

**SECTION III B**  
**PUBLIC IMPROVEMENT STANDARD CONDITIONS**

**1. Time of Completion.** The City and the Contractor recognize that time is of the essence in this agreement, and the City may sustain damages if work is not completed within the contract time limit as stated or as adjusted during the life of the contract. It is agreed that the Contractor shall pay the City, as liquidated damages, but not as a penalty, the per diem amount listed in the Schedule of Liquidated Damages, as set forth in the contract documents, for each and every day elapsed in excess of the final contract time.

Permitting the Contractor to finish the work after the contract time has expired shall not be a waiver of any of the City's contract rights.

**2. Payments, Statement of Compliance and Subcontractor Payments.**

**a. Contract Sum and City Payments.**

The City shall pay to the Contractor, for the performance of this agreement, the amounts determined for the total supplied number of each of the specified units of work in the Schedule of Bid Items contained in the contract documents. The number of units contained in this schedule is understood to be approximate only, and that any item may be expanded, contracted, or eliminated by procedures contained in the contract documents.

**b. Statement of Compliance.**

Before any payment is made to the Contractor, the Contractor shall file with the City a statement, under oath, that it has complied with all provisions of state law governing contractors on a public contract. In addition, the Contractor shall file with the City a sworn statement by each of its subcontractors to the same effect.

**c. Progress Payments and Retainage.**

Partial payments may be made by the City on a monthly basis. Partial payments will be based on an estimate of the percentage of completion for the work. Progress payments shall not be considered an acceptance or approval of any of the work or a waiver of any defects therein. The City may reserve, as retainage from progress

payments, an amount not to exceed five percent of the payment. The Contractor shall have the right to have cash retainage deposited in an interest-bearing account, in accordance with ORS 279C.550. The City does not accept deposit bonds or securities in lieu of cash retainage.

**d. Certified Payroll Statements.**

The Contractor shall file certified payroll statements with the City at a minimum of once per month. Failure to do so shall result in the City withholding 25% of amounts due the Contractor, in addition to any other required retainage.

**e. Final Payment.**

The final payment shall be made for the actual number of units that are incorporated in or made necessary by the work covered by this agreement. Not more than 30 days after final completion of the Work and the City's final acceptance of the work, which shall include the taking of final measurements of quantities, the City shall make its final payment to the Contractor. Retainage held by the City shall be included in, and paid to the Contractor, as part of the final payment. If the final payment is made more than 30 days after final completion and final acceptance, the City shall pay the Contractor interest at the rate of one and one half (1 - 1/2%) per month on the final payment, commencing 30 days after completion of the work by the Contractor and final acceptance of the Work by the City. To facilitate the City's inspection, the Contractor shall notify the City in writing when the Contractor considers the work complete.

**f. Subcontractor Payments.**

The Contractor shall pay the subcontractor for satisfactory performance under the subcontract, out of amounts that are paid by the City to the Contractor, within 10 days of the Contractor's receipt of such payments from the City.

If the Contractor, or a first tier subcontractor, fails to make timely payment to the

subcontractor then the Contractor or first tier subcontractor shall owe the person the amount due plus an interest penalty beginning on the day after the required payment date and ending on the date on which payment is made, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to the Contractor or first tier subcontractor on the amount due shall equal three times the discount rate on 90 day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve District that includes Oregon on the date that is 30 days after the date when the payment was received from the Contractor, a first tier subcontractor or City, but the rate of interest shall not exceed thirty percent (30%). The amount of interest may not be waived.

The subcontractor must provide in all contracts with lower tier subcontractors or suppliers a clause requiring that the subcontractor shall pay the lower tier subcontractors and suppliers in accordance with the provisions of the immediately preceding two paragraphs above.

Pursuant to ORS 279C.515(C), if the Contractor or a subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with this Contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.

If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the Contractor or a subcontractor by any person in connection with the public contract as the claim becomes due, the proper officer or officers representing the City, may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the Contractor by reason of the contract.

First tier subcontractors shall file certified payroll statements with the Contractor. Failure to do so shall result in the Contractor withholding 25% of amounts due the first tier subcontractor.

### **3. Insurance, Indemnity, Termination.**

#### **a. Insurance.**

The Contractor shall maintain in force for the duration of this contract the insurance coverages specified below. Each policy required by these provisions shall be written as a primary policy, not contributing with or in excess of any coverage, which the City may carry. A copy of each policy or a certificate satisfactory to the City shall be delivered to the City prior to commencement of work.

Unless otherwise specified, each policy shall be written on an "occurrence" form with an admitted insurance carrier licensed to do business in the State of Oregon. Each policy shall contain an endorsement entitling the City to not less than 30 days prior written notice of any material change, nonrenewal or cancellation.

In the event statutory limits of liability of a public body for claims arising out of a single accident or occurrence is increased above the combined single limit coverage requirements specified below, the City shall have the right to require the Contractor to increase the Contractor's coverages to the statutory limit for such claims, and to increase the aggregate coverage to twice the amount of the statutory limit.

The adequacy of all insurance required by these provisions shall be subject to approval by the City. Failure to maintain any insurance coverage required by this contract shall be cause for immediate termination by the City.

#### **i) Comprehensive General Liability.**

The Contractor shall maintain a broad form comprehensive general liability insurance policy with coverage of not less than \$2,000,000 combined single limit per occurrence, with aggregate of \$4,000,000. Coverage shall be for bodily injury, personal injury or property damage. Such policy shall contain a contractual liability endorsement to cover the Contractor's indemnification obligations under this contract. The policy shall also contain an endorsement naming the City, its officers, agents and employees as additional insureds, in a form satisfactory to the City, and expressly providing

that the interest of the City shall not be affected by the Contractor's breach of policy provisions.

ii) Comprehensive Automobile Liability.

The Contractor shall maintain a comprehensive automobile liability insurance policy with coverage of not less than \$2,000,000 combined single limit per occurrence, with aggregate of \$4,000,000 for bodily injury, personal injury or property damage. The coverage shall include both hired and non-owned auto liability. The policy shall also contain an endorsement naming the City, its officers, agents and employees as additional insureds, in a form satisfactory to the City, and expressly providing that the interest of the City shall not be affected by the Contractor's breach of policy provisions.

iii) Workers' Compensation Insurance.

The Contractor shall comply with the Oregon Workers' Compensation law by qualifying as a carrier insured employer or as a self-insured employer and shall strictly comply with all other applicable provisions of such law. The Contractor shall provide the City with such further assurances as the City may require from time to time that the Contractor is in compliance with these Workers' Compensation coverage requirements and the Workers' Compensation law.

**b. Indemnification.**

The Contractor shall indemnify and hold the City, and its officers, agents and employees, harmless from and against all claims, actions, liabilities, costs (including attorney fees) and other costs of defense, arising out of or in any way related to the Work, the Contractor's failure to comply strictly with any provision of this contract, or any other actions or failure to act by the Contractor and the Contractor's employees, agents, officers, representatives and subcontractors.

In the event any such action or claim is brought against the City, the Contractor shall, if the City so elects and upon tender by the City, defend the same at the Contractor's sole cost and expense, promptly satisfy any judgment adverse to the City or to the City and the Contractor jointly, and reimburse the City for any loss, cost,

damage, or expense, including attorney fees, suffered or incurred by the City.

**c. Termination and Suspension.**

The City may terminate this contract or suspend the work at any time for any reason considered by the City, in the exercise of its sole discretion, to be in the public interest.

In the event the Work's suspension is not the result of a labor dispute and this contract is not terminated, the Contractor shall be entitled to a reasonable extension of the time for completion, to be determined by the City, and shall be compensated for all actual verified costs incurred as a result of the suspension, plus the Contractor's standard overhead with respect to such costs.

In the event of a termination of this contract under these provisions, the Contractor shall be compensated for any preparatory work and actual, verified costs and expenses incurred as a result of the termination. In addition the Contractor shall be compensated for the Work performed on the basis of the Contract Sum in the case of any fully completed separate item or portion of the Work for which there is a separate or unit price, and with respect to any other portion of the Work shall be paid a percentage of the Contract Sum allocated to such other Work equal to the percentage of Work completed to the date of termination.

None of the foregoing provisions concerning compensation in the event of a suspension of Work or termination of this contract shall apply if such suspension or termination occurs as a result of the Contractor's violation of any Federal, State, or Local statutes, ordinances, rules or regulations, or as a result of any violation by the Contractor of the terms of this contract, including a determination by the City that the Contractor has not progressed satisfactorily with the Work in accordance with specifications.

#### **4. Liquidated Damages.**

Unless provided elsewhere in the Contract documents, liquidated damages in the amount of \$250.00 per calendar day shall apply for every day after the completion time limit that the project is not Substantially Complete.

Permitting the Contractor to continue and finish the work after the contract time or adjusted contract time has expired shall not be a waiver of any of the City's contract rights.

Payment of liquidated damages shall not release the Contractor from any obligations to complete the work nor constitute a waiver of the City's right to collect any additional damages that the City may sustain by failure of the Contractor to fulfill the contract. Liquidated damages shall be full and complete payment only for failure of the Contractor to complete the work on time. The amount of liquidated damages accrued may be deducted from payments due or to become due to the Contractor.

A contractor who has been assessed liquidated damages in a contract with the City shall be ineligible to bid on contracts from the City for a period of five (5) years from the date that the liquidated damages have been assessed.

#### **5. Work Schedule.**

The Contractor shall notify the City Engineer a minimum of 48 hours prior to commencing work. The Contractor shall perform all work in an expeditious manner, minimizing delays and inconvenience to local businesses and/or residents.

#### **6. Existing Utilities.**

The Contractor shall be responsible for checking actual utility locations in the field and checking with appropriate agencies that may have underground facilities within the project limits. The Contractor shall notify utility companies at least 2 business days, but not more than 10 business days before commencing any excavations. The excavator shall notify a utilities notification system of the date, location, and depth of the proposed excavation and the type of work to be performed. Notifying a utilities notification system constitutes notice only to the participating members of that service. If no

utilities notification system is available, or if the owner of the underground facilities is not a member of a utilities notification system, the excavator shall give the same notice to each owner of underground facilities who is known to the excavator or who can be identified and contacted by the excavator.

#### **7. Materials.**

All materials shall be as specified in the Technical Specifications, plans, noted or other technical descriptions included herewith, unless otherwise noted. The City reserves the right to sample and test all material according to specification requirements cited in this contract.

#### **8. Traffic Control.**

Maintenance of traffic and traffic control through the work area shall be the responsibility of Contractor. If Contractor fails at any time during the project to provide adequate access for local traffic, the City may, at the discretion of the City Engineer, and giving the Contractor four (4) hours' notice, perform the necessary work to restore traffic and deduct the cost of such work from the contract price. The provisions for traffic control shall perform the necessary work to restore traffic and deduct the costs of such work from the contract price. The following provisions shall be made for traffic control:

- a. All work done under this contract in the City's right of way shall conform to the Manual on Uniform Traffic Control Devices for Streets and Highways, as currently modified by the Oregon Department of Transportation.
- b. The Contractor shall insure that during non-work hours, that on-call staff is available to maintain all traffic control devices for the project. Both the City Engineer and the Chief of Police will be provided up to date contact information on these people. Failure to comply with this provision will cause the Contractor to be billed for any services required to be provided by City forces to provide adequate protection to the traveling public during non-work hours.

- c. Traffic control and temporary protective and directional devices may be used outside the limits of the project when they have direct bearing on the work under contract.
- d. The Contractor shall consider at least the following factors in restricting traffic flow (consistent with notes above):
  - i) Emergency vehicle access.
  - ii) Sufficiency of traffic control personnel and devices.
  - iii) Prior warning to the public and residents.
  - iv) Notification to TriMet, School District, Post Office, garbage company, and City/County emergency dispatch agencies.
- e. At the pre-construction conference, the Contractor shall provide the name, address and telephone number of the individual responsible for project and construction traffic controls during non-working hours.
- f. The Contractor shall not interrupt access to any private driveway for more than three consecutive hours unless written permission has been given to the Contractor by the owner of the property affected. Advance notice of forty-eight hours shall be given by the Contractor to the affected landowners and residents.

**9. Contractor’s Use of Premises.**

The Contractor shall exercise care to protect adjacent existing structures and property from damage. All debris and excess materials shall be removed and disposed at the direction of the City Engineer.

**10. Control of Work.**

All work done under this contract shall not be deemed complete until accepted by the City Engineer. The City Engineer shall decide any and all questions that may arise as to the quality and/or acceptability of the materials used and/or work performed. Final approval and acceptance of any and all work performed under this

contract shall be the responsibility of the City Engineer.

**11. Contractor's Responsibility.**

It is understood that the plans, specifications and other contract documents do not purport to control the method of preparing the work, but only the requirements as to the nature of the completed work. The Contractor assumes the entire responsibility for the method of performing and installing the work. Suggestions as to the method of performing and installing the work included in the contract documents shall be deemed advisory only and the feasibility of such methods, or the lack thereof, shall not affect the Contractor's liability or status as an independent Contractor under this contract.

**12. Plans and Specifications.**

If there is a conflict between contract documents, the document highest in precedence shall control. The precedence shall be:

- First: Permits as may be required by law
- Second: Contract Agreement
- Third: Bidder's Proposal
- Fourth: Technical Provisions (Technical Specifications and Drawings)
- Fifth: General Requirements, General Conditions, and Supplementary Conditions

Change orders, supplemental agreements, and approved revisions to plans and specifications will take precedence over documents listed above. Detailed plans shall have precedence over general plans as modified by the General Requirements and Technical Provisions applicable to this Project.

**13. Control of Contractor Work.**

It will be the direct responsibility of the Contractor to furnish every subcontractor a complete set of project plans and ensure that these plans are on the project site and in use when the subcontractor is performing that portion of the project.

The Contractor shall be responsible for any process control sampling, testing, measurement, and inspection needed to insure that the finished work complies with specifications. When density testing is required for assurance and/or

acceptance testing, the Contractor shall furnish and operate the nuclear gauge or shall retain an independent testing firm to perform the compaction testing. The testing shall be conducted under the observation of the engineer and performed on all surfaces regardless of density requirements unless otherwise directed by the engineer. All test results shall be provided in written report form to the engineer.

The Contractor shall give the attention necessary to keep the work progressing at a rate satisfactory to the engineer. The Contractor shall provide, at all times, a competent superintendent for all work on the project. The superintendent shall be readily accessible on a daily basis, have a set of plans, specifications, special provisions, and addenda, and be experienced in the type of work being performed. The superintendent shall have the authority to receive and carry out, without delay, the engineer's instructions and orders and to make arrangements for necessary materials, equipment, and labor.

The Contractor shall allow the engineer access at all times, during normal office hours, to books and records of the Contractor and the Contractor's subcontractors that pertain to the contract, and furnish the engineer facts necessary to determine actual cost of any part of all of the work. The engineer will consider a request for confidentiality to protect trade secrets.

If the engineer is not provided proper facilities by the Contractor for keeping strict accounting of cost, then the Contractor agrees to waive any claim for extra compensation.

Contractor shall schedule work Monday through Friday only. Contractor shall establish a standard daily work schedule for hours to begin and end work that is acceptable to the City.

Contractor shall not trespass on private property nor shall they use business or residential garden hoses or water faucets without the written approval of the property owner(s).

#### **14. Protection of City Property.**

It is the Contractor's responsibility to protect sidewalks, asphalt paving, concrete, trees,

shrubs, and any lawn areas at all times from work related damage of any type. Costs for cleaning, restoration or repair shall be borne by the Contractor, as the City may deem appropriate.

Should, during the course of Contractor's work, Contractor observe or suspect the presence of asbestos fiber, Contractor shall immediately stop work and notify the City of its findings. Should the project's schedule be delayed because of such findings, the Contractor will remove itself from the project and wait the City's order to return to work, at no penalty to the City.

Debris shall not be permitted to remain on site and shall be disposed daily and/or as directed by City.

It is the Contractor's responsibility to manage a safe work environment and Contractor shall take any means necessary to secure a safe work site for both the safety of all personnel and the public.

#### **15. Contractor Identification.**

Contractor shall furnish to City its taxpayer identification number as designated by the IRS.

#### **16. Assignment.**

Contractor shall not assign any rights acquired hereunder, without obtaining prior written approval from City.

#### **17. Access to Records.**

City shall have access to all books, documents, papers and records of Contractor that are pertinent to this Agreement for the purpose of making audits, examinations, excerpts and transcripts.

#### **18. Ownership of Work Product; License.**

All work products of Contractor that result from this Agreement (the "Work Products") are the exclusive property of City. In addition, if any of the Work Products contain intellectual property of Contractor that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Contractor hereby grants City a perpetual, royalty-free, fully paid, nonexclusive and irrevocable license to copy, reproduce, deliver, publish, perform, dispose of,

use and re-use, in whole or in part (and to authorize others to do so), all such Work Products and any other information, designs, plans, or works provided or delivered to City or produced by Contractor under this Agreement. The parties expressly agree that all works produced pursuant to this Agreement are works specially commissioned by City, and that any and all such works shall be works made for hire in which all rights and copyrights belong exclusively to City. Contractor shall not publish, republish, display or otherwise use Work Products resulting from this Agreement without the prior written agreement of City.

**19. Legal Expenses.**

In the event legal action is brought by City or Contractor against the other to enforce any of the obligations hereunder or arising out of any dispute concerning the terms and conditions hereby created, the losing party shall pay the prevailing party such reasonable amounts for attorney fees, costs, and expenses as may be set by a court. "Legal action" shall include matters subject to arbitration and appeals.

**20. Severability.**

The parties agree that, if any term or provision of this Agreement is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected.

**21. Number and Gender.**

In this Agreement, the masculine, feminine or neuter gender, and the singular or plural number, shall be deemed to include the others or other whenever the context so requires.

**22. Captions and Headings.**

The captions and headings of this Agreement are for convenience only and shall not be construed or referred to in resolving questions of interpretation or construction.

**23. Calculation of Time.**

All periods of time referred to herein shall include Saturdays, Sundays and legal holidays in the state of Oregon, except that, if the last day of

any period falls on any Saturday, Sunday or legal holiday, the period shall be extended to include the next day that is not a Saturday, Sunday or legal holiday.

**24. Notices.**

Any notices, bills, invoices, reports or other documents required by this Agreement shall be sent by the parties by United States mail, postage prepaid, or personally delivered to the addresses listed in the Agreement attached hereto. All notices shall be in writing and shall be effective when delivered. If mailed, notices shall be deemed effective forty-eight (48) hours after mailing, unless sooner received.

**25. Nonwaiver.**

The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights of any future occasion.

**26. Information and Reports.**

Contractor shall, at such time and in such form as City may require, furnish such periodic reports concerning the status of the project, such statements, certificates, approvals, and copies of proposed and executed plans and claims, and other information relative to the project as may be requested by City. Contractor shall furnish City, upon request, with copies of all documents and other materials prepared or developed in relation with or as a part of the project. Working papers prepared in conjunction with the project are the property of City, but may remain with Contractor. Copies as requested shall be provided free of cost to City.

**27. Governing Law.** This Agreement shall be governed and construed in accordance with the laws of the state of Oregon without resort to any jurisdiction's conflicts of law, rules or doctrines.

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