmental authority or of the Buyer or Buyer's contractors or suppliers. If an excusable event occurs, the schedule for Seller's performance shall be extended by the amount of time lost by reason of the event plus such additional time as may be needed to overcome the effect of the event. If acts or omissions of the Buyer or its contractors or suppliers cause the delay, Seller shall also be entitled to an equitable price adjustment.

#### **11. Termination and Suspension**

11.1 Buyer may terminate the Contract (or the portion affected) for cause if Seller (i) becomes Insolvent/Bankrupt, or (ii) commits a material breach of the Contract which does not otherwise have a specified contractual remedy, provided that: (a) Buyer shall first provide Seller with detailed written notice of the breach and of Buyer's intention to terminate the Contract, and (b) Seller shall have failed, within 30 days after receipt of the notice, to commence and diligently pursue cure of the breach.

11.2 If Buyer terminates the Contract pursuant to Section 11.1, (i) Seller shall reimburse Buyer the difference between that portion of the Contract Price allocable to the terminated scope and the actual amounts reasonably incurred by Buyer to complete that scope, and (ii) Buyer shall pay to Seller (a) the portion of the Contract Price allocable to Products completed, (b) lease fees incurred, and (c) amounts for Services performed before the effective date of termination. The amount due for Services shall be determined in accordance with the milestone schedule (for completed milestones) and rates set forth in the Contract (for work toward milestones not yet achieved and where there is no milestone schedule), as applicable or, where there are no milestones and/or rates in the Contract, at Seller's then-current standard time and material rates.

11.3 Seller may suspend or terminate the Contract (or any affected portion thereof) immediately for cause if Buyer (i) becomes Insolvent/Bankrupt, or (ii) materially breaches the Contract, including, but not limited to, failure or delay in Buyer providing Payment Security, making any payment when due, or fulfilling any payment conditions.

11.4 If the Contract (or any portion thereof) is terminated for any reason other than Seller's default under Section 11.1, Buyer shall pay Seller for all Products completed, lease fees incurred and Services performed before the effective date of termination, plus expenses reasonably incurred by Seller in connection with the termination. The amount due for Services shall be determined in accordance with the milestone schedule (for completed milestones) and rates set forth in the Contract (for work toward milestones not yet achieved and where there is no milestone schedule), as applicable or, where there are no milestones and/or rates in the Contract, at Seller's then-current standard time and material rates. In addition, Buyer shall pay Seller a cancellation charge equal to 80% of the Contract Price applicable to uncompleted made-to-order Products and 15% of the Contract Price applicable to all other uncompleted Products or Services.

11.5 Either Buyer or Seller may terminate the Contract (or the portion affected) upon twenty (20) days advance notice if there is an excusable event (as described in Article 10) lasting longer than one hundred and twenty (120) days. In such case, Buyer shall pay to Seller amounts payable under Section 11.4, provided that Buyer's payments shall include the cancellation charge for uncompleted Products if the excusable event(s) leading to the termination included an act or omission of the Buyer or Buyer's contractors or suppliers but Buyer shall not be required to pay the cancellation charge if the excusable event(s) leading to termination did not include any act or omission of the Buyer or Buyer's contractors or suppliers.

11.6 Buyer shall pay all reasonable expenses incurred by Seller in connection with a suspension, including, but not limited to, expenses for repossession, fee collection, demobilization/remobilization, and costs of storage during suspension. The schedule for Seller's obligations shall be extended for a period of time reasonably necessary to overcome the effects of any suspension.

#### **12. Compliance with Laws and Regulations**

12.1 Seller shall comply with laws applicable to the manufacture of Products and its performance of Services. Buyer shall comply with laws applicable to the application, operation, use and disposal of the Products and Services.

12.2 Seller's obligations are conditioned upon Buyer's compliance with all U.S. and other applicable trade control laws and regulations. Buyer shall not trans-ship, re-export, divert or direct Products other than in and to the ultimate country of destination declared by Buyer and specified as the country of ultimate destination on Seller's invoice.

12.3 Notwithstanding any other provision, Buyer shall timely obtain, effectuate and maintain in force any required permit, license, exemption, filing, registration and other authorization, including, but not limited to, building and environmental permits, import licenses,

environmental impact assessments, and foreign exchange authorizations, required for the lawful performance of Services at the Site or fulfillment of Buyer's obligations, except that Seller shall obtain any license or registration necessary for Seller to generally conduct business and visas or work permits, if any, necessary for Seller's personnel. Buyer shall provide reasonable assistance to Seller in obtaining such visas and work permits.

### **13. Environmental, Health and Safety Matters**

13.1 Buyer shall maintain safe working conditions at the Site, including, without limitation, implementing appropriate procedures regarding Hazardous Materials, confined space entry, and energization and de-energization of power systems (electrical, mechanical and hydraulic) using safe and effective lock-out/tag-out ("LOTO") procedures including physical LOTO or a mutually agreed upon alternative method.

13.2 Buyer shall timely advise Seller in writing of all applicable Site-specific health, safety, security and environmental requirements and procedures. Without limiting Buyer's responsibilities under Article 13, Seller has the right but not the obligation to, from time to time, review and inspect applicable health, safety, security and environmental documentation, procedures and conditions at the Site.

13.3 If, in Seller's reasonable opinion, the health, safety, or security of personnel or the Site is, or is apt to be, imperiled by security risks, terrorist acts or threats, the presence of or threat of exposure to Hazardous Materials, or unsafe working conditions, Seller may, in addition to other rights or remedies available to it, evacuate some or all of its personnel from Site, suspend performance of all or any part of the Contract, and/or remotely perform or supervise work. Any such occurrence shall be considered an excusable event. Buyer shall reasonably assist in any such evacuation.

13.4 Operation of Buyer's equipment is the responsibility of Buyer. Buyer shall not require or permit Seller's personnel to operate Buyer's equipment at Site.

13.5 Buyer will make its Site medical facilities and resources available to Seller personnel who need medical attention.

13.6 Seller has no responsibility or liability for the pre-existing condition of Buyer's equipment or the Site. Prior to Seller starting any work at Site, Buyer will provide documentation that identifies the presence and condition of any Hazardous Materials existing in or about Buyer's equipment or the Site that Seller may encounter while performing under this Contract. Buyer shall disclose to Seller industrial hygiene and environmental monitoring data regarding conditions that may affect Seller's work or personnel at the Site. Buyer shall keep Seller informed of changes in any such conditions.

13.7 Seller shall notify Buyer if Seller becomes aware of: (i) conditions at the Site differing materially from those disclosed by Buyer, or (ii) previously unknown physical conditions at Site differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Contract. If any such conditions cause an increase in Seller's cost of, or the time required for, performance of any part of the work under the Contract, an equitable adjustment in price and schedule shall be made.

13.8 If Seller encounters Hazardous Materials in Buyer's equipment or at the Site that require special handling or disposal, Seller is not obligated to continue work affected by the hazardous conditions. In such an event, Buyer shall eliminate the hazardous conditions in accordance with applicable laws and regulations so that Seller's work under the Contract may safely proceed, and Seller shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in Seller's cost of, or time required for, performance of any part of the work. Buyer shall properly store, transport and dispose of all Hazardous Materials introduced, produced or generated in the course of Seller's work at the Site.

13.9 Buyer shall indemnify Seller for any and all claims, damages, losses, and expenses arising out of or relating to any Hazardous Materials which are or were (i) present in or about Buyer's equipment or the Site prior to the commencement of Seller's work, (ii) improperly handled or disposed of by Buyer or Buyer's employees, agents, contractors or subcontractors, or (iii) brought, generated, produced or released on Site by parties other than Seller.

### **14. Changes**

14.1 Each party may at any time propose changes in the schedule or scope of Products or Services. Seller is not obligated to proceed with any change until both parties agree upon such change in writing. The written change documentation will describe the changes in scope and schedule, and the resulting changes in price and other provisions, as agreed.

14.2 The scope, Contract Price, schedule, and other provisions will be equitably adjusted to reflect additional costs or obligations incurred by Seller resulting from a change, after Seller's proposal date, in Buyer's Site-specific requirements or procedures, or in industry specifications, codes, standards, applicable laws or regulations. However, no adjustment will be made on account of a general change in Seller's manufacturing or repair facilities resulting from a change in laws or regulations applicable to such facilities. Unless otherwise agreed by the parties, pricing for additional work arising from such changes shall be at Seller's time and material rates.

14.3 It shall be acceptable and not considered a change if Seller delivers a Product that bears a different, superseding or new part or version number compared to the part or version number listed in the Contract.

#### **15. Limitations of Liability**

15.1 The total liability of Seller for all claims of any kind arising from or related to the formation, performance or breach of this Contract, or any Products or Services, shall not exceed the (i) Contract Price, or (ii) if Buyer places multiple order(s) under the Contract, the price of each particular order for all claims arising from or related to that order and ten thousand US dollars (US \$10,000) for all claims not part of any particular order.

15.2 Seller shall not be liable for loss of profit or revenues, loss of use of equipment or systems, interruption of business, cost of replacement power, cost of capital, downtime costs, increased operating costs, any special, consequential, incidental, indirect, or punitive damages, or claims of Buyer's customers for any of the foregoing types of damages.

15.3 All Seller liability shall end upon expiration of the applicable warranty period, provided that Buyer may continue to enforce a claim for which it has given notice prior to that date by commencing an action or arbitration, as applicable under this Contract, before expiration of any statute of limitations or other legal time limitation but in no event later than one year after expiration of such warranty period.

15.4 Seller shall not be liable for advice or assistance that is not required for the work scope under this Contract.

15.5 If Buyer is supplying Products or Services to a third party, or using Products or Services at a facility owned by a third party, Buyer shall either (i) indemnify and defend Seller from and against any and all claims by, and liability to, any such third party in excess of the limitations set forth in this Article 15, or (ii) require that the third party agree, for the benefit of and enforceable by Seller, to be bound by all the limitations included in this Article 15.

15.6 For purposes of this Article 15, the term "Seller" means Seller, its affiliates, subcontractors and suppliers of any tier, and their respective employees. The limitations in this Article 15 shall apply regardless of whether a claim is based in contract, warranty, indemnity, tort/extra-contractual liability (including negligence), strict liability or otherwise, and shall prevail over any conflicting terms, except to the extent that such terms further restrict Seller's liability.

#### **16. Governing Law and Dispute Resolution**

16.1 This Contract shall be governed by and construed in accordance with the laws of (i) the State of New York if Buyer's place of business is in the U.S. or (ii) England if the Buyer's place of business is outside the U.S., in either case without giving effect to any choice of law rules that would cause the application of laws of any other jurisdiction (the "Governing Law"). If the Contract includes the sale of Products and the Buyer is outside the Seller's country, the United Nations Convention on Contracts for the International Sale of Goods shall apply.

16.2 All disputes arising in connection with this Contract, including any question regarding its existence or validity, shall be resolved in accordance with this Article 16. If a dispute is not resolved by negotiations, either party may, by giving written notice, refer the dispute to a meeting of appropriate higher management, to be held within twenty (20) business days after the giving of notice. If the dispute is not resolved within thirty (30) business days after the giving of notice, or such later date as may be mutually agreed, either party may commence arbitration or court proceedings, depending upon the location of the Buyer, in accordance with the following:

(a) if the Buyer's pertinent place of business is in the U.S, legal action shall be commenced in federal court with jurisdiction applicable to, or state court located in, either Cobb County, Georgia or the location of Buyer's principal place of business; or (b) if the Buyer's pertinent place of business is outside the U.S., the dispute shall be submitted to and finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce ("ICC"). The number of arbitrators shall be one, selected in accordance with the ICC rules, unless the amount in dispute exceeds the equivalent of U.S. \$5,000,000, in which event it shall be three. When three arbitrators are involved, each party shall appoint one arbitrator, and those two shall appoint the third within thirty (30) days, who shall be the Chairman. If the two arbitrators are unable to agree upon the third, upon request of either Buyer or Seller, the President of the ICC shall appoint the third. The seat, or legal place, of arbitration, shall be London, England. The arbitration shall be conducted in English. In reaching their decision, the arbitrators shall give full force and effect to the intent of the parties as expressed in the Contract, and if a solution is not found in the Contract, shall apply the governing law of the Contract. The decision of the arbitrator(s) shall be final and binding upon both parties, and neither party shall seek recourse to a law court or other authority to appeal for revisions of the decision.

16.3 Notwithstanding the foregoing, each party shall have the right at any time, at its option and where legally available, to immediately commence an action or proceeding in a court of competent jurisdiction, subject to the terms of this Contract, to seek a restraining order, injunction, or similar order to enforce the confidentiality provisions set forth in Article 6 and/or the nuclear use restrictions set forth in Section 19.1, or to seek interim or conservatory measures. Monetary damages shall only be available in accordance with Section 16.2.



**17. Inspection and Factory Tests**

Seller will apply its normal quality control procedures in manufacturing Products and perform any factory tests in accordance with Seller's standard procedures. Seller shall attempt to accommodate requests by Buyer to witness Seller's factory tests of Products, subject to appropriate access restrictions, if such witnessing can be arranged without delaying the work. Travel and living expenses of Buyer personnel to witness such tests shall be borne by Buyer.

**18. Firmware, Software, Leased Equipment, Remote Diagnostic Services, PCB Services**

Seller grants Buyer a nonexclusive license to use Firmware solely in connection with use of the Product for which the Firmware is provided by Seller. Buyer shall not sublicense, assign, or otherwise transfer the license to use the Firmware to any third party, except with that specific Product and to the extent such transfer is not otherwise restricted by the Contract. If Seller provides any software to Buyer other than Firmware, the Software License Addendum shall apply. If Seller leases any of Seller's equipment or provides related Services to Buyer, including placing Seller's equipment at Buyer's site to provide remote Services, the Lease Addendum shall apply. If Seller provides remote diagnostic services to Buyer, the Remote Diagnostic Services Addendum shall apply. If Seller provides PCB Services to Buyer, the PCB Services Addendum shall apply. If there is any conflict between these "Terms and Conditions for the Sale of Products and Services, Form ES 104" and the terms of any addendum incorporated pursuant to this Article 18, the terms of the addendum shall take precedence with respect to the applicable scope.

**19. General Clauses**

19.1 Products and Services sold by Seller are not intended for use in connection with any nuclear facility or activity, and Buyer warrants that it shall not use or permit others to use Products or Services for such purposes, without the advance written consent of Seller. If, in breach of this, any such use occurs, Seller (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, and, in addition to any other rights of Seller, Buyer shall indemnify and hold Seller (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability. Consent of Seller to any such use, if any, will be conditioned upon additional terms and conditions that Seller determines to be acceptable for protection against nuclear liability.

19.2 Seller may assign or novate its rights and obligations under the Contract, in whole or in part, to any of its affiliates or may assign any of its accounts receivable under this Contract to any party without Buyer's consent. Buyer agrees to execute any documents that may be necessary to complete Seller's assignment or novation. Seller may subcontract portions of the work, so long as Seller remains responsible for it. The delegation or assignment by Buyer of any or all of its rights or obligations under the Contract without Seller's prior written consent (which consent shall not be unreasonably withheld) shall be void.

19.3 Buyer shall notify Seller immediately upon any change in ownership of more than fifty percent (50%) of Buyer's voting rights or of any controlling interest in Buyer. If Buyer fails to do so or Seller objects to the change, Seller may (a) terminate the Contract, (b) require Buyer to provide adequate assurance of performance (including but not limited to payment), and/or (c) put in place special controls regarding Seller's Confidential Information.

19.4 If any Contract provision is found to be void or unenforceable, the remainder of the Contract shall not be affected. The parties will endeavor to replace any such void or unenforceable provision with a new provision that achieves substantially the same practical and economic effect and is valid and enforceable.

19.5 The following Articles shall survive termination or cancellation of the Contract: 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, 13, 15, 16, 18, 19 and 20.

19.6 The Contract represents the entire agreement between the parties. No oral or written representation or warranty not contained in this Contract shall be binding on either party. Buyer's and Seller's rights, remedies and obligations arising from or related to Products and Services sold under this Contract are limited to the rights, remedies and obligations stated in this Contract. No modification, amendment, rescission or waiver shall be binding on either party unless agreed in writing.

19.7 Except as provided in Article 15 (Limitations of Liability) and in Section 19.1 (no nuclear use), this Contract is only for the benefit of the parties, and no third party shall have a right to enforce any provision of this Contract, whether under the English Contracts (Rights of Third Parties) Act of 1999 or otherwise.

19.8 This Contract may be signed in multiple counterparts that together shall constitute one agreement.

**20. US Government Contracts**

20.1 This Article 20 applies only if the Contract is for the direct or indirect sale to any agency of the U.S. government and/or is funded in whole or in part by any agency of the U.S. government.

20.2 Buyer agrees that all Products and Services provided by Seller meet the definition of "commercial-off-the-shelf" ("COTS") or "commercial item" as those terms are defined in Federal Acquisition Regulation ("FAR") 2.101. To the extent the Buy American Act, Trade Agreements Act, or other domestic preference requirements are applicable to this Contract, the country of origin of Products is unknown unless otherwise specifically stated by Seller in this Contract. Buyer agrees any Services offered by Seller are exempt from the Service Contract Act of 1965 (FAR 52.222-41). Buyer represents and agrees that this Contract is not funded in whole or in part by American Recovery Reinvestment Act funds unless otherwise specifically stated in the Contract. The version of any applicable FAR clause listed in this Article 20 shall be the one in effect on the effective date of this Contract.

20.3 If Buyer is an agency of the U.S. Government, then as permitted by FAR 12.302, Buyer agrees that all paragraphs of FAR 52.212-4 (except those listed in 12.302(b)) are replaced with these Terms and Conditions. Buyer further agrees the subparagraphs of FAR 52.212-5 apply only to the extent applicable for sale of COTS and/or commercial items and as appropriate for the Contract Price.

20.4 If Buyer is procuring the Products or Services as a contractor, or subcontractor at any tier, on behalf of any agency of the U.S. Government, then Buyer agrees that FAR 52.212-5(e) or 52.244-6 (whichever is applicable) applies only to the extent applicable for sale of COTS and/or commercial items and as appropriate for the Contract Price.

July 17, 2024  
23-1473.01

Chris McArthur  
Electric Superintendent  
City of Sturgis  
130 North Nottawa Street  
Sturgis, MI. 49091

**RE: State Line Substation  
69kV VEE Switches  
Bid Evaluation & Recommendation**

Dear Chris:

GRP Engineering, Inc. has completed reviewing the bids submitted on June 10, 2024 for the State Line Substation 69kV VEE Switches. Of the three suppliers solicited for bids, three (3) bids were received. ELUS, representing Pascor Atlantic, submitted the low bid for the project in the amount of \$48,867.00. A complete bid tabulation is attached to this letter. ELUS has submitted a complete and conforming bid.

<u>Contractor</u>	<u>Bid Price</u>	
ELUS	\$48,867.00	<i>Low Bid</i>
HEK	\$139,818.00	
Technology Intern.	\$71,778.00	

GRP Engineering, Inc. sees no reason not to accept ELUS' bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,  
**GRP Engineering, Inc.**



Nicholas Winsemius  
Project Engineer

# BID TABULATION

## 69kV VEE Switch

**OWNER:**  
City of Sturgis  
206 E. West Street  
Sturgis, MI 49091

**ENGINEER:**  
GRP ENGINEERING, INC.  
3300 Eagle Run Dr. NE Ste 101  
Grand Rapids, MI 49525

Bidder	Manufacturer	Base Bid Price	QTY	TOTAL COST	LEAD TIME (ARO)	REMARKS
ELUS	Pascor Atlantic	\$6,981.00	7	\$48,867.00	48-50 WKS	LOW BID
HEK	Southern States	\$19,974.00	7	\$139,818.00	40-42 WKS	
Technology International	Cleveland Price	\$10,254.00	7	\$71,778.00	96 WKS	

This is to certify that at 4:00p.m., local time on Monday, June 10, 2024, the bids tabulated herein were publicly opened and read.

GRP Engineering, Inc.



Nicholas Winsemius

# Estimate Response Form Report

5/15/2024 7:06:27 AM



Pascor Atlantic, Corp.  
254 Industry Drive  
Bland Va 24315  
USA

(276) 688-3328

Customer: 10111A

Prospect:

ESTIMATING

Phone:

Fax:

Estimate	Terms	Quote Date	Expiration Date	Salesperson	Customer Currency
ELS2400113	NET 30	5/15/2024	6/14/2024	ELS	USD
Quantity		Item	Unit Price		Extended Price
7.000			6,981.00000		
EA		069FAS2V			48,867.00
		069 KV FAS2V 1200 AMP W SH			

69 KV, (72.5 MAX. KV) 350 KV BIL, 1200 AMP, 61 KA MOM  
3-POLE, GANG OPERATED, PASCOR ATLANTIC  
TYPE FAS-2V ALUMINUM CENTER VEE BREAK SWITCH  
UPRIGHT MOUNTING  
ARCING HORNS  
TIN PLATED TERMINAL PADS  
LEVELING SCREWS  
POSITION INDICATORS  
SWINGHANDLE OPERATING MECHANISM

INSULATORS: TR-216, STANDARD STRENGTH, CREEP, AND COLOR, WITH 3" B.C. TOP AND BOTTOM INCLUDED  
IN PRICE AND ASSEMBLED, (6) PER SWITCH.

# Estimate Response Form Report

5/15/2024 7:06:27 AM



ESTIMATING

Phone:

Fax:

Estimate	Terms	Quote Date	Expiration Date	Salesperson	Customer Currency
ELS2400113	NET 30	5/15/2024	6/14/2024	ELS	USD

## Bid Validity

Due to the volatility of metal prices and fuel surcharge, Pascor Atlantic's bid validity is 30 days.

## Freight Terms

Due to the volatility of fuel pricing, freight for all orders will be prepaid and added. This supersedes Pascor Atlantic's current Terms & Conditions.

## Lead-times

The following lead-times are based on receipt of complete information when order is placed and are subject to prior sale.

48-50 Weeks after receipt of order and drawings for approval. Approval drawings will be issued four weeks after receipt of order.

Lead-times include two weeks for customer to return approval drawings.

## Comments/Clarifications

- The proposal was prepared in accordance with description sent with RFQ.
- Support Structures are not included. Structure drawings need to be sent with the purchase order or within two week of purchase order or lead-time may be affected.
- A drawing packet will be supplied with each switch at shipment along with an instruction manual. Only 2D approval drawings will be submitted via email. Binders/CDS will not be mailed out.
- Terminal Connectors, ground mats or outriggers are not included.
- Payment terms are 100 % NET 30 days.
- Due to current material availability and pricing fluctuations Pascor Atlantic will not accept any Liquidated Damages.
- Pascor Atlantic reserves the right to review pricing for escalation or de-escalation 60 days prior to shipment. This is based on raw material fluctuation due to the hyperinflation economic conditions.
- Pascor Atlantic is not responsible for any taxes, these are the responsibility of the Customer.
- Pascor Atlantic will not provide Security Bonds of any type or Letters of Credit.
- Pascor Atlantic will not accept Milestone or Progress Payments. Payment terms are 100 % NET 30 days.

## Commercial Comments

1. Terms and Conditions are attached.
2. The following information is required when order is placed:
  - Customer's Purchase Order with full description of equipment
  - Structure Drawings with the following details
  - Duplicate Serial Number if applicable, or reference previous Pascor Atlantic Drawings.
  - Drawing Transmittal Information
  - Engineers Contact Information
  - Street Addresses and/or Mailing
3. Prices quoted reflect the supply of equipment specifically described. Any material or engineering requirements in addition to those indicated at the time of this inquiry may result in pricing modifications. Quoted prices are valid for minimum quantities quoted. Reduced order quantities may result in price increase.
4. Approval and/or Record Drawings will be submitted in AutoCAD.DWG format.
5. For Field Service rates for 2025, please contact Jeremy Moore at 276-688-2237.

If you have any questions on this proposal, please contact me at 276-688-2216.

Thank you for this opportunity to serve you!

Tim Cook

Supervisor of Sales and Design

# Estimate Response Form Report

5/15/2024 7:06:27 AM



Pascor Atlantic, Corp.  
254 Industry Drive  
Bland Va 24315  
USA

(276) 688-3328

Customer: 10111A

Prospect:

ESTIMATING

Phone:

Fax:

Estimate	Terms	Quote Date	Expiration Date	Salesperson	Customer Currency
ELS2400113	NET 30	5/15/2024	6/14/2024	ELS	USD

Sale Amount: 48,867.00

Order Disc( 0.0000%): 0.00

Surcharge: N/A

Sales Tax: 0.00

Misc Charges: 0.00

Total Amount: 48,867.00

PLEASE REMIT TO: PASCOR ATLANTIC CORPORATION '  
GA 30384-6124

PO BOX 406124 ' ATLANTA,

**City of Sturgis  
City Commission  
Regular Meeting**

**Agenda Item 10B**





## 2.7 MICHIGAN AVENUE LIFT STATION

Station Name	Wet Well	Discharge Piping	Pumps	Valve Chamber	Valves	Bypass	Generator	Telemetry & Controls	Site	Building
Michigan	G	G	G	G	F	G	-	G	F	F

E = Excellent/New; G = Good; F = Fair; P = Poor; V = Very Poor; - = Not Applicable

### 1. General Description

- Location: 1001 Michigan Avenue
- Operated by DPS staff, alarm telemetered to the Diesel Plant
- Age: Originally built in 1941 as pneumatic ejector station; converted to submersible station prior to 1995
- Setting: Residential area
- Configuration: Duplex submersible pumps in converted pneumatic ejector station
- Force main: 4 inch CIP
- The Burr Oak force main can be diverted (typically when plugged) to the collection system feeding Michigan Street Lift Station



### 2. Recommendations

- Sand blast clean and paint piping and valves
- Provide signage asking public to call a phone number when the red flashing light is active
- Rework electrical inside building to be Class I, Div. 1

### 3. Wet Well

- Wet well is 8 ft x 8 ft x 20 ft deep
- Concrete walls and top in good condition
- Concrete coated inside with bituminous waterproof coating
- Access hatches in good condition
- Pump discharge piping in good condition

Pump No.	Manufacturer	Model	Design Capacity	Hp	Condition	Run Time
1	ABS	AF30-6EX	150 gpm @ 36 ft TDH	4	Good	4,700 hr
2	ABS	AF30-6EX	150 gpm @ 36 ft TDH	4	Good	6,300 hr

### 4. Valve Chamber

- Valve chamber is 6 ft x 4 ft x 7 ft deep
- Concrete walls and top in good condition
- Check and isolation valves in fair condition
- Valves exercised annually
- Bypass connection installed
- Valve chamber piping in fair condition

### 5. Electrical and Instrumentation

- Electrical service: 240VAC, 3 phase
- Electrical service in good condition
- Pump controls & instrumentation in good condition

- Some electrical inside the building is not in compliance with the current electrical code (NEC Class I, Div. 1)
- Pump controls: Ultrasonic level sensing transducer and proprietary pump controller, one float switch
- Alarm/telemetry system: Visual alarm light, alarm telemetry to Diesel Plant
- Generator receptacle is provided

#### 6. Building and Site

- Site in fair condition, maintained by the City
- No noticeable odors
- Fenced site

#### 7. Michigan Avenue Lift Station Photos



*Wet Well*



*Valve Chamber*



*Control Panel*



*Wet Well Structure*



May 29, 2024

Tom Sikorski, Director of Public Services  
City of Sturgis  
130 N. Nottawa  
Sturgis, Michigan 49091

**RE: City of Sturgis, Michigan  
DBIA Agreement Between Owner and Design-Builder  
Michigan Avenue Pump Station Replacement**

Dear Mr. Sikorski:

Enclosed for your approval is the DBIA Standard Form of Agreement Between Owner and Design-Builder for the Michigan Avenue Pump Station Replacement project.

The Design Phase fees, shown in Exhibit C- Step 1 | Design, will be authorized upon agreement execution. Exhibit C- Step 2 | Construction Phase will be completed after trade contractor bids are received and selections are made in conjunction with the City.

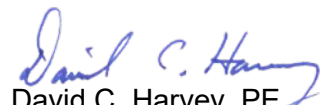
Other items within the Agreement that will be updated after bids are received include:


- Article 5.2.1- Substantial Completion days.
- Article 6.6.1.2 Design-Builder Contingency Allowance and Allowance adjustment upon substantial completion.
- Article 11:
  - Exhibit C- Step 2 | Construction fees
  - Exhibit D- Conformed to Contract Documents
  - Performance and Payment Bonds
  - Certificate of Insurance

Please call us if you have any questions or need further clarification.

Sincerely,

F&V CONSTRUCTION

  
David C. Harvey, PE  
Sr. Engineer Manager

  
Robert W. Wilcox, PE  
Vice President



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# **STANDARD FORM OF AGREEMENT BETWEEN OWNER AND DESIGN- BUILDER - COST PLUS FEE WITH AN OPTION FOR A GUARANTEED MAXIMUM PRICE**

**May 2024**

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## **Document No. 530**

Second Edition 2010  
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Washington, DC

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# Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price

*This document has important legal consequences. Consultation with  
an attorney is recommended with respect to its completion or modification.*

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This **AGREEMENT** is made as of the \_\_\_\_\_ day of \_\_\_\_\_  
in the year of 2024, by and between the following parties, for services in connection with the Project  
identified below:

**OWNER:**

*(Name and address)*

**City of Sturgis  
130 N. Nottawa  
Sturgis, Michigan 49091**

**DESIGN-BUILDER:**

*(Name and address)*

**F&V Construction  
2960 Lucerne Drive SE  
Grand Rapids, Michigan 49546**

**PROJECT:**

**Michigan Avenue Pump Station Replacement**

The pump station address is 1001 Michigan Avenue, located in the southwest corner of the intersection of  
Michigan Avenue and Grand Avenue, in Sturgis, Michigan.

In consideration of the mutual covenants and obligations contained herein, Owner and Design-Builder  
agree as set forth herein.

## **Article 1**

### **Scope of Work**

**1.1** Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and reasonably inferable from the Contract Documents. Based on the Program- Scope of Project, provided in Exhibit B, the Design-Builder shall prepare design development drawings in consultation with Owner and solicit Trade Contractors and/or Suppliers so that Design-Builder is able to prepare drawings for the project which are not less than 90% completed. Owner shall compensate Design-Builder for all costs associated with the preparation of these drawings. The Owner and Design-Builder shall thereafter mutually set a Guaranteed Maximum Price utilizing Trade Contractor and/or Supplier pricing after the drawings are 90% complete, after the receipt of Trade Contractor and/or Supplier pricing and after the value engineering process.

## **Article 2**

### **Contract Documents**

**2.1** The Contract Documents are comprised of the following:

**2.1.1** All written modifications, amendments, minor changes, and Change Orders to this Agreement issued in accordance with DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2010 Edition) ("General Conditions of Contract");

**2.1.2** The GMP Exhibit referenced in Section 6.6.1.1 herein or, if applicable, the GMP Proposal accepted by Owner in accordance with Section 6.6.2 herein;

**2.1.3** This Agreement, including all exhibits (List for example, performance standard requirements, performance incentive arrangements, markup exhibits, allowances, unit prices, or exhibit detailing offsite reimbursable personnel) but excluding, if applicable, the GMP Exhibit;

**2.1.4** The General Conditions of Contract; and

**2.1.5** Construction Documents prepared and approved in accordance with Section 2.4 of the General Conditions of Contract.

## **Article 3**

### **Interpretation and Intent**

**3.1** Design-Builder and Owner, prior to execution of the Agreement (and again, if applicable, at the time of acceptance of the GMP Proposal by Owner in accordance with Section 6.6.2 hereof), shall carefully review all the Contract Documents, including the various documents comprising the Basis of Design Documents, for any conflicts or ambiguities. Design-Builder and Owner will discuss and resolve any identified conflicts or ambiguities prior to execution of the Agreement or, if applicable, prior to Owner's acceptance of the GMP Proposal.

**3.2** The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry



standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents are discovered after execution of the Agreement, or if applicable, after Owner's acceptance of the GMP Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof.

**3.3** Terms, words and phrases used in the Contract Documents, including this Agreement, shall have the meanings given them in the General Conditions of Contract.

**3.4** If Owner's Project Criteria contain design specifications: (a) Design-Builder shall be entitled to reasonably rely on the accuracy of the information represented in such design specifications and their compatibility with other information set forth in Owner's Project Criteria, including any design or performance specifications; and (b) Design-Builder shall be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by such inaccurate design specification.

**3.5** The Contract Documents form the entire agreement between Owner and Design-Builder and by incorporation herein are as fully binding on the parties as if repeated herein. No oral representations or other agreements have been made by the parties except as specifically stated in the Contract Documents.

## **Article 4**

### **Ownership of Work Product**

**4.1 Work Product.** All drawings, specifications and other documents and electronic data, including such documents identified in the General Conditions of Contract, furnished by Design-Builder to Owner under this Agreement ("Work Product") are deemed to be instruments of service and Design-Builder shall retain the ownership and property interests therein, including but not limited to any intellectual property rights, copyrights and/or patents, subject to the provisions set forth in Sections 4.2 through 4.5 below.

**4.2 Owner's Limited License upon Project Completion and Payment in Full to Design-Builder.** Upon Owner's payment in full for all Work performed under the Contract Documents, Design-Builder shall grant Owner a limited license to use the Work Product in connection with Owner's occupancy of the Project, conditioned on Owner's express understanding that its alteration of the Work Product without the involvement of Design-Builder is at Owner's sole risk and without liability or legal exposure to Design-Builder or anyone working by or through Design-Builder, including Design Consultants of any tier (collectively the "Indemnified Parties"), and on the Owner's obligation to provide the indemnity set forth in Section 4.5 below.

**4.3 Owner's Limited License upon Owner's Termination for Convenience or Design-Builder's Election to Terminate.** If Owner terminates this Agreement for its convenience as set forth in Article 8 hereof, or if Design-Builder elects to terminate this Agreement in accordance with Section 11.4 of the General Conditions of Contract, Design-Builder shall, upon Owner's payment in full of the amounts due Design-Builder under the Contract Documents, grant Owner a limited license to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights as set forth in Section 4.2 above, conditioned on the following:

**4.3.1** Use of the Work Product is at Owner's sole risk without liability or legal exposure to any Indemnified Party, and on the Owner's obligation to provide the indemnity set forth in Section 4.5 below, and

**4.3.2** Owner agrees to pay Design-Builder for all costs incurred to date plus a 4% mark-up as compensation for the right to use the Work Product to complete the Project and subsequently use

the Work Product in accordance with Section 4.2 if Owner resumes the Project through its employees, agents, or third parties.

**4.4** Not used.

**4.5 Owner's Indemnification for Use of Work Product.** Pursuant to Section 4.3 above, the Owner is required to indemnify any Indemnified Parties based on the use or alteration of the Work Product under any of the circumstances identified in this Article 4, Owner shall defend, indemnify and hold harmless such Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use or alteration of the Work Product.

## **Article 5**

### **Contract Time**

**5.1 Date of Commencement.** The Work shall commence within five (5) days of Design-Builder's receipt of Owner's Notice to Proceed ("Date of Commencement") unless the parties mutually agree otherwise in writing.

**5.2 Substantial Completion and Final Completion.**

**5.2.1** Substantial Completion of the entire Work shall be achieved no later than \_\_\_\_\_ (\_\_\_\_\_) calendar days after the Date of Commencement ("Scheduled Substantial Completion Date").

The parties agree that the definition for Substantial Completion set forth in Section 1.2.18 of the General Conditions of Contract is hereby modified to read as follows:

*"Substantial Completion* is the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes."

**5.2.2** Not Used

**5.2.3** Final Completion of the Work or identified portions of the Work shall be achieved as expeditiously as reasonably practicable. Final Completion is the date when all Work is complete pursuant to the definition of Final Completion set forth in Section 1.2.7 of the General Conditions of Contract.

**5.2.4** All of the dates set forth in this Article 5 (collectively the "Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract.

## **Article 6**

### **Contract Price**

#### **6.1 Contract Price.**

**6.1.1** Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") equal to Design-Builder's Fee (as defined in Section 6.2 hereof) plus the Cost of the Work (as defined in Section 6.3 hereof), and any adjustments made in accordance with the General Conditions of Contract.

**6.1.2** For the specific Work set forth below, Owner agrees to pay Design-Builder, as part of the Contract Price, on the following basis:

Design-Builder shall invoice work progress monthly based on percent completed of the various tasks. See Exhibit C for design fees, and development of a Guaranteed Maximum Price. The Owner shall not withhold retainage on Step 1- Design phase services.

#### **6.1.3 Force Majeure**

Neither party shall be held liable or responsible to the other party nor be deemed to have defaulted under or breached this Agreement for failure or delay in fulfilling or performing any obligation under this Agreement when such failure or delay is caused by or results from causes beyond the reasonable control of the affected party, including but not limited to fire, floods, epidemics, pandemics, embargoes, war, acts of war, insurrections, riots, strikes, lockouts or other labor disturbances, or acts of God, including, but not limited to, any event that is declared to be a State of Emergency by a regulatory entity; abnormal weather conditions, acts or neglect by utility owners or other contractors performing work on the project provided, however, that the party so affected shall use reasonable commercial efforts to avoid or remove such causes of nonperformance, and shall continue performance hereunder with reasonable dispatch whenever such causes are removed. Either party shall provide the other party with prompt written notice of any delay or failure to perform that occurs by reason of force majeure. Design-Builder reserves the right to submit to Owner, as well as, shall be entitled to, additional compensation for increased labor and/or material costs due to an event that is considered a force majeure event.

#### **6.2 Design-Builder's Fee.**

**6.2.1** Design-Builder's Fee shall be:

☒ \_\_\_\_\_ Eight and one half \_\_\_\_\_ percent ( 8.50 %) of the Cost of the Work, as adjusted in accordance with Section 6.2.2 below.

**6.2.2** Design-Builder's Fee will be adjusted as follows for any changes in the Work:

**6.2.2.1** For additive Change Orders, including additive Change Orders arising from both additive and deductive items, it is agreed that Design-Builder shall receive a Fee of \_\_\_\_\_ Eight and one half \_\_\_\_\_ percent ( 8.50 %) of the additional Costs of the Work incurred for that Change Order.

**6.2.2.2** For deductive Change Orders, including deductive Change Orders arising from both additive and deductive items, the deductive amounts shall be in accordance with Section 6.6.3. – Savings.

**6.3 Cost of the Work.** The term Cost of the Work shall mean costs reasonably and actually incurred by Design-Builder in the proper performance of the Work. The Cost of the Work shall include only the following:

**6.3.1** Wages of direct employees of Design-Builder performing the Work at the Site or, with Owner's agreement, at locations off the Site; provided, however, that the costs for those employees of Design-Builder performing design services shall be calculated on the basis of prevailing market rates for design professionals performing such services or, if applicable, those rates set forth in an exhibit to this Agreement.

**6.3.2** Wages or salaries of Design-Builder's supervisory and administrative personnel engaged in the performance of the Work and who are located at the Site or working off-Site to assist in the production or transportation of material and equipment necessary for the Work.

**6.3.3** Wages or salaries of Design-Builder's personnel stationed at Design-Builder's principal or branch offices, but only to the extent said personnel are engaged in the performance of the Work.

**6.3.4** Costs incurred by Design-Builder for employee benefits, premiums, taxes, insurance, contributions and assessments required by law, collective bargaining agreements, or which are customarily paid by Design-Builder, to the extent such costs are based on wages and salaries paid to employees of Design-Builder covered under Sections 6.3.1 through 6.3.3 hereof.

**6.3.5** The reasonable portion of the cost of travel, accommodations and meals for Design-Builder's personnel necessarily and directly incurred in connection with the performance of the Work.

**6.3.6** Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants.

**6.3.7** Costs incurred by Design-Builder in repairing or correcting defective, damaged or nonconforming Work (including any warranty or corrective Work performed after Substantial Completion), provided that such Work was beyond the reasonable control of Design-Builder, or caused by the ordinary mistakes or inadvertence, and not the negligence, of Design-Builder or those working by or through Design-Builder. If the costs associated with such Work are recoverable from insurance, Subcontractors or Design Consultants, Design-Builder shall exercise its best efforts to obtain recovery from the appropriate source and provide a credit to Owner if recovery is obtained.

**6.3.8** Costs, including transportation, inspection, testing, storage and handling, of materials, equipment and supplies incorporated or reasonably used in completing the Work.

**6.3.9** Costs (less salvage value) of materials, supplies, temporary facilities, machinery, equipment and hand tools not customarily owned by the workers that are not fully consumed in the performance of the Work and which remain the property of Design-Builder, including the costs of transporting, inspecting, testing, handling, installing, maintaining, dismantling and removing such items.

**6.3.10** Costs of removal of debris and waste from the Site.

**6.3.11** The reasonable costs and expenses incurred in establishing, operating and demobilizing the Site office, including the cost of internet service, postage and express delivery charges, telephone service, photocopying and reasonable petty cash expenses.

**6.3.12** Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand

tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work.

**6.3.13** Premiums for insurance and bonds required by this Agreement or the performance of the Work.

**6.3.14** All fuel and utility costs incurred in the performance of the Work.

**6.3.15** Sales, use or similar taxes, tariffs or duties incurred in the performance of the Work.

**6.3.16** Legal costs, court costs and costs of mediation and arbitration reasonably arising from Design-Builder's performance of the Work, provided such costs do not arise from disputes between Owner and Design-Builder.

**6.3.17** Costs for permits, royalties, licenses, tests and inspections incurred by Design-Builder as a requirement of the Contract Documents.

**6.3.18** The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent.

**6.3.19** Deposits which are lost, except to the extent caused by Design-Builder's negligence.

**6.3.20** Costs incurred in preventing damage, injury or loss in case of an emergency affecting the safety of persons and property.

**6.3.21** Accounting and data processing costs related to the Work.

**6.3.22** Other costs reasonably and properly incurred in the performance of the Work to the extent approved in writing by Owner.

#### **6.4 Allowance Items and Allowance Values.**

**6.4.1** Any and all Allowance Items, as well as their corresponding Allowance Values, are set forth in the GMP Exhibit or GMP Proposal and are included within the GMP.

**6.4.2** Design-Builder and Owner have worked together to review the Allowance Items and Allowance Values based on design information then available to determine that the Allowance Values constitute reasonable estimates for the Allowance Items. Design-Builder and Owner will continue working closely together during the preparation of the design to develop Construction Documents consistent with the Allowance Values. Nothing herein is intended in any way to constitute a guarantee by Design-Builder that the Allowance Item in question can be performed for the Allowance Value.

**6.4.3** Not Used

**6.4.4** The Allowance Value for an Allowance Item includes the direct cost of labor, materials, equipment, transportation, taxes and insurance associated with the applicable Allowance Item. All other costs, including design fees, Design-Builder's overall project management and general conditions costs, overhead and fee, are deemed to be included in the original Contract Price, and are not subject to adjustment, regardless of the actual amount of the Allowance Item.

**6.4.5** Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 6.4.4. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

## **6.5 Non-Reimbursable Costs.**

### **6.5.1** The following shall not be deemed as costs of the Work:

**6.5.1.1** Compensation for Design-Builder's personnel stationed at Design-Builder's principal or branch offices, except as provided for in Sections 6.3.1, 6.3.2 and 6.3.3 hereof.

**6.5.1.2** Overhead and general expenses, except as provided for in Section 6.3 hereof, or which may be recoverable for changes to the Work or Force Majeure events.

**6.5.1.3** The cost of Design-Builder's capital used in the performance of the Work.

**6.5.1.4** Not Used

## **6.6 The Guaranteed Maximum Price ("GMP").**

### **6.6.1 GMP Established Upon Execution of this Agreement.**

**6.6.1.1** Not Used.

**6.6.1.2** The GMP includes a Design-Builder Contingency Allowance in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) which is available for Design-Builder's exclusive use for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. Change Order eligible costs are to be allocated from the Owner allocated project Contingency.

By way of example, and not as a limitation, such costs that are not the basis for a Change Order may include:

(a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) insurance deductibles, such as builder's risk, and others; or (g) those Delays to the Work events that result in an extension of the Contract Time but do not result in an increase in the Contract Price such as delays in the performance of the Work due to Force Majeure, acts, omissions, conditions, events, or circumstances beyond Design-Builder's control, (h) those events under Section 8.2.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price.

The Design-Builder Contingency Allowance is not available to Owner for any reason, including, but not limited to changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner notice of all anticipated charges against the Contingency, and shall provide Owner as part of the monthly status report required by Section 2.1.2 of the General Conditions of Contract an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months. Design-Builder agrees that with respect to any expenditure from the Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for said costs, then said recovery will be credited back to the Contingency.

Upon reaching Substantial Completion, any excess greater than \$ \_\_\_\_\_ of Design-Builders Contingency Allowance may be released to the Owner for change order items. Prior to the release of any available excess Contingency, the Shared Savings will be

calculated in accordance with the provisions of Article 6.6.3.1 and shall be reserved. Final Savings amount shall be determined and paid at the time of Final Warranty Completion.

## **6.6.2 GMP Established after Execution of this Agreement.**

**6.6.2.1 GMP Proposal.** Design-Builder shall submit a GMP Proposal to Owner which shall include the following, unless the parties mutually agree otherwise:

**6.6.2.1.1** A proposed GMP, which shall be the sum of:

- i. Design-Builder's Fee as defined in Section 6.2.1 hereof;
- ii. The estimated Cost of the Work as defined in Section 6.3 hereof, inclusive of any Design-Builder's Contingency as defined in Section 6.6.1.2 hereof; and
- iii. If applicable, any prices established under Section 6.1.2 hereof.

**6.6.2.1.2** The Basis of Design Documents, which may include, by way of example, Owner's Project Criteria, which are set forth in detail and are attached to the GMP Proposal;

**6.6.2.1.3** A list of the assumptions and clarifications made by Design-Builder in the preparation of the GMP Proposal, which list is intended to supplement the information contained in the drawings and specifications and is specifically included as part of the Basis of Design Documents;

**6.6.2.1.4** The Scheduled Substantial Completion Date upon which the proposed GMP is based, to the extent said date has not already been established under Section 5.2.1 hereof, and a schedule upon which the Scheduled Substantial Completion Date is based;

**6.6.2.1.5** If applicable, a list of Allowance Items, Allowance Values, and a statement of their basis;

**6.6.2.1.6** If applicable, a schedule of alternate prices;

**6.6.2.1.7** If applicable, a schedule of unit prices;

**6.6.2.1.8** If applicable, a statement of Additional Services which may be performed but which are not included in the GMP and which, if performed, shall be the basis for an increase in the GMP and/or Contract Time(s); and

**6.6.2.1.9** The time limit for acceptance of the GMP Proposal.

**6.6.2.2 Review and Adjustment to GMP Proposal.** After submission of the GMP Proposal, Design-Builder and Owner shall meet to discuss and review the GMP Proposal. If Owner has any comments regarding the GMP Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If appropriate, Design-Builder shall, upon receipt of Owner's notice, make appropriate adjustments to the GMP Proposal.

**6.6.2.3 Acceptance of GMP Proposal.** If Owner accepts the GMP Proposal, as may be amended by Design-Builder, the GMP and its basis shall be set forth in an amendment to this Agreement.

**6.6.2.4** Failure to Accept the GMP Proposal. If Owner rejects the GMP Proposal, or fails to notify Design-Builder in writing on or before the date specified in the GMP Proposal that it accepts the GMP Proposal, the GMP Proposal shall be deemed withdrawn and of no effect. In such event, Owner and Design-Builder shall meet and confer as to how the Project will proceed, with Owner having the following options:

**6.6.2.4.1** Owner may suggest modifications to the GMP Proposal, whereupon, if such modifications are accepted in writing by Design-Builder, the GMP Proposal shall be deemed accepted and the parties shall proceed in accordance with Section 6.6.2.3 above;

**6.6.2.4.2** Owner may authorize Design-Builder to continue to proceed with the Work on the basis of reimbursement as provided in Section 6.1 hereof without a GMP, in which case all references in this Agreement to the GMP shall not be applicable; or

**6.6.2.4.3** Owner may terminate this Agreement for convenience in accordance with Article 8 hereof.

**6.6.2.4.4** Owner may request Design-Builder to seek other Contractors to bid the project. Design-Builder shall provide budgets to the Owner to complete the design, obtain the bids and monitor the construction.

If Owner fails to exercise any of the above options, Design-Builder shall have the right to (i) continue with the Work as if Owner had elected to proceed in accordance with Item 6.6.2.4.2 above, and be paid by Owner accordingly, unless and until Owner notifies it in writing to stop the Work, or (ii) suspend performance of Work in accordance with Section 11.3.1 of the General Conditions of Contract, provided, however, that in such event Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof.

### **6.6.3 Savings.**

**6.6.3.1** If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 6.1.2 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") shall be shared as follows: 80% to the Owner and 20% of savings to Design-Builder.

**6.6.3.2** Savings shall be calculated and paid as part of Final Payment under Section 7.3 hereof, with the understanding that to the extent Design-Builder incurs costs after Final Completion which would have been payable to Design-Builder as a Cost of the Work, the parties shall recalculate the Savings in light of the costs so incurred, and Design-Builder shall be paid by Owner accordingly.

## **6.7 Performance Incentives**

### **6.7.1 Not Used**



## **Article 7**

### **Procedure for Payment**

#### **7.1 Progress Payments.**

**7.1.1** Design-Builder shall submit to Owner by the first Tuesday of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

**7.1.2** Owner shall make payment within ten (10) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

**7.1.3** If Design-Builder's Fee under Section 6.2.1 hereof is a fixed amount, the amount of Design-Builder's Fee to be included in Design-Builder's monthly Application for Payment and paid by Owner shall be proportional to the percentage of the Work completed, less payments previously made on account of Design-Builder's Fee.

#### **7.2 Retainage on Progress Payments.**

**7.2.1** Owner will retain \_\_\_\_\_ Ten \_\_\_\_\_ percent ( 10 %) of each Application for Payment provided for Step 2 work, however, that when fifty percent (50%) of the Work has been satisfactorily completed by Design-Builder and Design-Builder is otherwise in compliance with its contractual obligations, Owner will not retain any additional retention amounts from Design-Builder's subsequent Applications for Payment. Owner will also reasonably consider reducing retainage for Subcontractors completing their work early in the Project. Owner will not retain any amounts for work completed in Step 1- Design Phase Services.

**7.2.2** Within thirty (30) days after Substantial Completion of the entire Work or, if applicable, any portion of the Work, pursuant to Section 6.6 of the General Conditions of Contract, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to: (a) the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion; and (b) all other amounts Owner is entitled to withhold pursuant to Section 6.3 of the General Conditions of Contract.

**7.3 Final Payment.** Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment (less any amount the parties may have agreed to set aside for warranty work) within ten (10) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

**7.4 Interest.** Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing five (5) days after payment is due at the rate of 0.583% per month until paid.

**7.5 Record Keeping and Finance Controls.** Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to individual trade contract Costs of the Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time-to-time, upon reasonable notice,

Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the Work, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by the Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, with the composition of such multiplier or markup not being subject to audit.

## **Article 8**

### **Termination for Convenience**

**8.1** Upon ten (10) days' written notice to Design-Builder, Owner may, for its convenience and without cause, elect to terminate this Agreement. In such event, Owner shall pay Design-Builder for the following:

**8.1.1** All Work executed and for proven loss, cost or expense in connection with the Work;

**8.1.2** The reasonable costs and expenses attributable to such termination, including demobilization costs and amounts due in settlement of terminated contracts with Subcontractors and Design Consultants; and

**8.1.3** Overhead and profit in the amount of eight and one half percent (8.5 %) on the sum of items 8.1.1 and 8.1.2 above.

**8.2** In addition to the amounts set forth in Section 8.1 above, Design-Builder shall be entitled to receive one of the following as applicable:

**8.2.1** If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid four percent (4.0 %) of the remaining balance of the Contract Price, provided, however, that if a GMP has not been established, the above percentage shall be applied to the remaining balance of the most recent estimated Contract Price.

**8.2.2** If Owner terminates this Agreement after commencement of construction, Design-Builder shall be paid four percent (4.0 %) of the remaining balance of the Contract Price, provided, however, that if a GMP has not been established, the above percentage shall be applied to the remaining balance of the most recent estimated Contract Price.

**8.3** If Owner terminates this Agreement pursuant to Section 8.1 above and proceeds to design and construct the Project through its employees, agents or third parties, Owner's rights to use the Work Product shall be as set forth in Section 4.3 hereof. Such rights may not be transferred or assigned to others without Design-Builder's express written consent and such third parties' agreement to the terms of Article 4.

## **Article 9**

### **Representatives of the Parties**

#### **9.1 Owner's Representatives.**

**9.1.1** Owner designates the individual listed below as its Senior Representative ("Owner Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

**Andrew Kuk, City Manager  
130 N. Nottawa  
Sturgis, Michigan 49091  
(269) 659-7223**

**9.1.2** Owner designates the individual listed below as its Owner's Representative, which individual has the authority and responsibility set forth in Section 3.4 of the General Conditions of Contract:

**Tom Sikorski, Director of Public Services  
130 N. Nottawa  
Sturgis, Michigan 49091  
(269) 651-2879**

#### **9.2 Design-Builder's Representatives.**

**9.2.1** Design-Builder designates the individual listed below as its Senior Representative ("Design-Builder's Senior Representative"), which individual has the authority and responsibility for avoiding and resolving disputes under Section 10.2.3 of the General Conditions of Contract:

**John DeVol, P.E., President, or his designate  
2060 Lucerne Drive SE  
Grand Rapids, Michigan 49546  
(616) 977-1000**

**9.2.2** Design-Builder designates the individual listed below as its Design-Builder's Representative, which individual has the authority and responsibility set forth in Section 2.1.1 of the General Conditions of Contract:

**Robert Wilcox, P.E., Vice President, or his designate  
2060 Lucerne Drive SE  
Grand Rapids, Michigan 49546  
(616) 977-1000**

## **Article 10**

### **Bonds and Insurance**

**10.1 Insurance.** Design-Builder and Owner shall procure the insurance coverages set forth in the Insurance Exhibit attached hereto and in accordance with Article 5 of the General Conditions of Contract.

**10.2 Bonds and Other Performance Security.** Design-Builder shall provide the following performance bond and labor and material payment bond or other performance security:

**Performance Bond.**

☒ Required

☐ Not Required

**Payment Bond.**

☒ Required

☐ Not Required

## **Article 11**

### **Other Provisions**

**11.1 Other provisions, if any, are as follows:**

**11.1.1 Exhibits**

A. Not Used

B. Scope of Project

C. Step 1- Design

Step 2- Construction

D. CTC Documents, prepared by Fleis & VandenBrink Engineering

E. Insurance Requirements & Limitations

**11.1.2 Performance & Payment Bonds**

**11.1.3 Certificate of Insurance**

**11.1.4 Typical Certificate of Substantial Completion**

In executing this Agreement, Owner and Design-Builder each individually represents that it has the necessary financial resources to fulfill its obligations under this Agreement, and each has the necessary corporate approvals to execute this Agreement, and perform the services described herein.

**OWNER:**

City of Sturgis  
(Name of Owner)

\_\_\_\_\_  
(Signature)

Andrew Kuk  
(Printed Name)

City Manager  
(Title)

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

**DESIGN-BUILDER:**

F&V Construction  
(Name of Design-Builder)

Robert W. Wilcox  
(Signature)

Robert W. Wilcox, PE  
(Printed Name)

Vice President  
(Title)

Date: 5/29/24



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# **STANDARD FORM OF GENERAL CONDITIONS OF CONTRACT BETWEEN OWNER AND DESIGN-BUILDER**

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## **Document No. 535**

Second Edition, 2010

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Washington, DC

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# **Article 1**

## **General**

### **1.1 Mutual Obligations**

**1.1.1** *Owner and Design-Builder* commit at all times to cooperate fully with each other, and proceed on the basis of trust and good faith, to permit each party to realize the benefits afforded under the Contract Documents.

### **1.2 Basic Definitions**

**1.2.1** *Agreement* refers to the executed contract between Owner and Design-Builder under either DBIA Document No. 525, *Standard Form of Agreement Between Owner and Design-Builder - Lump Sum* (2010 Edition) or DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price* (2010 Edition).

**1.2.2** *Basis of Design Documents* are as follows: For DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*, the Basis of Design Documents are those documents specifically listed in, as applicable, the GMP Exhibit or GMP Proposal as being the "Basis of Design Documents." For DBIA Document No. 525, *Standard Form of Agreement Between Owner and Design-Builder – Lump Sum*, the Basis of Design Documents are the Owner's Project Criteria, Design-Builder's Proposal and the Deviation List, if any.

**1.2.3** *Construction Documents* are the documents, consisting of Drawings and Specifications, to be prepared or assembled by the Design-Builder consistent with the Basis of Design Documents unless a deviation from the Basis of Design Documents is specifically set forth in a Change Order executed by both the Owner and Design-Builder, as part of the design review process contemplated by Section 2.4 of these General Conditions of Contract.

**1.2.4** *Day or Days* shall mean calendar days unless otherwise specifically noted in the Contract Documents.

**1.2.5** *Design-Build Team* is comprised of the Design-Builder, the Design Consultant, and key Subcontractors identified by the Design-Builder.

**1.2.6** *Design Consultant* is a qualified, licensed design professional who is not an employee of Design-Builder, but is retained by Design-Builder, or employed or retained by anyone under contract with Design-Builder, to furnish design services required under the Contract Documents. A Design Sub-Consultant is a qualified, licensed design professional who is not an employee of the Design Consultant, but is retained by the Design Consultant or employed or retained by anyone under contract to Design Consultant, to furnish design services required under the Contract Documents.

**1.2.7** *Final Completion* is the date on which all Work is complete in accordance with the Contract Documents, including but not limited to, any items identified in the punch list prepared under Section 6.6.1 and the submission of all documents set forth in Section 6.7.2.

**1.2.8** *Force Majeure Events* are those events that are beyond the control of both Design-Builder and Owner, including the events of war, floods, labor disputes, earthquakes, epidemics, adverse weather conditions not reasonably anticipated, and other acts of God.

**1.2.9** *General Conditions of Contract* refer to this DBIA Document No. 535, *Standard Form of General Conditions of Contract Between Owner and Design-Builder* (2010 Edition).

**1.2.10** *GMP Exhibit* means that exhibit attached to DBIA Document No. 530, *Standard Form of*

*Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*, which exhibit will have been agreed upon by Owner and Design-Builder prior to the execution of the Agreement.

**1.2.11** *GMP Proposal* means that proposal developed by Design-Builder in accordance with Section 6.6 of DBIA Document No. 530, *Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*.

**1.2.12** *Hazardous Conditions* are any materials, wastes, substances and chemicals deemed to be hazardous under applicable Legal Requirements, or the handling, storage, remediation, or disposal of which are regulated by applicable Legal Requirements.

**1.2.13** *Legal Requirements* are all applicable federal, state and local laws, codes, ordinances, rules, regulations, orders and decrees of any government or quasi-government entity having jurisdiction over the Project or Site, the practices involved in the Project or Site, or any Work.

**1.2.14** *Owner's Project Criteria* are developed by or for Owner to describe Owner's program requirements and objectives for the Project, including use, space, price, time, site and expandability requirements, as well as submittal requirements and other requirements governing Design-Builder's performance of the Work. Owner's Project Criteria may include conceptual documents, design criteria, design performance specifications, design specifications, and LEED® or other sustainable design criteria and other Project-specific technical materials and requirements.

**1.2.15** *Site* is the land or premises on which the Project is located.

**1.2.16** *Subcontractor* is any person or entity retained by Design-Builder as an independent contractor to perform a portion of the Work and shall include materialmen and suppliers.

**1.2.17** *Sub-Subcontractor* is any person or entity retained by a Subcontractor as an independent contractor to perform any portion of a Subcontractor's Work and shall include materialmen and suppliers.

**1.2.18** *Substantial Completion* or *Substantially Complete* means the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes.

**1.2.19** *Work* is comprised of all Design-Builder's design, construction and other services required by the Contract Documents, including procuring and furnishing all materials, equipment, services and labor reasonably inferable from the Contract Documents.

## **Article 2**

### **Design-Builder's Services and Responsibilities**

#### **2.1 General Services.**

**2.1.1** Design-Builder's Representative shall be reasonably available to Owner and shall have the necessary expertise and experience required to supervise the Work. Design-Builder's Representative shall communicate regularly with Owner and shall be vested with the authority to act on behalf of Design-Builder. Design-Builder's Representative may be replaced only with the mutual agreement of Owner and Design-Builder.

**2.1.2** Design-Builder shall provide Owner with a monthly status report detailing the progress of



the Work, including (i) whether the Work is proceeding according to schedule, (ii) whether discrepancies, conflicts, or ambiguities exist in the Contract Documents that require resolution, (iii) whether health and safety issues exist in connection with the Work; (iv) status of the contingency account to the extent provided for in the Standard Form of Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price; and (v) other items that require resolution so as not to jeopardize Design-Builder's ability to complete the Work for the Contract Price and within the Contract Time(s).

**2.1.3** Unless a schedule for the execution of the Work has been attached to the Agreement as an exhibit at the time the Agreement is executed, Design-Builder shall prepare and submit, at least three (3) days prior to the meeting contemplated by Section 2.1.4 hereof, a schedule for the execution of the Work for Owner's review and response. The schedule shall indicate the dates for the start and completion of the various stages of Work, including the dates when Owner information and approvals are required to enable Design-Builder to achieve the Contract Time(s). The schedule shall be revised as required by conditions and progress of the Work, but such revisions shall not relieve Design-Builder of its obligations to complete the Work within the Contract Time(s), as such dates may be adjusted in accordance with the Contract Documents. Owner's review of, and response to, the schedule shall not be construed as relieving Design-Builder of its complete and exclusive control over the means, methods, sequences and techniques for executing the Work.

**2.1.4** The parties will meet within seven (7) days after execution of the Agreement to discuss issues affecting the administration of the Work and to implement the necessary procedures, including those relating to submittals and payment, to facilitate the ability of the parties to perform their obligations under the Contract Documents.

## **2.2 Design Professional Services.**

**2.2.1** Design-Builder shall, consistent with applicable state licensing laws, provide through qualified, licensed design professionals employed by Design-Builder, or procured from qualified, independent licensed Design Consultants, the necessary design services, including architectural, engineering and other design professional services, for the preparation of the required drawings, specifications and other design submittals to permit Design-Builder to complete the Work consistent with the Contract Documents. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Design Consultant.

## **2.3 Standard of Care for Design Professional Services.**

**2.3.1** The standard of care for all design professional services performed to execute the Work shall be the care and skill ordinarily used by members of the design profession practicing under similar conditions at the same time and locality of the Project.

## **2.4 Design Development Services.**

**2.4.1** Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through the design process set forth in this Section 2.4.1. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided

to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

**2.4.2** Design-Builder shall submit to Owner Construction Documents setting forth in detail drawings and specifications describing the requirements for construction of the Work. The Construction Documents shall be consistent with the latest set of interim design submissions, as such submissions may have been modified in a design review meeting and recorded in the meetings minutes. The parties shall have a design review meeting to discuss, and Owner shall review and approve, the Construction Documents in accordance with the procedures set forth in Section 2.4.1 above. Design-Builder shall proceed with construction in accordance with the approved Construction Documents and shall submit one set of approved Construction Documents to Owner prior to commencement of construction.

**2.4.3** Owner's review and approval of interim design submissions, meeting minutes, and the Construction Documents is for the purpose of mutually establishing a conformed set of Contract Documents compatible with the requirements of the Work. Neither Owner's review nor approval of any interim design submissions, meeting minutes, and Construction Documents shall be deemed to transfer any design liability from Design-Builder to Owner.

**2.4.4** To the extent not prohibited by the Contract Documents or Legal Requirements, Design-Builder may prepare interim design submissions and Construction Documents for a portion of the Work to permit construction to proceed on that portion of the Work prior to completion of the Construction Documents for the entire Work.

## **2.5 Legal Requirements.**

**2.5.1** Design-Builder shall perform the Work in accordance with all Legal Requirements and shall provide all notices applicable to the Work as required by the Legal Requirements.

**2.5.2** The Contract Price and/or Contract Time(s) shall be adjusted to compensate Design-Builder for the effects of any changes in the Legal Requirements enacted after the date of the Agreement affecting the performance of the Work, or if a Guaranteed Maximum Price is established after the date of the Agreement, the date the parties agree upon the Guaranteed Maximum Price. Such effects may include, without limitation, revisions Design-Builder is required to make to the Construction Documents because of changes in Legal Requirements.

## **2.6 Government Approvals and Permits.**

**2.6.1** Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project.

**2.6.2** Design-Builder shall provide reasonable assistance to Owner in obtaining those permits, approvals and licenses that are Owner's responsibility.

## **2.7 Design-Builder's Construction Phase Services.**

**2.7.1** Unless otherwise provided in the Contract Documents to be the responsibility of Owner or a separate contractor, Design-Builder shall provide through itself or Subcontractors the necessary supervision, labor, inspection, testing, start-up, material, equipment, machinery, temporary utilities and other temporary facilities to permit Design-Builder to complete construction of the Project consistent with the Contract Documents.

**2.7.2** Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-

Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

**2.7.3** Design-Builder shall employ only Subcontractors who are duly licensed and qualified to perform the Work consistent with the Contract Documents. Owner may reasonably object to Design-Builder's selection of any Subcontractor, provided that the Contract Price and/or Contract Time(s) shall be adjusted to the extent that Owner's decision impacts Design-Builder's cost and/or time of performance.

**2.7.4** Design-Builder assumes responsibility to Owner for the proper performance of the Work of Subcontractors and any acts and omissions in connection with such performance. Nothing in the Contract Documents is intended or deemed to create any legal or contractual relationship between Owner and any Subcontractor or Sub-Subcontractor, including but not limited to any third-party beneficiary rights.

**2.7.5** Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption.

**2.7.6** Design-Builder shall keep the Site reasonably free from debris, trash and construction wastes to permit Design-Builder to perform its construction services efficiently, safely and without interfering with the use of adjacent land areas. Upon Substantial Completion of the Work, or a portion of the Work, Design-Builder shall remove all debris, trash, construction wastes, materials, equipment, machinery and tools arising from the Work or applicable portions thereof to permit Owner to occupy the Project or a portion of the Project for its intended use.

## **2.8 Design-Builder's Responsibility for Project Safety.**

**2.8.1** Design-Builder recognizes the importance of performing the Work in a safe manner so as to prevent damage, injury or loss to (i) all individuals at the Site, whether working or visiting, (ii) the Work, including materials and equipment incorporated into the Work or stored on-Site or off-Site, and (iii) all other property at the Site or adjacent thereto. Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs related to the performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

**2.8.2** Design-Builder and Subcontractors shall comply with all Legal Requirements relating to safety, as well as any Owner-specific safety requirements set forth in the Contract Documents, provided that such Owner-specific requirements do not violate any applicable Legal Requirement. Design-Builder will immediately report in writing any safety-related injury, loss, damage or accident arising from the Work to Owner's Representative and, to the extent mandated by Legal Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

**2.8.3** Design-Builder's responsibility for safety under this Section 2.8 is not intended in any way to relieve Subcontractors and Sub-Subcontractors of their own contractual and legal obligations and responsibility for (i) complying with all Legal Requirements, including those related to health and safety matters, and (ii) taking all necessary measures to implement and monitor all safety precautions and programs to guard against injuries, losses, damages or accidents resulting from

their performance of the Work.

## **2.9 Design-Builder's Warranty.**

**2.9.1** Design-Builder warrants to Owner that the construction, including all materials and equipment furnished as part of the construction, shall be new unless otherwise specified in the Contract Documents, of good quality, in conformance with the Contract Documents and free of defects in materials and workmanship. Design-Builder's warranty obligation excludes defects caused by abuse, alterations, or failure to maintain the Work in a commercially reasonable manner. Nothing in this warranty is intended to limit any manufacturer's warranty which provides Owner with greater warranty rights than set forth in this Section 2.9 or the Contract Documents. Design-Builder will provide Owner with all manufacturers' warranties upon Substantial Completion.

## **2.10 Correction of Defective Work.**

**2.10.1** Design-Builder agrees to correct any Work that is found to not be in conformance with the Contract Documents, including that part of the Work subject to Section 2.9 hereof, within a period of one year from the date of Substantial Completion of the Work or any portion of the Work, or within such longer period to the extent required by any specific warranty included in the Contract Documents.

**2.10.2** Design-Builder shall, within seven (7) days of receipt of written notice from Owner that the Work is not in conformance with the Contract Documents, take meaningful steps to commence correction of such nonconforming Work, including the correction, removal or replacement of the nonconforming Work and any damage caused to other parts of the Work affected by the nonconforming Work. If Design-Builder fails to commence the necessary steps within such seven (7) day period, Owner, in addition to any other remedies provided under the Contract Documents, may provide Design-Builder with written notice that Owner will commence correction of such nonconforming Work with its own forces. If Owner does perform such corrective Work, Design-Builder shall be responsible for all reasonable costs incurred by Owner in performing such correction. If the nonconforming Work creates an emergency requiring an immediate response, the seven (7) day period identified herein shall be deemed inapplicable.

**2.10.3** The one-year period referenced in Section 2.10.1 above applies only to Design-Builder's obligation to correct nonconforming Work and is not intended to constitute a period of limitations for any other rights or remedies Owner may have regarding Design-Builder's other obligations under the Contract Documents.

# **Article 3**

## **Owner's Services and Responsibilities**

### **3.1 Duty to Cooperate.**

**3.1.1** Owner shall, throughout the performance of the Work, cooperate with Design-Builder and perform its responsibilities, obligations and services in a timely manner to facilitate Design-Builder's timely and efficient performance of the Work and so as not to delay or interfere with Design-Builder's performance of its obligations under the Contract Documents.

**3.1.2** Owner shall provide timely reviews and approvals of interim design submissions and Construction Documents consistent with the turnaround times set forth in Design-Builder's schedule.

**3.1.3** Owner shall give Design-Builder timely notice of any Work that Owner notices to be

defective or not in compliance with the Contract Documents.

### **3.2 Furnishing of Services and Information.**

**3.2.1** Unless expressly stated to the contrary in the Contract Documents, Owner shall provide, at its own cost and expense, for Design-Builder's information and use the following, all of which Design-Builder is entitled to rely upon in performing the Work:

**3.2.1.1** Surveys describing the property, boundaries, topography and reference points for use during construction, including existing service and utility lines;

**3.2.1.2** Geotechnical studies describing subsurface conditions, and other surveys describing other latent or concealed physical conditions at the Site;

**3.2.1.3** Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use, or necessary to permit the proper design and construction of the Project and enable Design-Builder to perform the Work;

**3.2.1.4** A legal description of the Site;

**3.2.1.5** To the extent available, record drawings of any existing structures at the Site; and

**3.2.1.6** To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including Hazardous Conditions, in existence at the Site.

**3.2.2** Owner is responsible for securing and executing all necessary agreements with adjacent land or property owners that are necessary to enable Design-Builder to perform the Work. Owner is further responsible for all costs, including attorneys' fees, incurred in securing these necessary agreements.

### **3.3 Financial Information.**

**3.3.1** At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents.

**3.3.2** Design-Builder shall cooperate with the reasonable requirements of Owner's lenders or other financial sources. Notwithstanding the preceding sentence, after execution of the Agreement Design-Builder shall have no obligation to execute for Owner or Owner's lenders or other financial sources any documents or agreements that require Design-Builder to assume obligations or responsibilities greater than those existing obligations Design-Builder has under the Contract Documents.

### **3.4 Owner's Representative.**

**3.4.1** Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.

### **3.5 Government Approvals and Permits.**

**3.5.1** Owner shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees set forth in the Owner's Permit List attached as an exhibit to the Agreement.

**3.5.2** Owner shall provide reasonable assistance to Design-Builder in obtaining those permits, approvals and licenses that are Design-Builder's responsibility.

### **3.6 Owner's Separate Contractors.**

**3.6.1** Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control. Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents.

## **Article 4**

### **Hazardous Conditions and Differing Site Conditions**

#### **4.1 Hazardous Conditions.**

**4.1.1** Unless otherwise expressly provided in the Contract Documents to be part of the Work, Design-Builder is not responsible for any Hazardous Conditions encountered at the Site. Upon encountering any Hazardous Conditions, Design-Builder will stop Work immediately in the affected area and duly notify Owner and, if required by Legal Requirements, all government or quasi-government entities with jurisdiction over the Project or Site.

**4.1.2** Upon receiving notice of the presence of suspected Hazardous Conditions, Owner shall take the necessary measures required to ensure that the Hazardous Conditions are remediated or rendered harmless. Such necessary measures shall include Owner retaining qualified independent experts to (i) ascertain whether Hazardous Conditions have actually been encountered, and, if they have been encountered, (ii) prescribe the remedial measures that Owner must take either to remove the Hazardous Conditions or render the Hazardous Conditions harmless.

**4.1.3** Design-Builder shall be obligated to resume Work at the affected area of the Project only after Owner's expert provides it with written certification that (i) the Hazardous Conditions have been removed or rendered harmless and (ii) all necessary approvals have been obtained from all government and quasi-government entities having jurisdiction over the Project or Site.

**4.1.4** Design-Builder will be entitled, in accordance with these General Conditions of Contract, to an adjustment in its Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance have been adversely impacted by the presence of Hazardous Conditions.

**4.1.5** To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal or remediation of Hazardous Conditions at the Site.

**4.1.6** Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for

whose acts they may be liable. To the fullest extent permitted by law, Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

## **4.2 Differing Site Conditions.**

**4.2.1** Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition.

**4.2.2** Upon encountering a Differing Site Condition, Design-Builder shall provide prompt written notice to Owner of such condition, which notice shall not be later than fourteen (14) days after such condition has been encountered. Design-Builder shall, to the extent reasonably possible, provide such notice before the Differing Site Condition has been substantially disturbed or altered.

# **Article 5**

## **Insurance and Bonds**

### **5.1 Design-Builder's Insurance Requirements.**

**5.1.1** Design-Builder is responsible for procuring and maintaining the insurance for the coverage amounts all as set forth in the Insurance Exhibit to the Agreement. Coverage shall be secured from insurance companies authorized to do business in the state in which the Project is located, and with a minimum rating set forth in the Agreement.

**5.1.2** Design-Builder's insurance shall specifically delete any design-build or similar exclusions that could compromise coverages because of the design-build delivery of the Project.

**5.1.3** Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Design-Builder with reasonable promptness according to the Design-Builder's information and belief.

### **5.2 Owner's Liability Insurance.**

**5.2.1** Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located such liability insurance as set forth in the Insurance Exhibit to the Agreement to protect Owner from claims which may arise from the performance of Owner's obligations under the Contract Documents or Owner's conduct during the course of the Project.

### **5.3 Owner's Property Insurance.**

**5.3.1** Unless otherwise provided in the Contract Documents, Owner shall procure and maintain from insurance companies authorized to do business in the state in which the Project is located property insurance upon the entire Project to the full insurable value of the Project, including professional fees, overtime premiums and all other expenses incurred to replace or repair the insured property. The property insurance obtained by Owner shall be the broadest coverage commercially available, and shall include as additional insureds the interests of Owner, Design-Builder, Design Consultants and Subcontractors of any tier. Such insurance shall include but not be limited to the perils of fire and extended coverage, theft, vandalism, malicious mischief, collapse, flood, earthquake, debris removal and other perils or causes of loss as called for in the Contract Documents. The property insurance shall include physical loss or damage to the Work, including materials and equipment in transit, at the Site or at another location as may be indicated in Design-Builder's Application for Payment and approved by Owner. The Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.1.

**5.3.2** Not used.

**5.3.3** Prior to Design-Builder commencing any Work, Owner shall provide Design-Builder with certificates evidencing that (i) all Owner's insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect until Design-Builder has completed all of the Work and has received final payment from Owner and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Design-Builder. Owner's property insurance shall not lapse or be canceled if Owner occupies a portion of the Work pursuant to Section 6.6.3 hereof. Owner shall provide Design-Builder with the necessary endorsements from the insurance company prior to occupying a portion of the Work.

**5.3.4** Any loss covered under Owner's property insurance shall be adjusted with Owner and Design-Builder and made payable to both of them as trustees for the insureds as their interests may appear, subject to any applicable mortgage clause. All insurance proceeds received as a result of any loss will be placed in a separate account and distributed in accordance with such agreement as the interested parties may reach. Any disagreement concerning the distribution of any proceeds will be resolved in accordance with Article 10 hereof.

**5.3.5** Owner and Design-Builder waive against each other and Owner's separate contractors, Design Consultants, Subcontractors, agents and employees of each and all of them, all damages covered by property insurance provided herein, except such rights as they may have to the proceeds of such insurance. Design-Builder and Owner shall, where appropriate, require similar waivers of subrogation from Owner's separate contractors, Design Consultants and Subcontractors and shall require each of them to include similar waivers in their contracts. These waivers of subrogation shall not contain any restriction or limitation that will impair the full and complete extent of its applicability to any person or entity unless agreed to in writing prior to the execution of this Agreement.

### **5.4 Bonds and Other Performance Security.**

**5.4.1** If Owner requires Design-Builder to obtain performance and labor and material payment bonds, or other forms of performance security, the amount, form and other conditions of such security shall be as set forth in the Agreement.

**5.4.2** All bonds furnished by Design-Builder shall be in a form satisfactory to Owner. The surety shall be a company qualified and registered to conduct business in the state in which the Project is located.



## **Article 6**

### **Payment**

#### **6.1 Schedule of Values.**

**6.1.1** Unless required by the Owner upon execution of this Agreement, within ten (10) days of execution of the Agreement, Design-Builder shall submit for Owner's review and approval a schedule of values for all of the Work. The Schedule of Values will (i) subdivide the Work into its respective parts, (ii) include values for all items comprising the Work and (iii) serve as the basis for monthly progress payments made to Design-Builder throughout the Work.

**6.1.2** The Owner will timely review and approve the schedule of values so as not to delay the submission of the Design-Builder's first application for payment. The Owner and Design-Builder shall timely resolve any differences so as not to delay the Design-Builder's submission of its first application for payment.

#### **6.2 Monthly Progress Payments.**

**6.2.1** On or before the date established in the Agreement, Design-Builder shall submit for Owner's review and approval its Application for Payment requesting payment for all Work performed as of the date of the Application for Payment. The Application for Payment shall be accompanied by all supporting documentation required by the Contract Documents and/or established at the meeting required by Section 2.1.4 hereof.

**6.2.2** The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) Owner is satisfied that the equipment and materials are suitably stored at either the Site or another acceptable location, (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances.

**6.2.3** All discounts offered by Subcontractor, Sub-Subcontractors and suppliers to Design-Builder for early payment shall accrue one hundred percent to Design-Builder to the extent Design-Builder advances payment. Unless Owner advances payment to Design-Builder specifically to receive the discount, Design-Builder may include in its Application for Payment the full undiscounted cost of the item for which payment is sought.

**6.2.4** The Application for Payment shall constitute Design-Builder's representation that the Work described herein has been performed consistent with the Contract Documents, has progressed to the point indicated in the Application for Payment, and that title to all Work will pass to Owner free and clear of all claims, liens, encumbrances, and security interests upon the incorporation of the Work into the Project, or upon Design-Builder's receipt of payment, whichever occurs earlier.

#### **6.3 Withholding of Payments.**

**6.3.1** On or before the date established in the Agreement, Owner shall pay Design-Builder all amounts properly due. If Owner determines that Design-Builder is not entitled to all or part of an Application for Payment as a result of Design-Builder's failure to meet its obligations hereunder, it will notify Design-Builder in writing at least five (5) days prior to the date payment is due. The notice shall indicate the specific amounts Owner intends to withhold, the reasons and contractual basis for the withholding, and the specific measures Design-Builder must take to rectify Owner's concerns. Design-Builder and Owner will attempt to resolve Owner's concerns prior to the date payment is due. If the parties cannot resolve such concerns, Design-Builder may pursue its rights under the Contract Documents, including those under Article 10 hereof.

**6.3.2** Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay

Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

#### **6.4 Right to Stop Work and Interest.**

**6.4.1** If Owner fails to pay timely Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

#### **6.5 Design-Builder's Payment Obligations.**

**6.5.1** Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

#### **6.6 Substantial Completion.**

**6.6.1** Design-Builder shall notify Owner when it believes the Work, or to the extent permitted in the Contract Documents, a portion of the Work, is Substantially Complete. Within five (5) days of Owner's receipt of Design-Builder's notice, Owner and Design-Builder will jointly inspect such Work to verify that it is Substantially Complete in accordance with the requirements of the Contract Documents. If such Work is Substantially Complete, Owner shall prepare and issue a Certificate of Substantial Completion that will set forth (i) the date of Substantial Completion of the Work or portion thereof, (ii) the remaining items of Work that have to be completed before final payment, (iii) provisions (to the extent not already provided in the Contract Documents) establishing Owner's and Design-Builder's responsibility for the Project's security, maintenance, utilities and insurance pending final payment, and (iv) an acknowledgment that warranties commence to run on the date of Substantial Completion, except as may otherwise be noted in the Certificate of Substantial Completion.

**6.6.2** Upon Substantial Completion of the entire Work or, if applicable, any portion of the Work, Owner shall release to Design-Builder all retained amounts relating, as applicable, to the entire Work or completed portion of the Work, less an amount equal to the reasonable value of all remaining or incomplete items of Work as noted in the Certificate of Substantial Completion.

**6.6.3** Owner, at its option, may use a portion of the Work which has been determined to be Substantially Complete, provided, however, that (i) a Certificate of Substantial Completion has been issued for the portion of Work addressing the items set forth in Section 6.6.1 above, (ii) Design-Builder and Owner have obtained the consent of their sureties and insurers, and to the extent applicable, the appropriate government authorities having jurisdiction over the Project, and (iii) Owner and Design-Builder agree that Owner's use or occupancy will not interfere with Design-Builder's completion of the remaining Work.

#### **6.7 Final Payment.**

**6.7.1** After receipt of a Final Application for Payment from Design-Builder, Owner shall make final payment by the time required in the Agreement, provided that Design-Builder has achieved Final Completion.

**6.7.2** At the time of submission of its Final Application for Payment, Design-Builder shall provide the following information:

**6.7.2.1** An affidavit that there are no claims, obligations or liens outstanding or

unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in connection with the Work which will in any way affect Owner's interests;

**6.7.2.2** A general release executed by Design-Builder waiving, upon receipt of final payment by Design-Builder, all claims, except those claims previously made in writing to Owner and remaining unsettled at the time of final payment;

**6.7.2.3** Consent of Design-Builder's surety, if any, to final payment;

**6.7.2.4** All operating manuals, warranties and other deliverables required by the Contract Documents; and

**6.7.2.5** Certificates of insurance confirming that required coverages will remain in effect consistent with the requirements of the Contract Documents.

**6.7.3** Upon making final payment, Owner waives all claims against Design-Builder except claims relating to (i) Design-Builder's failure to satisfy its payment obligations, if such failure affects Owner's interests, (ii) Design-Builder's failure to complete the Work consistent with the Contract Documents, including defects appearing after Substantial Completion and (iii) the terms of any special warranties required by the Contract Documents.

**6.7.4** Deficiencies in the Work discovered after Substantial Completion, whether or not such deficiencies would have been included on the Punch List if discovered earlier, shall be deemed warranty Work. Such deficiencies shall be corrected by Design-Builder under Sections 2.9 and 2.10 herein, and shall not be a reason to withhold final payment from Design-Builder, provided, however, that Owner shall be entitled to withhold from the Final Payment the reasonable value of completion of such deficient work until such work is completed.

## **Article 7**

### **Indemnification**

#### **7.1 Patent and Copyright Infringement.**

**7.1.1** Design-Builder shall defend any action or proceeding brought against Owner based on any claim that the Work, or any part thereof, or the operation or use of the Work or any part thereof, constitutes infringement of any United States patent or copyright, now or hereafter issued. Owner shall give prompt written notice to Design-Builder of any such action or proceeding and will reasonably provide authority, information and assistance in the defense of same. Design-Builder shall indemnify and hold harmless Owner from and against all damages and costs, including but not limited to attorneys' fees and expenses awarded against Owner or Design-Builder in any such action or proceeding. Design-Builder agrees to keep Owner informed of all developments in the defense of such actions.

**7.1.2** If Owner is enjoined from the operation or use of the Work, or any part thereof, as the result of any patent or copyright suit, claim, or proceeding, Design-Builder shall at its sole expense take reasonable steps to procure the right to operate or use the Work. If Design-Builder cannot so procure such right within a reasonable time, Design-Builder shall promptly, at Design-Builder's option and at Design-Builder's expense, (i) modify the Work so as to avoid infringement of any such patent or copyright or (ii) replace said Work with Work that does not infringe or violate any such patent or copyright.

**7.1.3** Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process

or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

**7.1.4** The obligations set forth in this Section 7.1 shall constitute the sole agreement between the parties relating to liability for infringement of violation of any patent or copyright.

## **7.2 Tax Claim Indemnification.**

**7.2.1** If, in accordance with Owner's direction, an exemption for all or part of the Work is claimed for taxes, Owner shall indemnify, defend and hold harmless Design-Builder from and against any liability, penalty, interest, fine, tax assessment, attorneys' fees or other expenses or costs incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's directive. Owner shall furnish Design-Builder with any applicable tax exemption certificates necessary to obtain such exemption, upon which Design-Builder may rely.

## **7.3 Payment Claim Indemnification.**

**7.3.1** Provided that Owner is not in breach of its contractual obligation to make payments to Design-Builder for the Work, Design-Builder shall indemnify, defend and hold harmless Owner from any claims or mechanic's liens brought against Owner or against the Project as a result of the failure of Design-Builder, or those for whose acts it is responsible, to pay for any services, materials, labor, equipment, taxes or other items or obligations furnished or incurred for or in connection with the Work. Within three (3) days of receiving written notice from Owner that such a claim or mechanic's lien has been filed, Design-Builder shall commence to take the steps necessary to discharge said claim or lien, including, if necessary, the furnishing of a mechanic's lien bond. If Design-Builder fails to do so, Owner will have the right to discharge the claim or lien and hold Design-Builder liable for costs and expenses incurred, including attorneys' fees.

## **7.4 Design-Builder's General Indemnification.**

**7.4.1** Design-Builder, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Owner, its officers, directors, and employees from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable.

**7.4.2** If an employee of Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable has a claim against Owner, its officers, directors, employees, or agents, Design-Builder's indemnity obligation set forth in Section 7.4.1 above shall not be limited by any limitation on the amount of damages, compensation or benefits payable by or for Design-Builder, Design Consultants, Subcontractors, or other entity under any employee benefit acts, including workers' compensation or disability acts.

## **7.5 Owner's General Indemnification.**

**7.5.1** Owner, to the fullest extent permitted by law, shall indemnify, hold harmless and defend Design-Builder and any of Design-Builder's officers, directors, and employees, from and against claims, losses, damages, liabilities, including attorneys' fees and expenses, for bodily injury, sickness or death, and property damage or destruction (other than to the Work itself) to the extent resulting from the negligent acts or omissions of Owner's separate contractors or anyone for

whose acts any of them may be liable.

## **Article 8**

### **Time**

#### **8.1 Obligation to Achieve the Contract Times.**

**8.1.1** Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement.

#### **8.2 Delays to the Work.**

**8.2.1** If Design-Builder is delayed in the performance of the Work due to acts, omissions, conditions, events, or circumstances beyond its control and due to no fault of its own or those for whom Design-Builder is responsible, the Contract Time(s) for performance shall be reasonably extended by Change Order. By way of example, events that will entitle Design-Builder to an extension of the Contract Time(s) include acts or omissions of Owner or anyone under Owner's control (including separate contractors), changes in the Work, Differing Site Conditions, Hazardous Conditions, and Force Majeure Events.

**8.2.2** In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for Force Majeure Events unless otherwise provided in the Agreement.

## **Article 9**

### **Changes to the Contract Price and Time**

#### **9.1 Change Orders.**

**9.1.1** A Change Order is a written instrument issued after execution of the Agreement signed by Owner and Design-Builder, stating their agreement upon all of the following:

**9.1.1.1** The scope of the change in the Work;

**9.1.1.2** The amount of the adjustment to the Contract Price; and

**9.1.1.3** The extent of the adjustment to the Contract Time(s).

**9.1.2** All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes.

**9.1.3** If Owner requests a proposal for a change in the Work from Design-Builder and subsequently elects not to proceed with the change, a Change Order shall be issued to reimburse Design-Builder for reasonable costs incurred for estimating services, design services and services involved in the preparation of proposed revisions to the Contract Documents.

## **9.2 Work Change Directives.**

**9.2.1** A Work Change Directive is a written order prepared and signed by Owner directing a change in the Work prior to agreement on an adjustment in the Contract Price and/or the Contract Time(s).

**9.2.2** Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for the Work Change Directive. Upon reaching an agreement, the parties shall prepare and execute an appropriate Change Order reflecting the terms of the agreement.

## **9.3 Minor Changes in the Work.**

**9.3.1** Minor changes in the Work do not involve an adjustment in the Contract Price and/or Contract Time(s) and do not materially and adversely affect the Work, including the design, quality, performance and workmanship required by the Contract Documents. Design-Builder may make minor changes in the Work consistent with the intent of the Contract Documents, provided, however, that Design-Builder shall promptly inform Owner, in writing, of any such changes and record such changes on the documents maintained by Design-Builder.

## **9.4 Contract Price Adjustments.**

**9.4.1** The increase or decrease in Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

**9.4.1.1** Unit prices set forth in the Agreement or as subsequently agreed to between the parties;

**9.4.1.2** A mutually accepted lump sum, properly itemized and supported by sufficient substantiating data to permit evaluation by Owner;

**9.4.1.3** Costs, fees and any other markups set forth in the Agreement; or

**9.4.1.4** If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.3 above and Owner issues a Work Change Directive, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including a reasonable overhead and profit, as may be set forth in the Agreement.

**9.4.2** If unit prices are set forth in the Contract Documents or are subsequently agreed to by the parties, but application of such unit prices will cause substantial inequity to Owner or Design-Builder because of differences in the character or quantity of such unit items as originally contemplated, such unit prices shall be equitably adjusted.

**9.4.3** If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice

Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services if Owner's order is deemed to be a change to the Work.

## **9.5 Emergencies.**

**9.5.1** In any emergency affecting the safety of persons and/or property, Design-Builder shall act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

# **Article 10**

## **Contract Adjustments and Disputes**

### **10.1 Requests for Contract Adjustments and Relief.**

**10.1.1** If either Design-Builder or Owner believes that it is entitled to relief against the other for any event arising out of or related to the Work or Project, such party shall provide written notice to the other party of the basis for its claim for relief. Such notice shall, if possible, be made prior to incurring any cost or expense and in accordance with any specific notice requirements contained in applicable sections of these General Conditions of Contract. In the absence of any specific notice requirement, written notice shall be given within a reasonable time, not to exceed twenty-one (21) days, after the occurrence giving rise to the claim for relief or after the claiming party reasonably should have recognized the event or condition giving rise to the request, whichever is later. Such notice shall include sufficient information to advise the other party of the circumstances giving rise to the claim for relief, the specific contractual adjustment or relief requested and the basis of such request.

### **10.2 Dispute Avoidance and Resolution.**

**10.2.1** The parties are fully committed to working with each other throughout the Project and agree to communicate regularly with each other at all times so as to avoid or minimize disputes or disagreements. If disputes or disagreements do arise, Design-Builder and Owner each commit to resolving such disputes or disagreements in an amicable, professional and expeditious manner so as to avoid unnecessary losses, delays and disruptions to the Work.

**10.2.2** Design-Builder and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between Design-Builder's Representative and Owner's Representative which shall conclude within fourteen (14) days of the written notice provided for in Section 10.1.1 unless the Owner and Design-Builder mutually agree otherwise.

**10.2.3** If a dispute or disagreement cannot be resolved through Design-Builder's Representative and Owner's Representative, Design-Builder's Senior Representative and Owner's Senior Representative, upon the request of either party, shall meet as soon as conveniently possible, but in no case later than thirty (30) days after such a request is made, to attempt to resolve such dispute or disagreement. Five (5) days prior to any meetings between the Senior Representatives, the parties will exchange relevant information that will assist the parties in resolving their dispute or disagreement.

**10.2.4** If after meeting the Senior Representatives determine that the dispute or disagreement cannot be resolved on terms satisfactory to both parties, the parties shall submit within thirty (30) days of the conclusion of the meeting of Senior Representatives the dispute or disagreement to non-binding mediation. The mediation shall be conducted by a mutually agreeable impartial mediator. The mediation will be governed by and conducted pursuant to a mediation agreement

negotiated by the parties or, if the parties cannot so agree, by procedures established by the mediator. Unless otherwise mutually agreed by the Owner and Design-Builder and consistent with the mediator's schedule, the mediation shall commence within ninety (90) days of the submission of the dispute to mediation.

### **10.3 Arbitration.**

**10.3.1** Any claims, disputes or controversies between the parties arising out of or relating to the Agreement, or the breach thereof, which have not been resolved in accordance with the procedures set forth in Section 10.2 above, shall be decided by arbitration in accordance with the Construction Industry Arbitration Rules of the AAA then in effect, unless the parties mutually agree otherwise.

**10.3.2** The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with applicable law by any court having jurisdiction thereof.

**10.3.3** Design-Builder and Owner expressly agree that any arbitration pursuant to this Section 10.3 may be joined or consolidated with any arbitration involving any other person or entity (i) necessary to resolve the claim, dispute or controversy, or (ii) substantially involved in or affected by such claim, dispute or controversy. Both Design-Builder and Owner will include appropriate provisions in all contracts they execute with other parties in connection with the Project to require such joinder or consolidation.

**10.3.4** The prevailing party in any arbitration, or any other final, binding dispute proceeding upon which the parties may agree, shall be entitled to recover from the other party reasonable attorneys' fees and expenses incurred by the prevailing party.

### **10.4 Duty to Continue Performance.**

**10.4.1** Unless provided to the contrary in the Contract Documents, Design-Builder shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Design-Builder, pending the final resolution of any dispute or disagreement between Design-Builder and Owner.

### **10.5 CONSEQUENTIAL DAMAGES.**

**10.5.1** NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY (EXCEPT AS SET FORTH IN SECTION 10.5.2 BELOW), NEITHER DESIGN-BUILDER NOR OWNER SHALL BE LIABLE TO THE OTHER FOR ANY CONSEQUENTIAL LOSSES OR DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO LOSSES OF USE, PROFITS, BUSINESS, REPUTATION OR FINANCING.

**10.5.2** The consequential damages limitation set forth in Section 10.5.1 above is not intended to affect the payment of liquidated damages or lost early completion bonus, if any, set forth in Article 5 of the Agreement, which both parties recognize has been established, in part, to reimburse Owner or reward Design-Builder for some damages that might otherwise be deemed to be consequential.



## **Article 11**

### **Stop Work and Termination for Cause**

#### **11.1 Owner's Right to Stop Work.**

**11.1.1** Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed sixty (60) consecutive days or aggregate more than ninety (90) days during the duration of the Project.

**11.1.2** Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of the Work by Owner.

#### **11.2 Owner's Right to Perform and Terminate for Cause.**

**11.2.1** If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections 11.2.2 and 11.2.3 below.

**11.2.2** Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

**11.2.3** Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession, for the purpose of completing the Work, of all materials, equipment, scaffolds, tools, appliances and other items thereon, which have been purchased or provided for the performance of the Work, all of which Design-Builder hereby transfers, assigns and sets over to Owner for such purpose, and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

**11.2.4** If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.

### **11.3 Design-Builder's Right to Stop Work.**

**11.3.1** Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop the Work for the following reasons:

**11.3.1.1** Owner's failure to provide financial assurances as required under Section 3.3 hereof; or

**11.3.1.2** Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

**11.3.2** Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop the Work unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop the Work. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage.

### **11.4 Design-Builder's Right to Terminate for Cause.**

**11.4.1** Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

**11.4.1.1** The Work has been stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

**11.4.1.2** Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for sixty (60) consecutive days, or more than ninety (90) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

**11.4.1.3** Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

**11.4.2** Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner fails to cure, or reasonably commence to cure, such problem, then Design-Builder may give a second written notice to Owner of its intent to terminate within an additional seven (7) day period. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.

### **11.5 Bankruptcy of Owner or Design-Builder.**

**11.5.1** If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

**11.5.1.1** The Bankrupt Party, its trustee or other successor, shall furnish, upon request

of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

**11.5.1.2** The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within sixty (60) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject the Agreement, declare the Agreement terminated and pursue any other recourse available to the non-Bankrupt Party under this Article 11.

**11.5.2** The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

## **Article 12**

### **Electronic Data**

#### **12.1 Electronic Data.**

**12.1.1** The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

#### **12.2 Transmission of Electronic Data.**

**12.2.1** Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

**12.2.2** Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

**12.2.3** By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 4 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

#### **12.3 Electronic Data Protocol.**

**12.3.1** The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error.

Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

**12.3.2** Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

**12.3.3** The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

**12.3.4** The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

## **Article 13**

### **Miscellaneous**

#### **13.1 Confidential Information.**

**13.1.1** Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain. The receiving party agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the Project.

#### **13.2 Assignment.**

**13.2.1** Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents.

#### **13.3 Successorship.**

**13.3.1** Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

#### **13.4 Governing Law.**

**13.4.1** The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles.

### **13.5 Severability.**

**13.5.1** If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

### **13.6 No Waiver.**

**13.6.1** The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

### **13.7 Headings.**

**13.7.1** The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

### **13.8 Notice.**

**13.8.1** Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement, or (iii) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

### **13.9 Amendments.**

**13.9.1** The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

## **EXHIBIT A**

Not Used

## **EXHIBIT B**

Scope of Project

## **EXHIBIT B**

### **SCOPE OF PROJECT**

#### **Program for the Michigan Avenue Pump Station Replacement project.**

The Michigan Avenue Pump Station was originally constructed in 1941 as a pneumatic ejector type station. In 1995 it was converted to a duplex submersible pump station with new controls. Each pump is rated for 150 gallons per minute (gpm) at 36-feet total dynamic head.

The existing pump station sets on the eastern portion of the 0.13-acre parcel owned by the City (Lot #68). This will allow the existing pump station to remain in-service while the new pump station is constructed on western portion of the same parcel.

We understand the City would like the proposed Michigan Avenue Pump Station to be a similar to the Stapleton Park Pump Station which F&V designed and constructed. The proposed pump station project improvements include:

- New duplex submersible pump station with wetwell and valve chamber configuration.
- Pump station bypass connection.
- New control panel, instrumentation and telemetry. Utilize KI Systems Master (KISM), per City standards.
- Upgrade the power from 240V three phase to 480V three phase.
- New electrical receptacle for 480V three phase and manual transfer switch for use with a portable generator.
- New service drive will be off Grand Avenue for vector truck access to the wetwell, or portable generator off-street parking.
- Demolition of the existing pump station fencing, electrical service and controls. The pump station will be abandoned in-place. It is anticipated the concrete will be removed to a depth of 2-feet below final grade and the structure infilled, similar to the abandonment that occurred at the Market Street Pump Station.
- The existing 8-inch influent sewer to the pump station wetwell will be abandoned in-place. Filled with flowable-fill and plugged.
- New water service is not needed to the site.

The influent gravity sewer will need to be rerouted to the wetwell and the pump station discharge forcemain reconnected to the existing. To accommodate these connections, we anticipate excavation for the sewer will occur at the intersection of Michigan and Grand Avenues and extend west on Grand Avenue. A full width roadway reconstruction will be required on a portion of Grand Avenue. The existing curb and gutter and ADA ramps will remain, if possible. New curb and gutter will be along the north side of Lot #68. The remainder of Grand Avenue west to Wilson Avenue will be repaved as a "mill and fill" project.

The 4-inch watermain on Grand Avenue is old cast iron pipe installed pre-1956. Several watermain breaks and repairs have been made to line, during which it was found by City crews that the pipe bell and spigot joints are caulked with lead. This watermain will be replaced with 6-inch pipe in the area of the influent sewer replacement, or approximately 105-feet. We understand that the City recently replaced the valve at Michigan and Grand.



Records show the water and sanitary services to the house at 1003 Michigan Avenue are connected to utilities in Grand Avenue at a depth of 14-feet. Both water and sewer services will be relocated to Michigan Avenue and will require sawcutting and patching the existing HMA road. City records do not show any spare water or service connections that could be used for 1003 Michigan.

We have assumed that the City will perform the following tasks:

- Perform tree removal, and any compensatory tree replacement, in coordination with the City Forester.
- Removal of the short chainlink fencing on the north side of the property to allow access by the geotechnical soil boring rig.
- Patch hole(s) in Grand Avenue with HMA that will be caused by geotechnical soil boring activities.
- Provide information on the existing city owned utilities: watermain, isolation valves, water service leads, sanitary sewer, storm sewer, electrical, etc.
- Provide perimeter fencing at pump station, if required.

Our approach for the Progressive Design-Build (PDB) process will allow the City to control costs and improve the project outcome by participating directly in both design and construction decisions. We will work hand-in-hand with City staff collaborating on important decisions for the long-term reliability of the pump station. By using F&V Construction (FVC) as the Design-Builder, the City will have a single point of responsibility while still maintaining direct involvement throughout the PDB process.

FVC will utilize the same engineers that work with you during the design to work with the project team during construction. We will engage trade contractors that are both efficient and effective in completing the type of work required. The current project includes elements that would be best developed through design innovation, as well as collaboration, amongst the team. By utilizing the PDB delivery method with FVC, the City will have access to actual cost data during design. Therefore, the City will be able to confidently make decisions with support from the Design-Builder. We offer the following outline of our proposed approach:

### Step 1- Preliminary Design and Preconstruction Phase

The **Step 1** activity includes adequate design development to assemble bid packages for selection of trade contractors, forming a team consisting of the Design-Builder, Owner and Trade Contractors and establishing refined pricing for all elements of the project. Tasks under **Step 1** include:

#### Task 1 – Basis of Design Preparation

Advance the **Basis of Design** defining the improvements and preliminary design concepts. The work scope to complete this phase of the project includes:

- 1.1 Hold a pre-design kick-off meeting with City staff to review project requirements, work scope, and overall schedule.
- 1.2 Review record drawing of the existing pump station.
- 1.3 Prepare Basis of Design Report which will include descriptions of the improvements, hydraulic calculations of the proposed pump station. The report is a living document which may be updated as the design progresses.
- 1.4 Conduct design team meetings, approximately bi-weekly.

#### Task 2 - Preliminary Design and Pricing Phase (30% Submittal)

The Basis of Design Report will serve as the foundation for the **Preliminary Design Phase**. It will define all the components of the project to be built. The Preliminary Design Phase documents consist of preliminary drawings, outline specifications, and preliminary costs.

The engineering services to complete the preliminary design phase will include:

- 2.1 Obtain subsurface utility information for electric, natural gas, telephone, cable TV, water and sanitary sewer, as appropriate.
- 2.2 Conduct field survey to collect information about the project area.
- 2.3 Prepare draft drawings of the improvements. Autodesk products such as AutoCad and Plant 3D will be utilized.
- 2.4 Draft Table of Contents of the anticipated Specifications needed for the project.
- 2.5 Assemble draft list of the various Trades for the project and begin to contact these subcontractors to determine their interest in the project.
- 2.6 Create Opinion of Probable Project Costs. As the design details are developed, we will prepare preliminary opinion of probable construction costs for the various Trades. Programmed cost will be monitored and allow the design team to make scope adjustments where possible, if needed.
- 2.7 Develop concepts for sequencing construction to maintain operations of the existing pump station during construction, and transition to the new pump station.
- 2.8 The 30% Design Submittal documents will be shared with the design-build team, City and Owner's Representative for review. This submittal includes:
  - Basis of Design (Technical Memorandum)
  - Preliminary Drawing Set
  - Draft Table of Contents for Specifications
  - Opinion of Probable Project Costs
- 2.9 A meeting will be conducted with the Design / Build Team, City staff and Owner's Representative to review the 30% Design Submittal. Meeting minutes will be prepared and distributed.
- 2.10 Perform internal QC of the 30% design.
- 2.11 Mobilize and conduct Geotechnical field work. A report will be prepared identifying the bearing capacity of the soils and presence of groundwater, if any. This report is needed for the foundation design of the structures and sewer and provide information to the Site Work and Excavation trade contractor on the types of soils that will be encountered. It is assumed that the site has no environmental impact issues. This field work is dependent upon the site fence being removed by the City to allow drill rig access.

### Task 3 - Final Design and Final Pricing Phase

The collaboration of the design-build team with the City staff and Owners Representative will continue as the design is finalized. The **Final Design Phase** will incorporate adjustments through the value engineering process completed through this collaboration process. This task includes final detailing of the design, development of a detailed construction schedule and establishing a Guaranteed Maximum Price (GMP) for the project. Other Task 3 items include:

- 3.1 Update the Basis of Design based on review meeting and internal QC comments. This should include near-final hydraulic calculations, pump selections, equipment preference documentation and Instrumentation and Control design.
- 3.2 Refine concepts for construction sequencing.
- 3.3 Prepare the 90% Design Drawings and technical specifications.
- 3.4 Prepare the 90% Opinion of Probable Project Cost.
- 3.5 Perform internal QC of the design.
- 3.6 The 90% Design Submittal documents will be shared with the design-build team, and City and Owner's Representative for review. This submittal includes:
  - Basis of Design (Technical Memorandum)
  - Drawing Set
  - Specifications
  - Updated Opinion of Probable Project Cost

- 3.7 A meeting will be conducted with the design-build team, and City and Owner's Representative to review the 90% Design Submittal. Meeting minutes will be prepared and distributed.
- 3.8 Update plans and specs to reflect internal QC comments and City comments.
- 3.9 Prepare Part 41 and Part 399 permit applications. Provide sealed plans and specifications, basis of design and completed permit application for the EGLE Part 41 Construction Permit (Wastewater) and Part 399 for Community Water Supply System Construction Permit and upload to MiEnviro for the City to submit. No other permits are anticipated.
- 3.10 The 100% plans and specifications will be publicly advertised for bids for the various trade work scopes. It is recommended that bid advertisement occur after the Part 41 and Part 399 permits has been issued by EGLE. We will follow the City's local bidding requirements where applicable. The goal is to have multiple bids from each trade from acceptable contractors. If pricing is not received by each trade, a second condensed bid phase could occur.
- 3.11 Manage plan holders list and distribute bid documents.
- 3.12 Answer Contractor questions.
- 3.13 Conduct prebid meeting.
- 3.14 Issue addenda, as required.
- 3.15 Receive bids and create bid tabulation. Interview contractors to discuss understanding of work, ability to perform the work and review references.
- 3.16 If necessary, discuss redesign / rebidding to re-price work by the trade contractors.
- 3.17 Submit preliminary GMP to the City for review and approval.
- 3.18 Prepare contract amendment reflecting final GMP to the City for approval. Our subcontractors' bids and FVC's costs and overhead will be provided to the City on an open book basis. The City will be able to review each item of work and trade bids in the compilation of the GMP.

Upon City acceptance of the GMP, the project proceeds to Step 2- Construction and Task 4 Construction Phase services.

## Step 2- Construction Phase- FUTURE

The **Step 2** activity includes development of a detailed construction schedule, and completing construction of the improvements. Tasks under **Step 2** include:

### Task 4 - Construction Phase

Commencement of mobilization and construction activities.

- 4.1 Issue Notices of Award to the various trades.
- 4.2 Assemble Conformed to Contract Drawings and Project Manuals.
- 4.3 Schedule pre-construction meeting.
- 4.4 Secure construction permits, insurances and bonds.
- 4.5 Execute contracts with various Trades and issue Notices to Proceed.
- 4.6 Conduct Pre-Construction Meeting and mobilize to the job site.
- 4.7 Review of Trade shop drawings for materials and equipment required for the project for compliance with the project specifications and design intent.
- 4.8 Provide Site Superintendent to coordinate Trades.
- 4.9 Resolve contractor questions or construction issues.
- 4.10 Provide materials testing from an independent testing laboratory.
- 4.11 Conduct weekly progress and safety meetings with Trades.
- 4.12 Conduct monthly progress meetings with the design-build team, Owner and Owner's Representative.

- 4.13 Maintain and update construction progress schedule.
- 4.14 Prepare daily reports, recording hours on the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, daily activities, decisions, observations in general and observing test procedures.
- 4.15 Prepare and submit payment applications to the City.
- 4.16 Oversee equipment and systems startup and prove-in.
- 4.17 Advise Owner's Representative when Substantial Completion has been achieved on the overall project, which marks the beginning of the warranty period.
- 4.18 Prepare and compile the equipment Operations & Maintenance Manuals.
- 4.19 Conduct operator training for new processes and equipment.
- 4.20 Maintain "red-line" drawings of improvements at the project site. Prepare Record Drawings showing appropriate record information based on project annotated record (red-line) documents received from the Trades. These record drawings will be provided to the City in electronic format at project closeout.

## **EXHIBIT C**

Step 1 | Design

Step 2 | Construction

## EXHIBIT C- Step 1 | Design

Client Name: **City of Sturgis, Michigan** Estimator: **FVC** Date: **May 2024**

Job Name: **Michigan Avenue Pump Station Replacement** Design By: **F&V** Bid Dates: **TBD**

Location: **1001 Michigan Avenue, Sturgis, MI 49091** Check By: **FVC**

Job Number: **TBD**

Description: **Construction to replace existing Michigan Avenue Pump Station**

Duration: **Construction lasting approximately \_\_\_\_ months to reach Substantial Completion**

<u>Trade Category</u>	<u>Subcontractor   Location</u>	<u>Accepted Bid</u>
Contract 1 Site Work & Excavation	***Name***	
Contract 2 Mechanical	***Name***	
Contract 3 Painting	***Name***	
Contract 4 Electrical, Instrumentation & Control	***Name***	
System Integrator Allowance	***Name***	
Pumping System and Control Package Allowance	***Name***	
Total of Trades		TBD
General Conditions - Lump Sum		TBD
Sub Total		TBD
Design-Builder's Fee - Lump Sum		TBD
Step 1- Design Phase Services- Lump Sum		\$110,700.00
Step 2- Construction Phase Services- Lump Sum		TBD
Sub-Total		TBD
Design-Builder's Contingency Allowance		TBD
Total		TBD

<u>Initial</u>	<u>Date</u>
OWNER: _____	_____
FVC: <u>RW</u>	<u>5/29/24</u>

## **EXHIBIT D**

Conformed To Contract Documents

Prepared by Fleis & VandenBrink Engineering, Inc.

## **EXHIBIT E**

### Insurance Requirements & Limitations



# EXHIBIT E - INSURANCE REQUIREMENTS & LIMITATIONS

## 1 Design Builder's Liability Insurance

1.1 The Design-Builder shall purchase and maintain such insurance that shall protect the Design-Builder from the claims set forth below that may arise out of or result from the Design-Builder's performance of Services pursuant to this Agreement:

1.1.1 Claims under Workers' compensation, disability benefits and other similar employee benefits acts that are applicable to the work performed;

1.1.2 Claims for damages because of bodily injury, occupational sickness or disease or death of Design-Builder's employees under any applicable employer's liability law;

1.1.3 Claims for damages because of bodily injury or death of any person other than Design-Builder's employees;

1.1.4 Claims for damages insured by usual personal injury liability coverage that are sustained (1) by any person as a result of an offense directly related to the employment of such person by the Design-Builder or (2) by any other person;

1.1.5 Claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss or use therefrom; or

1.1.6 Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle.

1.2 The comprehensive General and Automobile Liability Insurance shall be written for not less than the following limits of liability:

### a. Comprehensive General Liability

- |   |              |
|---|--------------|
| 1. General Aggregate:   | \$2,000,000  |
| 2. Products - Completed Operations Aggregate:   | \$2,000,000  |
| 3. Personal and Advertising Injury:   | \$1,000,000  |
| 4. Each Occurrence (Bodily Injury and Property Damage   | \$1,000,000  |
| 5. Property Damage liability insurance shall provide Explosion, Collapse and Underground coverages, where applicable. |              |
| 6. Excess or Umbrella Liability:  |              |
| a. General Aggregate:   | \$10,000,000 |
| b. Each Occurrence:   | \$10,000,000 |

### b. Automobile Liability

- |   |             |
|---|-------------|
| 1. Combined Single Limit (Bodily Injury and Property Damage): |             |
| Each Accident:  | \$1,000,000 |

1.3 Comprehensive General Liability insurance may be arranged under a single policy for the full Limits required or by a combination of underlying policies with the balance provided by an excess or umbrella liability policy.

- 1.4 Professional Liability Insurance. Design-Builder shall obtain, furnish, and maintain in full force and effect without interruption during and throughout the term of this Agreement, at its sole cost, professional liability insurance covering liability arising out of or based upon any negligent design, engineering, planning, consulting or Design Services.
- 1.4.1 Limitation of Liability. Design-Builder shall not be liable for any claim, damage, cost, expense or other liability not directly and solely caused by negligent acts, errors or omissions of Design-Builder. The total liability of Design-Builder under any legal theory whatsoever, in the aggregate, as well as any claimed liability of Design-Builder's officers, directors, employees, or agents or consultants, for any claims arising out of the Agreement, shall not exceed the total amount of available insurance proceeds in response to Owner's claim. Design-Builder currently maintains an annual per claim Liability policy in the amount of \$5.0 million and an aggregate insurance policy for Professional Errors and Omissions in the amount of \$7.0 million.
- 1.5 The foregoing policies shall contain a provision that coverages afforded under the policies shall not be cancelled or expire until at least thirty (30) days written notice has been given to the Owner and shall include either a Liability endorsement covering this Agreement or an endorsement making the Owner an additional insured under the policies. Certificates of insurance showing such coverages to be in force shall be filed with the Owner prior to commencement of the Design-Builder's services.
- 2 Builder's Risk Insurance
- 2.1 The Design-Builder shall be responsible for purchasing and maintaining insurance to protect the Project from perils of physical loss. The insurance shall provide for the full cost of replacement of the insurable assets at the time of any loss. The builder's risk policy shall insure against loss from the perils of fire and all-risk coverage for physical loss or damage due to theft, vandalism, collapse, malicious mischief, transit, or testing. The Design-Builder shall increase the coverage limits as necessary to reflect changes in the estimated replacement cost.
- 3 Property Insurance
- 3.1 If the Owner occupies or uses a part or parts of the Project prior to substantial completion thereof, such occupancy shall not occur until the Owner obtains property insurance for the structure and until all insurance companies providing insurance for the Project consent to such occupancy by endorsement to the insurance policies.
- 4 Owner's Insurance
- 4.1 The Design-Builder shall be named as an additional insured in any insurance policy for the Project that may be obtained by the Owner.

## **Performance & Payment Bonds**

## **Certificate of Insurance**

## **Typical Certificate of Substantial Completion**



## CERTIFICATE OF SUBSTANTIAL COMPLETION

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OWNER: **City of Sturgis, Michigan**

DESIGN BUILDER: **F&V Construction**

Project: **Michigan Avenue Pump Station Replacement**

Project No.: \_\_\_\_\_

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This **definitive** Certificate of Substantial Completion applies to:

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

Date of Substantial Completion: \_\_\_\_\_

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

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

---

Executed by DESIGN BUILDER \_\_\_\_\_

\_\_\_\_\_  
Date

Accepted by OWNER \_\_\_\_\_

\_\_\_\_\_  
Date