

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

This **AGREEMENT** is made as of the 14th day of October in the year of 2019, by and between the following parties, for services in connection with the Project identified below:

OWNER:

City of Peru
City Hall
1901 4th St.
Peru, IL 61354

DESIGN-BUILDER:

Leopardo Companies, Inc.
5200 Prairie Stone Parkway
Hoffman Estates, Illinois 60192

PROJECT:

Police Station
City of Peru
Peru, IL

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

Article 1

Scope of Work

1.1 Design-Builder shall perform all design and construction services, and provide all material, equipment, tools and labor, necessary to complete the Work described in and in accordance with the Contract Documents.

1.1.1 Design Services. Design-Builder shall, consistent with applicable state licensing laws, provide design services, including architectural, engineering and other design professional services, required by this Agreement. Such design services shall be provided through qualified, licensed design professionals who are either (i) employed by Design-Builder, or (ii) procured by Design-Builder from independent sources. Nothing in this Agreement is intended to create any legal or contractual relationship between Owner and any independent design professional. If the Design-Builder determines a change is necessary in the design consultants engaged for the project, Design-Builder shall notify the Owner in writing of proposed change for consent by Owner, which shall not be unreasonably withheld.

1.2 Preliminary Services.

1.2.1 Owner shall provide Design-Builder with Owner's Project Criteria describing Owner's program requirements and objectives for the Project. Owner's Project Criteria shall include Owner's use, space, price, time, site, performance and expandability requirements. Owner's Project Criteria may include conceptual documents, design specifications, design performance specifications and other technical materials and requirements prepared by or for Owner. The previously completed Phase 1 – Predesign Process Documents by the City of Peru shall serve as the Owner's Project Criteria.

1.3 Design Documents. Design-Builder shall prepare Design Documents based on Owner's Project Criteria and per the Design-Builder's Proposal Exhibit (*Exhibit C*). The Design Documents shall include design criteria, drawings, diagrams and specifications setting forth the requirements of the Project. The parties shall meet to discuss the Design Documents and agree upon what revisions, if any, should be made. Design-Builder shall perform such agreed-upon revisions.

1.4 Proposal. Based on Owner's Project Criteria, the Schematic Design Documents, as each may be revised pursuant to Section 1.3 above, and any other Basis of Design Documents upon which the parties may agree, Design-Builder shall submit a proposal to Owner (the "Proposal"), which shall include the following unless the parties mutually agree otherwise:

1.4.1 a proposed contract price for the design and construction of the Project, which price shall be in the form of a lump sum or the cost of the work plus a fee with an option for a Guaranteed Maximum Price ("GMP");

1.4.2 a schedule and date of Substantial Completion of the Project upon which the Contract Price for the Project is based; and

1.4.3 the time limit for acceptance of the Proposal.

1.5 Review of Proposal. Design-Builder and Owner shall meet to discuss and review the Proposal. If the Owner has any comments regarding the Proposal, or finds any inconsistencies or inaccuracies in the information presented, it shall promptly give written notice to Design-Builder of such comments or findings. If Design-Builder finds the revisions acceptable, Design-Builder shall, upon receipt of Owner's notice, adjust the proposal.

1.6 Timely Performance. Owner shall throughout the performance of this Agreement cooperate with Design-Builder. Owner shall perform its responsibilities, obligations and services, including its reviews

and approvals of Design-Builder's submissions, in a timely manner so as not to delay or interfere with Design-Builder's performance of its obligations under this Agreement.

1.7 Owner Provided Information. Owner shall provide, at its own cost and expense, for Design-Builder's information and use, the following, all of which Design-Builder is entitled to rely upon in performing its obligations hereunder:

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

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

1.7.3 Temporary and permanent easements, zoning and other requirements and encumbrances affecting land use or necessary to permit the proper design and construction of the Project;

1.7.4 A legal description of the Site;

1.7.5 To the extent available, as-built and record drawings of any existing structures at the Site; and

1.7.6 To the extent available, environmental studies, reports and impact statements describing the environmental conditions, including, but not limited to, Hazardous Conditions, in existence at the Site.

Article 2

Contract Documents

2.1 The Contract Documents are comprised of the following:

2.1.1 All written modifications, amendments, minor changes, and Change Orders to this Agreement issued in accordance with the General Conditions of the Contract (**Exhibit B**);

2.1.2 The GMP Exhibit referenced in Section 6.6 herein or, if applicable, the GMP Proposal accepted by Owner in accordance with Section 6.6.2 herein;

2.1.3 This Agreement, including all exhibits;

2.1.4 The General Conditions of Contract (**Exhibit B**); and

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

2.1.6 Owner's Project Criteria; and

2.1.7 The following other document:

2.1.7.1 Exhibit A – Design-Builder's Guaranteed Maximum Price

2.1.7.2 Exhibit B – General Conditions of Contract

2.1.7.3 Exhibit C – Design-Builder's Proposal

2.1.7.4 Exhibit D – Insurance Requirements

2.1.7.5 Exhibit E – Owner's Separate Contractor's Insurance Requirements.

Article 3

Interpretation and Intent

3.1 The Contract Documents are intended to permit the parties to complete the Work and all obligations required by the Contract Documents within the Contract Time(s) for the Contract Price subject to adjustments for the reasons and in the amounts set forth elsewhere in this Agreement and the Contract Documents. The Contract Documents are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted in a manner consistent with construction and design industry standards. In the event inconsistencies, conflicts, or ambiguities between or among the Contract Documents discovered after execution of the Agreement, or if applicable, after Owner's acceptance of the GMP Proposal, Design-Builder and Owner shall attempt to resolve any ambiguity, conflict or inconsistency informally, recognizing that the Contract Documents shall take precedence in the order in which they are listed in Section 2.1 hereof, except that the GMP Proposal, or if used, GMP Exhibit, shall have the highest priority.

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

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

Article 4

Ownership of Work Product

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

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

4.3 Owner's Joint Ownership upon Design-Builder's Default. If this Agreement is terminated due to Design-Builder's default pursuant to Section 11.2 of the General Conditions of Contract and (i) upon confirmation of any arbitration award in which it was determined that Design-Builder was in default or, if litigation is the parties' selected dispute resolution, upon final judgment by a court of competent jurisdiction finding that Design-Builder has defaulted, and (ii) Owner has fully satisfied all of its obligations under the Contract Documents, then Design-Builder grants Owner joint ownership to use the Work Product to complete the Project and subsequently occupy the Project, and Owner shall thereafter have the same rights and obligations as set forth in Section 4.2 above.

4.4 Owner's Indemnification for Use of Work Product. If Owner is required to indemnify any Indemnified Parties based on the use or alteration of the Work Product under any of the circumstances

identified in this Article 4, Owner shall defend, indemnify and hold harmless such Indemnified Parties from and against any and all claims, damages, liabilities, losses and expenses, including attorneys' fees, arising out of or resulting from the use or alteration of the Work Product.

Article 5

Contract Time

5.1 Date of Commencement. The Work shall commence in two phase, within five (5) days receipt of Owner's Notice to Proceed ("Dates of Commencement") for each phase, as set forth below, unless the parties mutually agree otherwise in writing:

5.1.1 Preconstruction Services Commencement: Following notice of City Council approval of this Agreement, receipt of executed original, and Owner's written Notice to Proceed;

5.1.2 Construction Services Commencement: Following receipt of the last of: (a) Owner's Project Criteria setting forth in detail Owner's program requirements and objectives for the Project including use, space, target price, target time, space requirements and relationships, site information (including subsurface investigations), flexibility/expandability, operation and maintenance and special systems or equipment requirements; (b) Owner's separate written warranty that Owner has completed any necessary hazardous substances removal or abatement work; (c) written confirmation that project financing is in place sufficient to ensure payment of the entire Contract Sum timely and in full accordance with the payment terms of this Agreement to the reasonable satisfaction of Design-Builder; (d) receipt of copies of any insurance policies and endorsements required of Owner under Section 5.3 of the General Conditions to the Contract (**Exhibit B**); (e) Owner's payment of Pre-Construction Services, if any; (f) acceptance of the GMP Proposal to amended in to the Agreement as (**Exhibit A**); and (g) Owner's written Notice to Proceed.

5.2 Substantial Completion and Final Completion.

5.2.1 Design-Builder shall use Design-Builder's best efforts to achieve Substantial Completion of the Construction Phase of the Work no later than Schedule to be part of future GMP Amendment.

5.2.2 Substantial Completion is the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes, provided, however, that Substantial Completion shall be deemed to have been achieved no later than the date of (a) issuance of a Temporary or Conditional Certificate of Occupancy issued by the local building official, or (b) the final governmental inspection to issue a temporary, conditional or permanent certificate of occupancy occurs where the certificate is not issued as a result other than for Design-Builder's failure to design in accordance with applicable law or to install Work in accordance with the Contract Documents.

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

5.2.4 All of the dates set forth in this Article 5 (collectively the "Contract Time(s)") shall be subject to adjustment in accordance with the General Conditions of Contract, and Section 5.2.4.1 of this Agreement.

5.2.4.1 If Design-Builder is delayed at any time in the commencement or progress of the Work by an act or neglect of the Owner or of a separate contractor employed by the Owner ("Owner's Separate Contractors"), or by changes ordered in the work or by delays in the approval of changes in the Work, or by the encountering of hazardous substances, or by concealed, unforeseen or subsurface conditions, adverse weather, actions or inactions of governing authorities, or by delay or failure to act of utility services (telephone, cable, electrical, gas, etc.), or by labor disputes, fire, unusual delay in deliveries, unavoidable casualties or other causes beyond Design-Builder's control, or by delay authorized by the Owner pending any mediation and any arbitration, or by other causes not caused by Design-Builder, then the Contract Time and shall be extended by Change Order.

5.3 Time is of the Essence. Owner and Design-Builder mutually agree that time is of the essence with respect to the dates and times set forth in the Contract Documents.

Article 6

Contract Price

6.1 Contract Price.

6.1.1 Owner shall pay Design-Builder in accordance with Article 6 of the General Conditions of Contract a contract price ("Contract Price") equal to Design-Builder's Fee (as defined in Section 6.2 hereof) plus the Cost of the Work (as defined in Section 6.3 hereof), subject to any GMP established in Section 6.6 hereof and any adjustments made in accordance with the General Conditions of Contract.

6.1.2 For the specific Work set forth below, Owner agrees to pay Design-Builder, distinct from and in addition to the Contract Price, on the following basis:

Per the Design-Builder's Fee Proposal Exhibit C.

6.2 Design-Builder's Fee.

6.2.1 Design-Builder's Fee shall be:

Three and one-half percent (3.5%) of the Cost of the Work plus all of

6.2.1.1 a stipulated sum for General Conditions as set forth in the Design Builder's Proposal ("Design Builder's Lump Sum General Conditions Charge");

6.2.1.2 the lump sum amount of One Percent (1%) of the Subcontractor portion of the Cost of the Work for Subcontractor Default Insurance (SDI) as defined in Section 10.2.1 of this Agreement ("Design-Builder's Lump Sum SDI Charge");

6.2.1.3 the lump sum amount of One percent (1.4%) of the Cost of the Work (including Subcontract Cost, Design-Builder's Lump Sum General Conditions Charge and Design-Builder's Fee) for Design-Builder's (but not Subcontractors' or Design Consultants') general liability, umbrella/excess liability, auto liability, professional liability and Builder's Risk insurance ("Design Builder's Lump Sum Insurance Charge");

6.2.1.4 the lump sum amount of One Percent (1%) of the Cost of the Work (including Subcontract Cost, Design-Builder's Lump Sum General Conditions Charge, Design-Builder's Lump Sum Insurance Charge, Design-Builder's Lump Sum SDI Charge and Design-Builder's Fee) for Payment and Performance bonds ("Design-Builder's Lump Sum Bond Charge").

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

In case of a net increase in the Guaranteed Maximum Price, to the net increase of the Cost of the Work add: the 3.5% Design-Builder's Fee, the 1% Design-Builder's Lump Sum SDI Charge, the 1.4% Design-Builder's Lump Sum Insurance Charge, and the 1% Design-Builder's Lump Sum Bond Charge.

In case of a net decrease in the Guaranteed Maximum Price, from the net decrease of the Cost of the Work credit: the 1% Design-Builder's Lump Sum SDI Charge, the 1% Design-Builder's Lump Sum Liability Insurance Charge, and the 1% Design-Builder's Lump Sum Bond Charge.

6.3 Cost of the Work. The term Cost of the Work shall mean costs reasonably and actually incurred by Design-Builder in the proper performance of the Work. In addition to the stipulated monthly sum for the Design-Builder's Lump Sum General Conditions Charge per the Design-Builder's Fee Proposal Exhibit C. The Cost of the Work shall include only the following:

6.3.1 Payments properly made by Design-Builder to Subcontractors and Design Consultants for performance of portions of the Work, including any insurance and bond premiums incurred by Subcontractors and Design Consultants or amounts expended by Design-Builder and deducted from Subcontractors or Design Consultants in accordance with the Subcontracts ('Subcontract Costs'). Design-Builder's Self-Performed Trades are part of Subcontract Costs.

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

6.3.3 Costs, including transportation, inspection, testing, storage and handling, of materials, equipment and supplies incorporated or reasonably used in completing the Work or those not used as a result of Owner's changes in the Work. Restocking costs are not considered part of the Cost of the Work.

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

6.3.5 Costs of removal of debris and waste from the Site.

6.3.6 Rental charges and the costs of transportation, installation, minor repairs and replacements, dismantling and removal of temporary facilities, machinery, equipment and hand tools not customarily owned by the workers, which are provided by Design-Builder at the Site, whether rented from Design-Builder or others, and incurred in the performance of the Work at the rental costs incurred by Design-Builder or, in the case of equipment owned by or leased from Design-Builder, in accordance with Design-Builder's equipment schedule to be provided with the GMP Proposal.

6.3.7 Premiums for insurance and bonds required by this Agreement or the performance of the Work which, for Design-Builder's insurances and performance and payment bonds shall be at the

lump sum amounts of Design-Builder's Lump Sum Liability Insurance Charge, Design-Builder's Lump Sum SDI Charge and Design-Builder's Lump Sum Bond Charge, respectively, and, in the case of adjustments in the Guaranteed Maximum Price, in accordance with Section 6.2.2 above.

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

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

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

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

6.3.12 The cost of defending suits or claims for infringement of patent rights arising from the use of a particular design, process, or product required by Owner, including, without limitation, attorneys', consultants', experts' fees, costs and expenses of Design-Builder personnel paying legal judgments against Design-Builder resulting from such suits or claims, and paying settlements made with Owner's consent. The Owner must be advised by written notice within 10 days of discovery of any patent rights infringement issues.

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

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

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

6.4 Allowance Items and Allowance Values.

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

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

6.4.3 In the event the actual direct cost of labor, materials, equipment, transportation, taxes and insurance associated with an Allowance Item is greater than or less than the Allowance Value for such Allowance Item, Design-Builder and Owner agree that Design-Builder's right to Fee and markup shall be adjusted in accordance with Section 6.2.2.

6.4.4 Whenever the actual costs for an Allowance Item is more than or less than the stated Allowance Value, the Contract Price shall be adjusted accordingly by Change Order, subject to Section 6.4. The amount of the Change Order shall reflect the difference between actual costs incurred by Design-Builder for the particular Allowance Item and the Allowance Value.

6.5 Non-Reimbursable Costs.

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

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

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

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

6.5.1.4 If the parties have agreed on a GMP, costs that would cause the GMP, as adjusted or as should be adjusted in accordance with the Contract Documents, to be exceeded.

6.6 The Guaranteed Maximum Price ("GMP").

6.6.1 Design-Builder's Contingency.

6.6.1.1 At the time of GMP Proposal approval, the GMP will include a Contingency in the amount of the Cost of the Work mutually agreed to by Owner and Design-Builder which is available for Design-Builder's exclusive use for unanticipated costs it has incurred that are not the basis for a Change Order under the Contract Documents. By way of example, and not as a limitation, such costs may include: (a) trade buy-out differentials; (b) overtime or acceleration; (c) escalation of materials; (d) correction of defective, damaged or nonconforming Work, design errors or omissions, however caused; (e) Subcontractor defaults; or (f) those events under Section 8.2 of the General Conditions of Contract that result in an extension of the Contract Time but do not result in an increase in the Contract Price. The Contingency is not available to Owner for any reason, including, but not limited to changes in scope or any other item which would enable Design-Builder to increase the GMP under the Contract Documents. Design-Builder shall provide Owner with a monthly listing of all anticipated charges against the Contingency with each of Contractor's Applications for Payment, and shall provide Owner as part of the monthly status report required by Section 2.1.2 of the General Conditions of Contract an accounting of the Contingency, including all reasonably foreseen uses or potential uses of the Contingency in the upcoming three (3) months. Design-Builder agrees that with respect to any expenditure from the Contingency relating to a Subcontractor default or an event for which insurance or bond may provide reimbursement, Design-Builder will in good faith exercise reasonable steps to obtain performance from the Subcontractor and/or recovery from any surety or insurance company. Design-Builder agrees that if Design-Builder is subsequently reimbursed for said costs, then said recovery will be credited back to the Contingency.

6.6.2 GMP Established after Execution of this Agreement.

6.6.2.1 GMP Proposal. As provided in Section 1.4 of this Agreement, Design-Builder shall submit a GMP Proposal to Owner which shall include the following, unless the parties mutually agree otherwise:

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

i. Design-Builder's Fee as defined in Section 6.2.1 hereof;

ii. The estimated Cost of the Work as defined in Section 6.3 hereof, inclusive of any Design-Builder's Contingency as defined in Section 6.6.1.1 hereof; and

iii. If applicable, any prices established under Section 6.1.2 hereof.

iv. Design-Builder will be allowed to self-perform carpentry, drywall, painting, and electrical work in conjunction with the project.

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

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

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

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

6.6.2.1.6 If applicable, a schedule of alternate prices;

6.6.2.1.7 If applicable, a schedule of unit prices;

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

6.6.2.1.9 The time limit for acceptance of the GMP Proposal.

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

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

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

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

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

6.6.2.4.3 Owner may terminate this Agreement for convenience in accordance with Article 8 hereof; provided, however, in this event, Design-Builder shall not be entitled to the payment provided for in Section 8.2 hereof except, if construction has proceeded at Owner's direction pending submission and acceptance of a GMP Proposal, then the payment of Section 8.2.2 of this Agreement shall apply.

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

6.6.3 Savings.

6.6.3.1 If the sum of the actual Cost of the Work and Design-Builder's Fee (and, if applicable, any prices established under Section 6.1.2 hereof) is less than the GMP, as such GMP may have been adjusted over the course of the Project, the difference ("Savings") from Contingency and Buyout (Buyout defined as difference between lowest qualified bid and the final awarded subcontract amount) shall be shared as follows:

Thirty percent (30%) to Design-Builder and Seventy percent (70%) to Owner.

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

Article 7

Procedure for Payment

7.1 Progress Payments.

7.1.1 Design-Builder shall submit to Owner on the Twenty-Fifth (25th) day of each month, beginning with the first month after the Date of Commencement, Design-Builder's Application for Payment in accordance with Article 6 of the General Conditions of Contract.

7.1.2 Owner shall make payment within Thirty (30) days after Owner's receipt of each properly submitted and accurate Application for Payment in accordance with Article 6 of the General Conditions of Contract, but in each case less the total of payments previously made, and less amounts properly withheld under Section 6.3 of the General Conditions of Contract.

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

7.1.4 In the case of changes in the Work, the Design-Builder's Lump Sum Insurance Charge, Design-Builder's Lump Sum SDI Charge, and Design-Builder's Lump Sum Bond Charge of Section 6.2.2 above shall be payable in full in the Application for Payment for the month in which the Change Order adjusting the Guaranteed Maximum Price has been executed by Owner. In addition to any Work in place and any unpaid Preconstruction Services Fee, Design-Builder's

initial Application for Payment may include, and Owner shall pay, Design-Builder's Lump Sum Insurance Charge, Design-Builder's Lump Sum SDI Charge, Design-Builder's Lump Sum Bond Charge, general requirements costs incurred or to be incurred by Design-Builder including, without limitation, costs for insurance, permits, any Subcontractor architectural or engineering, surveying, borings, trailer delivery and rental, safety, estimating, budgeting, purchasing, scheduling, preparation and reproduction of preliminary design documents or Contract Documents, pre-construction services, pre-commencement value engineering, shipping, mobilization, temporary signs and pre-contract legal and Design-Builder's Lump Sum General Conditions Charge to the extent of safety, estimating, budgeting, purchasing, scheduling, pre-commencement value engineering and mobilization.

7.2 Retainage on Progress Payments.

7.2.1 Owner will retain ten percent (10%) of the cost of Work, exclusive of general conditions costs, and any amounts paid to Design-Builder's Design Consultant, from each Application for Payment provided, however, (1) no retainage shall be held on any Preconstruction Services, any design services, Design-Builder's Lump Sum Insurance Charge, Design-Builder's Lump Sum SDI Charge, Design-Builder's Lump Sum General Conditions Charge or Design-Builder's Lump Sum Bond Charge, and (2) that when fifty percent (50%) of the Work has been satisfactorily completed by Design-Builder and Design-Builder is otherwise in compliance with its contractual obligations, Owner will not retain any additional amounts from Design-Builder's subsequent Applications for Payment and shall release to Design-Builder 50% of the retainage held to that date. Owner will also reduce retainage for Subcontractors completing their work early in the Project.

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

7.3 Final Payment. Design-Builder shall submit its Final Application for Payment to Owner in accordance with Section 6.7 of the General Conditions of Contract. Owner shall make payment on Design-Builder's properly submitted and accurate Final Application for Payment (less any amount the parties may have agreed to set aside for warranty work) within thirty (30) days after Owner's receipt of the Final Application for Payment, provided that Design-Builder has satisfied the requirements for final payment set forth in Section 6.7.2 of the General Conditions of Contract.

7.4 Interest. Payments due and unpaid by Owner to Design-Builder, whether progress payments or final payment, shall bear interest commencing thirty (30) days after payment is due at the prime rate + one percent (1%).

7.5 Record Keeping and Finance Controls. Design-Builder acknowledges that this Agreement is to be administered on an "open book" arrangement relative to Costs of the Work except regarding "lump sum" charges including Design-Builder's Lump Sum General Conditions Charge, Design-Builder's Lump Sum Insurance Charge, Design-Builder's Lump Sum SDI Charge, Design-Builder's Lump Sum Bond Charge, and any Lump Sum Self-Performed Trade Work. Design-Builder shall keep full and detailed accounts and exercise such controls as may be necessary for proper financial management, using accounting and control systems in accordance with generally accepted accounting principles and as may be provided in the Contract Documents. During the performance of the Work and for a period of three (3) years after Final Payment, Owner and Owner's accountants shall be afforded access to, and the right to audit from time-to-time, upon reasonable notice, Design-Builder's records, books, correspondence, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to the Work, all of which Design-Builder shall preserve for a period of three (3) years after Final Payment. Owner's right to audit in this Section 7.5 shall not be deemed a condition precedent to or excuse of, Owner's obligation first to make progress payments or final payments despite any request to audit, any audit or the results of

any audit. Such inspection shall take place at Design-Builder's offices during normal business hours unless another location and time is agreed to by the parties. Any multipliers or markups agreed to by the Owner and Design-Builder as part of this Agreement are only subject to audit to confirm that such multiplier or markup has been charged in accordance with this Agreement, with the composition of such multiplier or markup not being subject to audit.

Article 8

Termination for Convenience

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

8.1.1 All Design & Preconstruction Services, costs actually incurred, including applicable Design-Builder's Lump Sum General Conditions Charge, applicable Design-Builder's Lump Sum Insurance Charge, applicable Design-Builder's Lump Sum SDI Charge, and applicable Design-Builder's Lump Sum Bond Charge and for proven loss, cost or expense in connection with the Work;

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

8.1.3 Overhead and profit in the amount of ten_percent (10%) on the sum of items 8.1.1 and 8.1.2 above.

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

8.2.1 If Owner terminates this Agreement prior to commencement of construction, Design-Builder shall be paid one percent (1%) of the remaining balance of the Contract Price, provided, however, that if a GMP has not been established, the above percentage shall be applied to the remaining balance of the most recent estimated Contract Price.

8.2.2 If Owner terminates this Agreement after commencement of construction, Design-Builder shall be paid two percent (2%) of the remaining balance of the Contract Price, provided, however, that if a GMP has not been established, the above percentage shall be applied to the remaining balance of the most recent estimated Contract Price.

Article 9

Representatives of the Parties

9.1 **Owner's Representatives.**

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

**Eric Carls
City Engineer
City of Peru
P.O. Box 299
1901 Fourth Street**

Peru, IL 61354
Office: (815) 224-6020
Cell: (815) 228-9981
Email: ericcarls@peru.il.us

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

Eric Carls
City Engineer
City of Peru
P.O. Box 299
1901 Fourth Street
Peru, IL 61354
Office: (815) 224-6020
Cell: (815) 228-9981
Email: ericcarls@peru.il.us

9.2 Design-Builder's Representatives.

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

Leigh McMillen
Senior Vice President
Leopardo Companies, Inc.
5200 Prairie Stone Parkway
Hoffman Estates, Illinois 60192
Office: (847) 783-3816
Cell: (630) 330-0620
Email: lamcmillen@leopardo.com

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

Nicole McElroy
Project Executive
Leopardo Companies, Inc.
5200 Prairie Stone Parkway
Hoffman Estates, Illinois 60192
Office: (847) 783-3226
Cell: (847) 212-5677
Email: nmmcelroy@leopardo.com

Article 10

Bonds and Insurance

10.1 **Insurance.** As applicable to each, Design-Builder and Owner shall procure and maintain the insurance coverages set forth in the Insurance Exhibit (*Exhibit D*) and in accordance with Article 5 of the General Conditions of Contract. Owner shall cause each of Owner's Separate Contractors, if any, to procure and maintain the insurance coverage as set forth in Exhibit (*Exhibit E*).

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

Performance and payment bonds are required of Design-Builder and Design-Builder may require performance and payment bonds (along with multiple obligee riders in favor of Owner and Design-Builder) from any Subcontractors not enrolled in the Design-Builder's SDI Program, the premiums of which will be a Cost of the Work.

10.2.1 In lieu of Subcontractor performance and payment bonds, Design-Builder may enroll qualified subcontractors into Design-Builder's Subcontractor Default Insurance ("SDI") program in the amount of \$25 million per loss and \$25 million in the aggregate insuring against losses arising out of defaults by a Subcontractor. The SDI shall apply to all Losses as defined by the SDI policy subject to the foregoing limits except as excluded by Exclusions F (nuclear radiation) and G (war). Design-Builder acknowledges and agrees that the existence of the SDI does not limit the liability of Design-Builder under the Contract Documents. Design-Builder shall give the Owner notice of any material default by a Subcontractor in connection with that Subcontractor's subcontract or purchase order, and Design-Builder shall keep Owner fully apprised of the amount and status of any claims made under the SDI policy that may diminish the limits.

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

OWNER:

DESIGN-BUILDER:

LEOPARDO COMPANIES, INC.

(Name of Owner)

(Name of Design-Builder)

(Signature)

(Signature)

Scott J. Harl

~~Leigh McMillen~~ **MICHAEL W. BEHM**
(Printed Name)

(Printed Name)

Mayor

Senior Vice President
(Title)

(Title)

Date: 10/14/2019

Date: 10/14/2019



**GENERAL CONDITIONS OF
CONTRACT BETWEEN OWNER
AND DESIGN-BUILDER**

Article 1

General

1.1 Mutual Obligations

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

1.2 Basic Definitions

1.2.1 *Agreement* refers to the executed contract between Owner and Design-Builder under *Agreement Between Owner and Design-Builder - Cost Plus Fee with an Option for a Guaranteed Maximum Price*.

1.2.2 *Basis of Design Documents* are as follows: For *Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*, the Basis of Design Documents are those documents specifically listed in, as applicable, the GMP Exhibit or GMP Proposal as being the "Basis of Design Documents."

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

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

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

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

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

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

1.2.9 *General Conditions of Contract* refer to this *General Conditions of Contract Between Owner and Design-Builder*.

1.2.10 *GMP Exhibit* means that exhibit attached to *Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*.

1.2.11 *GMP Proposal* means that proposal developed by Design-Builder in accordance with

Section 6.6 of D *Agreement Between Owner and Design-Builder - Cost Plus Fee With an Option for a Guaranteed Maximum Price*.

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

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

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

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

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

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

1.2.18 *Substantial Completion or Substantially Complete* is the date on which the Work, or an agreed upon portion of the Work, is sufficiently complete in accordance with the Contract Documents so that Owner can occupy and use the Project or a portion thereof for its intended purposes, provided, however, that Substantial Completion shall be deemed to have been achieved no later than the date of (a) issuance of a Temporary or Conditional Certificate of Occupancy issued by the local building official, or (b) the final governmental inspection to issue a temporary, conditional or permanent certificate of occupancy occurs where the certificate is not issued as a result other than for Design-Builder's failure to design in accordance with applicable law or to install Work in accordance with the Contract Documents.

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

Article 2

Design-Builder's Services and Responsibilities

2.1 General Services.

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

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

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

2.1.3.1 Design-Builder shall not be obligated to meet interim or milestone dates set forth in Design-Builder's Schedules and shall be liable only for Design-Builder's failure, as a result of Design-Builder caused delays, to meet the agreed date of Substantial Completion, as modified pursuant to the Contract Documents.

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

2.2 Design Professional Services.

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

2.3 Standard of Care for Design Professional Services.

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

2.4 Design Development Services.

2.4.1 Design-Builder and Owner shall, consistent with any applicable provision of the Contract Documents, agree upon any interim design submissions that Owner may wish to review, which interim design submissions may include design criteria, drawings, diagrams and specifications setting forth the Project requirements. Interim design submissions shall be consistent with the Basis of Design Documents, as the Basis of Design Documents may have been changed through

the design process set forth in this Section 2.4.1. On or about the time of the scheduled submissions, Design-Builder and Owner shall meet and confer about the submissions, with Design-Builder identifying during such meetings, among other things, the evolution of the design and any changes to the Basis of Design Documents, or, if applicable, previously submitted design submissions. Changes to the Basis of Design Documents, including those that are deemed minor changes under Section 9.3.1, shall be processed in accordance with Article 9. Minutes of the meetings, including a full listing of all changes, will be maintained by Design-Builder and provided to all attendees for review. Following the design review meeting, Owner shall review and approve the interim design submissions and meeting minutes in a time that is consistent with the turnaround times set forth in Design-Builder's schedule.

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

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

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

2.5 Legal Requirements.

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

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

2.6 Government Approvals and Permits.

2.6.1 Except as identified in an Owner's Permit List attached as an exhibit to the Agreement, Design-Builder shall obtain and pay for all necessary permits, approvals, licenses, government charges and inspection fees required for the prosecution of the Work by any government or quasi-government entity having jurisdiction over the Project to the extent of the "Permits and Fees" Allowance in Design-Builder's Proposal. Once the actual cost to procure such Permits and Fees is known, the Guaranteed Maximum Price shall be adjusted by Change Order.

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

2.7 Design-Builder's Construction Phase Services.

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

2.7.2 Design-Builder shall perform all construction activities efficiently and with the requisite expertise, skill and competence to satisfy the requirements of the Contract Documents. Design-Builder shall at all times exercise complete and exclusive control over the means, methods, sequences and techniques of construction.

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

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

2.7.5 Design-Builder shall coordinate the activities of all Subcontractors. If Owner performs other work on the Project or at the Site with separate contractors under Owner's control, Design-Builder agrees to reasonably cooperate and coordinate its activities with those of such separate contractors so that the Project can be completed in an orderly and coordinated manner without unreasonable disruption provided that Design-Builder shall be entitled to an extension of time and increase to the Guaranteed Maximum Price if coordination with Owner's separate contractors will increase the cost or time of Design-Builder's performance of the Work.

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

2.8 Design-Builder's Limited Responsibility for Project Safety.

2.8.1 Subject to Section 2.8.3, Design-Builder assumes responsibility for implementing and monitoring all safety precautions and programs regarding Design-Builder's performance of the Work. Design-Builder shall, prior to commencing construction, designate a Safety Representative with the necessary qualifications and experience to supervise the implementation and monitoring of all safety precautions and programs related to the Work. Unless otherwise required by the Contract Documents, Design-Builder's Safety Representative shall be an individual stationed at the Site who may have responsibilities on the Project in addition to safety. The Safety Representative shall make routine daily inspections of the Site and shall hold weekly safety meetings with Design-Builder's personnel, Subcontractors and others as applicable.

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

Requirements, to all government or quasi-government authorities having jurisdiction over safety-related matters involving the Project or the Work.

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

2.9 Design-Builder's Warranty.

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

2.9.2 Notwithstanding anything to the contrary contained herein, the Design-Builder's warranty as set forth in Section 2.9.1 shall not apply to any system or equipment which is warranted to the Owner by a manufacturer or supplier. OTHER THAN THE WARRANTY PROVIDED IN SECTION 2.9.1, DESIGN-BUILDER MAKES NO OTHER WARRANTIES BY THIS AGREEMENT AND DISCLAIMS ANY AND ALL IMPLIED WARRANTIES INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES THAT THE PROJECT OR ITS COMPONENTS ARE MERCHANTABLE, HABITABLE, OR FIT FOR THE PURPOSES INTENDED BY OWNER.

2.9.3 All manufacturers and vendors' warranties for products and other Work incorporated into the Project will be assigned and transferred without loss or limitation to Owner. Except as otherwise provided in the Contract Documents, all workmanship and product and other Work shall be warranted for one year following the date of Substantial Completion or for the period of time stated in the applicable manufacturer or vendor warranty, whichever is longer, to be new upon installation (and not of such age as to affect durability), free from faults and defects in material and workmanship that is not inherent in the quality required or permitted in the Contract Documents except to the extent any deficiency arises from Owner's failure to maintain product and other Work as required hereunder. The warranty shall include all parts and labor and other replacement costs, both on and off site, together with all necessary transportation and shipping charges. If a vendor's or manufacturer's standard guarantees exceed those specified or its length exceeds one year after Substantial Completion, Owner agrees to look solely to such vendor or manufacturer regarding such excess or lengthier guarantee. Where a manufacturer's or vendor's warranty, which has been assigned to Owner by Design-Builder, is available, Owner shall diligently pursue its remedies under such warranty, although Design-Builder shall reasonably assist Owner in such effort.

2.10 Correction of Defective Work.

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

2.10.1.2 Owner's sole remedy for breach of the above warranty shall be to require Design-Builder to repair or replace defective workmanship or materials of which Design-Builder is notified

in writing within a period of one year after the date of Substantial Completion or, if Owner has accepted partial occupancy, of Substantial Completion of the relevant portion of the Work.

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

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

Article 3

Owner's Services and Responsibilities

3.1 Duty to Cooperate.

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

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

3.1.3 Owner shall give Design-Builder timely notice of any Work that Owner notices to be defective or not in compliance with the Contract Documents.

3.1.4 Owner shall take all actions as requested by Design-Builder to permit Design-Builder to perform this Agreement in an economical and timely manner, including consideration of design modifications and alternative materials or equipment that will permit the Work to be constructed within the Guaranteed Maximum Price (GMP) and by the Dates of Substantial Completion and Final Completion.

3.2 Furnishing of Services and Information.

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

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

3.2.1.2 Geotechnical studies describing subsurface conditions, and other surveys

describing other latent or concealed physical conditions at the Site;

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

3.2.1.4 A legal description of the Site;

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

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

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

3.3 Financial Information.

3.3.1 At Design-Builder's request, Owner shall promptly furnish reasonable evidence satisfactory to Design-Builder that Owner has adequate funds available and committed to fulfill all of Owner's contractual obligations under the Contract Documents. If Owner fails to furnish such financial information in a timely manner, Design-Builder may stop Work under Section 11.3 hereof or exercise any other right permitted under the Contract Documents. Owner shall not change such financial arrangements thereafter without notice and approval of Design-Builder.

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

3.3.3 The Owner may, without consent of the Design-Builder, assign the Agreement to an institutional lender providing construction financing for the Project ("Lender"). In such event, the lender shall assume the Owner's rights and obligations under the Contract documents. The Design-Builder shall execute all consents reasonably required to facilitate such assignment provided Design-Builder shall not be obligated to execute any such consent which would require Design-Builder to do any of the following: (1) to perform absent cure by Owner's lender or lender's designee of any and all Owner breaches including, without limitation, payment in full of all amounts past due; (2) to perform absent commitment by Owner's lender or lender's designee to honor all of Owner's obligations hereunder after the date of Owner's Lender's assumption; (3) to give Owner's Lender prior notices of change orders increasing the Contract Sum unless an individual change exceeds ten percent (10%) of the Contract Sum before such change order, or if change orders in the aggregate would increase the Contract Sum by twenty percent (20%); (4) to require Design-Builder or any Subcontractor to waive or to subordinate its mechanics lien rights to Owner's Lender's mortgage or other security; or (5) otherwise to provide Design-Builder with rights or remedies against Lender which are less favorable than the rights and remedies which Design-Builder has against Owner under the Contract Documents or at law.

3.4 Owner's Representative.

3.4.1 Owner's Representative shall be responsible for providing Owner-supplied information and approvals in a timely manner to permit Design-Builder to fulfill its obligations under the

Contract Documents. Owner's Representative shall also provide Design-Builder with prompt notice if it observes any failure on the part of Design-Builder to fulfill its contractual obligations, including any errors, omissions or defects in the performance of the Work. Owner's Representative shall communicate regularly with Design-Builder and shall be vested with the authority to act on behalf of Owner.

3.5 Government Approvals and Permits.

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

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

3.5.3 Owner shall furnish water and utilities utilized by the Design-Builder, Subcontractors and Sub-subcontractors in connection with their performance of the Work which shall be paid for by Design-Builder to the extent of the Utilities Allowance when utilized as temporary utilities but, at Design-Builder's option, the water and utilities, or any of them, can be converted to permanent utilities, which shall then be paid for by the Owner.

3.6 Owner's Separate Contractors.

3.6.1 Owner is responsible for all work performed on the Project or at the Site by separate contractors under Owner's control ("Owner's Separate Contractors"). Owner shall contractually require its separate contractors to cooperate with, and coordinate their activities so as not to interfere with, Design-Builder in order to enable Design-Builder to timely complete the Work consistent with the Contract Documents and without causing Design-Builder to incur any additional costs.

3.6.2 If Owner engages any Owner's Separate Contractor, Owner shall do so under written contract with terms identical or substantially similar to this Contract and General Conditions including those portions related to insurance (including, without limitation, naming Design-Builder as an Additional Insured with Design-Builder's insurance being excess and non-contributory to Owner's Separate Contractor's Insurance) and waiver of subrogation and in accordance with Section 3.6.3 below.

3.6.3 Notwithstanding any requirement for Design-Builder to coordinate any installation schedule of Owner's Separate Contractor's or Owner's Separate Contractors subcontractors, if any, with Design-Builder's Work, Design-Builder shall have no responsibility or liability to Owner, to such Owner's Separate Contractor or to Owner's Separate Contractor's subcontractors or to any of their employees for the acts or omissions of Owner, Owner's Separate Contractors or Owner's Separate Contractor's subcontractors nor shall Design-Builder's insurers' naming of Owner as an Additional Insured entitle Owner to the benefits of Design-Builder's insurance for any event arising from the work of Owner's Separate Contractor or Owner's Separate Contractor's subcontractors or from Owner's acts or omissions relating to such Owner's Separate Contractor or Owner's Separate Contractor's subcontractors, nor shall Design-Builder's insurance be "other insurance" to the insurance of Owner, Owner's Separate Contractor or Owner's Separate Contractor's subcontractors. Owner acknowledges and agrees that Design-Builder's insurers are third party beneficiaries of this Section 3.6.3.

Article 4

Hazardous Conditions and Differing Site Conditions

4.1 Hazardous Conditions.

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

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

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

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

4.1.5 To the fullest extent permitted by law, Owner shall indemnify, defend and hold harmless Design-Builder, Design Consultants, Subcontractors, anyone employed directly or indirectly by any of them, and their officers, directors, employees and agents, from and against any and all claims, losses, damages, liabilities, subpoenae, citation, penalty and expenses, including attorneys' fees and expenses, arising out of or resulting from the presence, removal, threatened release, release or remediation of Hazardous Conditions at the Site or at any other location (including any further site to which a Hazardous Substance is moved or alleged to have been moved).

4.1.6 Notwithstanding the preceding provisions of this Section 4.1, Owner is not responsible for Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable. To the fullest extent permitted by law, Design-Builder shall indemnify, defend and hold harmless Owner and Owner's officers, directors, employees and agents from and against all claims, losses, damages, liabilities and expenses, including attorneys' fees and expenses, arising out of or resulting from those Hazardous Conditions introduced to the Site by Design-Builder, Subcontractors or anyone for whose acts they may be liable.

4.1.7 Owner shall at all times during the terms of this Agreement be responsible for ensuring compliance with all applicable federal, state, county or local environmental statutes, regulations, orders or other laws with respect to any existing or suspected presence at the Project of a "hazardous substance," within the meaning of the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), as amended and any implementing regulations or guidance issued pursuant to CERCLA ("Hazardous Substance"). At the time of the execution of this Agreement, Owner shall notify Design-Builder in writing of the presence or suspected presence at the Project of any Hazardous Substance. If thereafter either Owner or Design-Builder discovers an existing or suspected presence of any Hazardous Substance, they each

shall have the duty to notify immediately the other in writing. Notwithstanding any right the Owner may have to order changes in the Work, Owner shall be responsible for, and make all necessary arrangements for, the prompt collection, accumulation, handling, storage, transportation, treatment and disposal of any Hazardous Substance (individually and collectively "Handling of Hazardous Substances"). Design-Builder shall not be responsible for Handling of Hazardous Substances.

4.1.8 The liabilities, damages, losses costs, penalties, expenses or responsibilities for which Owner indemnifies, defends and holds Design-Builder harmless shall include, but shall not be limited to: (1) liabilities relating to any environmental pollution, (2) liabilities imposed under any federal, state, county or local environmental statutes, regulations, ordinances, administrative or judicial judgments or orders, including, but not limited to the Comprehensive Environmental Response, Compensation, and Liability Act, the Resource Conservation and Recovery Act, the Clear Air Act, the Safe Drinking Water Act, the Federal Water Pollution Control Act, the Toxic Substances Control Act and any similar federal, state, or local laws and regulations, or (3) liabilities for contribution or indemnity. Design-Builder shall have the right to accept or decline any compromise or settlement of any claims or actions against Design-Builder.

4.2 Differing Site Conditions.

4.2.1 Concealed or latent physical conditions or subsurface conditions at the Site that (i) materially differ from the conditions indicated in the Contract Documents or (ii) are of an unusual nature, differing materially from the conditions ordinarily encountered and generally recognized as inherent in the Work are collectively referred to herein as "Differing Site Conditions." If Design-Builder encounters a Differing Site Condition, Design-Builder will be entitled to an adjustment in the Contract Price and/or Contract Time(s) to the extent Design-Builder's cost and/or time of performance are adversely impacted by the Differing Site Condition, including without limitation, recovery of stand-by costs and extended general and winter conditions costs.

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

Article 5

Insurance and Bonds

5.1 Design-Builder's Insurance Requirements.

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

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

5.1.3 Prior to commencing any construction services hereunder, Design-Builder shall provide Owner with certificates evidencing that (i) all insurance obligations required by the Contract Documents are in full force and in effect and will remain in effect for the duration required by the Contract Documents and (ii) no insurance coverage will be canceled, renewal refused, or materially changed unless at least thirty (30) days prior written notice is given to Owner. If any of the foregoing insurance coverages are required to remain in force after final payment are

reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the Final Application for Payment. If any information concerning reduction of coverage is not furnished by the insurer, it shall be furnished by the Design-Builder with reasonable promptness according to the Design-Builder's information and belief.

5.2 Owner's Liability Insurance.

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

5.3 Owner's Property Insurance.

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

5.3.2 Unless the Contract Documents provide otherwise, Owner shall procure and maintain boiler and machinery insurance that will include the interests of Owner, Design-Builder, Design Consultants, and Subcontractors of any tier. The Owner is responsible for the payment of any deductibles under the insurance required by this Section 5.3.2.

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

5.3.3.1 If the Design-Builder is damaged by the failure or neglect of the Owner to purchase or maintain insurance as described above, then the Owner shall bear all reasonable costs and Design-Builder's damages properly attributable thereto. Design-Builder's failure to request or to obtain such certificate(s) of insurance from Owner at Agreement inception or prior to any payment shall not be a waiver of this Section 5.3, or any other, covenant or condition of this Agreement.

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

any proceeds will be resolved in accordance with Article 10 hereof. Owner shall pay the costs not covered because of deductibles or self-insured retention.

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

5.3.6 Before an exposure to loss may occur, the Owner shall file with the Design-Builder a copy of each policy that includes insurance coverages required by this Section 5.3. Each policy shall contain all generally applicable conditions, definitions, exclusions and endorsements related to this Project.

5.4 Bonds and Other Performance Security.

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

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

Article 6

Payment

6.1 Schedule of Values.

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

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

6.1.3 The schedule of values shall provide that, in addition to any Work in place and any unpaid Pre-Construction Services Fee, incurred or to be incurred by Design-Builder including, without limitation, costs for insurance, permits, any Design Consultant or Subcontractor architectural or engineering, surveying, borings, trailer delivery and rental, preparation and reproduction of preliminary design documents or Contract Documents, temporary signs and pre-contract legal and Design-Builder's Lump Sum General Conditions to the extent of safety, estimating, budgeting, purchasing, scheduling, pre-commencement value engineering and mobilization are to be paid from the initial Application for Payment.

6.2 Monthly Progress Payments.

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

6.2.2 The Application for Payment may request payment for equipment and materials not yet incorporated into the Project, provided that (i) the equipment and materials are suitably stored at either the Site or another acceptable location, or where a material or equipment supplier requires pre-payment in whole or in part as a condition to fabrication or delivery (ii) the equipment and materials are protected by suitable insurance and (iii) upon payment, Owner will receive the equipment and materials free and clear of all liens and encumbrances.

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

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

6.2.4 In addition to any Work in place, Design-Builder's initial Application for Payment may include, and Owner shall pay, general conditions costs incurred or to be incurred by Design-Builder including, without limitation, costs for insurance, permits, any Design Consultant or Subcontractor architectural or engineering, surveying, borings, trailer delivery and rental, safety, estimating, budgeting, purchasing, scheduling, reproduction of preliminary design documents or Contract Documents, shipping, pre-construction design or construction services, value engineering, mobilization, temporary signs and pre-contract legal. Payment of Design-Builder's Pre-Construction Services is a condition to Design-Builder's duty to commence or to continue construction Work. Design-Builder's commencement without such payment shall not be a waiver of this provision.

6.3 Withholding of Payments.

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

6.3.2 Notwithstanding anything to the contrary in the Contract Documents, Owner shall pay Design-Builder all undisputed amounts in an Application for Payment within the times required by the Agreement.

6.4 Right to Stop Work and Interest.

6.4.1 If Owner fails to pay timely Design-Builder any amount that becomes due, Design-Builder, in addition to all other remedies provided in the Contract Documents, may stop Work

pursuant to Section 11.3 hereof. All payments due and unpaid shall bear interest at the rate set forth in the Agreement.

6.5 Design-Builder's Payment Obligations.

6.5.1 Design-Builder will pay Design Consultants and Subcontractors, in accordance with its contractual obligations to such parties, all the amounts Design-Builder has received from Owner on account of their work. Design-Builder will impose similar requirements on Design Consultants and Subcontractors to pay those parties with whom they have contracted. Unless Design-Builder provides a lien indemnity bond in the penal sum of 150% of any Subcontractor or Supplier mechanics lien claim within fourteen (14) days after Owner's written demand, Design-Builder will indemnify and defend Owner against any claims for payment and mechanic's liens as set forth in Section 7.3 hereof.

6.5.2 Design-Builder shall not be obligated to pay Subcontractors or Suppliers if Design-Builder determines that withholding payment is in the best interests of prosecuting the Work in accordance with the Contract Documents.

6.6 Substantial Completion.

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

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

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

6.7 Final Payment.

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

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

6.7.2.1 An affidavit that there are no liens outstanding or unsatisfied for labor, services, material, equipment, taxes or other items performed, furnished or incurred for or in

connection with the Work which will in any way affect Owner's interests;

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

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

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

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

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

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

Article 7

Indemnification

7.1 Patent and Copyright Infringement.

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

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

7.1.3 Sections 7.1.1 and 7.1.2 above shall not be applicable to any suit, claim or proceeding based on infringement or violation of a patent or copyright (i) relating solely to a particular process or product of a particular manufacturer specified by Owner and not offered or recommended by Design-Builder to Owner or (ii) arising from modifications to the Work by Owner or its agents after

acceptance of the Work. If the suit, claim or proceeding is based upon events set forth in the preceding sentence, Owner shall defend, indemnify and hold harmless Design-Builder to the same extent Design-Builder is obligated to defend, indemnify and hold harmless Owner in Section 7.1.1 above.

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

7.2 Tax Claim Indemnification.

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

7.3 Payment Claim Indemnification.

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

7.4 Design-Builder's General Indemnification.

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

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

7.5 Owner's General Indemnification.

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

Article 8

Time

8.1 Obligation to Achieve the Contract Times.

8.1.1 Design-Builder agrees that it will commence performance of the Work and achieve the Contract Time(s) in accordance with Article 5 of the Agreement subject to Design-Builder's right to time extensions in accordance with Section 5.2.4.1 of the Agreement and Section 8.2 of these General Conditions.

8.2 Delays to the Work.

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

8.2.2 In addition to Design-Builder's right to a time extension for those events set forth in Section 8.2.1 above, Design-Builder shall also be entitled to an appropriate adjustment of the Contract Price provided, however, that the Contract Price shall not be adjusted for those events that do not adversely affect the progress of Design-Builder's Work.

Article 9

Changes to the Contract Price and Time

9.1 Change Orders.

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

9.1.1.1 The scope of the change in the Work;

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

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

9.1.2 All changes in the Work authorized by applicable Change Order shall be performed under the applicable conditions of the Contract Documents. Owner and Design-Builder shall negotiate in good faith and as expeditiously as possible the appropriate adjustments for such changes. Design-Builder shall have no obligation to perform changed work absent agreement on adjustment to the Contractor Price and Contract Time in a written instrument signed by Owner.

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

9.1.4 A "change" which shall give rise to a Change Order is any change in scope, size, kind, quality or usage of system, materials, finishes, equipment or area of the Project from that set forth in Owner's Project Criteria.

9.3 Minor Changes in the Work.

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

9.4 Contract Price Adjustments.

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

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

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

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

9.4.1.4 If an increase or decrease cannot be agreed to as set forth in items 9.4.1.1 through 9.4.1.3 above and Design-Builder agrees to proceed with the changed Work, the cost of the change of the Work shall be determined by the reasonable expense and savings in the performance of the Work resulting from the change, including the overhead and profit, as set forth in the Agreement.

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

9.4.3 If Owner and Design-Builder disagree upon whether Design-Builder is entitled to be paid for any services required by Owner, or if there are any other disagreements over the scope of Work or proposed changes to the Work, Owner and Design-Builder shall resolve the disagreement pursuant to Article 10 hereof. As part of the negotiation process, Design-Builder shall furnish Owner with a good faith estimate of the costs to perform the disputed services in accordance with Owner's interpretations. If the parties are unable to agree and Owner expects Design-Builder to perform the services in accordance with Owner's interpretations, Design-Builder shall proceed to perform the disputed services, conditioned upon Owner issuing a written order to Design-Builder (i) directing Design-Builder to proceed and (ii) specifying Owner's interpretation of the services that are to be performed. If this occurs, Design-Builder shall be entitled to submit in its Applications for Payment an amount equal to fifty percent (50%) of its reasonable estimated direct cost to perform the services, and Owner agrees to pay such amounts, with the express understanding that (i) such payment by Owner does not prejudice Owner's right to argue that it has no responsibility to pay for such services and (ii) receipt of such payment by Design-Builder does not prejudice Design-Builder's right to seek full payment of the disputed services with interest if Owner's order is deemed to be a change to the Work.

9.5 Emergencies.

9.5.1 In any emergency affecting the safety of persons and/or property, Design-Builder shall

act, at its discretion, to prevent threatened damage, injury or loss. Any change in the Contract Price and/or Contract Time(s) on account of emergency work shall be determined as provided in this Article 9.

Article 10

Contract Adjustments and Disputes

10.1 Requests for Contract Adjustments and Relief.

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

10.2 Dispute Avoidance and Resolution.

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

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

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

10.3 Arbitration.

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

10.3.2 The award of the arbitrator(s) shall be final and binding upon the parties without the right of appeal to the courts. Judgment may be entered upon it in accordance with the Federal

Arbitration Act by any court having jurisdiction thereof.

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

10.4 Duty to Continue Performance.

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

10.5 CONSEQUENTIAL DAMAGES.

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

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

Article 11

Stop Work and Termination for Cause

11.1 Owner's Right to Stop Work.

11.1.1 Owner may, without cause and for its convenience, order Design-Builder in writing to stop and suspend the Work. Such suspension shall not exceed fourteen (14) consecutive days or aggregate more than sixty (60) days during the duration of the Project.

11.1.2 Design-Builder is entitled to seek an adjustment of the Contract Price and/or Contract Time(s) if its cost or time to perform the Work has been adversely impacted by any suspension of stoppage of the Work by Owner including, without limitation, all stand-by demobilization, remobilization, extended general and winter conditions costs.

11.2 Owner's Right to Perform and Terminate for Cause.

11.2.1 If Design-Builder persistently fails to (i) provide a sufficient number of skilled workers, (ii) supply the materials required by the Contract Documents, (iii) comply with applicable Legal Requirements, (iv) timely pay, without cause, Design Consultants or Subcontractors, and, absent, posting of a lien indemnity bond or to obtain an endorsement to a title policy with respect to liens of Subcontractors (v) prosecute the Work with promptness and diligence to ensure that the Work is completed by the Contract Time(s), as such times may be adjusted, or (vi) perform material obligations under the Contract Documents, then Owner, in addition to any other rights and remedies provided in the Contract Documents or by law, shall have the rights set forth in Sections

11.2.2 and 11.2.3 below.

11.2.2 Upon the occurrence of an event set forth in Section 11.2.1 above, Owner may provide written notice to Design-Builder that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Design-Builder's receipt of such notice. If Design-Builder fails to cure, or reasonably commence to cure, such problem, then Owner may give a second written notice to Design-Builder of its intent to terminate within an additional seven (7) day period. If Design-Builder, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Owner may declare the Agreement terminated for default by providing written notice to Design-Builder of such declaration.

11.2.3 Upon declaring the Agreement terminated pursuant to Section 11.2.2 above, Owner may enter upon the premises and take possession of the Site and to employ any person or persons to complete the Work and provide all of the required labor, services, materials, equipment and other items. In the event of such termination, Design-Builder shall not be entitled to receive any further payments under the Contract Documents until the Work shall be finally completed in accordance with the Contract Documents except to the extent amounts otherwise owing to Design-Builder exceed a good faith estimate of the cost to complete the Work. At such time, if the unpaid balance of the Contract Price exceeds the cost and expense incurred by Owner in completing the Work, such excess shall be paid by Owner to Design-Builder. Notwithstanding the preceding sentence, if the Agreement establishes a Guaranteed Maximum Price, Design-Builder will only be entitled to be paid for Work performed prior to its default. If Owner's cost and expense of completing the Work exceeds the unpaid balance of the Contract Price, then Design-Builder shall be obligated to pay the difference to Owner. Such costs and expense shall include not only the cost of completing the Work, but also losses, damages, costs and expense, including attorneys' fees and expenses, incurred by Owner in connection with the procurement and defense of claims arising from Design-Builder's default, subject to the waiver of consequential damages set forth in Section 10.5 hereof.

11.2.4 If Owner improperly terminates the Agreement for cause, the termination for cause will be converted to a termination for convenience in accordance with the provisions of Article 8 of the Agreement.

11.3 Design-Builder's Right to Stop Work.

11.3.1 Design-Builder may, in addition to any other rights afforded under the Contract Documents or at law, stop the Work for the following reasons:

11.3.1.1 Owner's failure to provide financial assurances as required under Section 3.3 hereof; or

11.3.1.2 Owner's failure to pay amounts properly due under Design-Builder's Application for Payment.

11.3.2 Should any of the events set forth in Section 11.3.1 above occur, Design-Builder has the right to provide Owner with written notice that Design-Builder will stop the Work, at Design-Builder's option, unless said event is cured within seven (7) days from Owner's receipt of Design-Builder's notice. If Owner does not cure the problem within such seven (7) day period, Design-Builder may stop the Work or terminate, at Design-Builder's option. In such case, Design-Builder shall be entitled to make a claim for adjustment to the Contract Price and Contract Time(s) to the extent it has been adversely impacted by such stoppage or termination.

11.4 Design-Builder's Right to Terminate for Cause.

11.4.1 Design-Builder, in addition to any other rights and remedies provided in the Contract Documents or by law, may terminate the Agreement for cause for the following reasons:

11.4.1.1 The Work has been stopped for thirty (30) consecutive days, or more than sixty (60) days during the duration of the Project, because of court order, any government authority having jurisdiction over the Work, or orders by Owner under Section 11.1.1 hereof, provided that such stoppages are not due to the acts or omissions of Design-Builder or anyone for whose acts Design-Builder may be responsible.

11.4.1.2 Owner's failure to provide Design-Builder with any information, permits or approvals that are Owner's responsibility under the Contract Documents which result in the Work being stopped for fourteen (14) consecutive days, or more than thirty (30) days during the duration of the Project, even though Owner has not ordered Design-Builder in writing to stop and suspend the Work pursuant to Section 11.1.1 hereof.

11.4.1.3 Owner's failure to cure the problems set forth in Section 11.3.1 above after Design-Builder has stopped the Work.

11.4.2 Upon the occurrence of an event set forth in Section 11.4.1 above, Design-Builder may provide written notice to Owner that it intends to terminate the Agreement unless the problem cited is cured, or commenced to be cured, within seven (7) days of Owner's receipt of such notice. If Owner, within such second seven (7) day period, fails to cure, or reasonably commence to cure, such problem, then Design-Builder may declare the Agreement terminated for default by providing written notice to Owner of such declaration. In such case, Design-Builder shall be entitled to recover in the same manner as if Owner had terminated the Agreement for its convenience under Article 8 of the Agreement.

11.5 Bankruptcy of Owner or Design-Builder.

11.5.1 If either Owner or Design-Builder institutes or has instituted against it a case under the United States Bankruptcy Code (such party being referred to as the "Bankrupt Party"), such event may impair or frustrate the Bankrupt Party's ability to perform its obligations under the Contract Documents. Accordingly, should such event occur:

11.5.1.1 The Bankrupt Party, its trustee or other successor, shall furnish, upon request of the non-Bankrupt Party, adequate assurance of the ability of the Bankrupt Party to perform all future material obligations under the Contract Documents, which assurances shall be provided within ten (10) days after receiving notice of the request; and

11.5.1.2 The Bankrupt Party shall file an appropriate action within the bankruptcy court to seek assumption or rejection of the Agreement within thirty (30) days of the institution of the bankruptcy filing and shall diligently prosecute such action.

If the Bankrupt Party fails to comply with its foregoing obligations, the non-Bankrupt Party shall be entitled to request the bankruptcy court to reject be deemed to have consented to rejection of the Agreement, and the Agreement shall be deemed terminated. The Non-Bankrupt Party may pursue any other recourse available to the non-Bankrupt Party under this Article 11.

11.5.2 The rights and remedies under Section 11.5.1 above shall not be deemed to limit the ability of the non-Bankrupt Party to seek any other rights and remedies provided by the Contract Documents or by law, including its ability to seek relief from any automatic stays under the United States Bankruptcy Code or the right of Design-Builder to stop Work under any applicable provision of these General Conditions of Contract.

Article 12

Electronic Data

12.1 Electronic Data.

12.1.1 The parties recognize that Contract Documents, including drawings, specifications and three-dimensional modeling (such as Building Information Models) and other Work Product may be transmitted among Owner, Design-Builder and others in electronic media as an alternative to paper hard copies (collectively "Electronic Data").

12.2 Transmission of Electronic Data.

12.2.1 Owner and Design-Builder shall agree upon the software and the format for the transmission of Electronic Data. Each party shall be responsible for securing the legal rights to access the agreed-upon format, including, if necessary, obtaining appropriately licensed copies of the applicable software or electronic program to display, interpret and/or generate the Electronic Data.

12.2.2 Neither party makes any representations or warranties to the other with respect to the functionality of the software or computer program associated with the electronic transmission of Work Product. Unless specifically set forth in the Agreement, ownership of the Electronic Data does not include ownership of the software or computer program with which it is associated, transmitted, generated or interpreted.

12.2.3 By transmitting Work Product in electronic form, the transmitting party does not transfer or assign its rights in the Work Product. The rights in the Electronic Data shall be as set forth in Article 4 of the Agreement. Under no circumstances shall the transfer of ownership of Electronic Data be deemed to be a sale by the transmitting party of tangible goods.

12.3 Electronic Data Protocol.

12.3.1 The parties acknowledge that Electronic Data may be altered or corrupted, intentionally or otherwise, due to occurrences beyond their reasonable control or knowledge, including but not limited to compatibility issues with user software, manipulation by the recipient, errors in transcription or transmission, machine error, environmental factors, and operator error. Consequently, the parties understand that there is some level of increased risk in the use of Electronic Data for the communication of design and construction information and, in consideration of this, agree, and shall require their independent contractors, Subcontractors and Design Consultants to agree, to the following protocols, terms and conditions set forth in this Section 12.3.

12.3.2 Electronic Data will be transmitted in the format agreed upon in Section 12.2.1 above, including file conventions and document properties, unless prior arrangements are made in advance in writing.

12.3.3 The Electronic Data represents the information at a particular point in time and is subject to change. Therefore, the parties shall agree upon protocols for notification by the author to the recipient of any changes which may thereafter be made to the Electronic Data, which protocol shall also address the duty, if any, to update such information, data or other information contained in the electronic media if such information changes prior to Final Completion of the Project.

12.3.4 The transmitting party specifically disclaims all warranties, expressed or implied, including, but not limited to, implied warranties of merchantability and fitness for a particular purpose, with respect to the media transmitting the Electronic Data. However, transmission of the Electronic Data via electronic means shall not invalidate or negate any duties pursuant to the applicable standard of care with respect to the creation of the Electronic Data, unless such data is materially changed or altered after it is transmitted to the receiving party, and the transmitting party did not participate in such change or alteration.

Article 13

Miscellaneous

13.1 Confidential Information.

13.1.1 Confidential Information is defined as information which is determined by the transmitting party to be of a confidential or proprietary nature and: (i) the transmitting party identifies as either confidential or proprietary; (ii) the transmitting party takes steps to maintain the confidential or proprietary nature of the information; and (iii) the document is not otherwise available in or considered to be in the public domain. The receiving party agrees to maintain the confidentiality of the Confidential Information and agrees to use the Confidential Information solely in connection with the Project.

13.2 Assignment.

13.2.1 Neither Design-Builder nor Owner shall, without the written consent of the other assign, transfer or sublet any portion or part of the Work or the obligations required by the Contract Documents but, Design-Builder shall be entitled to enter into Subcontracts for design and construction.

13.3 Successorship.

13.3.1 Design-Builder and Owner intend that the provisions of the Contract Documents are binding upon the parties, their employees, agents, heirs, successors and assigns.

13.4 Governing Law.

13.4.1 The Agreement and all Contract Documents shall be governed by the laws of the place of the Project, without giving effect to its conflict of law principles and, regarding arbitration, the Federal Arbitration Act.

13.5 Severability.

13.5.1 If any provision or any part of a provision of the Contract Documents shall be finally determined to be superseded, invalid, illegal, or otherwise unenforceable pursuant to any applicable Legal Requirements, such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provision or parts of the provision of the Contract Documents, which shall remain in full force and effect as if the unenforceable provision or part were deleted.

13.6 No Waiver.

13.6.1 The failure of either Design-Builder or Owner to insist, in any one or more instances, on the performance of any of the obligations required by the other under the Contract Documents shall not be construed as a waiver or relinquishment of such obligation or right with respect to future performance.

13.7 Headings.

13.7.1 The headings used in these General Conditions of Contract, or any other Contract Document, are for ease of reference only and shall not in any way be construed to limit or alter the meaning of any provision.

13.8 Notice.

13.8.1 Whenever the Contract Documents require that notice be provided to the other party, notice will be deemed to have been validly given (i) if delivered in person to the individual intended to receive such notice, (ii) four (4) days after being sent by registered or certified mail, postage prepaid to the address indicated in the Agreement, (iii) if sent by overnight courier, by the next business day with receipt from the courier service or (iv) if transmitted by facsimile, by the time stated in a machine generated confirmation that notice was received at the facsimile number of the intended recipient.

13.9 Amendments.

13.9.1¹ The Contract Documents may not be changed, altered, or amended in any way except in writing signed by a duly authorized representative of each party.

EXHIBIT C
Design-Builder's Fee Proposal

PRECONSTRUCTION AND CONSTRUCTION SERVICES

SCOPE OF WORK AND FEE DESCRIPTION

The description below provides a detailed look at critical elements and milestones in the development of the project. Our approach to the management of the design and construction of your project will begin with the development of a complete understanding of the goals and objectives by our project team. This understanding serves as a basis from which all subsequent decisions regarding the design and construction approach are to be made. While budget, schedule and project scope issues are universally critical to the success of a project, the manner in which each is addressed must be "tailored" to the unique needs of the City of Peru and the Peru Police Department.

We utilize a collaborative team building process by assembling a group of key team leaders who have the requisite management, design and technical competence both in design and construction in order to respond to your needs of the. From Design to Documentation to Construction, our scope of work and tasks within the Work Plan is summarized below:

PROGRAM COMPLETION PHASE/INITIAL BUDGET

A kick-off meeting begins the process wherein a detailed verification of the program needs, project schedules, design parameters, budget and site conditions is conducted relating to program and procedures. This meeting ensures the development of a clear understanding of the objectives, alignment of the program with the construction budget, and the establishment of program priorities. Each building component is validated to assure that the intended scope is in alignment with program needs, budget, and code requirements. A final Building Program document is created to capture this information and used as a foundation to begin the design process.

During this phase, our team will:

- 1) Develop the "Critical Success Factors" with all stakeholders and establish Critical Building Planning Criteria.
- 2) Share contact lists and establish lines of communication.
- 3) Complete program review and final acceptance by City of Peru of program.
- 4) Create an overall master schedule which will serve as the basis for all future planning and tracking over the life of the project. The master schedule will be updated frequently to offer a tight, precise schedule the Project Team can depend on.
- 5) Prepare the initial budget.
- 6) At the conclusion of this stage, we invite the entire team back together for an open-book charrette to share/discuss our estimate, analysis, schedule, theories, etc

SCHEMATIC DESIGN PHASE (SD)

The Schematic Design process, achieved while working closely with City of Peru and the Police Department includes the exploration of various design and planning alternatives which encompass

evaluation, implications and recommendations regarding each option. Jointly, the alternatives will be studied by the project team. Fundamental considerations will include site and open space considerations, environmental impact, functional layout and efficiencies, accommodation of security systems, technology systems, circulation analysis, energy conservation, massing, design vocabulary, growth, flexibility and capital costs.

Ultimately, the schematic designs will be delineated with supporting description, rationale and summarization of size, quality of environment, capital cost and an implementation schedule. A Schematic Design Package will be developed for approval by the City of Peru and will be the basis from which all subsequent design and construction will emerge. Following the completion of the Program, the Schematic Design phase is the most critical milestone for subsequent decision making. The thoroughness and expertise utilized during this phase ensures that both program and cost objectives will be achieved.

An integrated, collaborative design process will be used for this project. A Design workshop meeting will be held with key stakeholders, as well as public involvement meetings, to determine the critical success factors for the project. An in-depth site analysis performed with the entire design team will determine the best locations for the building structures, parking, site circulation, on and off-site utility infrastructure and relocations. Over the course of the Schematic Design phase, the plan will evolve from adjacency diagrams to more detailed department layouts. Finally, the exterior design concept will also be developed over the course of this phase. From this process, floor plans, elevations, outline specifications and narratives are created to document the team's progress and provide structure for the remaining design phases.

With the documents discussed above, the team will:

- 1) Conduct an interactive workshop with the project team to capture all the possible option ideas and details needed to develop multiple design options. Site related factors such as site access, security zoning, risk assessments, parking, drainage, solar orientation, and context play a vital role in this process and will be studied to develop the design options including preliminary floor plans and exterior design concepts.
- 2) Take a simple floor plan, site plan and elevation -- and import them into our on-screen takeoff construction estimating software and quantify everything that is seen and unseen. We will calculate comprehensive item descriptions, quantities and unit pricing to show exactly how we reached our numbers. We can even provide real-time what-if scenarios to demonstrate cost-saving design and construction approaches.
- 3) Meet with city official and other governmental agencies to map out permitting requirements and processes, and then supplement the schedule accordingly.
- 4) Review the preliminary site logistics plan with city officials for approval and pricing.
- 5) Develop performance specifications as appropriate.
- 6) Begin the building information modeling (BIM) process for early collision detection, improved 2D and 3D visualizations, increased coordination, reduced costs, etc.
- 7) Develop an automated cost control log to serve as an interactive decision-making tool and allow the entire project team to manage scope changes and see all project elements – accepted, rejected or pending – and their respective dollar implications. The team can see the value of all

decisions as they're being made and clearly understand how every dollar impacts the project. We use the cost control log to help bridge the gap until the next deliverable, which will be 100% design development documents.

- 8) Attend bi-weekly meetings to review the drawings for adherence to budget parameters; continue offering feedback on material costs; and guide design accordingly.
- 9) Closely review and adjust the schedule based on any changes or building modifications. Identify and proactively plan for long-lead materials, trades and controls -- including sustainable components.
- 10) Complete the Schematic Design, and prepare and finalize the SD budget.
- 11) Options for financing of the project will be considered at this juncture.
- 12) At the conclusion of this stage, we invite the entire team back together for an open-book charette to share and discuss our Schematic Design and estimate, analysis, schedule, theories, etc.

DESIGN DEVELOPMENT PHASE (DD)

During this phase of development, the tasks performed will focus on the fundamental objective to make decisions concerning detailed matters relating to the facility's construction, finish and equipment. Included in the Design Development solution is objective value analysis and recommendations concerning the entire project. Detailed "quantity take off" construction cost estimates are also submitted in this phase. Additional detailed drawings, sketches and reports are presented in the phase to describe the proposed facility more completely in order to aid in understanding the proposed project.

During this stage, the team:

- 1) Works with the project team to develop the preferred design option. During this phase, the project team objective is to make decisions concerning detailed matters relating to the facility's construction, finish, and equipment. More detailed drawings, sketches, 3-D images, and renderings are completed of the proposed facility to aid in the understanding of the project.
- 2) Engages the subcontractor community to validate budgeting and seek ongoing feedback and cost saving ideas.
- 3) Prepares the project manual and reviews it with the team.
- 4) Maps out the bidding process and reviews it with the team.
- 5) Finalizes the bid packaging strategy; prepare and execute early bid packages.
- 6) Further refines the schedule and finalizes all site logistics.
- 7) Continues the building information modeling (BIM) process for early collision detection, improved 2D and 3D visualizations, increased coordination, reduced costs, etc.
- 8) Advises the team on material shortages and/or material price volatility.
- 9) Works with owner to receive sign-off on floor plans, programming and elevations.
- 10) Reviews the "constructability" of the DD documents
- 11) Thoroughly cross references and reviews documents to ensure the design matches the accepted items on the cost control log
- 12) Attends bi-weekly meetings to review design for conformance to budget parameters.
- 13) Prepares and agree on DD budget and modify accordingly via the cost control log.
- 14) Prepares detailed narrative on all interpretations and translations made during budgeting.
- 15) Prepares guaranteed maximum price (GMP) with clarifications, alternates, unit prices, etc. When exact GMP is set to be determined with the City of Peru.

- 16) Identifies all subcontractors that will be invited to bid; finalize bid list and notifications.
- 17) At the conclusion of this stage, we invite the entire team back together for an open-book charrette to share and discuss DD drawings and our estimate, analysis, schedule, theories, etc.

CONSTRUCTION DOCUMENT PHASE (CD)

Based on a firm design foundation, budget analysis, and a detailed schedule, the tasks within the development of construction documents are performed. The final stage of construction document preparation includes another independent, in-house value analysis in the context of the program to ensure that the most cost-effective judgments have been made by the entire planning/design group. The analysis is conducted concurrently with the preparation of detailed cost estimates. These activities are summarized with priority recommendations before being released for construction bidding. If final adjustments to the documents are required, they are made at this time in order to obtain regulatory agency approval which encompasses evaluation, implications and recommendations regarding each option. Jointly, the alternatives will be studied by the project team. Fundamental considerations will include site and open space considerations, environmental impact, functional layout, accommodation of technology systems, circulation analysis, energy conservation, massing, design vocabulary, growth, flexibility and capital costs.

Construction Document (CD) Phase: This final stage of preconstruction is where we work with the entire team to further fine-tune the drawings from design development into CDs. The crystallized documents and specifications provide the details for bidding and actual construction of the project. By this phase, the integrated team effort ensures that constructability issues have been fully vetted, the schedule is at its tightest, and all cost models have been completed for optimal functionality and aesthetics. During this phase, Leopardo will:

- 1) Finalize the construction schedule and ensure that it is as tight as possible.
- 2) Conduct quality control review and internal coordination meeting for the team to perform a thorough review of the documents.
- 3) Thrift through the drawings, reviewing them for constructability, to simplify details, ensuring the documents are complete and unambiguous, which reduces the need for RFIs, addendums, change orders and the likelihood of schedule delays.
- 4) Finalize project manual for final bidding.
- 5) Write detailed scopes of work and identify alternates, unit prices and allowance to be carried.
- 6) Host pre-bid meetings.
- 7) Ensure the City of extensive subcontractor coverage, finding the most competitive qualified bids our subcontractor community can offer.
- 8) Facilitate and manage the bidding process, including any addendums.
- 9) Hold post-bid review sessions.
- 10) Compare bid amounts to anticipated budget amount and identify any potential cost issues against GMP document and resolve.
- 11) Award subcontracts.

CONSTRUCTION ADMINISTRATION PHASE (CA)

During the Construction Phase, the Design-Build team will continue to collaborate to ensure the successful construction of your facility. We work together directly with the City to identify potential

risks during construction and develop plans to keep the project progressing. In addition to periodic site visits by the design team (architects and engineers) consistent with construction process intensity, the design team's administration services include review of submittals and sample review, preparation of necessary clarification detail drawings.

CONSTRUCTION ACTIVITIES AND RESPONSIBILITIES

Construction services begin with the bidding process in which the job is presented to a select list of qualified subcontractors. The art of bidding is maintaining the best possible value while ensuring that scheduling and project coordination can be achieved.

Once the project is awarded and underway, our project managers, engineers, accountants and assistants, along with the superintendent in the field provide administration, cost control, planning, scheduling, and coordination of the activities of the various subcontractors to ensure the work is done on schedule and in accordance with plans and specifications.

Throughout the project our team reviews and manages submittals, coordinates with the design professionals, monitors subcontractor performance, prepares estimates for and manages proposed changes, monitors and controls project costs, reviews progress and processes subcontractor and supplier pay applications, ensures that all required insurance coverage is in place, arranges for the inspection and issuance of required certificates and prepares and manages the completion of any punch list items at the end of the job. Following the completion of the project, the team will assemble all as-builts, guarantees and warranties and deliver them to the client, coordinate and expedite the repair and/or replacement of items covered under guarantees and warranties and conduct a follow-up review of the complete facility to make sure that all materials and systems are performing satisfactorily.

ACTIVITIES AND RESPONSIBILITIES

- Provide administration, cost control, planning, scheduling, and coordination of the overall activities of the various subcontractors to facilitate completion of the work on schedule and in accordance with plans and specifications. Coordinate schedule with the client's operations
- Supervise all construction activities at the jobsite
- Provide necessary expediting of delivery of items purchased in order to meet project schedule.
- Receive, review, and submit shop drawings, catalogs, samples, equipment cuts, and other pertinent documents. Maintain necessary coordination with the architect, consultants, and the subcontractors in order to procure or expedite approvals
- Conduct weekly job-site meetings and issue meeting minutes addressing specific action items to be monitored until closed
- Review proposed changes to the work. Prepare timely estimates of the cost in connection with changes to the work and compare with detailed cost breakdowns requested of the subcontractor
- Submit detailed documentation for project team review and approval
- Provide for proper disbursements and cost accounting in accordance with client requirements
- Record and monitor costs with respect to the various subcontracts including awards, extra and credit orders issued, change orders pending, and payments to date

- Review the progress reports provided by each subcontractor and applications for progress payment and final payments. Certify to the client that the progress of the work is as stated in the reports for purposes of payment under the terms of each subcontract
- Implement a jobsite quality assurance program utilizing the Leopardo Quality Control Manual to assure all aspects of the project meet the Leopardo and project team standard of quality
- Implement a jobsite safety program utilizing the Leopardo Safety Manual and requirements governed by OSHA
- Assist in the issuance of Certificate of Substantial Completion and Certificate of Occupancy. Establish requirements for early staged occupancy and process accordingly with the local municipality if necessary
- Assemble the submittal of as-builts, maintenance and operation manuals, etc. and present to the client
- Assist in coordinating state and local agency review as necessary for occupancy
- Assemble all written guarantees and warranties from subcontractors, material suppliers, and equipment suppliers and deliver to the client
- Prepare a punch list with the project team and supervise completion

DETAILED DESIGN SCOPE & FEE STRUCTURE

The Design-Build team believes in senior management level involvement in every phase of a project. Our proposal provides you with a high level of experienced staff with an appropriate amount of time necessary to develop and analyze all information and create creative cost effective concepts and solutions that will become the foundation for your project. This scope and fee has been developed based on the information provided in your proposal request, initial kickoff meeting and our initial professional judgment of how your project could be structured.

Please see attached Fee Summary and individual proposals from the design and build team for a more detailed explanation of their scopes of work as well as fee breakdowns.

City of Peru
Police Station
Fee Summary
10/3/2019

Phase	Initial Budget & Scheduling		Design		Construction Documents/GMP	Bidding & Negotiation	Construction Administration	Subtotals
	Scheduling	Design/Budget	Development/Budget	Documents/GMP				
LCI - Preconstruction Svc	\$ 12,170	\$ 20,802	\$ 20,062	\$ 11,279	\$ 8,029	See staffing breakdown	\$ 72,342	
BC&A - Architecture		\$ 64,999	\$ 95,831	\$ 202,394	\$ 32,582	168,613	\$ 564,419	
MWL - Architecture		\$ 91,231	\$ 95,831	\$ 50,982	\$ 5,750	29,132	\$ 272,926	
IMEG - Structural		\$ 6,700	\$ 16,800	\$ 26,900	\$ 3,400	13,400	\$ 67,200	
IMEG - Mech/Elec		\$ 27,400	\$ 69,000	\$ 110,000	\$ 13,800	57,000	\$ 277,200	
IMEG - Technology		\$ 4,000	\$ 10,000	\$ 16,400	\$ 2,000	8,000	\$ 40,400	
IMEG - Lightning Protection		\$ 700	\$ 1,700	\$ 2,700	\$ 300	1,400	\$ 6,800	
IMEG - Arc Flash		\$ -	\$ -	\$ -	\$ -	8,500	\$ 8,500	
Chamilins - Civil		\$ 25,415	\$ 37,375	\$ 49,335	\$ 7,475	29,900	\$ 149,500	
BC&A - Landscaping		\$ 6,126	\$ 9,010	\$ 11,894	\$ 1,802	7,208	\$ 36,040	
BC&A / MWL - FFE		\$ 21,418	\$ 27,385	\$ 24,612	\$ 3,729	14,916	\$ 92,060	
Reimbursables		\$ 5,800	\$ 5,800	\$ -	\$ -	-	\$ 11,600	
Commissioning Allowance						50,000	\$ 50,000	
3rd Party Enclosure Consultant Allowance						25,000	\$ 25,000	
Materials Testing Allowance						50,000	\$ 50,000	
Phase Subtotals	\$ 12,170	\$ 274,591	\$ 388,794	\$ 506,496	\$ 78,867	\$ 463,069		
Total Preconstruction Services Fees					\$ 1,260,918			
Total Preconstruction & Construction Services						\$ 1,723,987		
(w/o Monthly Projected Staffing Costs that are part of Cost of the Work)								
Geotechnical By City of Peru								
Surveying By City of Peru								

City of Peru
Police Station
 10/3/2019

SUMMARY OF STAFF HOURLY RATES

	Rate
Principal-In-Charge	No Charge
VP of Estimating	No Charge
Project Executive	\$ 125
Project Manager	\$ 88
Project Engineer	\$ 63
MEP Coordinator	\$ 65
Estimator	\$ 98
Project Assistant	\$ 57
Project Accountant	\$ 60
Safety Coordinator	\$ 78
Superintendent	\$ 125
Quality Director	\$ 99
Laborer	\$ 86

Leopardo Proposed Services/Hours/Fees

Preconstruction
10/1/19-4/1/2020

ACTIVITY	STAFFING	HOURS	RATE/HR	COST
Design Team Management/Meetings/Documentation/Coordination 26 weeks (dedicated day every other week)	Principal-In-Charge	208	\$ 13,000	\$ 13,000
	Project Executive	104	No Charge	No Charge
		104	\$ 125	\$ 13,000
Overall Project Master Scheduling	Principal-In-Charge	24	\$ 2,500	\$ 2,500
	Project Executive	4	No Charge	No Charge
		20	\$ 125	\$ 2,500
Initial Budget	Principal-In-Charge	64	\$ 6,420	\$ 6,420
	VP Estimating	2	No Charge	No Charge
	Project Executive	2	No Charge	No Charge
	Estimators	20	\$ 125	\$ 2,500
		40	\$ 98	\$ 3,920

City of Peru
Police Station
SD Budget

Principal-In-Charge	184		\$	17,552
VP Estimating	8	No Charge	No Charge	
Project Executive	8	No Charge	No Charge	
Quality Director	40	\$	125	\$ 5,000
Estimators	8	\$	99	\$ 792
	120	\$	98	\$ 11,760

DD Budget

Principal-In-Charge	184		\$	16,812
VP Estimating	8	No Charge	No Charge	
Project Executive	8	No Charge	No Charge	
Project Manager	20	\$	125	\$ 2,500
Quality Director	20	\$	88	\$ 1,760
Estimators	8	\$	99	\$ 792
	120	\$	98	\$ 11,760

GMP/Bidding

Principal-In-Charge	228		\$	16,058
VP Estimating	8	No Charge	No Charge	
MEP Coordinator	4	No Charge	No Charge	
Project Executive	4	\$	65	\$ 260
Project Manager	8	\$	125	\$ 1,000
Project Assistant	80	\$	88	\$ 7,010
Estimators	4	\$	57	\$ 228
Project Engineer	0	\$	98	\$ -
	120	\$	63	\$ 7,560

Projected Preconstruction

892 \$ 72,342

Projected Staffing Costs During Construction

STAFFING	HRS/WK	RATE/HR	HRS/MO	COST
Principal-In-Charge	2	\$ -	8.66	No Charge
Project Executive	6	\$ 125	25.98	\$ 3,248
Project Manager	20	\$ 88	86.6	\$ 7,621
Superintendent	40	\$ 125	173.2	\$ 21,650
Part Time Laborer for Progressive Cleanup	20	\$ 86	86.6	\$ 7,448
MEP Coordinator	2	\$ 65	8.66	\$ 563
Project Engineer	40	\$ 63	173.2	\$ 10,912
Project Assistant	4	\$ 57	17.32	\$ 987
Project Accountant (Certified Payroll)	8	\$ 60	34.64	\$ 2,078
Safety Inspections	6	\$ 65	25.98	\$ 1,689
Quality Inspections	2	\$ 99	8.66	\$ 857
Monthly Job Office Items	1	\$	2,000	\$ 2,000
(separate General Requirements) to be estimated with project budget)				

Projected Staffing Cost Per Month

\$ 59,052



~~September 9, 2019~~
~~September 18, 2019~~
~~September 24, 2019~~
October 3, 2019

Leigh McMillen
Leopardo Companies
5200 Prairie Stone Parkway
Hoffman Estates, Illinois 60192

RE: Peru Police Station Facility

Dear Leigh:

It is my pleasure to offer our services to complete the design and construction documents for the New Peru Police Station Facility. We have assembled a team that we believe will best achieve a quality result. We have teamed with Dean Roberts of McClaren, Wilson & Lawrie, Inc as the Public Safety Consultant. Chamlin's & Associates will provide Civil Engineering. IMEG Corp. will provide structural, mechanical, plumbing, electrical, fire protection and technology engineering. This fee proposal is based on a maximum of 4 bid packages.

Proposal is based on BC&A and its consultants to provide \$2 million in Professional Liability Insurance. This insurance will be in place for a period of 5 years from date of the executed contract between BC&A and Leopardo. Professional Liability insurance in addition to this will be handled as an additional service. Proposal is based on BC&A and its consultants providing \$1 million Umbrella/Excess liability coverage. Umbrella/Excess liability insurance in addition to this will be handled as an additional service.

We have already completed a major portion of the Phase 1 – Predesign Process. We have based our proposal on a new single-story facility of approximately 33,000 sf. Our services can be outlined as follows:

PROGRAMMING: APPROACHING COMPLETION

SCHEMATIC DESIGN – BC&A / MWL

- Establish (1) one conceptual floorplan design, (1) one conceptual site plan design and (2) exterior design alternatives. Designs will be based upon mutually agreed Phase 1 - Predesign.
- Conduct (3) three schematic design workshops with the owner, design team and design/builder.
- Provide (1) public presentation to owner at completion of Schematic Design Phase.
- Conceptual design to include:
 - (1) Conceptual site plan (includes budget coordination with design/builder).
 - (1) Conceptual floor plan (includes budget coordination with design/builder).

- (2) Exterior design alternatives (includes budget coordination with design/builder).
- Preliminary selections of major structural building systems (includes budget coordination with design/builder).
- Building code analysis.
- Attend budget charette in coordination with design/builder to review budget and scope.
- Modify current design to reflect accepted changes during SD budget review phase prior to starting next phase.
- Once Leopardo and the City of Peru have signed off and approved Schematic Design Phase, the design team will advance to the next phase.

DESIGN DEVELOPMENT – BC&A / MWL

- Refine design concept based upon the Leopardo/Owner approved Schematic Design documents. Develop Owner requested changes to plan.
- Conduct (2) two design development workshops with the owner, design team and design/builder. Design development workshops will include review with all disciplines (Arch/Structural, Civil, MEP, Technology). Design development workshops will be a complete project review, if additional workshops for specific items (disciplines) are required, these will be scheduled on a case by case basis.
- Develop potential alternate bids with a limit of 6 bid alternates that do not require alternative designs within the base fee. More complex alternates that require additional designs will be an additional service.
- Development of typical construction details and equipment layouts (includes budget coordination with design/builder).
- Development of major structural building system modifications and establish, in general, their quality levels (includes budget coordination with design/builder).
- Coordinate building systems and consultants.
- Obtain list of all owner furnished equipment and coordinate required information with consultants.
- Provide (1) public presentation to owner at completion of Design Development Phase.
- Attend budget charette in coordination with design/builder to review budget and scope.
- Modify current design to reflect accepted changes during DD budget review phase prior to starting next phase.
- Once Leopardo and the City of Peru have signed off and approved Design Development Phase, the design team will advance to the next phase

CONSTRUCTION DOCUMENTS – BC&A / MWL

- Conduct (2) two construction document workshops with the owner, design team and design/builder. Construction Document workshops will include review with all disciplines (Arch/Structural, Civil, MEP, Technology). Construction Document workshops will be a complete

project review, if additional workshops for specific items (disciplines) are required, these will be scheduled on a case by case basis.

- Develop construction documents from Leopardo/Owner approved design development documents.
- Develop potential alternate bids with a limit of 6 bid alternates that do not require alternative designs within the base fee. More complex alternates that require additional designs will be an additional service.
- Construction documents shall include drawings and specifications that establish in detail the quality levels of materials and systems required for the project.
- Coordinate building systems with consultants.
- Coordinate building envelope with design/builder's third-party enclosure consultant.
- Coordinate site systems with consultants.
- Provide maximum of (2) two Interior Design Schemes for color selections and coordination of all colors including interior and exterior colors and finishes, including carpet, wall coverings, plastic laminates, stain & varnish, paint, base, door hardware finish, fixture finishes/colors, signage color.
- Provide building specifications and building bidding documents prepared in Revit LOD300.

BIDDING – BC&A / MWL

- Attend maximum of (4) four pre-bid conferences for prospective bidders.
- Preparing responses to questions from prospective bidders and providing clarifications and interpretations of the Bidding Documents to all prospective bidders in the form of addenda.
- Analyzing the bid results and making a recommendation to the design/builder.

CONSTRUCTION ADMINISTRATION – BC&A / MWL

- Conduct weekly site visits to review progress and quality. Attend construction progress meetings during site visit. Fee is based on 12 months of construction, 52 site visits from BC&A which include 1 visit at substantial completion and 1 visit at final completion, 6 site visits from MWL, 4 site visits from IMEG (structural).
- Review and approve shop drawings and product submittals. Fee is based on 1 original review plus 1 additional review of submittals. Submittal review period will be a total of 14 days.
- Preparing RFI responses to questions from contractors providing clarifications and interpretations of the Bidding Documents. RFI response time shall be 3 business days. RFI received after 5:00pm will be considered received on the next business day.
- Update drawings throughout the construction phase process as required by change orders, RFI's and change directives.
- Be available to interpret matters concerning performance under and requirements of, the Contract Documents.

- Review and prepare required Department of Corrections certification in conjunction with owner. Assist design/builder with additional paperwork required by the AHJ's.

STRUCTURAL, MECHANICAL, ELECTRICAL AND TECHNOLOGY ENGINEERING - IMEG COMPLETE DESIGN

****Refer to attached "Revised proposal for engineering services for the New Police Station in Peru, Illinois" dated September 16, 2019 for a full description of services.**

CIVIL ENGINEERING – CHAMLIN COMPLETE DESIGN

**** Refer to attached "Proposal for professional engineering services from Chamlin & Associates, Inc." dated September 17, 2019 for a full description of services.**

LANDSCAPE DESIGN – BC&A

- Establish (1) one conceptual landscape design layout.
- Establish (1) one conceptual plant selection list.
- Conceptual landscape design to include:
 - Plant selection.
 - Plant selection booklet.
 - Landscape plan, labeled with plant schedule.
- Conduct (2) two landscape design review meetings.
- Landscape bid documents to include:
 - Final plant selection
 - Final landscape plan, labeled with plant schedule.
- Landscape Construction Administration to include:
 - Conduct periodic site visits to review progress, quality and coordinate installation issues. Fee based on (3) three site visits.

FF&E DESIGN – BC&A/MWL

- BC&A and MWL will work with the Peru PD team to establish an FF&E program.
- FF&E Programming to include:
 - Identification/Quantification of Storage needs
 - Identification of facility standard for furnishings for office, open workspaces, reception, conference, Interview rooms, training room and break room areas.
 - Identification of specialized furniture to accommodate existing or proposed equipment.
- Prepare final program document summarizing above conclusions.
- Upon completion and approval of Program document BC&A will prepare a short-list of manufacturer's capable of providing product solutions identified in the programming phase. This

list will include (3) three primary manufacturer's and a list of secondary manufacturers. Secondary manufacturers might include high density filing manufacturer or other specialized furnishings needs.

- Based on the short-list of manufacturer's BC&A will organize and coordinate (1) one trip to the Merchandise Mart in Chicago for designated key personnel from City of Peru, Peru PD, Design/Builder to see the product solutions of at least (3) three primary manufacturers.
- With input from the participants attending the Mart trip BC&A will proceed with furniture selection and layout for the needs identified in programming from one primary furniture manufacturer. Secondary manufacturer's will be coordinated under primary manufacturer's scope or as a separate scope on an as needed basis.
- BC&A will prepare a final fabric and finish presentation board for approval by City of Peru, Peru PD, Design/Builder.
- Once initial furniture selections, layout, fabrics and finishes have been approved BC&A will prepare final furniture layouts and schedule of furnishings/finishes.
- FF&E fee is based on coordination of FF&E package with (1) one pre-selected Primary furniture company, as selected following the Mart trip.
- BC&A will work with the pre-selected furniture manufacturer and coordinate and review all quotation from the furniture manufacturer and will present it to the City of Peru, Peru PD, Design/Builder team for approval.
- Conduct up to (3) three meetings to review furniture layout, selections, fabrics and finishes for approval.
- FF&E construction administration to include:
 - BC&A will conduct site visits to review progress, quality and coordinate installation issues. Fee based on (3) three site visits.

COMPENSATION

We propose to provide the services described above for the following stipulated sums, broken out per phase:

Phase	Schematic Design	Design Development	Construction Documents	Bidding & Negotiating	Construction Administration	Total
BC&A - Architecture	\$64,999	\$95,831	\$202,394	\$32,582	\$168,613	\$564,419
MWL - Architecture	\$91,231	\$95,831	\$50,982	\$5,750	\$29,132	\$272,925
IMEG - Structural	\$6,700	\$16,800	\$26,900	\$3,400	\$13,400	\$67,200
IMEG - Mech/Elec	\$27,400	\$69,000	\$110,000	\$13,800	\$57,000	\$277,200
IMEG - Technology	\$4,000	\$10,000	\$16,400	\$2,000	\$8,000	\$40,400
IMEG - Lighting Prot	\$700	\$1,700	\$2,700	\$300	\$1,400	\$6,800
IMEG - Arc Flash	\$0	\$0	\$0	\$0	\$8,500	\$8,500
Chamlins - Civil	\$25,415	\$37,375	\$49,335	\$7,475	\$29,900	\$149,500
BC&A - Landscaping	\$6,126	\$9,010	\$11,894	\$1,802	\$7,208	\$36,040
BC&A / MWL - FFE	\$21,418	\$27,385	\$24,612	\$3,729	\$14,916	\$92,060
					Total	\$1,515,044

PROJECT EXPENSES

The following reimbursable expenses **are not** included in the above fee and will be invoiced with a 1.1 multiplier of actual cost:

- Payment of plan review fees or other imposed governmental agency fees.
- State filing and/or permit fees.
- Additional necessary consultants as approved by client.
- Postage and delivery charges.
- Meals and lodging, when required to travel overnight.
- Travel expense: 58 cents per mile for auto (adjusted annually), plus tolls, parking fees, taxi, and other out of pocket expenses.
- Project specific insurance coverage riders or amendments necessary to comply with required insurance requirements above current Basalay, Cary & Alstadt Architects, LTD. limits and conditions.
- Printing of bidding documents, drawings, specifications, etc.

Estimated reimbursables are as follows:

- BC&A - \$6,000
- MWL - \$3,100
- IMEG - \$2,500

ADDITIONAL SERVICES

The following Additional Services listed are not included in the basic services described above. If these services are required as part of the is project, compensation can be on an hourly basis or negotiated separately:

- Multiple Conceptual Designs above and beyond specifically noted herein.
- Site evaluation and planning above and beyond specifically noted herein.
- Building Information Model Management responsibilities
- Development of Building Information Models for post construction use.
- Value Analysis
- Cost estimating
- On-site project representation
- Review of submittal beyond contractual amount
- Construction site visits beyond contractual amount
- As-designed record drawings above and beyond specifically noted herein.
- As-construction record drawings.
- Post-Occupancy evaluation
- Facility support services
- Sustainable project services
- Design of mechanical or electrical systems not specifically noted herein, or completion of the design for those services.
- Design of technology systems not specifically noted herein.

Leigh McMillen
Leopardo Companies
~~September 9, 2019~~
~~September 18, 2019~~
~~September 24, 2019~~
October 3, 2019
Page 7

- Design of telephone systems and computer equipment/systems.
- Design of radio systems, distributed antenna systems or other specialized technology systems.
- Our security design services will implement the system as desired and directed by the Client. The determination of a security solution, through a security audit and/or threat analysis, is an additional service.
- Acoustical evaluation, design, or analysis, including demonstrating compliance with HIPAA, ANSI S12.60, or applicable statutory requirements.
- Life cycle cost analysis for HVAC, domestic hot water, or building envelope selection.
- LEED criteria evaluation, energy modeling, calculation, justification, and documentation.
- Assistance with grants and other related funding applications.
- Value engineering or negotiating construction cost/scope with contractors and related document revisions after documents are complete, above and beyond specifically noted herein.
- Field testing, adjusting, balancing, or field time to assist installation contractor. Initial startup is the responsibility of the various contractors and/or subcontractors.
- Systems commissioning. Please be advised that commissioning may be required by some energy conservation codes, even though it is excluded from this Proposal. If commissioning is required, IMEG can provide a proposal for additional services, or systems commissioning may be conducted by a third party.

If this proposal is acceptable to you, please let me know and forward an agreement for review.

If you have any questions, please do not hesitate to contact me. Again, let me express our appreciation for this opportunity to offer our services.

Sincerely,

MATT LAMPS

Matt Lamps
Principal



September 1, 2019

BC&A HOURLY RATES

Principal:	\$140.00/hr.
Sr. Staff Architect:	\$115.00/hr.
Architect:	\$105.00/hr.
Architectural Staff:	\$95.00/hr.

Billings for all work would be submitted on a monthly basis.

Title:	Principal	Sr Arch	Tech
	Roberts	Crawford	Salazar

Trip

Rate:

Schedule:

TBD

Remarks

By Tel-Con

Schematic Design

- OFC Phase Kick-off Mtg.
- OFC Workshop Prep - prelim Site Plan layout
- OFC Workshop Prep - prelim Floor Plan layout
- 2 2 Day Schem. Design Workshop
- OFC Refine Plan
- 3 Workshop Present Floor Plan & Site Plan
- OFC Prepare Functional Space Layouts
- OFC Prepare Room Data Sheets DRAFT
- OFC Prepare Outline Specifications
- OFC Be Resource to Cost Consultant
- OFC Budget Reconciliation
- 4 Workshop Final Floor Plan & Site Plan
- OFC Misc Hours tel-con

Incl. travel time
Finalize for Client review

For Room Data Sheets

For Specialty Items

MWL is resource to estimator

Subtotal Hours

Subtotal Fee

\$91,231

Summary:

Total Labor Fee:

\$91,231

Travel Expenses:

\$627

Total: Preliminary Estimate (Labor Plus Expenses):

\$91,858

Anticipated Reimbursable Expenses:

	Trip 2	Trip 3	Trip 4	Total
Mileage	1	1	1	3
Summary:				
Mileage	3	180	0.55	\$327
Misc.				\$300
Total Reimbursable Expenses				<u>\$627</u>

Notes:

1. MWL will develop initial Site Plan and Floor Plan in CAD. MWL will submit CAD drawings to the BCA.
2. BCA to prepare Exterior Elevations and all needed illustrations.

**Peru, IL • Police Facility
Exhibit A - Scope of Services**

9-16-19

Title:	Principal Roberts	Sr Arch Crawford	Tech Salazar
--------	----------------------	---------------------	-----------------

Trip

Rate:

**Schedule:
TBD**

Design Development

Remarks

- OFC Phase Kick-off Mtg.
- OFC Update Room Data Sheets
- OFC Prepare Specialty Details
- OFC Prepare Security Plan
- 5 Review Security Plan with Owner
- 5 Mtg. With Engineers
- OFC Update Specifications of Specialties
- OFC Be Resource to Cost Consultant
- OFC Budget Reconciliation
- OFC Prepare Equipment Schedule
- 6 Design Detail prep & review Mtg.
- OFC Phase End Red-Line Reviews
- OFC Misc. Tech Consutling.

- By Tel-Con
- To Be Defined
- Locate And Define Systems
- On-site
- On-site
- MWL is resource to estimator
- On-site

Subtotal Hours
Subtotal Fee

\$95,831

Summary:

Total Labor Fee:

\$95,831

Travel Expenses:

\$418

Total: Preliminary Estimate (Labor Plus Expenses):

\$96,249

Anticipated Reimbursable Expenses:

	Trip 5	Trip 6		Total
Mileage	1	1		2
Summary:				
Mileage	2	180	0.55	\$218
Misc.				\$200
Total Reimbursable Expenses				<u>\$418</u>

**Peru, IL • Police Facility
Exhibit A - Scope of Services**

9-16-19

Title:	Principal Roberts	Sr Arch Crawford	Tech Salazar
--------	----------------------	---------------------	-----------------

Trip	Rate:
Construction Documents	

**Schedule:
TBD**

Remarks

Join by Tel-Con
Short Term Holding, Lab, 911 Ctr.
Evid. Lkrs, Cuffing Bench, etc.

By Internet

MWL is resource to estimator

- OFC Phase Kick-off Mtg.
- OFC Revise Specialty Areas
- OFC Revise Specialty Details
- OFC Finalize Security Plan
- OFC Progress Meeting(s)
- OFC Be Resource to Cost Consultant
- OFC Budget Reconciliation
- OFC Red-Line Reviews
- 7 50% CD Red-line Review Mtg.
- OFC Misc. Tech Consulting
- 8 100% CD Red-line Review Prep and "Page Turner" Mtg.

Subtotal Hours
Subtotal Fee

\$50,982

Summary:

Total Labor Fee:

\$50,982

Travel Expenses:

\$418

Total: Preliminary Estimate (Labor Plus Expenses):

\$51,400

Anticipated Reimbursable Expenses:			
---	--	--	--

	Trip 7	Trip 8		Total
Mileage	1	1		2
Summary:				
Mileage	2	180	0.55	\$218
Misc.				\$200
Total Reimbursable Expenses				\$418

**Peru, IL • Police Facility
Exhibit A - Scope of Services**

9-16-19

Title:	Principal Roberts	Sr Arch Crawford	Tech Salazar
--------	----------------------	---------------------	-----------------

**Schedule:
TBD**

Trip

Rate:

Remarks

Furniture Selection & Planning - Add Service

- OFC Furniture floor plan prep
- OFC Furniture selection
- 1 Furniture review w/ client
- 2 Furniture review at Mart

in Peru
in Chicago

Subtotal Hours
Subtotal Fee

\$17,480

Summary: Bidding / Construction Phase

Total Labor Fee:

\$17,480

Travel Expenses:

\$345

Total: Preliminary Estimate (Labor Plus Expenses):

\$17,825

Anticipated Reimbursable Expenses:

	Trip	Furniture 1	Furniture 2	Total	
Mileage		1	1	2	
Summary:					
Mileage		1	180	0.55	\$109
Mileage		1	60	0.55	\$36
Misc.					\$200
Total Reimbursable Expenses					\$345

Peru, IL • Police Facility
Exhibit A - Scope of Services

9-16-19

Title:	Principal Roberts	Sr Arch Crawford	Tech Salazar
--------	----------------------	---------------------	-----------------

Trip

Rate:

Schedule:
TBD

Remarks

By Tel-con
Specialty Items
Specialty Items
Just Before Gyp. Bd. Installation

Bidding

- OFC Phase Kick-off Mtg.
- OFC Review Subst. Requests (Specialties)
- OFC Respond to bidder inquiries
- OFC on-line team meetings

Subtotal Hours

Subtotal Fee

\$5,750

Summary: Bidding / Construction Phase

Total Labor Fee:

\$5,750

Travel Expenses:

\$0

Total: Preliminary Estimate (Labor Plus Expenses):

\$5,750

Anticipated Reimbursable Expenses:

				Total
Mileage				0
Summary:				
Mileage	0	180	0.55	\$0
Misc.				\$0
Total Reimbursable Expenses				\$0

**Peru, IL • Police Facility
Exhibit A - Scope of Services**

9-16-19

Title:	Principal Roberts	Sr Arch Crawford	Tech Salazar
--------	----------------------	---------------------	-----------------

Trip

Rate:

Schedule:

TBD

Remarks

Construction Administration

OFC	Phase Kick-off Mtg.	
OFC	Review Subst. Requests (Specialties)	
OFC	Review Shop Dwgs. (Specialties)	
9 thru 14	Site Observation - 6 Trips	
	Dedication	
	1-Year Warranty Backcheck	
OFC	Answer RFI's/Misc. Tech Consult.	
	Subtotal Hours	
	Subtotal Fee	\$29,132

By Tel-con
Specialty Items
Specialty Items
Just Before Gyp. Bd. Installation
MWL Pays our own way.
NIC Optional Service

Summary: Bidding / Construction Phase

Total Labor Fee:	\$29,132
Travel Expenses:	\$1,253
Total: Preliminary Estimate (Labor Plus Expenses):	\$30,385

Anticipated Reimbursable Expenses:

	Trip 9	Trip 10	Trip 11	Trip 12	Trip 13	Trip 14	Total
Mileage	1	1	1	1	1	1	6
Summary:							
Mileage	6	180	0.55				\$653
Misc.							\$600
Total Reimbursable Expenses							\$1,253

Summary of Fees	Labor	Expenses	Total
PreDesign			
Space needs	\$9,000	\$159	\$9,159
Schematic Design	\$91,231	\$627	\$91,858
Design Development	\$95,831	\$418	\$96,249
Construction Docs	\$50,982	\$418	\$51,400
Bidding	\$5,750	\$0	\$5,750
Construction Administration	\$29,132	\$1,253	\$30,385
Total	\$282,107	\$2,875	\$284,801
 Add Service - Furniture	 \$17,480	 \$345	 \$17,825



McCLAREN, WILSON, & LAWRIE, INC.

HOURLY BILLING RATES

2019

INTRODUCTION

The following personnel rate categories and reimbursable charges are made a part of the agreement for A/E services. Billable hourly rates will be based on the classification of personnel assigned to the project. McClaren, Wilson, & Lawrie, Inc. may adjust the rates set forth in this agreement at the beginning of each calendar year.

PERSONNEL CLASSIFICATION	HOURLY RATES
<u>Senior Principal</u>	<u>\$220.00 per hour</u>
<u>Principal</u>	<u>\$190.00 per hour</u>
<u>Senior Project Architect</u>	<u>\$155.00 per hour</u>
<u>Architect, Lab Planner</u>	<u>\$90.00 per hour</u>
<u>Technical</u>	<u>\$85.00 per hour</u>
<u>Office Assistant</u>	<u>\$65.00 per hour</u>

REIMBURSABLE EXPENSE

(Including travel related expenses, postage, courier, photocopy, fax, telephone, and misc.)

Direct cost plus 10%



~~September 9, 2019~~
September 23, 2019

Mr. Matt Lamps
Basalay, Cary & Alstadt Architects, Ltd.
620 West Lafayette Street
Ottawa, Illinois 61350

RE: **Revised** Proposal for Engineering Services
City of Peru - New Police Station
Peru, Illinois

Dear Matt:

Thank you for the opportunity to submit a Proposal for structural, mechanical, electrical, and technology engineering services for the new police station in Peru, Illinois. The building is anticipated to have a budget of \$12M. The Owner has hired Leopardo as the design-builder.

We understand the scope of work is as follows:

Design Phase Services

1. Design of structural systems including:
 - a. Foundations.
 - b. Soil-supported slab on grade.
 - c. Structural floor, roof framing, and associated columns.
 - d. Lateral force resisting system.
 - e. Lintels for wall openings.
 - f. Establishing testing, tolerance, and quality control requirements for structural systems.
 - g. Requirements for design of components by others, such as structural precast concrete, trusses, or light gauge framing.
 - h. Reinforcement wall design at detention areas and EOC.
2. Design of mechanical systems including:
 - a. Fire protection systems:
 - 1) Incoming riser with valving.
 - 2) Sprinkler zone designations (zone numbering, zone occupancy classifications, and sprinkler types to be installed in each zone).
 - 3) This scope assumes adequate water supply and pressure are available to the site. If not, additional services will be required.

- 4) Specifications for contractor furnished hydraulically calculated piping installation drawings. Piping locations will not be shown on our documents.
 - b. Plumbing systems:
 - 1) Domestic hot and cold water.
 - 2) Sanitary drainage and venting.
 - 3) Interior roof drainage.
 - c. HVAC systems:
 - 1) Heating, ventilating, and air conditioning.
 - 2) Direct digital control (DDC) system.
 - 3) Building makeup air.
 - 4) Toilet exhaust.
 - 5) Redundant systems as required for the EOC area.
 - d. Piping systems:
 - 1) Heating water.
 - 2) Natural gas.
 - e. Energy Modeling to determine code compliance.
3. Design of electrical systems including:
- a. Incoming electrical service, power distribution, and grounding.
 - b. Interior lighting and controls.
 - c. Parking lot lighting.
 - d. Electrical requirements for site security.
 - e. Emergency power distribution including engine/generator set, fuel system, exhaust and intake ventilation, and automatic transfer switch.
 - f. Fire alarm.
 - g. UPS Systems for the technology equipment rooms and EOC areas. Does not include a building-wide UPS solution.
 - h. Lightning protection analysis and design, as an optional service.
 - i. Arc Flash analysis, as an optional service. The labels will be printed and delivered to the project electrician for installation at the completion of the project.
4. Design of technology systems including:
- a. Information technology: Design of an EIA/TIA-compliant structured cabling system, designed under the direction of a BICSI-registered RCDD. Services include:
 - 1) Design of service entrance including:
 - a) Design of pathways and conduit for extension of copper and fiber optic backbone infrastructure to new project facilities provided by service providers.
 - 2) Design of telecommunications equipment rooms including design and layout of all equipment including:
 - a) Equipment racks and cabinets for Owner-furnished network electronics.
 - b) Wire management.
 - c) Internal room pathways.



- d) Termination equipment.
- 3) Design of backbone cabling system including:
 - a) Optical fiber and copper cabling interconnection of telecommunications rooms for voice and data systems.
 - b) Design of pathways including risers and conduit.
 - c) Empty conduits and pathways for rooftop systems designed by others.
- 4) Design of horizontal cabling system including:
 - a) Cabling from the telecommunications rooms to the voice and data information outlets.
 - b) Cabling to support other building systems such as security and audio/visual devices.
 - c) Determination of pathway sizes, locations, routing, and firestopping.
 - d) Design of termination requirements of the cabling in the telecommunications rooms and at the information outlet.
 - e) Coordination of the outlet configuration, location, and labeling requirements based on direction from the Owner.
- 5) Wi-Fi Systems:
 - a) Provide information outlets and infrastructure for Wi-Fi (wireless antenna) locations. Final layout will be layout based on direction provided by the Owner.
 - b) Antennas will be provided by others.
- b. Security management systems:
 - 1) Access Control System: PC-based system including workstations, card readers, door status switches, exit devices, and alarm monitoring.
 - 2) CCTV System: Network-based security camera system with onsite digital video recording solution and licensing.
 - 3) Holding cells and inmate areas including:
 - a) Programmable logic controller (PLC) based detention system including control console, card readers, cameras, controls, door status switches and exit devices.
 - b) Intercom.
 - 4) Site security systems.
- c. Audio/visual systems:
 - 1) Digital signage and wayfinding systems.
 - 2) Audio visual presentations systems in conference rooms and other meeting spaces including:
 - a) Digital controls and audio/video input faceplates.
 - b) Display devices such as projectors and monitors with integrated speakers.
 - c) Television and audio in Fitness area.
 - 3) Public address system in common areas and large gathering areas for speech reinforcement including:
 - a) Interface with telephone system.



- b) Zoned speakers and amplifiers.
- d. Acoustical services:
 - 1) Acoustical design for the interview rooms and the community room.
- e. Radio systems and specialized requirements for the EOC areas.
- 5. Prepare applicable structural, mechanical, electrical, and technology specifications.
- 6. Project design meetings:
 - a. Participate in project conference calls / web conferences as required.
 - b. Attend approximately four design coordination meetings in Peru or Ottawa, Illinois.
- 7. Attend estimate review meetings during the SD and DD phase in Peru or Ottawa, Illinois.
- 8. Deliverables:
 - a. For Schematic Design, produce the following:
 - 1) Narrative of all structural, mechanical, electrical, and technology systems.
 - 2) Preliminary structural layouts with annotations on architectural floor plan PDFs.
 - 3) Preliminary layouts of mechanical and electrical spaces.
 - 4) Provide conceptual design support for up to three design options as alternates or for value engineering.
 - b. For Design Development, produce the following:
 - 1) Updated system narratives, if required.
 - 2) Design Development drawings of floor plans with preliminary system layouts.
 - 3) Preliminary specifications for all disciplines.
 - 4) Update the conceptual design efforts from SD for up to three design options as alternates or for value engineering, or provide additional value engineering support as required.
 - c. For Construction Documents, produce the following:
 - 1) Completed drawings for all disciplines that are suitable for pricing and construction purposes,
 - 2) Completed specifications for all disciplines that are suitable for pricing and construction purposes.

Bidding Phase Services

1. Respond to contractor questions.
2. Prepare addenda information as required.
3. Review bids presented by others and assist in evaluation.

Construction Phase Services

1. Contract administration related to IMEG scope of work including:
 - a. Answer Contractor questions and Requests for Information (RFIs).
 - b. Prepare technical portions of Requests for Proposal (RFPs) for issue by others.
2. Review shop drawing submittals for items requested in the contract documents, anticipating two reviews for each major submittal.



3. At appropriate times during construction, conduct approximately:
 - a. Three structural job site observations.
 - b. Four mechanical and electrical job site observations.
 - c. Three technology job site observations.
 - d. One final job site observation for mechanical and electrical.
 - e. Two final job site observations for technology.
4. Attend via web conference up to ten (10) 1-hour coordination meetings with the sub-contractors.

Assumptions

1. Exhibit A attached to this Proposal addresses the scope of service and responsibilities for 3D/Building Information Modeling (BIM). We understand that IMEG drawings will be provided at BIM LOD300 or greater.
2. Guardrails, ladders, stairs, platforms, or other components for supporting and accessing mechanical equipment (such as air handling units, cooling towers, fluid coolers, chillers, and the like) will be designed and coordinated by others and will be part of the General Contractor's scope of work.
3. Project components designed by others include:
 - a. Miscellaneous metals, such as overhead door frames, stairs, railings, roof hatches, and bollards.
 - b. Finish floor elevations and exterior grades.
 - c. Floor slopes, recesses, finishes, and tolerances.
 - d. Fireproofing material and material finishes.
 - e. Building grid layout and dimensioning.
 - f. Roof slopes.
 - g. Masonry control joints, contraction joints, relief conditions, and ties.
 - h. Site paving and site structures, including retaining walls and exterior signage.
4. A complete list of Owner-furnished equipment will be provided to IMEG, along with utility connection locations, utility loads, heat dissipated to the space, disconnect requirement, start-stop controls, and other contractor coordination issues, at the start of the design development phase. Information on occupancy, loading, and associated personal/office equipment for each space will be provided to IMEG prior to completion of the Design Development phase.
5. Occupancy separations, fire assemblies, and fire/smoke separations will be determined by the Architect and provided to IMEG at, or prior to, completion of the Design Development phase.
6. Sanitary sewer, storm sewer, natural gas, domestic water service, and fire protection water service with adequate capacity will be available 5'-0" outside of the building.
7. Site utility design beyond 5'-0" of the building perimeter, including domestic water, fire water service, storm water, storm water detention, natural gas, and sanitary sewer shall be the responsibility of others.
8. For all security management systems, electrified door hardware and detention system locks will be designed and specified by the Architect.



9. An independent cost estimator will be engaged by the Design-Builder. IMEG will review cost opinions generated and offer comments. Opinions or comments made by IMEG related to the independent cost estimator's work shall not create or be interpreted as a warranty, express or implied, that the bids or the negotiated cost of the work will not vary from the cost estimator's valuation.
10. It is understood that there will be a maximum of four separate bid packages, including an early structural bid package and a separate technology infrastructure bid package.

Additional Services

IMEG can include the following as additional services. Additional services will be performed on a time and material basis using IMEG's standard hourly rates in effect at the time the service is performed, or for a negotiated fee, and only after approved in writing.

1. Civil design of any kind.
2. Life cycle cost analysis for HVAC, domestic hot water, or building envelope selection.
3. Assist in compliance with ASHRAE Standard 188-2015 Legionellosis: Risk Management for Building Water Systems.
4. LEED criteria evaluation, energy modeling, calculation, justification, and documentation.
5. Assistance with grants and other related funding applications.
6. Detailed fire protection drawings, fire pump design, and hydraulic calculations. Fire protection design does not include location or quantity of fire extinguishers/cabinets.
7. Design of technology systems not specifically noted herein, including telephone and network systems.
8. Our security design services will implement the system as desired and directed by the Client. The determination of a security solution, through a security audit and/or threat analysis, is an additional service.
9. Design of distributed antenna systems.
10. Revising equipment layout and connections, and floor plan modifications, after IMEG's construction drawings and specifications are complete. Minor revisions are anticipated.
11. Value engineering or negotiating construction cost/scope with contractors and related document revisions after documents are complete.
12. Field testing, adjusting, balancing, or field time to assist installation contractor. Initial startup is the responsibility of the various contractors and/or subcontractors.
13. Systems commissioning. Please be advised that commissioning may be required by some energy conservation codes, even though it is excluded from this Proposal. If commissioning is required, IMEG can provide a proposal for additional services, or systems commissioning may be conducted by a third party.
14. Preparing record documents from as-built markups or files provided by contractors, or verifying the accuracy and completeness of same.



COMPENSATION

We propose to provide the services described above for the following fixed fees, broken out per phase:

Phase	Schematic Design	Design Development	Contract Documents	Bidding & Negotiating	Construction Administration	Total
Structural	\$6,700	\$16,800	\$26,900	\$3,400	\$13,400	\$67,200
Mechanical/Electrical	\$27,400	\$69,000	\$110,000	\$13,800	\$57,000	\$277,200
Technology	\$4,000	\$10,000	\$16,400	\$2,000	\$8,000	\$40,400
Lightning Protection	\$700	\$1,700	\$2,700	\$300	\$1,400	\$6,800
Arc Flash Analysis					\$8,500	\$8,500

PROJECT EXPENSES

The following reimbursable expenses **are not** included in the above fee and will be invoiced with a 1.1 multiplier of actual cost:

1. Payment of plan review fees or other imposed governmental agency fees.
2. State filing and/or permit fees.
3. Necessary consultants as approved by Client.
4. Postage and delivery charges.
5. Meals and lodging, when required to travel overnight.
6. Travel expense: 58¢ per mile for auto (adjusted annually), plus tolls, parking fees, taxi, train, and other out of pocket expenses.
7. Project specific insurance coverage riders or amendments necessary to comply with required insurance requirements above current IMEG limits and conditions.

GENERAL

The attached Terms and Conditions dated April 3, 2017 and Exhibit A are made a part of this Proposal. This Proposal is valid for 45 days from the date of this offer.

We will begin our services following acceptance of this Proposal for Engineering Services. We look forward to working with you and your staff on this project and appreciate this opportunity to be of service. Acceptance may be conveyed via e-mail to the address listed below, by fax, or by signing this offer and returning it to our office.



Revised Proposal for Engineering Services
City of Peru - New Police Station

Peru, Illinois
~~September 9, 2019~~
September 23, 2019

Sincerely,

IMEG CORP.

Matthew D. Snyder, PE, LEED AP
Associate Principal / Project Executive
Matthew.d.snyder@imegcorp.com

MDS/dks

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BASALAY, CARY & ALSTADT ARCHITECTS, LTD.

Accepted:

Signature

Title

Date



EXHIBIT A – BUILDING INFORMATION MODELING

For projects where IMEG will prepare and share a three-dimensional (3D) model of systems designed by IMEG, the following will apply:

1. The purpose of IMEG’s model (hereafter referred to as ‘the model’) is to produce specifications and two-dimensional (2D) contract documents, bulletins, ASIs, RFIs, etc. suitable for bidding and construction.
2. It is the general intent for the model to be developed to the following levels:
 - a. Schematic Design (SD): No modeling
 - b. Design Development (DD): Generalized assemblies and systems with approximate size, shape, location, and orientation
 - c. Construction Documents (CD): Assemblies and systems based on detailed engineering calculations with generally accurate size, shape, location and orientation
 - d. As-Builts: By Contractor
3. The model is only inclusive of those systems and trades designed by IMEG. The model will not include Owner/vendor-provided and installed systems requiring coordination by the installing contractors. The model is intended for internal coordination among the design team. It is understood the model is not intended to be an exact and complete three-dimensional representation of how the Contractor will route and locate utilities and equipment.
4. The model will facilitate coordinating spatial constraints in critical areas. However, the model is not intended to resolve all spatial collisions; collisions may exist in the model but are not an indication that the element cannot be installed.
5. The model is *not* intended for use in energy modeling, daylight analysis, rendering, computational fluid dynamics, design loads, pressures, quantity takeoff, estimating, construction scheduling, fabrication, erection, or to resolve *all* collisions. These services can be included as Additional Services. Modeling of existing conditions will be limited to the extent required to produce specifications and 2D contract documents.
6. Revit MEP will be used. Architectural models will be provided to IMEG in Revit Architecture.
7. IMEG will update its model prior to major project milestones provided a model of the architectural systems is received in a timely manner prior to such milestones.
8. Model exchanges occurring between project milestones are for convenience only and may not reflect recent design changes and decisions.
9. Firms exchanging models will endeavor to note or similarly highlight changes in their model from the prior version provided to the team.
10. Other firms preparing models to be shared with and from IMEG will work with IMEG to create custom views/visibility settings suited to each firm’s needs for use throughout the project.
11. Reflected ceiling plans (RCPs) will be provided to IMEG by 50% DD for use in ceiling-mounted device and fixture design and layout. Final RCPs will be provided to IMEG by 50% CD.



12. For site design, AutoCAD files requiring only freezing of layers suitable for use as backgrounds will be provided to IMEG.
13. The Contractor will be required to account for all items shown on the contract documents, regardless of whether and how they are included in the model.
14. The model may be provided to others, including contractors, with IMEG's prior written consent, with the understanding that the model is provided for their convenience and use at their own risk, with IMEG reserving all proprietary rights.
15. The Contractor will be required to prepare coordination drawings or modeling showing their preferred routing and sequencing, and final coordination, among the trades.
16. Updates to the model during construction, including as-built modeling, will be prepared by the Contractor.

ADDITIONAL SERVICES

IMEG can include the following as additional services. Additional services will be performed on a time and material basis using IMEG's standard hourly rates in effect at the time the service is performed, or for a negotiated fee, and only after approved in writing.

1. Exchanging models in formats other than .RVT.
2. Customizing visibility of linked models for use in IMEG's model/construction documents.
3. Modeling and coordinating sprinkler heads with RCPs.
4. Revising ceiling-mounted devices and fixtures due to three or more changes in the reflected ceiling plans provided to IMEG prior to 50% CD.
5. Coordinating wall-mounted elements (plumbing fixtures, electrical switches and outlets, thermostats, etc.) with wall elevations.
6. Modeling smaller elements such as, but not limited to, mechanical piping 3/4" diameter and less, conduits, branch medical gas piping, ductwork flanges and insulation, piping insulation and valves, power and lighting controls, switches and starters, manufacturer specific geometries, housekeeping pads and curbs, loose lintels, bar joist bridging, support framing for ceiling-mounted equipment, and cold formed metal stud framing.

ELEMENTS NOT INCLUDED

Elements not modeled by IMEG include equipment insulation, hangers, supports, and anchors; non-geometric information such as loads and pressures; testing/balancing; through penetration firestopping; underfloor air distribution systems; systems outside the building's footprint; cabling and wiring; baseplates and anchor rods; reinforcing bars; and pockets in walls for beams.





2019 STANDARD HOURLY RATES - SMEPT/MEQ/Cx
(rates adjusted annually)

Client Executive / Market Director	\$250
Project Executive	\$225
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Senior Engineer Technical Specialist	\$210
Senior Engineer III	\$200
Senior Engineer II	\$180
Senior Engineer	\$155
Project Engineer II	\$150
Project Engineer	\$130
Engineer	\$115
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Senior Designer Technical Specialist	\$190
Senior Designer III	\$175
Senior Designer II	\$160
Senior Designer	\$145
Project Designer II	\$140
Project Designer	\$125
Designer IV	\$115
Designer III	\$110
Designer II	\$105
Designer	\$95
<hr/>	
Senior Medical Equipment Planner	\$195
Medical Equipment Planner	\$140
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Sr. Commissioning Authority/Engineer	\$165
Project Commissioning Authority/Engineer	\$140
Commissioning Authority/Engineer	\$120
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Senior Construction Administrator	\$150
Construction Administrator	\$115
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Senior Virtual Design Coordinator	\$95
Virtual Design Coordinator	\$90
Virtual Design Technician	\$80
Administrative Assistant	\$75

*These rates are for staff located in the office providing the rates. Staff based in one of IMEG's other offices may have different billing rates. These rates can be provided upon request.

ENGINEERS • SURVEYORS • PLANNERS

September 17, 2019

Basalay Cary & Alstadt
620 West Lafayette Street
Ottawa, Illinois 61350

Attention: Matthew T. Lamps - Principal

Subject: City of Peru – Police Station Site Design
Professional Engineering Services

Dear Mr. Lamps:

At your request, Chamlin & Associates, Inc (Chamlin) is pleased to provide Basalay Cary & Alstadt (BC&A) this proposal for professional engineering services related to the City of Peru Police Station property located on Lot 2 of the Ernat First Commercial Addition Subdivision, in the City of Peru, Illinois.

PROJECT DESCRIPTION

The existing 6.527 Acre site is currently vacant land being farmed with row crop. In accordance with the Site Plan provide by BC&A, dated 9/10/2018, the proposed project will consist of the development of the City of Peru Police Station Complex. The development will include a single building approximately 30,000 square feet in size. The building will house all police operations except for communications/dispatch and will have a community room. Existing and required utility services will include sanitary sewer, storm sewer, domestic water service, fire water service, irrigation water service, electrical service, gas service, and cable/telephone service. The development will be split between a secured area and an area that is accessible to the general public.

The development site work and site public utilities shall consist of the standard elements for a project of this nature, and specifically includes, but not limited to:

1. Horizontal layout meeting zoning requirements and city codes / ordinances
2. Establishing elevations / grading / excavation
3. Soil erosion / fencing
4. Storm water drainage / detention / retention
5. Underground / overhead utilities and services (including: sanitary sewer, domestic water, and water for fire protection (if required))
6. Coordination of Underground / overhead utilities and services (including: gas, electrical, and telephone/data)
7. Asphalt/ and or Concrete paving / striping
8. Concrete curbs / gutters / approaches / sidewalks / pads / retaining walls

PERU OFFICE:

JAMES E. CLINARD, S.E., P.E. • MICHAEL W. PERRY, P.E. • KEVIN W. HEITZ, P.E., P.L.S.
DON W. BIXBY, P.E. • ADAM OSSOLA, S.E., P.E. • MICHAEL S. RICHETTA, P.L.S. • SCOTT M. SPAYER, P.L.S.

OTTAWA OFFICE:

DEAN A. CHALKLEY, C.F.M. • STEVEN J. WASILEWSKI, P.E. • MICHAEL W. SOENKSEN, P.L.S.

MORRIS OFFICE:

GUY R. CHRISTENSEN, P.E. • RYAN E. HANSEN, P.E. • RONALD L. BUETTNER, P.L.S. • TIMOTHY R. HEJNY, P.E. • CASEY J. MCCOLLOM, P.E. • ROBERT T. SCHMUDE, P.E.

The development will also require the dedication of approximately 1.370 acres for right of way dedication. This work will be performed by others and will not be part of the scope of work for this project. Chamlin will provide Civil Site Engineering documents in accordance with the scope of services detailed below.

TASK 1 - Site Improvement Plans

The professional services to be provided by Chamlin are all inclusive for the necessary permitting, design and construction of the facilities as related to the civil engineering discipline. Professional services to be performed shall be coordinated with BC&A, its agents and representatives, tenants, other engineers, consultants and interested parties as applicable, to provide complete full coordinated civil engineering services.

Chamlin will prepare the required documents for the development of the project. The documents will be provided in three (3) stages, Schematic Design Documents (35%), Design Development Documents (80%) and Construction Documents (100%). The information provided at each stage shall be as indicated below. All plans and specifications will be in accordance with Illinois Department of Transportation Standard Specifications for Road and Bridge Construction, the Standard Specification for Water and Sewer Construction in Illinois, City of Peru Ordinances, and as directed by BC&A. All documents will be prepared under the direct supervision, and will be certified by a licensed Illinois Professional Engineer.

Schematic Design Documents (35% Drawings)

The scope of work to be provided for the Schematic Design Documents are as follows:

1. Meeting(s) and/or correspondence with BC&A, its agents and representatives, engineers, contractors, municipalities, service providers and other interested parties to develop specific project requirements regarding site planning including surveys, building location, setbacks, drive aisles, dumpster areas, traffic flows, ingress/egress, green area, walk areas, automobile parking, storm water / detention area, site utilities and services, required / necessary utility easements, effective use of onsite utilities, grading / balancing and value engineering (economical construction) in conjunction with building floor plans, building elevations, building systems, functional and operational issues and standards.
2. Review of governmental guidelines, policies and other information that will impact the Project including but not limited to investigation of zoning ordinances, access regulations, and other federal, state and local governmental rules and regulations that will impact the development of the site and civil engineering. In addition, Chamlin shall review storm water management regulations including analysis identifying and calculating required on site detention, storm water outflows, and necessary and/or required easements. Storm water calculations shall be performed in accordance with local code / requirements.

3. Water, sanitary, and storm utility investigation identifying locations of existing and/or proposed utility services, any necessary and/or required easements, and verification of capacities to service subject property.
4. Upon a mutual understanding of the Project requirements and after completion of the evaluation and investigations, Chamlin will prepare preliminary site plan(s) detailing building, parking, traffic flows, ingress/egress, proposed utilities and any necessary and / or required easements, detention, and green areas for review by BC&A and other project Stakeholders.
5. Chamlin shall coordinate with BC&A and their assigned subcontractor on the design of the site security and site lighting.

Design Development Documents (80% Drawings)

Based upon BC&A's written approval of the Schematic Design Documents, Chamlin will prepare Design Development Documents consisting of drawings and other documents to fix and describe the size and character of the Project as to the civil engineering design and other elements as may be appropriate. The Design Development Documents shall include typical construction details, equipment layouts and identify major materials, systems and establish overall quality levels. Chamlin shall confirm through coordination, discussions, and/or meetings any of its interpretations of governmental and/or service provider requirements. All Design Development Documents shall be consistent with all codes, laws, ordinances, or regulations applicable to the design and use of the development. At the completion of Design Development, Chamlin will issue plans and specifications to BC&A and necessary Stakeholders for review. The Design Development Documents (80% Drawings) shall include, but are not limited to, the following:

1. Site Plans indicating site geometry that shows horizontal control of the site improvements including but not limited to the building, parking areas, curbs, gutters, entries, detention areas, rights-of-way, adjacent streets and property lines. Also, this plan shall call-out paving, sidewalk, and other material types on the site.
2. Grading Plans indicating elevations of proposed curbs, drives, paved and parking areas, detention, erosion control and landscaped or open areas coordinated to allow for the minimum amount of earthwork haul off or import within good civil engineering practices. Occasionally, areas of significance (ADA / building entrance) will require an enlarged view with large scale to show grading variations.
3. Soil Erosion and Drainage Plans
4. Utility Plans including profiles (if required) indicating storm sewer, sanitary, water improvements and extensions to properly service the building and site, prepare necessary and/or required easement documentation that includes exhibit drawings and written legal descriptions, site lighting, irrigation sleeves under pavement, all in coordination with BC&A. In addition show on its drawings and assist in the proper locating, identification and

coordination with BC&A with respect to gas, electrical and telephone services that will be required to properly service the building.

5. Detail Plans indicating construction details for site construction including but not limited to, manholes, inlets, curbs, curb & gutter, pavement sections, sidewalk sections, control joint / construction joint, utility connections, vaults and assemblies, bollards, pipe trenches, erosion control, required BMPs, and ADA details.
6. Complete Specifications

The Design Development documents will be utilized for the application for all required permits related to the site civil engineering. Anticipated potential permits include sanitary sewer, and water main permits.

The Design Development documents will be based upon the approved Schematic Design documents. Any changes directed by BC&A or Stakeholder to the approved horizontal and/or vertical layout of the proposed development is not included in the scope of this stage of the project. A supplemental proposal to perform this work will be provided to the Owner.

Construction Documents (100% Drawings)

The Design Development Documents will be revised based upon the written comments or corrections required by BC&A or necessary stakeholder's and resubmitted to the commenting parties for final approval.

The Construction Development documents will be based upon the approved Design Documents. Any changes directed by BC&A or Stakeholder to the approved horizontal and/or vertical layout of the proposed development is not included in the scope of this stage of the project. A supplemental proposal to perform this work will be provided to the Owner.

Based upon final approval from BC&A, Chamlin will prepare complete civil engineering documents coordinated with the other architectural and engineering disciplines. All plans and specifications shall be in acceptable form and fashion to allow for the proper bidding and construction of the project in its entirety.

TASK 2 – Construction Phase Services

Chamlin will be an advisor to, and shall advise BC&A during the Construction Phase of the Project, and will have the authority to act on BC&A's behalf only to the extent provided herein.

Chamlin will issue supplemental documents and respond with written direction to clarify portions of its Construction Documents that are not fully understood by the contractor upon contractor's issuance to BC&A of a written request for a clarification. If such inconsistencies cannot be resolved or answered



in writing, Chamlin will attend a meeting at the site in an effort to bring those issues to a resolution. Chamlin will respond and issue any required documentation within a reasonable timeframe as to not delay the progress of the construction.

Chamlin will review shop drawings and material samples, which are to be submitted in accordance with the Contract Documents. Chamlin will coordinate with the contractor the required submittals, and all actions of both Chamlin and contractor regarding same will be completed within the scheduled time periods that are necessary as not to delay the construction of the Project. Chamlin will take appropriate action on any drawing, data or samples and will affix action stamps to each submittal stating whether or not that submittal is approved and conforms to the intent and design concept expressed in the Construction Documents. Chamlin will maintain a record of submittals and copies supplied by the contractor.

Chamlin will work with BC&A and the contractor throughout the site construction of the Project, and will take actions as may be necessary. Chamlin will evaluate any changes in the scope of the Project that are made if necessary by pre-existing field conditions or unforeseen conditions, necessary to conform to any laws, codes or other actions taken by federal, state or local jurisdictional authorities, or necessary to rectify problems caused by inconsistencies or need of clarification in any documents. If required, Chamlin will provide revised drawings for the changes in scope.

Chamlin will review and provide its interpretation as to whether or not any properly prepared change order request submitted by Contractor for changes in site construction work are materially different than the intent Construction Documents and are fair in costs or time extensions.

This Contract does not include:

1. Additional services not specifically identified above, such as, plats of subdivision, consolidation or easement, construction staking, construction services, geotechnical investigation and inspection are not included in this proposal.
2. This proposal does not include the design of any improvements outside the limits of the project site. It is understood that water, sanitary sewer and storm sewer are at or adjacent to the site and that IEPA water and sewer extension permits are not included.
3. Landscape or Architectural plans.
4. Photometric or lighting plan.
5. Wetland delineation or mitigation.
6. Engineer's opinion of estimate cost for the project.
7. All Permit fees to be paid by the owner.

Additional services requested by BC&A or any services beyond the scope of work outlined above, will be provided on an hourly basis as outlined on the 2019 Rate Schedule or a mutually agreed lump sum fee.



ESTIMATE OF FEE

We have determined the cost of this work to be a **Lump Sum fee of \$149,500** for the scope of services detailed above. The following is a breakdown of the Lump Sum Fee at the following milestones.

MILESTONE	FEE
Schematic Design	\$25,415
Design Documents	\$37,375
Construction Documents	\$49,335
Bidding	\$ 7,475
Construction Phase Services	\$29,900

We will bill you on the basis of percent complete of the Lump Sum Fee. Direct costs for blueprints, photocopying, mailing, overnight delivery, messenger services and report compilation are not included in the Fee Estimate. It should be emphasized that any requested additional services that are not included in the preceding Fee Estimate will be billed at the attached hourly rates.

Please sign and return one copy of this agreement as an indication of acceptance and notice to proceed. Please feel free to contact us anytime.

Sincerely,

CHAMLIN & ASSOCIATES, INC.

Accepted By:



Ryan Hansen, PE, Project Manager

Matthew T. Lamps, Principal

9/17/19

Date

Date



HOURLY RATE SCHEDULE
April 1, 2019 thru March 29, 2020

Principal	\$ 144.00 /Hr.
Sr. Structural Engineer	144.00 /Hr.
Structural Engineer	132.00 /Hr.
Project Engineer	132.00 /Hr.
Professional Land Surveyor	110.00 /Hr.
Engineer	110.00 /Hr.
Sr. Project Manager	129.00 /Hr.
Project Manager	110.00 /Hr.
Engineer in Training (EIT)	102.00 /Hr.
Designer	96.00 /Hr.
Inspector	96.00 /Hr.
Chief Engineering Aide	110.00 /Hr.
Sr. Engineering Aide	86.00 /Hr.
Engineering Aide	80.00 /Hr.
Draftsman	74.00 /Hr.
Sr. Party Chief	98.00 /Hr.
Party Chief	86.00 /Hr.
Instrument Operator	80.00 /Hr.
Rodman	50.00 /Hr.
Admin. Support Staff	40.00 /Hr.
Vehicle & Standard Survey Equipment	8.00 /Hr.
Vehicle & Total Station	18.00 /Hr.
Robotic Total Station & Vehicle	28.00 /Hr.
GPS & Vehicle	38.00 /Hr.
Inspection Vehicle	6.00 /Hr.
Mileage	0.50 /Mi.
Computer & Plotter	16.00 /Hr.
UTV Rental	300.00 /Day
Drone Usage Fee	100.00 Flat Rate
Drone Roof Survey (Including Usage Fee)	150.00 Flat Rate
Drone Ground Control (Including Usage Fee)	150.00 Flat Rate

The hourly rates itemized above shall be effective the date the parties, upon entering an agreement, have affixed their signatures and shall remain in effect until March 29, 2020. In the event that services of the engineer extend beyond this date, the hourly rates will be adjusted yearly by addendum to the agreement to compensate for increases or decreases in the salary structure of the engineer that are in effect at that time.

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