

Pine-Strawberry Water Improvement District Job Order Contract

Statement of Qualifications No:		Solicitation No. 6212022			
Description of Work:	Well Serv	Servicing, Drilling and Development			
Location: Pine Strawberry Water Improvement District Mailing Address: P.O. Box 134, Pine, AZ 85544				Contact: Phone:	David Dickinson (928) 476-4222
OFFER					
				[ROC No.]	
			Cont	ractor's License	Number
Job Order Contractor Name			Authorized Signature for Offer		
Address			Printed Name		
City	State	Zip Code		Title	
Telephone	F	ax		E-mail	
ACCEPTAN	ICE OF OFF	ER AND CONT	RACT AWARD (For	PSWID Use O	nly)
Your offer is hereby accepted. The Contractor is now bound to sell the construction services listed by the attached award notice based upon the solicitation, including all terms conditions, specifications, amendments, etc., of the contract and the Contractor's offer as accepted by the PSWID. The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until Contractor receives an executed Notice to Proceed and Purchase Order.					
Attested by:			Pine-Strawberry Water		
Raymond Headings, Board Chairman			Effective Date:June 21, 2022		
			Approved as to form:		
			Riley Snow, PSWID Atto	orney	
		CC Ct Number	Awarded on		
	Offic	cial File	David Dickinson - Gene	ral Manager	

JOB ORDER CONTRACT



SOLICATATION NUMBER 6212022 WELL SERVICING, DEEPENING, DRILLING AND DEVELOPMENT CONTRACT FOR CONSTRUCTION

JOB ORDER CONTRACT AGREEMENT TABLE OF CONTENTS

ARTICLE 1	DEFINITIONS
ARTICLE 2	CONTRACT TERM
ARTICLE 3	PERFORMANCE OF THE WORK
ARTICLE 4	JOB ORDER DOCUMENTS
ARTICLE 5	MATERIAL AND WORKMANSHIP
ARTICLE 6	SITE CONDITIONS
ARTICLE 7	JOB ORDER SCHEDULES
ARTICLE 8	INSPECTION OF CONSTRUCTION AND ACCEPTANCE
ARTICLE 9	INVOICING AND PAYMENT
ARTICLE 10	CHANGES
ARTICLE 11	INSURANCE & BONDS
ARTICLE 12	INDEMNIFICATION
ARTICLE 13	DISPUTES
ARTICLE 14	TERMINATION AND DEFAULT
ARTICLE 15	WARRANTY OF CONSTRUCTION
ARTICLE 16	STANDARD TERMS AND CONDITIONS

ATTACHMENTS

Attachment A	JOC General Scope of Services and Work
Attachment B	RSOQ & Contractor's Response
Attachment C	JOC Cost Proposal Forms (Pricing Matrix, Project Cost
	Sheet)
Attachment D	Contractor's Contacts & Authorized Signature Form

JOB ORDER CONTRACTING CONTRACT

THIS CONTRACT is entered into and ma	ade effective the	day of		,
by and between the Pine-Strawberry Wa	ater Improvemen	t District (PS	WID), Arizon	a, an Arizona
charter municipality (the "Owner"), and	Well Servicing,	Deepening,	Drilling and	Development
(the "Job Order Contractor"). The parties	agree as follows	s:	_	-

1. **DEFINITIONS.**

- 1.1. Owner. Owner means Owner's senior manager, Contracting Officer or a duly authorized representative, which means any person specifically authorized to act for Owner by executing the Contract and any modification thereto. Owner's duties include administration of the Contract, including the negotiation of change orders and modifications and assessing Job Order Contractor's technical performance and progress; inspecting and periodically reporting on such performance and progress during the stated period of performance, and finally certifying as to the acceptance of the Work in its entirety or any portion thereof, as required by the Contract documents.
- **1.2.** <u>Job Order Contractor</u>. Job Order Contractor means Job Order Contractor's senior manager or its duly authorized representative or any person specifically authorized to act for Job Order Contractor by executing the Contract, and any modifications thereto. Job Order Contractor's duties include administration of the Contract and performance of the Work.
- **1.3.** Contract means this agreement including its attachments and any Job Orders that may be issued.
- **1.4.** <u>Subcontract</u>. Subcontract means any Contract including purchase orders (other than one involving an employer-employee relationship) entered into by Job Order Contractor calling for equipment, supplies or services required for Contract performance, including any modifications thereto.
- **1.5. Job Order.** Job Order means a specific written agreement between the Owner and the Job Order Contractor for Work to be performed under this Contract for an individual, mutually agreed upon scope of work, schedule and price.
- 1.6. <u>Work</u>. Work means in response to Job Orders that may be mutually agreed upon and issued periodically by Owner, Job Order Contractor shall, except as may be specified elsewhere in the Contract, furnish all necessary labor, materials, tools, supplies, equipment, transportation, supervision, management, and perform all operations necessary and required for planning, survey, design, construction work, and commissioning which will be defined and further described as to specific project requirements in each Job Order. The Work shall be performed in accordance with the requirements set forth in each Job Order and as further specified in *Attachment "A"*(JOC General Scope of Services), *Attachment "B"* (RSOQ & Contractor's Response), *Attachment "C"* (JOC Cost Proposal Forms), and in *Attachment "D"* (Contractor's Contacts), all of which are incorporated herein and made a part hereof.
- **1.7.** Punch List Preparation. A minimum of thirty (30) days prior to Final Completion the Job Order Contractor, in conjunction with the Owner, shall prepare a comprehensive list of Punch list items, which the Owner may edit and supplement. The Job Order Contractor shall proceed promptly to complete and correct Punch list items. Failure to include an item on the Punch list does not alter the responsibility of the Job Order Contractor to complete all Work in accordance

with the Contract Documents. Warranties required by the Contract Documents shall not commence until the date of Final Completion unless otherwise provided in the Contract Documents.

1.8. Final Completion. Final Completion of the Work shall be deemed to have occurred on the later of the dates that the Work passes a Final Completion inspection and acceptance by the Owner. Final Completion shall not be deemed to have occurred and no final payment shall be due the Job Order Contractor or any of its subcontractors or suppliers until the Work has passed the Final Completion inspection and acceptance and all required Final Completion close-out documentation items has been produced to the Owner by the Job Order Contractor.

1.9. Reference Standards

- **1.9.1.** The "Uniform Standard Specifications for Public Works Construction" and the "Uniform Standard Details for Public Works Construction" which are sponsored and distributed by the Maricopa Association of Governments (MAG), and which are hereinafter referred to as the "MAG Specifications," are hereby adopted as part of these contract documents.
- **1.9.2.** PSWID hereby uses the "Uniform Standard Details for Public Works Construction from the Maricopa County Association of Governments by reference with certain exceptions.
- **1.9.3.** A copy of these documents is available upon request or on the MAG website.

2. CONTRACT TERM

- **2.1.** Contract Term. The term of the Contract shall commence on the date it was executed by both parties and shall continue for a period of one (1) year thereafter in accordance with the terms and conditions of this Contract. By mutual written Contract Amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months. Job Orders may be issued at any time during the term of this Contract. This Contract will remain in full force and effect during the performance of any Job Order.
- **2.2. Job Order.** In response to Job Orders that may be mutually agreed upon and issued periodically by Owner, Job Order Contractor shall perform the Work, except as may be specified elsewhere in the Contract, which will be defined and further described as to specific project requirements in each Job Order. The Work shall be performed in accordance with the requirements set forth in each Job Order and as further specified in **Attachment "A"**(JOC General Scope of Services), **Attachment "B"** (RSOQ & Contractor's Response), **Attachment "C"** (JOC Cost Proposal Forms), and in **Attachment "D" Contractor's** Contacts), all of which are incorporated herein and made a part hereof.
- **2.3.** <u>Mutual Agreement</u>. This Contract embodies the agreement of Owner and Job Order Contractor to terms and conditions which will govern any Work that may be prescribed under a Job Order that may be issued by Owner and agreed to by Job Order Contractor. Nothing herein shall be construed as requiring Owner to issue any Job Order, nor requiring Job Order Contractor to accept any Job Order, it being the intent that both parties must mutually agree to any specific Work before a Job Order may be issued.
- **2.4.** Cooperative Purchasing: This contract shall be for the use of the PSWID. In addition, specific eligible political subdivisions and nonprofit educational or public health institutions may also participate at their discretion. In order to participate in any the contract, a political subdivision or nonprofit educational or public health institution must have been invited to participate in this specific solicitation and the contractor must agree with the cooperative transaction. In addition to

cooperative purchasing, any eligible agency may elect to participate (piggyback) on the contract; the specific eligible political subdivision, nonprofit educational or public health institution and the contractor must agree. Any orders placed to the contractor will be placed by the specific agencies participating in this purchase. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The PSWID shall not be responsible for any disputes arising out of transactions made by others.

3. PERFORMANCE OF THE WORK

- **3.1.** <u>Job Order Agreement</u>. Performance of the Work shall be undertaken only upon the issuance of written Job Orders by Owner. Job Orders shall be in accordance with the requirements specified in *Attachment "A"* (JOC General Scope of Services), and shall set forth, with the necessary particularity, the following:
 - **3.1.1.** Contract number along with Job Order Contractor's name;
 - **3.1.2.** Job Order number and date;
 - **3.1.3.** The agreed Work and applicable technical specifications and drawings;
 - **3.1.4.** The agreed period of performance and, if required by Owner, a work schedule;
 - **3.1.5.** The place of performance;
 - **3.1.6.** The agreed total price for the Work to be performed;
 - **3.1.7.** Submittal requirements;
 - **3.1.8.** Owner's authorized representative who will accept the completed Work;
 - **3.1.9.** Signatures by the parties hereto signifying agreement with the specific terms of the Job Order; and
 - **3.1.10.** Such other information as may be necessary to perform the Work.

3.2. Job Order Contractor Duties and Obligations.

- **3.2.1.** Permits & Responsibilities. Job Order Contractor shall be responsible for processing of drawings, for approval by appropriate oversight bodies; for obtaining any necessary licenses and permits; and for complying with any Federal, State and municipal laws, codes, and regulations applicable to the performance of the Work. Owner will reimburse Job Order Contractor for the actual, documented costs of construction permits required for the performance of the Work. Job Order Contractor shall also be responsible for all damages to persons or property that occur as a result of Job Order Contractor's fault or negligence and shall take proper safety and health precautions to protect the Work, the workers, the public, and the property of others. Job Order Contractor shall also be responsible for all materials delivered and work performed until completion and acceptance of the entire Work, except for any completed unit of Work which may have been accepted under the Contract.
- **3.2.2.** Self-Performance by The Job-Order-Contractor. The JOC shall be allowed to bid as a subcontractor for work over \$50,000 and, if it is the lowest acceptable bidder. Any change orders for self-performed work shall require pre-approval by the owner.
- **3.2.3.** <u>Outdoor Construction Restrictions.</u> PSWID restricts outdoor construction as listed in the following table:

	Construction Type	April 2 – September 29	September 30 – April 1
Α	Concrete Work	5:00 a.m. to 7:00 p.m.	6:00 a.m. to 7:00 p.m.
В	Other Construction (within 500 feet of residential area)	6:00 a.m. to 7:00 p.m.	7:00 a.m. to 7:00 p.m.
С	Construction Work (more than 500 feet of residential area)	5:00 a.m. to 7:00 p.m.	5:00 a.m. to 7:00 p.m.

- **3.2.3.1**. No interference with the traffic flow on arterial streets shall be permitted during the hours of 6:00 a.m. to 8:30 a.m. or from 4:00 p.m. to 7:00 p.m. unless prior authorization is obtained in writing by the PSWID Traffic Engineer or their assignee. Specific work hours may be stipulated by the PSWID on the project barricade plan.
- **3.2.3.2.** During off peak hours, the minimum number of lanes shall be two lanes (one in each direction) on streets with four lanes or less and four lanes (two in each direction) on streets with five or more lanes.
- **3.2.3.3**. Night work must have prior authorization from the PSWID. In addition, certain areas of the PSWID may have seasonal or special event restrictions for construction work as designated by the PSWID on a case-by-case basis.
- **3.2.4.** <u>Jobsite Superintendent</u>. During performance of a Job Order and until the Work is completed and accepted, Job Order Contractor shall directly superintend the Work or assign a competent superintendent who will supervise the performance of Work and is satisfactory to Owner and has authority to act for Job Order Contractor.
- **3.2.4.1.** Job Order Contractor will ensure that the site supervisor for the project is English proficient and that there is at least one English proficient person at the construction site at all times work is being performed in order to communicate with the PSWID's project manager.
- **3.2.5.** Construction Layout. Job Order Contractor shall lay out its work in accordance with the Contract plans and specifications and shall be responsible for all measurements in connection with the layout of the Work. Job Order Contractor shall furnish, at its own expense, all stakes, templates, platforms, equipment, tools, materials, and labor required to layout any part of the Work. Job Order Contractor shall also be responsible for maintaining and preserving all control points established by Owner.
- **3.2.6.** <u>Survey Control Points.</u> Existing survey markers (either brass caps or iron pipes) shall be protected by the Contractor or removed and replaced under direct supervision of the PSWID Engineer or his authorized representatives. Survey monuments shall be constructed to the requirements of MAG Specifications, Section 405, and Standard Details. Lot corners shall not be disturbed without knowledge and consent of the property owner. The Contractor shall replace benchmarks, monuments, or lot corners moved or destroyed during construction at no expense to the Owner. Contractor and his sureties shall be liable for correct replacement of disturbed survey benchmarks except where the Owner elects to replace survey benchmarks using his own forces.
- **3.2.7.** <u>Traffic Regulations</u>. All traffic affected by this construction shall be regulated in accordance with the ADOT/Gila County Traffic Barricade manual, latest edition, and ADOT/Gila

County in the Traffic Barricade Manual shall be referred to as the PSWID Engineer for interpretation.

At the time of the pre-construction conference, the Contractor shall designate an employee who is qualified and experienced in construction traffic control and safety to be responsible for implementing, monitoring and altering traffic control measure, as necessary. At the same time, the PSWID will designate a representative who will be responsible to see that all traffic control and any alterations are implemented and monitored to the extent that traffic is carried throughout the work area in an effective manner and that manner and that motorists, pedestrians, bicyclists and workers are protected from hazard and accidents.

- **3.2.7.1.** The following shall be considered major streets: All major Parkway, mile (section line), arterial and collector (mid-section line and quarter section line) streets so classified by the PSWID.
- **3.2.7.2.** All traffic control devices required for this project shall be the responsibility of the Contractor. The Contractor shall place advance warnings; **REDUCE SPEED**, **LOOSE GRAVEL**, **25 MPH SPEED LIMIT** and **DO NOT PASS** signs in accordance with the Traffic Barricade Manual.
- **3.2.7.3.** The Contractor shall provide, erect and maintain all necessary flashing arrow boards, barricades, suitable and sufficient warning lights signals and signs, and shall take all necessary precautions for the protection of the work and safety of the public. The Contractor shall provide, erect and maintain acceptable and adequate detour signs at all closures and along detour routes.
- **3.2.7.4.** All barricades and obstructions shall be illuminated at night, and all safety lights shall be kept burning from sunset until sunrise. All barricades and signs used by the Contractor shall conform to the standard design, accepted for such purposes.
- **3.2.7.5.** The Contractor shall insure that all existing traffic signs are erect, clean and in full view of the intended traffic at all times. Street name signs at major street intersections shall be maintained erect at all times. If these signs should interfere with construction, the Contractor shall notify the Inspector at least forty-eight (48) hours in advance for PSWID personnel to temporarily relocate said signs. The Contractor will re-set all traffic and street name signs to permanent locations when notified by the Engineer that construction is complete unless otherwise stated in the specifications. Payment for this item shall be made at the agreed upon contract allowance price for TRAFFIC CONTROL.
- **3.2.7.6.** The Gila County Engineering Department shall determine if construction activities or traffic hazards at the construction project *require* the use of Police Assistants or AZ Post Certified Peace Officers, alternatively, *if it is determined that* flagmen are *sufficient*, it shall be the Contractor's responsibility to provide adequate personnel including flagmen to direct traffic safely. All PSWID projects shall use only Gila County Sherriff Office or Department of Public Safety Office or their designee has determined that no such assistants or officers are available. Arrangements for Police Assistant or Police Officer services should be made with the liaison officer at the Gila County Sherriff's Office.
- **3.2.7.7.** Manual traffic control shall be in conformity with and approved Traffic Barricade Manual. A traffic control plan shall be submitted to the Gila County Engineering Department indicating whether a need for traffic control exists during the project. The traffic control plan shall

be submitted electronically, and the liaison officer shall be contacted at the Gila County Engineering Department.

- **3.2.7.8.** When traffic hazards at construction sites warrant the use of certified police personnel to direct traffic, arrangement should be made with the liaison officer at the Gila County Sheriff Department.
- **3.2.7.9.** The assembly and turnarounds of the Contractor's equipment shall be accomplished using adjacent local streets when possible.
- **3.2.7.10.** Equipment used and/or directed by the Contractor shall travel with traffic at all times. Supply trucks shall travel with traffic except when being spotted. Provide a flagman or officer to assist with this operation.
- **3.2.7.11.** During construction, it may be necessary to alter traffic control. Alterations shall be in accordance with the approved Traffic Barricade Manual.
- **3.2.7.12.** No street within this project may be closed to through traffic or to local emergency traffic without prior written approval of the PSWID. Written approval may be given if sufficient time exists to allow for notification of the public at least two (2) days in advance of such closing. Partial closure of streets within the project shall be done in strict conformity with written directions to be obtained from the PSWID.
- **3.2.7.13.** Caution should be used when excavating near intersections with traffic signal underground cable. Notify the PSWID twenty-four (24) hours in advance of any work at such intersections. The Contractor shall install and maintain temporary overhead traffic signal cable as specified by the PSWID when underground conduit is to be severed by excavations at intersections. The Contractor shall provide an off-duty uniformed police officer to direct traffic while the traffic signal is turned off and the wiring is transferred. All damaged or modified traffic signal overhead and underground items shall be repaired and restored to the PSWID's satisfaction. Magnetic detector loops shall under no circumstances be spliced.
- **3.2.7.14.** The Contractor shall address how local access to adjacent properties will be managed in accordance with the specification herein.
- **3.2.7.15.** Where crossings of existing pavements occur, no open trenches shall be permitted overnight, but plating may be permitted if conditions allow as determined by the PSWID or authorized representative. If plates cannot be used, crossings shall be backfilled, or the Contractor shall provide a detour.
- **3.2.8.** <u>Operations & Storage</u>. Job Order Contractor shall confine all operations (including storage of materials) to areas authorized or approved by Owner.
- **3.2.9.** Cleaning Up & Refuse Disposal. Job Order Contractor shall at all times keep the site, including storage areas, free from accumulations of waste materials. Before completing the Work, Job Order Contractor shall remove from the premises any rubbish, tools, scaffolding, equipment, and materials that are not the property of Owner. Upon completing the Work, Job Order Contractor shall leave the site in a clean and orderly condition satisfactory to Owner.
- **3.2.9.1.** Final cleanup of the premises shall be included in the period of performance of the Job Order.
- **3.2.9.2.** Job Order Contractor shall be responsible for all construction refuse disposal containers and their removal from the site.

- **3.2.9.3.** Disposal of any hazardous materials not addressed and priced in the Job Order will be segregated for disposal by Owner unless Owner requires Job Order Contractor to dispose of the materials in which case, an equitable adjustment in the price will be negotiated and agreed.
- **3.2.9.4.** The Contractor and/or subcontractor shall be required to use approved solid waste disposal services. This requirement is not intended to preclude other methods or means for hauling debris or excess material from the project site such as trucking large volumes of material, including soil, building demolition, or hazardous and special wastes. The intent is to use approved solid waste service where standard waste disposal is needed. Specifically, all roll-off and front-load containers used on a PSWID construction site shall be contracted for through an approved solid waste provider. It is the contractor's responsibility to contact and make all necessary arrangements for these services. All charges for these services are the responsibility of the contractor.
- **3.2.10.** Existing Improvements and Utilities. Job Order Contractor shall protect from damage all existing improvements and utilities at or near the site and on adjacent property of third parties, the locations of which are made known to or should be known by Job Order Contractor. Job Order Contractor shall repair any damage to those facilities, including those that are the property of third parties, resulting from failure to comply with the requirements of the Job Order or failure to exercise reasonable care in performing the Work. If Job Order Contractor fails or refuses to repair the damage promptly, Owner may have the necessary repair work performed and charge the cost to Job Order Contractor.
- **3.2.11.** <u>Safety.</u> Job Order Contractor shall be responsible for compliance with all safety rules and regulations of the Federal Occupational Safety and Health Act of 1970 (OSHA), all applicable state and local laws, ordinances, and regulations during the performance of the Work. Job Order Contractor shall indemnify Owner for fines, penalties, and corrective measures that result from the acts of commission or omission of Job Order Contractor, its subcontractors, if any, agents, employees, and assigns and its failure to comply with such safety rules and regulations.
- **3.2.11.1.** <u>Job Order Contractor Safety Compliance</u>. Job Order Contractor shall furnish and enforce the use of individual protective equipment as needed to complete the Work, including hard hats, rain gear, protective footwear, protective clothing and gloves, eye protection, ear protection, respirators, safety belts, safety harnesses, safety lifelines and lanyards, and high visibility reflective safety vests.
- **3.2.11.2. Job Order Contractor Provided Warnings**. Job Order Contractor shall provide warning signs, barricades and verbal warnings as required.
- **3.2.11.3.** Emergency Procedures. Job Order Contractor shall inform its employees of emergency procedures to be adhered to in case of a fire, medical emergency, or any other life-threatening situations.
- **3.2.11.4.** <u>Accident Notification</u>. Job Order Contractor shall promptly notify Owner of any recordable accident involving personnel or damage to material and equipment. Copies of any injury reports or accident investigation reports shall be provided to the Owner.
- **3.2.11.5.** <u>Jobsite Safety Documents</u>. Job Order Contractor shall maintain a set of OSHA articles and Material Safety Data Sheets (MSDS) at the jobsite office as they apply to the Work being performed. Copies shall be provided to Owner when requested.
- **3.2.11.6.** <u>Job Order Contractor's Safety Program</u>. Job Order Contractor shall submit to Owner a copy of its safety policies and program procedures which establish the safety rules and

regulations as they are to be applied to performance of the Work. These documents shall be submitted by Job Order Contractor within fourteen (14) calendar days after issuance of the initial Job Order and prior to the commencement of the Work.

- **3.2.11.7.** <u>Job Order Contractor Safety Representative</u>. Job Order Contractor shall assign, during performance of the Work, a designated safety representative to develop and monitor the project safety program. The name, company address, and telephone number of the assigned individual shall be submitted to Owner by Job Order Contractor along with its safety policies and program procedures.
- **3.2.11.8.** Emergency Medical Treatment. Job Order Contractor shall make available for its employees and those of its subcontractors, while they are performing Work on the site, emergency medical treatment either at the site or at a nearby medical facility.
- **3.2.11.9.** Owner's Right to Monitor. Owner reserves the right to approve and monitor Job Order Contractor's safety policies and program procedures as applied during performance of the Work. Failure to comply with safety policies and program procedures, once approved by Owner, shall be cause for the termination of the Job Order in accordance with § 14.
- **3.2.11.10.** <u>First Aid Kit</u>. Job Order Contractor shall provide and maintain on the jobsite, at all times when Work is in progress, a completely stocked first aid kit which contains all standard emergency medical supplies.
- **3.2.11.11.** <u>Fire Extinguisher</u>. Job Order Contractor shall provide and maintain on the jobsite, at all times when Work is in progress, a fully charged fire extinguisher appropriate for the potential fire hazard.
- **3.2.12.** <u>Dissemination of Contract Information</u>. Job Order Contractor shall not publish, permit to be published, or distribute for public consumption, any information, oral or written, concerning this Contract, any Job Order or the Work performed under this Contract, without the prior consent of Owner.
- **3.2.13. Shop Drawings.** Job Order Contractor's duties under this Contract include the preparation of shop drawings or sketches necessary to permit orderly construction of Owner's design plans. Job Order Contractor agrees to provide detailed design drawings and plans if requested by Owner.
- **3.2.14. Jobsite Drawings and Specifications.** Job Order Contractor shall keep on the Work site a copy of the drawings and specifications and shall at all times give Owner access thereto.

3.3. Owner Rights and Obligations.

3.3.1. Suspension of Work.

- **3.3.1.1.** Owner's Written Order. Owner may order Job Order Contractor, in writing, to suspend, delay, or interrupt all or any part of the Work for a period of time that Owner determines appropriate.
- **3.3.1.2.** Work Delay or Suspension. If the performance of all or any part of the Work is suspended, delayed, or interrupted by an act of Owner in the administration of a Job Order, or by Owner's failure to act within the time specified in the Job Order, an adjustment shall be made for any increase in the cost of performance of the Job Order necessarily caused by the suspension, delay, or interruption, and the Job Order will be modified in writing accordingly.

- **3.3.1.3.** Job Order Contractor Costs. A claim under this Subparagraph 3.3.1 shall not be allowed for any costs incurred more than thirty (30) calendar days before Job Order Contractor shall have notified Owner in writing of the act or failure to act (but this requirement shall not apply as to a claim resulting from a suspension order), and unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of such suspension, delay, or interruption, but not later than the date of final payment under the Job Order.
- **3.3.2.** Owner's Right to Possession. Owner shall have the right to take possession of or use any completed or partially completed part of the Work. Before taking possession of or using any Work, Owner shall furnish Job Order Contractor a list of items of work remaining to be performed or corrected on those portions of the Work that Owner intends to take possession of or use. However, failure of Owner to list any item of Work shall not relieve Job Order Contractor of responsibility for complying with the terms of this Contract. Owner possession or use shall not be deemed an acceptance of any Work under this Contract.
- **3.3.2.1.** Owner's Possession or Use. While Owner has such possession or use, Job Order Contractor shall be relieved of the responsibility for the loss of or damage to the Work resulting from Owner's possession or use, notwithstanding the terms of Subparagraph 3.2.1. If prior possession or use by Owner delays the progress of the Work or causes additional expense to Job Order Contractor, an equitable adjustment shall be made in the Job Order price or the period of performance, and the Job Order shall be modified in writing accordingly.
- **3.3.3.** Other Contracts. Owner may undertake or award other Contracts for additional work at or near the site of Work under this Contract. Job Order Contractor shall fully cooperate with the other Job Order Contractors and with Owner's employees and shall carefully adapt scheduling and performing the Work under this Contract to accommodate the additional work, heeding any direction that may be provided by Owner. Job Order Contractor shall not commit or permit any act that will interfere with the performance of its Work by any other contractor or by Owner's employees.
- **3.4.** <u>Job Order Amendment</u>. Job Orders may be amended by Owner in the same manner as they are issued.
- **3.5.** <u>Job Order Value.</u> The maximum Job Order value is Three Million Dollars (\$3,000,000), except as provided by § 16.32.1.

4. JOB ORDER DOCUMENTS

- **4.1. Specification and Drawings.** Anything mentioned in the specifications and not shown on the drawings or shown on the drawings and not mentioned in the specifications, shall be of like effect as if shown or mentioned in both. In case of differences between drawings and specifications, the drawings shall govern. In case of discrepancy either in the figures, in the drawings, or in the specifications, the matter shall be promptly submitted to Owner, who shall promptly decide in writing. Any adjustment by Job Order Contractor without such a determination shall be at its own risk and expense. Owner shall furnish from time to time such detail drawings and other information as considered necessary, unless otherwise provided.
- **4.1.1.** Wherever in the specifications or upon the drawings the words "directed," "required," "ordered," "designated," "prescribed," or words of like import are used, it shall be understood that the "direction," "requirement," "order," "designation," or "prescription," of Owner is intended and similarly the words "approved," "acceptable," "satisfactory," or words of like import

shall mean "approved by," or "acceptable to," or "satisfactory to" Owner, unless otherwise expressly stated.

- **4.1.2.** Where "as shown," "as indicated," "as detailed," or words of similar import are used, it shall be understood that the reference is made to the drawings accompanying the Contract unless stated otherwise. The word "provided" as used herein shall be understood to mean "provide complete in place," that is "furnished and installed.
- **4.2. Shop Drawings.** Shop drawings include sketches, diagrams, layouts, schematics, descriptive literature, illustrations, schedules, performance and test data, and similar materials furnished by Job Order Contractor to explain in detail specific portions of the Work. Owner may duplicate, use, and disclose in any manner and for any purpose shop drawings delivered under the Contract. Shop drawings means drawings submitted to Owner by Job Order Contractor showing in detail:
 - **4.2.1.** The proposed fabrication and assembly of structural elements and,
 - **4.2.2.** The installation (i.e., form, fit and attachment details) of materials or equipment.
 - **4.2.3.** The construction and detailing of elements of the Work.
- **4.3. Shop Drawing Coordination.** Job Order Contractor shall coordinate all shop drawings, and review them for accuracy, completeness, and compliance with Contract requirements and shall indicate its approval thereon as evidence of such coordination and review. Shop drawings submitted to Owner without evidence of Job Order Contractor's approval may be returned for resubmission. Owner will indicate its approval or disapproval of the shop drawings and if not approved as submitted shall indicate Owner's reasons, therefore. Any work done before such approval shall be at Job Order Contractor's risk. Approval by Owner shall not relieve Job Order Contractor from responsibility for any errors or omissions in such drawings, nor from responsibility for complying with the requirements of the Contract, except with respect to variations described and approved in accordance with § **4.4** below.
- **4.4. Shop Drawing Modifications**. If shop drawings show variations from the Job Order requirements, Job Order Contractor shall describe such variations in writing, separate from the drawings, at the time of submission. If Owner approves any such variation, Owner shall issue an appropriate Contract modification, except that, if the variation is minor and does not involve a change in price or in time of performance, a modification need not be issued.
- **4.5. Shop Drawing Omissions**. Omissions from the drawings or specifications or the misdescription of details of work which are manifestly necessary to carry out the intent of the drawings and specifications, or which are customarily performed, shall not relieve Job Order Contractor from performing such omitted or mis-described details of the Work but they shall be performed as if fully and correctly set forth and described in the drawings and specifications.
- **4.6.** Owner Furnished Drawings. Job Order Contractor shall check all Owner furnished drawings immediately upon receipt and shall promptly notify Owner of any discrepancies. Any errors or omissions in Owner furnished drawings are the responsibility of the Owner to rectify, including associated costs. Figures marked on drawings shall be followed in preference to scale measurements. Large scale drawings shall govern small scale drawings. Job Order Contractor shall compare all drawings and verify the figures before laying out the Work and will be responsible for any errors which might have been avoided thereby.

- **4.7. Shop Drawing Submittal**. Job Order Contractor shall submit to Owner for approval an appropriate number of copies of all shop drawings as called for under the various headings of these specifications. Sets of all shop drawings will be retained by Owner and one set will be returned to Job Order Contractor with annotation of approval or rejection within one (1) week after submission, unless a longer review period is necessary by mutual agreement between Owner and Job Order Contractor.
- **4.8.** <u>Use of Job Order Documents</u>. All drawings (to include as-built drawings), sketches, designs, design data, specifications, note books, technical and scientific data provided to Job Order Contractor or developed by Job Order Contractor pursuant to the Contract and all photographs, negatives, reports, findings, recommendations, data and memoranda of every description relating thereto, as well as all copies of the foregoing relating to the Work or any part thereof, shall be the property of Owner and may be used by Owner without any claim by Job Order Contractor for additional compensation, unless such material developed by Job Order Contractor does not result in an issued Job Order. In such cases, Job Order Contractor will receive reasonable reimbursement for the development of such materials before Owner uses them in any manner whatsoever. In addition, Owner agrees to hold Job Order Contractor harmless to the extent permitted by law from any legal liability arising out of the Owner's use of such materials.

5. MATERIAL AND WORKMANSHIP

- 5.1. <u>Suitability of Material and Equipment</u>. All equipment, material, and articles incorporated in the Work covered by this Contract shall be new and of the most suitable grade for the purpose intended, unless otherwise specifically provided in the Contract. References in the specifications to equipment, material, article, or patented process by trade name, make, or catalog number, shall be regarded as establishing a standard of quality and shall not be construed as limiting competition. Job Order Contractor may, at its option, use any equipment, material, article, or process that, in the sole judgment and prior written approval of the Owner, is equal to that named in the specifications.
- **5.2.** Owner Approval. Job Order Contractor shall obtain Owner's approval of the equipment to be incorporated into the Work. When requesting approval, Job Order Contractor shall furnish to Owner the name of the manufacturer, the model number, and other information concerning the performance, capacity, nature, and rating of the equipment. When required by the Contract or by Owner, Job Order Contractor shall also obtain Owner's approval of the material or articles which Job Order Contractor contemplates incorporating into the Work. When requesting approval, Job Order Contractor shall provide full information concerning the material or articles. When directed to do so, Job Order Contractor shall submit samples for approval. Machinery, equipment, material and articles that do not have the required approval shall be installed or used at the risk of subsequent rejection.
- **5.3.** Testing of Materials. Unless otherwise specified in a Job Order, the Job Order Contractor shall be responsible for any required testing of materials prior to incorporation into the Work. Reimbursement for testing required by third party entities will be included in the individual Job Order.
- **5.4. Workmanship**. All work under the Contract shall be performed in a skillful and workmanlike manner.

6. SITE CONDITIONS

- **6.1.** <u>Site Investigation</u>. Job Order Contractor acknowledges that it has taken steps necessary to ascertain the nature and location of the Work, and that it has investigated and satisfied itself as to the general and local conditions which can affect the Work or its cost, including but not limited to:
 - **6.1.1.** Conditions bearing upon transportation, disposal, handling, and storage of materials;
 - **6.1.2.** The availability of labor, water, electric power, and roads;
 - **6.1.3.** Uncertainties of weather, river stages, tides, or similar physical conditions at the site:
 - **6.1.4.** The visible conformation and conditions of the ground; and
 - **6.1.5.** The character of equipment and facilities needed preliminary to and during work performance.
- **Surface and Subsurface Investigation**. Job Order Contractor also acknowledges that it has satisfied itself as to the character, quality, and quantity of surface and subsurface materials or obstacles to be encountered as far as this information is ascertainable from an inspection of the site, including all exploratory work done by Owner, as well as from the drawings and specifications made a part of this Contract. Owner will provide to Job Order Contractor all subsurface investigation reports it has commissioned, and has knowledge of, that reflect expected conditions at the location of the Job Order.
- **6.3.** <u>Differing Site Conditions</u>. Job Order Contractor shall promptly, and before the conditions are disturbed, give a written notice to Owner of:
- **6.3.1.** Subsurface or latent physical conditions at the site which differ materially from those indicated in the Contract, or
- **6.3.2.** Unknown physical conditions at the site, of an unusual nature, which differ materially from those ordinarily encountered and recognized as inherent in work of the character provided for in the Contract.
- **Owner Investigation.** Owner shall investigate the site conditions promptly after receiving the notice. If the conditions do materially so differ and cause an increase or decrease in Job Order Contractor's cost of, or the time required for, performing any part of the Work, whether or not changed as a result of the conditions, an equitable adjustment shall be made and the Job Order modified in writing accordingly.
- **6.5.** Written Notice of Differing Site Conditions. No request by Job Order Contractor for an equitable adjustment to a Job Order under this § 6 shall be allowed, unless Job Order Contractor has given the written notice required.
- **6.6.** Payment Adjustment. No request by Job Order Contractor for an equitable adjustment to a Job Order for differing site conditions shall be allowed if made after final payment under such Job Order.

7. JOB ORDER SCHEDULES

7.1. Construction Schedule. If the Job Order Contractor fails to submit a schedule with the Job Order, Owner may withhold approval of progress payments until Job Order Contractor

submits the required schedule. If required, the Job Order Contractor will submit for approval with the signed Job Order a practicable schedule showing the sequence in which Job Order Contractor proposes to perform the Work, and the dates on which Job Order Contractor contemplates starting and completing the several salient features of the Work (including acquiring materials, plant and equipment). The schedule may be a formal computerized schedule or a progress chart in a bar chart format of suitable scale to indicate appropriately the percentage of Work scheduled for completion by any given date during the period. In either case, the basic information should be the same and the schedule or chart must contain as a minimum:

- **7.1.1.** A detailed list of work activities or work elements.
- **7.1.2.** Show the logical dependencies (ties) to indicate what Work must be accomplished before other Work can begin.
- **7.1.3.** Show early start and early finish dates along with late start and late finish dates for each work activity or work element.
- **7.2.** Failure to Submit Schedule. Failure of Job Order Contractor to comply with the requirements of Owner under this clause shall be grounds for a determination by Owner that Job Order Contractor is not prosecuting the Work with sufficient diligence to ensure completion within the time specified in the Job Order. Upon making this determination, Owner may terminate Job Order Contractor's right to proceed with the Work if not cured within seven (7) days after written notice is provided, or any separable part of it, in accordance with § 14.
- **7.3.** Progress Report. Job Order Contractor shall submit a progress report every thirty (30) days, or as directed by Owner, and upon doing so shall immediately deliver a current schedule to Owner if it has materially changed since the last submission of a schedule. If Job Order Contractor falls behind the approved schedule, Job Order Contractor shall take steps necessary to improve its progress, including those that may be required by Owner. Without additional cost to Owner, Owner may require Job Order Contractor to increase the number of shifts, overtime operations, days of work, and/or the amount of construction plant or equipment, and to submit for approval any supplementary schedule or schedules in chart form as Owner deems necessary to demonstrate how the approved rate of progress will be regained.
- **7.4.** Emergency Work. Job Order Contractor will give top priority to any emergency Work Owner may have and will allocate all resources necessary to accomplish such Work in accordance with Owner's schedule requirements. To the extent the Job Order Contractor incurs additional cost, expense or schedule delay in performing Owner's emergency Work, Owner will equitably adjust the Contract in accordance with § 10.

8. INSPECTION OF CONSTRUCTION AND ACCEPTANCE

- **8.1.** Job Order Contractor Inspection System. Job Order Contractor shall maintain an adequate inspection system and perform such inspections as will ensure that the Work called for conforms to Job Order requirements. Job Order Contractor shall maintain complete inspection records and make them available to Owner. All work shall be conducted under the general direction of Owner and is subject to inspection and test by Owner at all places and at all reasonable times before acceptance to ensure strict compliance with the terms of the Contract.
- **8.2.** Owner Inspections and Tests. Owner inspections and tests are for the sole benefit of Owner and do not:

- **8.2.1.** Relieve Job Order Contractor of responsibility for providing adequate quality control measures:
- **8.2.2.** Relieve Job Order Contractor of responsibility for damage to or loss of the material before acceptance;
- **8.2.3.** Constitute or imply acceptance; or
- **8.2.4.** Affect the continuing rights of Owner after acceptance of the complete work.
- **8.3. Job Order Contractor Responsibilities.** The presence or absence of an inspector does not relieve Job Order Contractor from any Contract requirement, nor is the inspector authorized to change any term or condition of the specification without Owner's written authorization.
- **8.4. Job Order Contractor Performance.** Job Order Contractor shall promptly furnish, without additional charge, all facilities, labor, and material needed for performing such safe and convenient inspections and tests as may be required by Owner. Owner may charge to Job Order Contractor any additional cost of inspection or test when Work is not ready at the time specified by Job Order Contractor for inspection or test, or when prior rejection makes re-inspection or retest necessary. Owner shall perform all inspections and tests in a manner that will not unnecessarily delay the Work. Special, full size and performance tests shall be performed as described in the Job Order.
- **8.5. Job Order Contractor Corrective Work.** Job Order Contractor shall, without charge, replace or correct Work found by Owner not to conform to Job Order requirements, unless Owner consents to accept the Work with an appropriate adjustment in Contract price. Job Order Contractor shall promptly segregate and remove rejected material from the premises.
- **8.6.** Failure to Replace or Correct Work. If Job Order Contractor does not promptly replace or correct rejected Work, Owner may:
- **8.6.1.** By Contract or otherwise, replace or correct the Work and charge the cost to Job Order Contractor; or
 - **8.6.2.** Terminate for default Job Order Contractor's right to proceed.
- **8.7.** Owner Inspection before Acceptance. If, before acceptance of the entire Work, Owner decides to examine already completed Work by removing it or tearing it out, Job Order Contractor, on request, shall promptly furnish all necessary facilities, labor, and material. If the Work is found to be defective or nonconforming in any material respect due to the fault of Job Order Contractor or its subcontractors, Job Order Contractor shall bear the expenses of the examination and of satisfactory reconstruction. However, if the Work is found to meet requirements, Owner shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the Work was thereby delayed, an extension of the period of time for performance.
- **8.8.** Owner Acceptance. Unless otherwise specified in the Job Order, Owner shall accept, as promptly as practicable after completion and inspection, all work required by the Job Order or that portion of the Work that the Owner determines can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or Owner's rights under any warranty or guarantee.

9. INVOICING AND PAYMENT

- **9.1.** <u>Compensation</u>. As full consideration for the satisfactory performance by Job Order Contractor of Work prescribed under the Contract, Owner shall pay Job Order Contractor the amounts specified in the individual Job Orders.
- **9.2.** <u>Invoices</u>. Job Order Contractor shall submit invoices to the following address:

PSWID

P.O. Box 134, 6306 W. Hardscrabble Mesa Road

Pine, AZ 85544

- **9.3. Job Order Cost Proposal Structure.** For each Job Order, the Job Order Contractor shall prepare a Job Order Cost Proposal with the sufficient level of cost detail as required by the Owner. Cost detail may include, but is not limited to schedule of values, work schedule, direct labor cost and fringe benefits, direct material costs (supported by quotes), direct equipment costs (supported by quotes), cost of subcontractors (supported by quotes) and allowable indirect costs (includes insurance). The contractor shall utilize the markups established in the JOC Pricing Matrix (*Attachment C*) to calculate the overhead and profit for all Job Order Cost Proposals, unless otherwise requested by the Owner. Profit on subcontractors/subconsultants shall not exceed 5 percent.
- **9.4. Progress Payments.** Owner shall make progress payments monthly as the Work proceeds, or at more frequent intervals as determined by Owner, on estimates of Work completed submitted by the Job Order Contractor and approved by Owner. Job Order Contractor shall use an acceptable invoice form and shall include supporting documents to reflect a breakdown of the total price showing the amount included therein for each principal category of the Work, in such detail as requested, to provide a basis for determining progress payments. In the estimation of Work completed, Owner will authorize payment for material delivered on the site and preparatory work done if Job Order Contractor furnishes satisfactory evidence that it has acquired title to such material and that the material will be used to perform the Work.
- **9.5.** Retention. Retention shall be 10% and defined and agreed to for each individual Job Order Contract.
- **9.6.** Owner's Property. All material and work covered by progress payments made shall, at the time of payment, become the sole property of Owner, but this provision shall not be construed as:
- **9.6.1.** Relieving Job Order Contractor from the sole responsibility for all material and Work upon which payments have been made or the restoration of any damaged Work prior to final acceptance of the Job Order by the Owner; or
- **9.6.2.** Waiving the right of Owner to require the fulfillment of all of the terms of the Contract.
- **9.7.** Approval and Certification. An estimate of the Work submitted shall be deemed approved and certified for payment after seven days from the date of submission unless before that time the Owner or Owner's agent prepares and issues a specific written finding setting forth those items in detail in the estimate of the Work that are not approved for payment under this contract. The Owner may withhold an amount from the progress payment sufficient to pay the expenses the Owner expects to incur in correcting the deficiency set forth in the written finding. The progress payments shall be paid on or before fourteen days after the estimate of the Work

is certified and approved. The estimate of the Work shall be deemed received by the Owner on submission to any person designated by the Owner for the submission, review or approval of the estimate of the Work.

- **9.8.** <u>Unpaid Amounts</u>. Owner shall pay all unpaid amounts due Job Order Contractor under this Contract within thirty (30) days, after:
 - **9.8.1.** Completion and acceptance of the Work;
 - **9.8.2.** Presentation of a properly executed invoice and supporting documentation;
- **9.8.3.** Presentation of release of all claims against Owner arising by virtue of the Contract, other than claims, in stated amounts, that Job Order Contractor has specifically accepted from the operation of the release. A release may also be required of the assignee if Job Order Contractor's claim to amounts payable under this Contract has been assigned. Job Order Contractor shall complete a Job Order Contractor's release form acceptable to Owner; or
 - **9.8.4.** Consent of Job Order Contractor's surety, if any.

10. CHANGES

- **10.1.** Owner Changes. Owner may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the Work within the general scope of the Job Orders, including changes:
 - **10.1.1.** In the specifications (including drawings and designs);
 - **10.1.2.** In Owner-furnished facilities, equipment, materials, services, or site; or
- **10.1.3.** Directing acceleration in the performance of the Work, or otherwise altering the schedule for performance of the Work.
- **10.2.** Owner Change Orders. Any other written order (which, as used in this paragraph, includes direction, instruction, interpretation, or determination) from Owner that causes a change shall be treated as a change order under this § 10; provided, that Job Order Contractor gives Owner timely written notice stating the date, circumstances, and source of the order and that Job Order Contractor regards the order as a change order.
- **10.3.** <u>Contract Adjustments</u>. Except as provided in this § *10*, no order, statement, or conduct of Owner shall be treated as a change under this § *10* or entitle Job Order Contractor to an equitable adjustment hereunder.
- **10.4.** <u>Modification of the Job Order</u>. If any change under this § *10* causes an increase or decrease in Job Order Contractor's cost of, or the time required for, the performance of any part of the Work under a Job Order, whether or not changed by any such order, Owner shall negotiate an equitable adjustment and modify the Job Order in writing.
- **10.5. Job Order Contractor Proposal**. Job Order Contractor must submit any proposal under this **§ 10** within thirty (30) calendar days after:
 - **10.5.1.** Receipt of a written change order under § **10.1** above; or
- **10.5.2.** The furnishing of a written notice under § **10.2** above by submitting to Owner a written statement describing the general nature and amount of the proposal unless Owner extends this period. The statement of proposal for adjustment may be included in the notice under § **10.2** above.

- **10.6.** <u>Final Payment Limitation</u>. No proposal by Job Order Contractor for an equitable adjustment shall be allowed if asserted after final payment under the Job Order.
- **10.7. Job Order Contractor Extension Justification.** Job Order Contractor shall furnish to the Owner a written proposal for any proposed extension in the period of performance. The proposal shall contain a price breakdown and period of performance extension justification.
- **10.8.** <u>Job Order Contractor Price Breakdown Structure</u>. Job Order Contractor, in connection with any proposal it makes for a Job Order change shall furnish a price breakdown itemized as required by Owner and the pricing matrix as required in the awarded contract.

11. INSURANCE & BONDS

- **11.1.** <u>Job Order Contractor Insurance</u>. Job Order Contractor shall purchase and maintain in effect during the term of this Contract insurance of the types and with minimum limits of liability as stated below. Such insurance shall protect Job Order Contractor and Owner from claims which may arise out of or result from Job Order Contractor's operations whether such operations are performed by Job Order Contractor or by any subcontractor or by anyone for whose acts any of them may be liable.
- **11.1.1.** WORKERS' COMPENSATION INSURANCE providing statutory benefits in accordance with the laws of the State of Arizona or any Federal statutes as may be applicable to the Work being performed under this Contract.
- **11.1.2.** EMPLOYER'S LIABILITY INSURANCE with limits of liability not less than: \$1,000,000 Each Accident; \$1,000,000 Each Employee for Disease; and \$1,000,000 Policy Limit for Disease.
- **11.1.3.** COMMERCIAL GENERAL LIABILITY INSURANCE including Products/Completed Operations and Contractual Liability with limits of liability not less than: \$2,000,000 General Aggregate; \$2,000,000 Products/Completed Operations Aggregate; and \$2,000,000 Each Occurrence.
- **11.1.4.** AUTOMOBILE LIABILITY INSURANCE covering all owned, hired and non-owned motor vehicles used in connection with the Work being performed under this Contract with limits of liability not less than: \$1,000,000 Each Person for Bodily Injury; \$1,000,000 Each Accident for Bodily Injury; and \$1,000,000 Each Occurrence for Property Damage.
- **11.2.** Owner as Additional Insured. The policies providing Commercial General Liability and Automobile Liability insurance as required in § 11.1 shall be endorsed to name Owner as Additional Insured. Such insurance as is provided herein shall be primary and non-contributing with any other valid and collectible insurance available to Owner.
- **11.3. Policy Endorsement.** All policies providing Job Order Contractor's insurance as required in *§ 11.1* above shall be endorsed to provide the following:
- **11.3.1.** Thirty days written notice of cancellation or non-renewal given to Owner at the address designated in *§ 16.2*.
 - **11.3.2.** Waiver of subrogation in favor of Owner.
- **11.4.** <u>Limits of Liability</u>. The limits of liability as required above may be provided by a single policy of insurance or by a combination of primary, excess or umbrella policies. But in no event shall the total limits of liability available for any one occurrence or accident be less than the amount required above.

- **11.5.** <u>Certificate of Insurance</u>. Proof of compliance with these insurance requirements shall be furnished Owner in the form of an original certificate of insurance signed by an authorized representative or agent of the insurance company within ten (10) days of execution of this agreement. Renewal or replacement certificates shall be furnished Owner not less than twenty-one (21) days prior to the expiration or termination date of the applicable policy.
- **11.6.** <u>Subcontractor Insurance</u>. Job Order Contractor shall require any and all subcontractors performing Work under this Contract to carry insurance of the types and with limits of liability as Job Order Contractor shall deem appropriate and adequate for the Work being performed. Job Order Contractor shall obtain and make available for inspection by Owner upon request current certificates of insurance evidencing insurance coverages carried by such subcontractors.
- **11.7.** <u>Bonds.</u> If required by Owner, Job Order Contractor shall furnish Performance and Payment Bonds, each in an amount equal to one hundred percent (100%) of the Construction Work, (excluding design and pre-construction services) in a penal sum equal to the aggregate price of all Job Orders issued to the Job Order Contractor. The Performance and Payment Bonds must be submitted to Owner within ten (10) calendar days after issuance of a Job Order.
- 11.8. Notice to Proceed. Notice to Proceed will not be issued until properly executed bonds and insurance documentation are received and accepted by Owner. A separate Notice to Proceed will be issued for each Job Order. The Notice to Proceed shall stipulate the actual contract start date, the contract duration and the contract completion date. The time required for the Contractor to obtain permits, licenses and easements shall be included in the contract duration and shall not be justification for a delay claim by the Contractor. The time required for the Contractor to prepare, transmit and obtain approval of applicable submittals shall be included in the contract duration and shall not be justification for a delay claim by the Contractor. No work shall be started until after all required permits, licenses, and easements have been obtained. No work shall be started until all applicable submittals have been submitted and returned approved by the Owner's Representative. The Contractor shall notify the PSWID's project manager or engineer at least seventy-two (72) hours before the following events:
 - **11.8.1.** The start of construction in order to arrange for inspection.
 - **11.8.2.** Shutdown of PSWID water, drainage, and traffic control facility.
 - 11.8.3. Shutdown of existing water wells, booster pumps, waterlines, and water tanks as well as other facilities associated with the PSWID public water system. All Shutdowns must have prior approval of the OWNER. Shutdown shall not exceed eight (8) hours for any installation. Only one facility may be shutdown at any time.
 - **11.8.4.** Coordination is required for all draining and filling of water facilities and all operations of existing valves or gauges with the project manager.
 - 11.8.5. Start-up or testing of any water well or booster pump to be connected to any part of the existing PSWID water system. This includes operation of existing valves necessary to accommodate the work.
- 12. INDEMNIFICATION. To the fullest extent permitted by law, the Job Order Contractor, subcontractor or design professional shall indemnify and hold harmless the PSWID, and its officers and employees, from liabilities, damages, losses and costs, including reasonable attorney fees and court costs, but only to the extent caused by the negligence, recklessness or intentional wrongful conduct of such Job Order Contractor, subcontractor or design professional or other

persons employed or used by such Job Order Contractor, subcontractor or design professional in the performance of the contract or subcontract. The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

13. DISPUTES.

- **13.1.** Party Cooperation. The parties are fully committed to working with each other throughout the term of the Contract 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, Job Order Contractor 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.
- **13.2.** <u>Field Level Resolution</u>. Job Order Contractor and Owner will first attempt to resolve disputes or disagreements at the field level through discussions between the parties' representatives named herein.
- **13.3.** <u>Job Order Contractor Performance</u>. The Job Order Contractor shall continue to perform the Work and Owner shall continue to satisfy its payment obligations to Job Order Contractor, pending the final resolution of any dispute or disagreements between the parties.
- **13.4. Partnering.** If requested and mutually agreed upon, the Owner and Job Order Contractor will share in the expense of an initial facilitated partnering workshop, followed up by periodic refresher meetings at mutually agreed times. The goal of the workshop will be to identify common goals, common interests, lines of communication, and a commitment to cooperative problem solving.
- **13.5.** Owner's Representative. Owner designates the individual listed below as its representative, which individual has the authority and responsibility for avoiding and resolving disputes under this Contract. (Identify individual's name, title, address and telephone numbers)

PSWID David Dickinson, General Manager P.O. Box 134, 6306 W. Hardscrabble Mesa Road Pine, AZ 85544 (928) 476-4222

13.6. <u>Job Order Contractor's Representative</u>. Job Order Contractor designates the individual listed below as its representative, which individual has the authority and responsibility for avoiding and resolving disputes under this Contract. (Identify individual's name, title, address and telephone numbers)



13.7. Owner's Resolution. Any dispute which is not disposed of by agreement will be decided by the Owner, who will reduce its decision to writing and mail or otherwise furnish a copy thereof to the Job Order Contractor. Any dispute not finally resolved under this § 13 may be brought

before the state courts of the State of Arizona and adjudicated in accordance with the laws of Arizona.

14. TERMINATION AND DEFAULT

- **14.1.** <u>Termination for Convenience</u>. Owner may terminate performance of the Work under this Contract in whole or, from time to time, in part if Owner determines that termination is in Owner's interest. Owner shall affect such termination by delivering to Job Order Contractor a Notice of Termination specifying the extent of termination and the effective date.
- **14.2.** <u>Notice of Termination</u>. After receipt of a Notice of Termination, and except as directed by Owner, Job Order Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this *§ 14*:
 - **14.2.1.** Stop work as specified in the notice;
- **14.2.2.** Place no further subcontracts or orders (referred to as subcontracts in this **§ 14**) for materials, services or facilities, except as necessary to complete any Work not terminated;
- **14.2.3.** Assign to Owner, if directed by Owner, all right, title, and interest of Job Order Contractor under the subcontracts to the extent they relate to the Work terminated, in which case Owner shall have the right to settle or to pay any termination settlement proposal arising out of those terminations, or with approval or ratification to the extent required by Owner, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the approval or ratification of which will be final for purposes of this § **14**;
 - **14.2.4.** As directed by Owner, transfer title and deliver to Owner:
- **14.2.4.1.** The fabricated or unfabricated parts, Work in progress, completed Work, supplies, and other material produced or acquired for the Work terminated;
- **14.2.4.2.** The completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to Owner;
 - **14.2.5.** Complete performance of the Work not terminated;
- **14.2.6.** Take any action that may be necessary, or that Owner may direct, for the protection and preservation of the property related to this Contract that is in the possession of Job Order Contractor and in which Owner has or may acquire an interest; and
- **14.2.7.** Use its best efforts to sell, as directed or authorized by Owner, any property of the types referred to in *§ 14.2.3* above; provided, however, that Job Order Contractor is not required to extend credit to any purchaser and may acquire the property under the conditions prescribed by, and at prices approved by, Owner. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by Owner under the Contract, credited to the price or cost of the Work, or paid in any other manner directed by Owner.
- **14.3.** <u>Final Termination Settlement Proposal</u>. After termination, Job Order Contractor shall submit a final termination settlement proposal to Owner in the form and with the certification prescribed by Owner. Job Order Contractor shall submit the proposal promptly, but no later than one year from the effective date of termination.
- **14.4. Owner Payment.** Job Order Contractor and Owner may agree upon the whole or any part of the amount to be paid because of the termination. The amount will include a reasonable

allowance for profit on work done. The Contract shall be amended, and Job Order Contractor paid the agreed amount.

- **14.4.1.** If Job Order Contractor and Owner fail to agree on the whole amount to be paid Job Order Contractor because of the termination of work, Owner shall pay Job Order Contractor the amounts determined as follows, but without duplication of any amounts agreed upon under § **14.4** above:
- **14.4.1.1.** For Work performed before the effective date of termination, the total (without duplication of any items) of:
 - **14.4.1.1.1.** The cost of this Work:
- **14.4.1.1.2.** The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the Contract if not included in § **14.4.1.1.1.** above; and
- **14.4.1.1.3.** A markup, including overhead and profit, on § **14.4.1.1.1.** above as is determined for pricing changes.
 - **14.4.1.2.** The reasonable costs of settlement of the Work terminated, including:
- **14.4.1.2.1.** Accounting, legal, clerical, and other expenses necessary for the preparation of termination settlement proposals and supporting data;
- **14.4.1.2.2.** The termination and settlement of subcontracts (excluding the amounts of such settlements); and
- **14.4.1.2.3.** Storage, transportation, and other costs incurred, necessary for the preservation, protection, or disposition of the termination inventory.
- **14.5.** <u>Destroyed, Lost, Stolen or Damaged Property.</u> Except for normal spoilage, and except to the extent that Owner expressly assumed the risk of loss, Owner shall exclude from the amounts payable to Job Order Contractor under Subparagraph 14.4.1 above, the fair value, as determined by Owner, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to Owner or to a buyer.
- **14.6.** <u>Amount Due Job Order Contractor</u>. In arriving at the amount due Job Order Contractor under this *§ 14*, there shall be deducted:
- **14.6.1.** All unliquidated advances or other payments to Job Order Contractor under the terminated portion of the Job Order;
- **14.6.2.** Any claim which Owner has against Job Order Contractor under the Contract; and
- **14.6.3.** The agreed price for, or the proceeds of sale of, materials, supplies, or other things acquired by Job Order Contractor or sold under the provisions of this *§ 14* and not recovered by or credited to Owner.
- **14.7.** Partial Termination. If the termination is partial, Job Order Contractor may file a proposal with Owner for an equitable adjustment of the price(s) of the continued portion of any Job Order. Any proposal by Job Order Contractor for an equitable adjustment under this § 14 shall be requested within ninety (90) calendar days from the effective date of termination unless extended in writing by Owner. Owner may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by Job Order Contractor of the terminated portion

of any Job Order, if Owner believes the total of these payments will not exceed the amount to which Job Order Contractor will be entitled.

- **14.8.** Excess Payments. If the total payments exceed the amount finally determined to be due, Job Order Contractor shall repay the excess to Owner upon demand.
- 14.9. <u>Job Order Contractor Records</u>. Unless otherwise provided in this Contract or by statute, Job Order Contractor shall maintain all records and documents relating to the terminated portion of this Contract for three (3) years after final settlement. This includes all books and other evidence bearing on Job Order Contractor's costs and expenses under this Contract. Job Order Contractor shall make these records and documents available to Owner, at Job Order Contractor's office, at all reasonable times, without cost. If approved by Owner, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.
- **14.10.** <u>Default.</u> If Job Order Contractor refuses or fails to prosecute the Work, or any separable part, with the diligence that will ensure its completion within the time specified in the Job Order including any extension, or fails to complete the Work within this time, Owner may terminate the Job Order Contractor's right to proceed with the Work (or separable part of the Work), upon thirty (30) days written notice to the Job Order Contractor. In this event, Owner may take over the Work and complete it by Contract or otherwise and may take possession of and use any materials, appliances, and plant on the site necessary for completing the Work.
- **14.11.** <u>Job Order Contractor's Right to Proceed</u>. Job Order Contractor's right to proceed shall not be terminated under this *§ 14*, if:
- 14.11.1. The delay in completing the Work arises from unforeseeable causes beyond the control and without the fault or negligence of Job Order Contractor. Examples of such causes include: acts of God or of the public enemy, acts of Owner in its Contractual capacity, acts of another contractor in the performance of a Contract with Owner, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, unusually severe weather (The basis used to define normal weather will be data showing high and low temperatures, precipitation, and number of days of severe weather in the city closest to the site for the previous ten (10) years, as compiled by the United States Department of Commerce National Weather Service.), or delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both Job Order Contractor and the subcontractors or suppliers; and
- **14.11.2.** Job Order Contractor, within 30 calendar days from the beginning of any such delay (unless extended by Owner), notifies Owner in writing of the causes of delay. The Owner shall ascertain the facts and the extent of delay. If, in the judgment of Owner, the findings of fact warrant such action, the time for completing the Work shall be extended. The findings of Owner shall be final and conclusive on the parties, but subject to appeal and review under *§* **13**.
- **14.12.** Owner's Right to Terminate. The rights and remedies of Owner in this § **14** are in addition to any other rights and remedies provided by law or under this Contract.
- **14.13.** Owner and Job Order Contractor Rights. If, after termination of Job Order Contractor's right to proceed, it is determined that Job Order Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of Owner.

- 14.14. <u>Liquidated Damages</u>. Liquidated Damages shall be in the sum per calendar day shown in Table 108-1, in MAG Specification, Section, 108.9 FAILURE TO COMPLETE ON TIME, per day for each calendar day of delay, based upon the total job order value to date (i.e., phased project awards). If the contract is not terminated, the contractor shall continue performance and be liable to the Owner for the liquidated damages until the products are delivered or services performed. In the event the PSWID exercises its right of termination, the contractor shall be liable to the Owner for any excess costs, and in addition, for liquidated damages until such time the Owner may obtain delivery or performance of similar supplies or services.
- **14.15.** <u>Immigration Act.</u> Contractor understands and acknowledges the applicability to Contractor of the Immigration Reform and Control Act of 1986 (IRCA). Contractor agrees to comply with the IRCA in performing under this contract and to permit PSWID inspection of personnel records to verify such compliance.

15. WARRANTY OF CONSTRUCTION

- **15.1.** Applicable Warranties. In addition to any other warranties in any Job Orders, Job Order Contractor warrants, except as provided in § 15.10, that work performed conforms to the Job Order requirements and is free of any defect in equipment, material or design furnished, or workmanship performed by Job Order Contractor or any of its subcontractors or suppliers at any tier.
- **15.2.** Warranty Duration. This warranty shall continue for a period of one (1) year from the date of final acceptance of the Work. If Owner takes possession of any part of the Work before final acceptance, this warranty shall continue for a period of one (1) year from the date possession is taken.
- **15.3.** <u>Job Order Contractor Corrective Work</u>. Job Order Contractor shall remedy at Job Order Contractor's expense any failure of the Work to conform to the plans and specifications, or any construction defect. In addition, the Job Order Contractor shall remedy at Job Order Contractor's expense any damage to Owner's real or personal property, when that damage is the result of:
 - **15.3.1.** Job Order Contractor's failure to conform to requirements; or
- **15.3.2.** Any defect of equipment, material, workmanship, or design furnished by the Job Order Contractor.
- **15.4.** <u>Job Order Contractor Restoration</u>. Job Order Contractor shall restore any work damaged in fulfilling the terms and conditions of this § 15. Job Order Contractor's warranty with respect to work repaired or replaced will run for one (1) year from the date of repair or replacement.
- **15.5.** Owner Notification. Owner shall notify Job Order Contractor, in writing, within a reasonable time after the discovery of any failure, defect, or damage.
- **15.6.** Failure to Correct Work. If Job Order Contractor fails to remedy any failure, defect, or damage within ten (10) days after receipt of notice, Owner shall have the right to replace, repair, or otherwise remedy the failure, defect or damage at Job Order Contractor's expense.
- **15.7.** <u>Subcontractor and Supplier Warranties</u>. With respect to all warranties, expressed or implied, from subcontractors, manufacturers, or suppliers for work performed and materials furnished for Job Orders issued under this Contract, Job Order Contractor shall:

- **15.7.1.** Obtain all warranties required by the Job Order;
- **15.7.2.** Require all warranties to be executed, in writing, for the benefit of Owner; and
- **15.7.3.** Enforce all warranties for the benefit of Owner.
- **15.8.** Owner Remedy. In the event Job Order Contractor's warranty under § 15.2 has expired, Owner may bring suit at its expense to enforce a subcontractor's, manufacturer's, or supplier's warranty.
- **15.9.** Owner Furnished Material or Design. Unless a defect is caused by the negligence of Job Order Contractor or subcontractor or supplier at any tier, Job Order Contractor shall not be liable for the repair of any defects of material or design furnished by Owner or for the repair of any damage that results from any defect in Owner-furnished material or design.
- **15.10.** <u>Pre-Existing Work</u>. Job Order Contractor is not responsible for and does not warranty pre-existing work or facilities that may be assigned to Job Order Contractor except as modified by the Job Order.
- **15.11.** Owner's Rights. This warranty shall not limit Owner's rights under § 8 of this Contract with respect to latent defects, gross mistakes, or fraud.

16. STANDARD TERMS AND CONDITIONS

- **16.1.** <u>Contract Order of Precedence</u>. In the event of an inconsistency between provisions of this Contract, the inconsistency shall be resolved by giving precedence in the following order:
 - **16.1.1.** Contract Modifications, if any;
 - **16.1.2.** This Contract, including Attachments;
 - **16.1.3.** Job Orders:
 - **16.1.4.** Drawings; and
 - **16.1.5.** Specifications.
- **16.2.** <u>Certification.</u> By signature in the Offer section of the Offer and Contract Award page the Job Order Contractor certifies:
 - **16.2.1.** The submission of the offer did not involve collusion or other anti-competitive practices.
 - **16.2.2.** The Job Order Contractor shall not discriminate against any employee or applicant for employment.
- **16.2.3.** The Job Order Contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gift, loan, gratuity, special discount, trip favor, or service to a public servant in connection with the submitted offer. Failure to sign the offer, or signing it with a false statement, shall void the submitted offer or any resulting contracts, and the vendor may be debarred.
- **16.2.4.** The Job Order Contractor is licensed to perform the Work pursuant to Arizona Revised Statutes Title 32, Chapter 10.

- **16.2.5.** The Job Order Contractor does not participate in, and agrees not to participate in during the term of any resultant contract, a boycott of Israel in accordance with A.R.S. §35-393.01
- **16.3.** Bribes and Kickbacks. The Job Order Contractor shall not by any means:
- **16.3.1.** Induce any person or entity employed in the construction of the Project to give up any part of the compensation to which that person or entity is entitled;
- **16.3.2.** Confer on any governmental, public or quasi-public official having any authority or influence over the Project, any payment, loan subscription, advance, deposit of money, services or anything of value, present or promised;
- **16.3.3.** Offer nor accept any bribes or kickbacks in connection with the Project from or to any individual or entity, including any of its trade contractors, subcontractors, consultants, suppliers or manufacturers of Project goods and materials; or,
- **16.3.4.** Without the express written permission of the Owner, call for or by exclusion require or recommend the use of any subcontractor, consultant, product, material, equipment, system, process or procedure in which the Job Order Contractor has a direct or indirect proprietary or other pecuniary interest.
- **16.4.** Applicable Law. In the performance of this agreement, contractors shall abide by and conform to any and all laws of the United States, State of Arizona and PSWID including but not limited to federal and state executive orders providing for equal employment and procurement opportunities, the Federal Occupational Safety and Health Act and any other federal or state laws applicable to this agreement.

Contractor specifically understands and acknowledges the applicability to it of the Americans with Disabilities Act, including Section 508, the Immigration Reform and Control Act of 1986, and the Drug Free Workplace Act of 1989. In addition, if this agreement pertains to construction, Contractor must also comply with A.R.S. § 34-301, as amended (Employment of Aliens on Public Works Prohibited) and A.R.S. § 34-302, as amended (Residence Requirements for Employees).

Under the provisions of A.R.S. § 41-4401, Contractor hereby warrants to the PSWID that Contractor and each of its subcontractors ("Subcontractors") will comply with, and are contractually obligated to comply with, all Federal immigration laws and regulations that relate to their employees and A.R.S. § 23-214(A) (hereinafter, "Contractor Immigration Warranty").

A breach of the Contractor Immigration Warranty shall constitute a material breach of this agreement and shall subject Contractor to penalties up to and including termination of this agreement at the sole discretion of the PSWID. The PSWID may, at its sole discretion, conduct random verification of the employment records of Contractor and any Subcontractors to ensure compliance with the Contractor Immigration Warranty. Contractor agrees to assist the PSWID regarding any random verifications performed.

Neither Contractor nor any Subcontractor shall be deemed to have materially breached the Contractor Immigration Warranty if Contractor or the Subcontractor establishes that it has complied with the employment verification provisions prescribed by §§ 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A).

The provisions of this Paragraph must be included in any contract Contractor enters into with any Subcontractors who provide services under this agreement or any subcontract. "Services" is defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.

Contractor warrants, for the term of this agreement and for six months thereafter, that is has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.

This contract shall be governed by the PSWID and Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the PSWID. This contract shall be governed by the laws of the State of Arizona and suit pertaining to this contract may be brought only in courts in the State of Arizona.

This contract is subject to the provisions of ARS §38-511; the PSWID may cancel this contract without penalty or further obligations by the PSWID or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the PSWID or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

- **16.4.1.** Job Order Contractor warrants, for the term of this agreement and for six months thereafter, that is has fully complied with the requirements of the Immigration Reform and Control Act of 1986 and all related or similar legal authorities.
- **16.4.2.** The Owner shall govern this contract. PSWID and Job Order Contractor shall have all remedies afforded each by the Uniform Commercial Code, as adopted in the State of Arizona, except as otherwise provided in this contract or in statutes pertaining specifically to the Owner. This contract shall be governed by the laws of the State of Arizona. Any lawsuit pertaining to this contract may be brought only in courts in the State of Arizona.
- **16.4.3.** This contract is subject to the provisions of ARS § 38-511; the Owner may cancel this contract without penalty or further obligations by the Owner or any of its departments or agencies if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the Owner or any of its departments or agencies, is at any time while the contract or any extension of the contract is in effect, an employee of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.
- **16.5.** <u>Legal Remedies.</u>: All claims and controversies shall be subject to resolution according to the terms of the PSWID Procurement Code.
- **16.6.** Contract: The contract between the Owner and the Job Order Contractor shall consist of (1) the Solicitation, including instructions, all terms and conditions, specifications, scopes of work, attachments, price sheet(s) and any amendments thereto, and (2) the offer submitted by the Job Order Contractor in response to the solicitation. In the event of a conflict in language between the Solicitation and the Offer, the provisions and requirements in the Solicitation shall govern. However, the Owner reserves the right to clarify, in writing, any contractual terms with the concurrence of the Job Order Contractor, and such written contract shall govern in case of conflict

29

with the applicable requirements stated in the Solicitation or the Vendor's offer. The Solicitation shall govern in all other matters not affected by the written contract.

- **16.7.** Contract Amendments: This contract may be modified only by a written Contract Amendment signed by persons duly authorized to enter into contracts on behalf of the Owner and the Job Order Contractor.
- **16.8.** Contract Applicability: The Offeror shall conform to the terms, conditions, specifications and other requirements found within the text of this Solicitation. All previous agreements, contracts, or other documents, which have been executed between the Offeror and the Owner are not applicable to this Solicitation or any resultant contract.
- **16.9.** Severability. The provisions of this contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the contract which may remain in effect without the invalid provision or application.
- **16.10.** Relationship to Parties. It is clearly understood that each party will act in its individual capacity and not as an agent, employee, partner, joint venture, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other for any purpose whatsoever. The Job Order Contractor is advised that taxes or Social Security payments will not be withheld from any PSWID payments issued hereunder and that the Job Order Contractor should make arrangements to directly pay such expenses, if any.
- **16.11. No Delegation or Assignment. -** Contractor shall not delegate any duty under this Contract, and no right or interest in this Contract shall be assigned by Contractor to any successor entity or third party, including but not limited to an affiliated successor or purchaser of Contractor or its assets, without prior written permission of the PSWID. The PSWID, at its option, may cancel this Contract in the event Contractor undertakes a delegation or assignment without first obtaining the PSWID's written approval. Contractor agrees and acknowledges that it would not be unreasonable for the PSWID to decline to approve a delegation or assignment that results in a material change to the services provided under this Contract or an increased cost to the PSWID.
- **16.12.** <u>Job Order Contractor/Supplier Contract.</u> The Job Order Contractor shall enter into written contracts with its subcontractor(s) and supplier(s), if any, and those written contracts shall be consistent with this Contract for Construction. It is the intent of the Owner and the Job Order Contractor that the obligations of the Job Order Contractor's subcontractor(s) and supplier(s), if any, inure to the benefit of the Owner and the Job Order Contractor, and that the Owner be a third-party beneficiary of the Job Order Contractor's agreements with its subcontractor(s) and supplier(s).
- **16.12.1.** The Job Order Contractor shall make available to each subcontractor and supplier, if any, prior to the execution of written contracts with any of them, a copy of the pertinent portions of this Contract for Construction, including those portions of the Construction documents to which the subcontractor or supplier will be bound, and shall require that each subcontractor and supplier shall similarly make copies of applicable parts of such documents available to its respective subcontractor(s) and supplier(s).
- **16.12.2.** The Job Order Contractor shall engage each of its subcontractor(s) and supplier(s) with written contracts which preserve and protect the rights of the Owner and include the acknowledgment and agreement of each subcontractor or supplier that the Owner is a third-party beneficiary of the contract. The Job Order Contractor's agreements with its subcontractor(s) and supplier(s) shall require that in the event of default under, or termination of, this Contract for

Construction, and upon request of the Owner, the Job Order Contractor's subcontractor(s) and supplier(s) will perform services for the Owner.

- **16.12.3.** The Job Order Contractor shall include in its agreements with its subcontractor(s) and supplier(s) a provision which contains the acknowledgment and agreement of the subcontractor or supplier that it has received and reviewed the applicable terms, conditions and requirements of this Contract for Construction that are included by reference in its written contract with the Job Order Contractor, and that it will abide by those terms, conditions and requirements.
- **16.13.** Rights and Remedies. No provision in this document or in the vendor's offer shall be construed, expressly or by implication, as waiver by the Owner of any existing or future right and/or remedy available by law in the event of any claim of default or breach of contract. The failure of the Owner to insist upon the strict performance of any term or condition of the contract or to exercise or delay the exercise of any right or remedy provided in the contract, or by law, or the Owner's acceptance of and payment for materials or services, shall not release the Job Order Contractor from any responsibilities or obligations imposed by this contract or by law, and shall not be deemed a waiver of any right of the Owner to insist upon the strict performance of the Contract.
- **16.14.** Overcharges by Antitrust Violations. The Owner maintains that, in practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Job Order Contractor hereby assigns to the Owner any and all claims for such overcharges as to the goods and services used to fulfill the Contract.
- **16.15.** <u>Force Majeure.</u> Except for payment for sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force Majeure.
- **16.15.1.** The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God: acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; floods; lockouts, injunctions-intervention-acts, or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this Contract.
- 16.15.2. Force majeure shall not include the following occurrences: late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences; late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this Force Majeure term and Condition; or any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure. If either party is delayed at any time in the progress of the work by force majeure, then the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand delivered or mailed *Certified-Return Receipt* and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable

and shall notify the other party in writing. The time of completion shall be extended by contract modification for a period of time equal to the time that the results or effects of such delay prevent the delayed party from performing in accordance with this contract.

- **16.16.** <u>Right to Assurance.</u> Whenever one party to this contract in good faith has reason to question the other party's intent to perform, he may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
- **16.17.** <u>Right To Audit Records.</u> The PSWID may, at reasonable times and places, audit the books and records of any Contractor as related to any contract held with the PSWID. This right to audit also empowers the PSWID to inspect the papers of any Contractor or Subcontractor employee who works on this contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty made pursuant to Paragraph 16.4 above.
- **16.18.** <u>Warranties.</u> Job Order Contractor warrants that all material, service or construction delivered under this contract shall conform to the specifications of this contract. Unless otherwise stated in Job Order Contractor's response, the Owner is responsible for selecting items, their use, and the results obtained from any other items used with the items furnished under this contract. Mere receipt of shipment of the material/service specified and any inspection incidental thereto by the Owner shall not alter or affect the obligations of the Job Order Contractor or the rights of the Owner under the foregoing warranties. Additional warranty requirements may be set forth in the solicitation.
- **16.19.** <u>Inspection.</u> All material and/or services are subject to inspection and acceptance by the Owner. Materials and/or services failing to conform to the specifications of this Contract will be held at Job Order Contractor's risk and may be returned to the Job Order Contractor. If so returned, all costs are the responsibility of the Job Order Contractor. The Owner may elect to do any or all of the following:
 - **16.19.1.** Waive the non-conformance.
 - **16.19.2.** Stop the work immediately.
 - **16.19.3.** Bring material into compliance.
 - **16.19.4.** This shall be accomplished by a written determination from the Owner.
- **16.20.** <u>Title and Risk of Loss.</u> The title and risk of loss of material and/or service shall not pass to the Owner until the Owner actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
- **16.21.** <u>No Replacement of Defective Tender.</u> Every tender of materials shall fully comply with all provisions of the Contract. If a tender is made which does not fully conform, this shall constitute a breach of the Contract as a whole.
- **16.22.** <u>Shipment Under Reservation Prohibited</u>. Job Order Contractor is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.
- **16.23.** <u>Liens</u>. All materials, service or construction shall be free of all liens, and if the Owner requests, a formal release of all liens shall be delivered to the Owner.

- **16.24.** <u>Licenses.</u> shall maintain in current status, all Federal, State and Local licenses and created under this contract are the property of the Owner and shall not be used or released by the Job Order Contractor or any other person except with the prior written permission of the Owner.
- **16.25.** <u>Patents and Copyrights.</u> All services, information, computer program elements, reports and other deliverables, which may be patented or copyrighted and created under this contract are the property of the Owner and shall not be used or released by the Job Order Contractor or any other person except with the prior written permission of the Owner.
- **16.26.** Cost of Bid/Proposal Preparation. The Owner shall not reimburse the cost of developing presenting or providing any response to this solicitation. Offers submitted for consideration should be prepared simply and economically, providing adequate information in a straightforward and concise manner.
- **16.27.** Public Records. All offers submitted in response to this solicitation shall become the property of the PSWID and shall become a matter of public record available for review, subsequent to the award notification, in accordance with the PSWID's Procurement Code. However, subsequent to the award of the contract, any information and documents obtained by the PSWID during the course of an audit conducted in accordance with Paragraph 16.17 above for the purpose of determining compliance by Contractor or a Subcontractor with the Contractor Immigration Warranty mandated by Paragraph 16.4 above shall remain confidential and shall not be made available for public review or produced in response to a public records request, unless the PSWID is ordered or otherwise directed to do so by a court of competent jurisdiction.
- **16.28.** <u>Advertising.</u> Job Order Contractor shall not advertise or publish information concerning this Contract, without prior written consent of the Owner.
- **16.29.** <u>Delivery Orders.</u> The Owner shall issue a Purchase Order for the material and/or services covered by this contract. All such documents shall reference the contract number as indicated on the signature page of the contract
- **16.30.** Funding. Any contract entered into by the PSWID is subject to funding availability. Fiscal years for the PSWID are July 1 to June 30. The Board of Directors approves all budget requests. If a specific funding request is not approved, the contract shall be terminated.

16.31. A.R.S. Title 34 Provisions.

- **16.31.1.** The maximum dollar amount of an individual job order shall be Three Million Dollars (\$3,000,000) or such higher or lower amount prescribed by the Owner in an action notice pursuant to A.R.S. title 38, chapter 3, article 3.1 or a rule adopted by the Owner as the maximum amount of an individual job order. Requirements shall not be artificially divided or fragmented in order to constitute a job order that satisfies this requirement.
- **16.31.2.** If the Job Order Contractor subcontracts or intends to subcontract part or all of the work under a job order and if this contract includes descriptions of standard individual tasks, standard unit prices for standard individual tasks and pricing of job orders based on the number of units of standard individual tasks in the job order, then:
- **16.31.2.1.** The Job Order Contractor has a duty to deliver promptly to each subcontractor invited to bid a coefficient to the Job Order Contractor to do all or part of the work under one or more job orders:

- **16.31.2.1.1.** A copy of the descriptions of all standard individual tasks on which the subcontractor is invited to bid.
- **16.31.2.1.2.** A copy of the standard unit prices for the individual tasks on which the subcontractor is invited to bid.
- **16.31.2.2.**If not previously delivered to the subcontractor, the Job Order Contractor has a duty to deliver promptly the following to each subcontractor invited to or that has agreed to do any of the work included in any job order:
- **16.31.2.2.1.** A copy of the description of each standard individual task that is included in the job order and that the subcontractor is invited to perform.
- **16.31.2.2.2.** The number of units of each standard individual task that is included in the job order and that the subcontractor is invited to perform.
- **16.31.2.2.3.** The standard unit price for each standard individual task that is included in the job order and that the subcontractor is invited to perform.
- **16.31.3.** The Owner will include the full street or physical address of each separate location at which the construction will be performed for each individual Job Order. The Job Order Contractor (and on behalf of each subcontractor at any level) hereby agrees to include in each of its subcontracts the same address information. The Job Order Contractor and each subcontractor at any level shall include in each subcontract the full street or physical address of each separate location at which construction work will be performed.
- 16.33 Prohibited Lobbying Activities. The Offeror, his/her agent or representative shall not contact, orally or in any written form any PSWID elected official or any PSWD employee other than the PSWID District Manager or PSWID Attorney's office (for legal issues only) regarding the contents of this solicitation or the solicitation process commencing from receipt of a copy of this request for proposals and ending upon submission of a staff report for placement on a PSWID Board agenda. The PSWID District Manager shall disqualify an Offeror's proposal for violation of this provision. This provision shall not prohibit an Offeror from petitioning an elected official after submission of a staff report for placement on a PSWID Board agenda or engaging in any other protected first amendment activity after submission of a staff report for placement on a PSWID Board agenda.
- **16.34 Prohibited** Political Contributions. Consultant during the term of this Agreement shall not contribute reportable under Title 16, Chapter 6, Article 1, Arizona Revised Statutes to a candidate or candidate committee for any PSWID elective office during the term of this Agreement. The PSWID reserves the right to terminate the Agreement without penalty for any violation of this provision.

ATTACHMENTS

Attachment A JOC General Scope of Services and Work

Attachment B RSOQ & Contractor's Response

Attachment C JOC Cost Proposal Forms (Pricing Matrix, Project Cost Sheet)

Attachment D Contractor's Contacts (Contact List & Authorized Signature Form)

ATTACHMENT A JOC General Scope of Services

1.0 GENERAL INFORMATION

- 1.1 This is a fixed price, indefinite quantity type Contract for the performance of various [identify the type of projects permitted under this JOC (needs to align with scope of work outlined in original RSOQ)] on an as-needed basis as may be required by Owner. The specific work requirements will be identified in Job Orders to be issued by Owner.
- 1.2 Depending on what is required by the Individual Job Order Agreement, the type of Contract will be either "Lump Sum Fixed Price" or "Guaranteed Maximum Price (with savings returned to owner)."

2.0 DOCUMENTS

- 2.1 The currently applicable pricing structure contains pricing information for the Work to be accomplished in the pricing matrix specified. The Pricing matrix can only be updated at time of yearly contract renewal by mutually agreeable change order. Previously issued Job Orders and changes will not be retroactively re-priced although any changes priced after receipt of an update will be priced by the updated version of the new pricing matrix.
- 2.2 The construction specifications in effect at Contract signing, and provided to the Job Order Contractor, shall be the specifications under this Contract.

3.0 WORK AUTHORIZATION

Any Work required under this Contract shall be authorized by issuance of formal, written Job Orders, as follows:

- 3.1 As the need exists (as determined by Owner) for performance under the terms of this Contract, Owner will notify Job Order Contractor of an existing requirement.
- 3.2 Upon the receipt of this notification, Job Order Contractor shall respond within two (2) working days, or as otherwise agreed, by:
 - 3.2.1 Visiting the proposed site in the company of Owner, or;
 - 3.2.2 Establishing contact with Owner to further define the scope of the requirement.
- 3.3 After mutual agreement on the scope of the individual requirement, Job Order Contractor shall then prepare a proposal for accomplishment of the task unless Job Order Contractor, in its sole discretion, elects not to undertake the Work. If the Work is declined, Job Order Contractor will so notify Owner in a timely manner.
- 3.4 The price matrix shall serve as the basis for establishing the value of the Work to be performed.
- 3.5 Job Order Contractor's proposal shall be submitted within ten (10) working days unless otherwise agreed.

- 3.6 Upon receipt of Job Order Contractor's proposal, Owner will review the proposal for completeness and will reach agreement with Job Order Contractor on pricing, schedule, and all other terms, prior to issuance of a Job Order.
- 3.7 In the event Owner does not issue a Job Order after receipt of Job Order Contractor's proposal, Owner is not obligated to reimburse Job Order Contractor for any costs incurred in the preparation of the proposal, except as noted in § 4.3.

4.0 SCHEDULING OF WORK

- 4.1 For each Job Order, Owner will issue a Notice to Proceed. The first day of performance under a Job Order shall be the effective date specified in the Notice to Proceed. Any preliminary work started or material ordered or purchased before receipt of the Notice to Proceed shall be at the risk and expense of Job Order Contractor. Job Order Contractor shall diligently prosecute the Work to completion within the time set forth in the Job Order. The period of performance includes allowance for mobilization, holidays, weekend days, normal inclement weather, and cleanup. Therefore, claims for delay based on these elements will not be allowed. When Job Order Contractor considers the Work complete and ready for its intended use, Job Order Contractor shall request Owner to inspect the Work to determine the status of completion. When Owner determines the Work to be Punch List Prepared as defined in Article 1, Owner will provide Contractor with a list of items to be completed or corrected prior to final payment for the Job Order. Job Order Contractor shall proceed promptly to complete and correct items on the list.
- 4.2 Job placement of materials and equipment shall be made with a minimum of interference to Owner operations and personnel.
- 4.3 Furniture and portable office equipment in the immediate work area will be moved by Job Order Contractor and replaced to its original location. If the furniture and portable office equipment cannot be replaced to its original location, Owner will designate new locations. If furniture and portable office equipment (or other items) must be moved and/or stored outside the immediate area, Owner will compensate Job Order Contractor for any such transportation and storage costs incurred.
- 4.4 Job Order Contractor shall take all precautions to ensure that no damage will result from its operations to private or public property. All damages shall be repaired or replaced by Job Order Contractor at no cost to Owner.
- 4.5 Job Order Contractor shall be responsible for providing all necessary traffic control, such as street blockages, traffic cones, flagmen, etc., as required for each Job Order. Proposed traffic control methods shall be submitted to Owner for approval.

5.0 QUALITY ASSURANCE/QUALITY CONTROL PROGRAM

5.1 Job Order Contractor shall submit, for Owner approval, a Quality Assurance/Quality Control Plan within fifteen (15) calendar days after issuance of the initial Job Order. This plan should address all aspects of quality control including responsibility for surveillance of work, documentation, trend analysis, corrective action and interface with Owner's inspectors.

6.0 DESIGN

- 6.1 In accordance with the provisions of ARS § 34-602 & 603, the PSWID may require the Job Order Contractor to contract with one or more Design Professionals to provide architectural or engineering design of the Project.
- 6.2 As an alternative to § 6.1, and in accordance with the provisions of ARS § 34-602 & 603, the PSWID may elect to contract separately with one or more Design Professionals to provide architectural or engineering design of the Project.
- 6.3 Whether the PSWID or the Job Order contractor contracts with the Design Professional, it is expected that some or all the following services will be provided during the performance of the work:
 - 6.3.1 The Design Professional will provide administration of the work. The PSWID and the Contractor will endeavor to communicate through the Design Professional. Communications by and with the Design Professionals' consultants will be through the Design Professional.
 - 6.3.2 The Design Professional will visit the Site at intervals appropriate to the stage of construction to become familiar with the progress and quality of the completed work and to determine in general if the work is being performed in accordance with the contract documents. The Design Professional will keep the PSWID informed of progress of the work and will endeavor to guard the PSWID against defects and deficiencies in the work.
 - 6.3.3 Upon the Job Order Contractor's submittals, the Design professional will review and approve or take other appropriate action on submittals as Shop Drawings, Product Data, and Samples.
 - 6.3.4 All drawings produced for projects under this contract are the property of the PSWID and are owned in whole by the PSWID for any and all future use and considerations.

7.0 PROJECT AS-BUILTS

- 7.1 An individual Job Order's scale, complexity, and proximity to agency rights-of-way will determine the specific as-built requirements for each individual job order project. Unless otherwise determined at the time of the job order award that project as-builts will not be required, the Job Order Contractor shall assume that they must satisfy the as-built requirements of both the PSWID as the permitting agency and the PSWID as the project owner. For Job Orders near rivers and streams, additional as-built requirements may by imposed.
- 7.2 To satisfy the requirements of the PSWID as the permitting agency, the Job Order Contractor shall retain the services of an Arizona Registered Land Surveyor to as-built the constructed condition of all grading, drainage, hardscape, and underground utility civil improvements. The Job Order Contractor will be required to meet the requirements of Chapter 7 of the PSWID Infrastructure Development Design Guidelines and shall make the required submissions to the permitting agency sufficiently in advance of Final Completion.
- 7.3 To satisfy the requirements of the PSWID as the OWNER, the Job Order Contractor shall prepare industry standard redline as-built/record drawings on a clean print of the construction documents or relevant shop drawing. The Job Order Contractor shall neatly mark and post to

these drawings any clarification or scope changing documents issued by the design professional and shall neatly mark the drawings to indicate variances from the designed condition. The Job Order Contractor shall submit the as-built documents to the job order project manager for review, correction, and approval sufficiently in advance of Final Completion.

8.0 UTILITY COMPANY COORDINATION

8.1 Unless specifically excluded by the Individual Job Order Agreement, the Job Order Contractor will be responsible for coordinating with utility design work for permanent service to the project and will ensure that the work takes place in a timely manner and does not impact the project schedule. Any utility design fees for permanent services to a project will be paid by the PIWD.

9.0 TEMPORARY SANITATION FACILITIES

- 9.1 The Contractor shall provide ample toilet facilities with proper enclosures for the use of workmen employed on the work site. Toilet facilities shall be installed and maintained in conformity with all applicable state and local laws, codes, regulations and ordinances. They shall be properly lit, ventilated, and kept clean at all times.
- 9.2 Adequate and satisfactory drinking water shall be provided at all times and under no circumstances and under no conditions will the use of common cups be permitted. The Contractor must supply sanitary drinking cups for the benefit of all employees.

10.0 DUST CONTROL AND WATER

- 10.1 The dust control measures shall be in accordance with industry standards and local and State requirements as well as community standards with reasonable accommodations to the public. Water or other approved dust palliative in sufficient quantities shall be applied during all phases of construction involving open earthwork to prevent unnecessary discharge of dust and dirt into the air. The Contractor shall be responsible for compliance with these regulations. A Notice to Proceed will not be issued until the PSWID has received a copy of the Contractor's Dust Control Plan and Permit if applicable.
- 10.2 The Contractor shall keep suitable equipment on hand at the job site for maintaining dust control on the project streets, and shall employ sufficient labor, materials and equipment for that purpose at all times during the project to the satisfaction of the PSWID Engineer.
- 10.3 Watering shall conform to the provisions of Section 225 of the MAG Standard Specifications. The cost of watering will be included in the price bid for the construction operation to which such watering is incidental or appurtenant.
- 10.4 Installation and removal of fire hydrant meters should be scheduled at least forty-eight (48) hours in advance through the PSWID. A \$1,000 deposit is required for each meter. An additional \$28.00 service fee is also required. The cost of the water is at the prevailing rate.

11.0 ELECTRICITY

11.1 If available the Owner may furnish to Job Order Contractor from existing Owner facilities. It is the responsibility of Job Order Contractor to determine the extent to which existing Owner electrical facilities are adequate for the needs of this Contract.

11.2 Upon completion of this Contract the removal of all taps, connections and accessories will be accomplished by and at the expense of Job Order Contractor, and costs included in the Job Order Proposal, so as to leave the electrical power source and facility in its original condition. Such removal shall also be subject to the approval of Owner.

12.0 WORK BY OWNER

Owner reserves the right to undertake work and/or award Contracts for the performance of the same or similar type work contemplated herein, and to do so will not breach or otherwise violate the Contract.

ATTACHMENT A

SCOPE OF WORK Well Drilling and Development Contractor

Scope:

The Pine Strawberry Water Improvement District (PSWID) intends to utilize Job Order Contracting (JOC) method to retain the services of qualified Contractors to perform well servicing, deepening, drilling and development.

Program and Project Management:

PSWID and their Hydrologist will perform the following in conjunction with the Contractor. Key Tasks are:

- Documentation of borehole drilling, logging, water sampling and testing.
- Preparation of final well design and permitting.
- Documentation of well construction and development.
- Documentation of well development, testing, and water quality sampling (New Source) oversight.
- Preparation of final well report with recommended permanent pumping rate and projected pumping water level.

The Drilling Contractor will be responsible for the construction and oversight of the production well per the technical specifications.

PSWID will conduct site inspections to confirm the status of well construction and obtain from the Drilling Contractor their logs and notes as available for review, document the materials used and dimensions, review well construction compliance with specifications, and communicate with contractor, engineer, owner, and PSWID representatives via site visits, telephone, e-mail, and meetings.

PSWID will not be responsible during well drilling and testing operations conducted by others with respect to adherence to the contractor's Health and Safety Plan (HASP) and OSHA requirements.

Sub-task 1 - Pre-construction Meeting and Surface Casing Installation PSWID will meet the drilling contractor at the site to confirm the well location and that the proper drilling licenses and permits are on hand (pre-construction meeting).

Sub-task 2 - Well Construction and Testing Throughout the well construction project, PSWID personnel or their representatives will periodically document that the drilling contractor and sub-contractor's construction activities including, but not limited to, materials used and reporting documentation are in compliance with the technical specifications. Site safety and all drilling and testing operations will be the responsibility of the drilling contractor.

Borehole Construction and Logging

The surface borehole (top 40 feet) may be drilled, casing set, and cemented in place during this sub-task.

During pilot borehole drilling activities, a PSWID representative (geologist experienced in Arizona Plateau geology) will describe the drilled cuttings, review the drilling penetration rate log, and analyze the geophysical logs to prepare a lithologic log of the pilot borehole. These data will be used to identify the major water bearing intervals and groundwater zonal sampling intervals. The deviation log will be evaluated, and the contractor will be required as necessary to "straighten" the borehole during reaming to meet specifications.

Zonal Sampling and Zonal Falling Head Testing

Based on review of the borehole lithologic log and geophysics, PSWID geologist will identify the major water bearing intervals and recommend selected zones for water quality sampling and falling head testing. PSWID geologist will provide copies of the borehole data to client and PSWID representatives and will communicate via a meeting or teleconference our findings and recommend sampling zones for approval. Material from these zones will be sent to Roscoe Moss Company or Geotech laboratory for grain size analysis (sieve analyses) in support of filter pack and perforation sizing.

Zonal samples will be collected for water quality analysis. PSWID geologist will present the approved zonal sampling intervals to the contractor in graphical form including depths and intervals and will assist the contractor with the design of the zonal sampling program per the specifications. PSWID geologist will provide documentation of the constructed sample zone dimensions and purging of each zone to assure the zonal samples are representative of the targeted water bearing interval.

Contractor will collect water samples in laboratory-supplied containers and submit the samples to the laboratory under chain-of-custody for rush analysis (144-hour turn-around). At a minimum, the zonal samples will be analyzed:

Final Well Design

Based on the results of the borehole logging, zonal water quality sampling, and falling head hydraulic conductivity testing, PSWID geologist will prepare a final well design for client and PSWID representatives to review and obtain design approval via a meeting or teleconference. Following design agreement, Matrix will prepare a final well diagram for submittal to the drilling contractor for material orders and construction.

Well Completion

To verify the reamed borehole diameter prior to casing installation, the drilling contractor will subcontract a geophysical logging service for a caliper log survey. PSWID geologist will monitor and document the installation of the well casing, screen, and annular materials at the well to ensure compliance with the final well design and technical specification. PSWID geologist will be onsite during the installation of these materials to assist the contractor with questions regarding the well design and to provide oversight in meeting the requirements of the technical specifications.

Well Development

PSWID geologist will document and provide oversight for Rig and Pump development activities with respect to development duration and methods employed. Development will be optimized to maximize well efficiency and reduce long term pumping costs.

Drilling Rig Development – During swabbing and airlift development, field water quality parameters including sand content, specific conductance, pH, and visual turbidity measurements will be collected in part by contractor and PSWID geologist. This information will be evaluated by PSWID geologist to assist in evaluating the development effort. An estimated 19 minutes of swab and surge development per foot of perforated interval will be conducted. However, if more development time is necessary based on the observed and measured results, PSWID geologist will review the data with the owner for authorization to extend the development time.

Test Pump Development – Following drill-rig development, temporary test pumping equipment will be installed in the well at depths determined by PSWID geologist in consultation with the pump contractor. During pump and surge development, field water quality parameters including sand content, specific conductance, pH, and visual turbidity measurements will be collected by PSWID geologist. In addition to the field parameters, the specific capacity of the well at varying pumping rates will be calculated to document the effectiveness of the development.

Pumping rates will start at a low rate and incrementally increase to the maximum capacity of the pump as specific capacity values stabilize for a particular pumping rate. Comparison of the measured specific capacity at similar pumping times and rates will determine if additional well surging (rawhiding) is required, or the pumping rate can be increased. Each step-up in pumping rate will include pumping water level measurements at the same time interval following pump surging. This comparison of specific capacity and sand content data will help determine the need to continue pump development at a particular rate or increase the pumping rate and repeat the specific capacity monitoring program at the new (increased) rate.

An estimated 40 hours of pump and surge development will be conducted. However, if more development time is necessary based on the observed and measured results, PSWID geologist will review the data with the client for authorization to extend the development time.

Aquifer Testing

Following test pump development, PSWID geologist will coordinate with the pump contractor the conduct of a step-rate discharge test, a constant-rate discharge test, and a water level recovery test. The step-rate discharge test will consist of five steps, at 4-hours per step, with 20 hours of recovery time. The pumping rates for the step-rate discharge test will be based on results of the test pump development program. Following well development and step-rate discharge testing, a 48-hour constant-rate discharge test with 48 hours of recovery will be conducted. The pumping rate for the constant-rate discharge test will be based on the results of the step-test.

During testing, PSWID geologist will monitor the pumping water level, discharge rate, and the water quality parameters of pH, conductivity, and temperature, sand content, and air over time in the discharge water. Test data will be plotted following appropriate aquifer testing methods in order to calculate the efficiency of the well and the aquifer coefficient of transmissivity. The pump

contractor will be onsite during this period (per the well specifications) to ensure the test pumping equipment functions as required.

Plumbness and Alignment

Following well development and testing, PSWID geologist will review the final well plumbness and alignment test (gyroscope), color well video survey, and the capping of the top of the casing.

Sub-task 5.3 - New Source Approval

PSWID geologist will coordinate with PSWID staff regarding the collection and analysis of the New Source Approval sample to be collected approximately 4 hours into the constant-rate discharge test. The sample will be collected following ADEQ protocol and transported to the state licensed analytical laboratory for analysis. PSWID geologist will provide the necessary well information in support of the New Source application to be prepared and submitted by others to ADEQ.

TASK 6 WELL COMPLETION REPORT

Following completion of the above tasks, PSWID geologist will prepare a report documenting the results of the well construction and testing activities. Of particular importance will be the water quality and test data, and the subsequent calculation of the aquifer parameter of transmissivity and specific capacity. Recommendations will be presented in the well completion report pertaining to the long-term discharge rate and pumping water level. The production data will be used by the project engineer in cooperation with PSWID to assist in the pump and motor design, pump setting, and pumping rate. New Source groundwater quality data will also be presented.

ATTACHMENT B

RSOQ & Contractor's Response

(See Attached)

ATTACHMENT C

JOC Cost Proposal Forms (Pricing Matrix & Project Cost Sheet)

(See Attached)

ATTACHMENT D

Contractor's Contacts (Contact List & Authorized Signature Form)

(See Attached)