

General Manager Niki Iverson 150 E. Main Street Hillsboro, OR 97123 503-615-6585

Board of Commissioners

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HILLSBORO/FOREST GROVE/BEAVERTON/ TUALATIN VALLEY WATER DISTRICT JOINT WATER COMMISSION (JWC) EXECUTIVE COMMITTEE **PRELIMINARY AGENDA**

City of Hillsboro January 28, 2019 Civic Center 10:00 am 150 East Main St., **Room 121 Executive Committee Meeting** **********************

Assistive Listening Devices (ALD) and sign language interpreters are available, at no cost, and can be scheduled for this meeting. Please provide at least 72 hours notice prior to the meeting. To obtain these services, call (503) 681-6100 or TTY (503) 681-6284. ***********************

ALL TESTIMONY IS ELECTRONICALLY RECORDED.

CALL TO ORDER

Introductions.

- 1. Business
 - 1.1 Consider approval of Aquifer Storage and Recovery Project Agreement between Joint Water Commission and City of Beaverton. Staff Report - Niki Iverson
 - 1.2 Consider approval of construction contract for the Fern Hill Reservoir #1 Roof Repair. Staff Report – Negar Niakan



STAFF REPORT

To: Joint Water Commission Executive Committee

From: Niki Iverson, General Manager

Date: January 28, 2020

Re: Agenda Item 1.1 - Request for approval of Aquifer Storage and Recovery Project

Agreement between Joint Water Commission and City of Beaverton.

Staff Recommendation:

Consider approval of the Aquifer Storage and Recovery (ASR) Project Agreement between Joint Water Commission (JWC) and City of Beaverton.

The JWC Board authorized the Executive Committee to consider and take action on the ASR Project Agreement at its regular meeting held January 10, 2020.

Background

City of Beaverton (Beaverton) has requested permission to develop an Aquifer Storage and Recovery (ASR) well on Cooper Mountain (identified by the JWC as Site 44). Beaverton issued a notice to the Joint Water Commission of its interest in developing the Cooper Mountain Reservoir test well (Site 44) into a full ASR well. JWC sent letters to City of Hillsboro and Tualatin Valley Water District (TVWD) to determine if either was interested in participating, as they both have that option according to the terms of the *Agreement Regarding Aquifer Storage and Recovery Management (ASR Agreement)*. City of Hillsboro and TVWD have both declined to participate.

The *ASR Agreement* requires that the JWC must be a party to a Project Agreement to reflect authorization to use the JWC's ASR Limited License #019, issued by the Oregon Water Resources Department. The Agreement has been reviewed by Beaverton and JWC Legal Counsel, and by the JWC Management Committee.

AGREEMENT REGARDING AQUIFER STORAGE AND RECOVERY PROJECT DESIGN, CONSTRUCTION, OPERATION, AND PROPERTY OWNERSHIP

This Agreement Regarding Aquifer Storage and Recovery Project Design, Construction, Operation, and Property Ownership (Agreement) is made as of the _____ day of ______, 2019 (the Effective Date), by and between the Joint Water Commission, an ORS Chapter 190 Entity (JWC), and the City of Beaverton (Beaverton).

RECITALS

- A. In April 2009, the JWC adopted a Master Plan that included authorization to explore, test and develop Aquifer Storage and Recovery (ASR) well sites in the Cooper Mountain Area. The purpose of developing the well sites was to provide water to the City of Hillsboro (Hillsboro), Beaverton, and the Tualatin Valley Water District (TVWD) as a method to relieve demand on stored raw water, the JWC's Fern Hill Water Treatment Plant, and other JWC water system assets, and thereby defer capital improvement expansion of the JWC system.
- B. The JWC, Hillsboro, Beaverton, and TVWD entered into a Memorandum of Understanding dated July 8, 2011, regarding an exploratory ASR well on property owned by Beaverton where Beaverton located its Cooper Mountain Reservoir (Beaverton Property).
- C. On July 12, 2013, the JWC approved an Agreement Regarding Aquifer Storage and Recovery Management between the JWC, Hillsboro, Beaverton, and TVWD.

NOW, THEREFORE, in consideration of the covenants and Agreements contained in this Agreement, the Parties agree as follows:

1. **DEFINITIONS**

- A. <u>Agreement</u>. Agreement means this Agreement, as it may be amended from time to time, together with all exhibits to it.
- B. <u>Management IGA.</u> The Agreement Regarding Aquifer Storage and Recovery Management referred to in Recital C.
- C. Aquifer Storage and Recovery Project (ASR Project). The Joint Water Commission ASR Project to explore, test and develop ASR well sites in the Cooper Mountain Area pursuant to Final Order Approving ASR Testing under Aquifer Storage and Recovery Limited License Application No. 019, Washington County, issued by the Oregon Water Resources Department (OWRD) for injection and recovery of up to 6,445 acre feet of water.
- D. <u>Aquifer Storage and Recovery Facilities (ASR Facilities)</u>. All facilities and improvements required for the ASR Project.
- E. <u>Cooper Mountain Area and Cooper Mountain Area Sites</u>. The general area of Cooper Mountain in Washington County, Oregon, and the proposed well sites set forth on the OWRD Limited License.
- F. <u>Effective Date</u>. Effective Date has the meaning given to that term in the preamble to this Agreement.

- G. <u>Feasibility Study</u>. The most recent ASR Feasibility Study completed in 2012 with Beaverton, Hillsboro, and TVWD as equally participating partners, otherwise known as the JWC Aquifer Storage and Recovery Project: Phase I.
- H. <u>Injection</u>. Injection shall generally occur during the period between October 1 and May 31 but for purposes of this Agreement injection shall mean any time water is injected into an ASR well for ASR purposes.
- I. <u>Native Ground Water Rights</u>. Ground water rights of a Party that are not part of the OWRD Limited License and have a point of appropriation at the Property.
- J. <u>Operations Manager</u>. Beaverton, which is designated for this ASR site to provide the services described in Section 3 as required under the Management IGA.
- K. <u>OWRD Limited License</u>. The Final Order Approving ASR Testing under Aquifer Storage and Recovery Limited License Application No. 019, and any limited license, permit or certificate issued by OWRD.
- L. <u>Party or Parties</u>. Party or Parties means the persons or entities that are signatories to this Agreement. The term "Parties" means "Party" where the context or circumstances so require.
- M. <u>Property.</u> The Cooper Mountain ASR area described in previous documents as "Site 44," and now referred to by Beaverton as "ASR 7," including all ASR Facilities. (See attached map "Exhibit A," which is incorporated by this reference.)
- N. <u>Recovered Water</u>. Injected water under the OWRD Limited License that is recovered from the ASR well for use.
- O. <u>Water Rights</u>. Water rights shall be those limited licenses, permits or certificates by the Parties and as approved for use in the OWRD Limited License.
- P. <u>Water Services Agreement</u>. The JWC Water Services Agreement dated April 9, 2010 by and between the Hillsboro, the City of Forest Grove, Beaverton and TVWD, as amended.

2. DESIGN AND CONSTRUCTION OF ASR FACILITIES

2.1 Permit Applications

Beaverton shall be solely responsible to obtain all required permits for construction of the ASR Facilities on the Property. (See Exhibit A).

- 2.1.1 Beaverton will be responsible to obtain, at its sole cost and expense, any further approvals from OWRD, and any Beaverton actions shall:1) be in conformance with and not jeopardize the OWRD Limited License, and 2) put the ASR water to beneficial use.
- 2.1.2 JWC obtained land use permits for the Beaverton Property, and Beaverton agrees to reimburse JWC for the costs, which are included under Section 2.3. Beaverton will be responsible for obtaining any other land

development permits or regulatory approvals for the ASR Project at its sole cost.

2.2 Design and Construction

- 2.2.1 Project Management. During design and construction, Beaverton will meet periodically with the JWC Managing Agency to review project schedules and performance and other matters consistent with the needs of the ASR Project and the Management IGA.
- 2.2.2 Payments. Beaverton shall be responsible for all payments to consultants and contractors for design and construction following the Effective Date.
- 2.2.3 Post Construction. Following construction, Beaverton and the JWC Managing Agency shall meet as needed to review matters related to warranty or other contract performance issues that may impact the ASR Project and Management IGA.

3. OPERATION AND MANAGEMENT

3.1 ASR Facilities

- 3.1.1 Limited License. Beaverton is authorized to utilize the OWRD Limited License for injection and recovery of stored water for the Property. The ASR Project shall be operated and maintained in accordance with the conditions of the Limited License.
- 3.1.2 Ownership and Management. Beaverton shall have sole ownership and the sole responsibility to manage, operate, repair and replace the ASR Facilities. However, the subject ASR Facilities must be operated and managed consistently with the provisions of the Management IGA.
- 3.1.3 Cost. All costs of operation, maintenance, repair and replacement of the ASR Facilities shall be the responsibility of Beaverton.

3.2 Property Management.

The Parties agree that the Beaverton Property upon which the ASR Facilities are constructed shall be owned, operated, and managed solely by Beaverton in a manner consistent with the Management IGA. All costs will be the responsibility of Beaverton.

3.3 Books, Reports and Accounting

Beaverton shall maintain books and records that shall show all income, receipts, expenses and costs in connection with the Property and ASR Facilities. All such books of account or other records may be examined and copies of books and records made by JWC Managing Agency staff at reasonable times upon reasonable notice.

4. REPRESENTATIONS AND WARRANTIES

- **4.1** Each Party represents and warrants to the other Party as follows:
 - 4.1.1 It is a legal entity duly organized under the laws of the State of Oregon;

- 4.1.2 It has the capacity and authority to enter into and perform this Agreement and all transactions contemplated in this Agreement pursuant to the laws of the state of Oregon and its charter or governing documents;
- 4.1.3 All actions required to authorize it to enter into and perform this Agreement have been properly taken; and
- 4.1.4 It will not breach any other Agreement or arrangement by entering into or performing this Agreement and that this Agreement has been duly executed and delivered by it and is valid and binding upon it in accordance with its terms.
- **4.2** The JWC represents and warrants that it will cooperate in all permit processes and other actions to fully vest facilities, consistent with the Management IGA.

5. INDEMNITY AND INSURANCE

- **5.1** Insurance. If Beaverton uses a contractor for any portion of the ASR Project (Contractor), Beaverton will endeavor to include in the contract documents that Contractor obtain, prior to beginning any work, and shall maintain in full force and effect for the term of the contract, at Contractor's expense, comprehensive general liability, to include bodily injury and property damage on a combined single limit per occurrence and aggregate basis; automobile liability with a combined single limit coverage to include bodily injury and property damage; and other insurance appropriate to the work to be performed in amounts not less than what the JWC Managing Agency would require for the type of work. The named insureds on any policies shall be the Contractor and Beaverton. Contractor shall name Beaverton, its elected and appointed officials, officers, agents, employees and volunteers as additional insureds. The policies shall be primary to and non-contributory with any insurance or self-insurance carried by the Beaverton, and shall be issued by a company authorized to do business in the State of Oregon. The Contractor shall provide Beaverton written notice within thirty (30) days of cancellation or material modification of the insurance contract at the addresses listed below. Contractor shall provide certificates of insurance and additional insured policy endorsement to Beaverton prior to commencement of any work under the Contract. If requested, complete copies of insurance policies shall be provided to Beaverton. Contractor shall be financially responsible for all pertinent deductibles, self-insured retention and/or self- insurance used to satisfy these requirements. In addition to insurance, which is obtained under this Section, Beaverton shall maintain liability insurance insuring its respective operations on the Property or Supply Facilities. Failure by Beaverton to include insurance provisions as stated above shall not be considered a breach of this Agreement.
- **5.2** <u>Indemnity</u>. To the fullest extent permitted by the Oregon Constitution and the laws of Oregon regarding units of local government, and subject to the limits of the Oregon Tort Claims Act, ORS 30.260-30.300, each Party shall indemnify and hold harmless the other Party from any liability claim or injury arising from or alleged to have arisen from that Party's negligence in connection with use of the ASR Project or in the performance of this Agreement. Beaverton will hold JWC harmless from construction activities on the Property.

6. USE OF PROPERTY

Beaverton agrees that its use of the Property for ASR purposes and other water system purposes will not adversely impact the OWRD Limited License. Beaverton will notify JWC of any proposed transfer or change in the location of the ASR facilities.

7. RIGHT OF FIRST OFFER

7.1 Beaverton agrees not to sell, transfer, exchange, grant an option to purchase, lease, or otherwise dispose of all or any part of its interest in the Beaverton Property, or the ASR Facilities, if such transaction adversely affects the OWRD Limited License or ASR Facilities, without first offering to the JWC in writing (the Offer) on the terms and conditions as set forth in Section 11.3 of the Water Services Agreement. Notwithstanding the time limits of Section 11.3, the JWC or its members shall have 60 days from the date of Offer by Beaverton to elect to purchase the Beaverton Property. Example of transactions that would not adversely affect the OWRD Limited License include but are not limited to transfer of road frontage to enable a county road project or a lease agreement for onsite storage of equipment or materials.

7.2 Closing

- 7.2.1 If JWC exercises the right of first offer by electing to purchase the undivided interest then the closing of the transaction contemplated by the Offer shall take place no later than sixty (60) days after written notice of exercise of the right to purchase subject to receipt of appraisal and negotiation of the purchase price.
- 7.2.2 At closing, Beaverton shall deliver a duly executed and acknowledged statutory warranty deed conveying the undivided interest free and clear of all liens and encumbrances, excepting only such matters as may be specifically referred to below, and shall pay the premium for the title insurance and share of escrow fees.
- 7.2.3 At closing, JWC shall pay such amounts as may be required for recording fees, and its share of escrow fees.
- 7.2.4 Taxes, utilities and premiums for existing policies of insurance, and the current portion of assessments for governmental or quasi-governmental improvements, if any, shall be prorated between the Parties as of the date of closing.
- 7.2.5 The transaction shall be closed when a mutually agreeable title insurance company is in a position to insure title to the undivided interest as provided below. The costs of escrow shall be shared equally by the Parties.
- 7.2.6 JWC shall be entitled to a standard owner's policy of title insurance insuring title to the undivided interest in it subject only to the standard printed exceptions and such additional exceptions as are acceptable.

7.3 Default

If either Party shall fail or refuse to carry out any provision of this option, the other party shall be entitled to such remedy or remedies for breach of contract as may be available under

applicable law, including without limitation the remedy of specific performance, if such other party has fully performed all of its obligations under this Agreement. Time is of the essence.

8. **DEFAULTS**

8.1 Event of Default

The failure of a Party to perform any duty imposed upon it by this Agreement shall constitute a default.

8.2 Notice of Default

The non-defaulting Party shall have the right to give the defaulting Party a written notice of default, which shall describe the default in reasonable detail and state the date by which the default must be cured, which date shall be at least 60 days after receipt of the notice of default, except in the case of a failure to advance funds, in which case the date shall be 30 days after receipt of the notice of default.

8.3 Opportunity to Cure

If within the applicable period described in Section 8.2 the defaulting Party cures the default, or if the failure is one (other than the failure to make payments) that cannot in good faith be corrected within such period and the defaulting Party begins to correct the default within the applicable period and continues corrective efforts with reasonable diligence until a cure is effected, the notice of default shall be inoperative, and the defaulting Party shall lose no rights under this Agreement. If, within the specified period, the defaulting Party does not cure the default or begin to cure the default as provided above, the non-defaulting Parties at the expiration of the applicable period shall have the rights specified in Section 8.4.

8.4 Rights Upon Default

If the defaulting Party has not cured the default as provided in Section 8.3, it shall have no rights under this Agreement until the default has been cured. In addition, the non-defaulting Party may pursue any other remedy available at law or in equity against the defaulting Party in compliance with dispute resolution procedures of Section 10.14.

9. TERM

The term of this Agreement shall commence on the Effective Date and shall be perpetual, subject to the terms of the OWRD Limited License or extensions thereof or unless the Parties otherwise agree in writing.

10. GENERAL

10.1 Notices

All notices, payments and other communications to the Parties under this Agreement must be in writing, and either personally delivered or sent by first class mail, postage prepaid addressed respectively as follows:

JWC: JWC – General Manager

City of Hillsboro Water Department

150 E. Main Street Hillsboro, OR 97123

Telephone: (503) 615-6702

City of Beaverton: Mayor

City of Beaverton

12725 SW Millikan Way Beaverton, OR 97005 Telephone: 503-526-2497

All notices shall be given (i) by e-mail, personal delivery to the Party or, (ii) regular first class United States mail. All notices shall be effective and shall be deemed delivered (a) if by email or personal delivery, on the date of delivery, (b) if by mail on the date delivered to the United States Postal Service. A Party may change its address from time to time by notice to the other Parties.

10.2 Waiver

The failure of a Party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach of any provision of this Agreement shall not constitute a waiver of any provision of this Agreement or limit the Party's right thereafter to enforce any provision or exercise any right.

10.3 Modification

No modification of this Agreement shall be valid unless made in writing and duly executed by the Parties.

10.4 Force Majeure

The obligations of a Party, other than the payment of money, shall be suspended to the extent and for the period that performance is prevented by any cause, whether foreseen, foreseeable or unforeseeable, beyond the Party's reasonable control if the Party is making a good faith effort to resolve or avoid the cause, including without limitation labor disputes (however arising and whether or not employee demands are reasonable or within the power of the Party to grant); acts of God, laws, regulations, orders, proclamations, instructions or requests of any government or governmental entity; judgments or orders of any court; inability to obtain on reasonably acceptable terms any public or private license, permit or other authorization; curtailment or suspension of activities to remedy or avoid an actual or alleged, present or prospective violation of federal, state, or local environmental standards; acts of war or condition arising out of or attributable to war, whether declared or undeclared; riot, civil strife, insurrection or rebellion, fire, explosion, earthquake, storm, flood, sinkholes, drought or other adverse weather conditions; delay or failure by suppliers or transporters of materials, parts, supplies, services or equipment or by contractors' or subcontractors' shortage of, or inability to obtain, labor, transportation, materials, machinery equipment, supplies, utilities or services; accidents, breakdown of equipment, machinery or facilities, or any other cause whether similar or dissimilar to the foregoing, provided that the affected Party shall give notice to the other Party within 30 days of the suspension of performance, stating in such notice the nature of the suspension, the reasons for the suspension and the expected duration of the suspension. The affected Party shall resume performance as soon as reasonably possible.

10.5 Implied Covenants

The Parties agree that in construing this Agreement no covenants shall be implied between the Parties except the covenants of good faith and fair dealing.

10.6 Governing Law

This Agreement shall be governed by and interpreted in accordance with the internal laws of the State of Oregon.

10.7 Further Assurances

Each Party shall take from time to time, for no additional consideration, such actions and execute such instruments as may be reasonably necessary or convenient to implement and carry out the intent and purpose of this Agreement.

10.8 Remedies Not Exclusive

Each and every power and remedy specifically given to the non-defaulting Party shall be in addition to every other power and remedy now or hereafter available at law or in equity (including the right to specific performance), and each and every power and remedy may be exercised from time to time and as often and in such order as may be deemed expedient. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission in the exercise of any such power or remedy and no renewal or extension of any payments due under this Agreement shall impair any such power or remedy or shall be construed to be a waiver of any default.

10.9 Survival of Terms and Conditions

The provisions of this Agreement shall survive its termination to the full extent necessary for their enforcement and the protection of the Party in whose favor they run.

10.10 Successors and Assigns

This Agreement shall bind and inure to the benefit of the Parties and their successors and assigns.

10.11 Time is of the Essence

A material consideration of the Parties entering into this Agreement is that the Parties will make all payments as and when due and will perform all other obligations under this Agreement in a timely manner. Time is of the essence of each and every provision of this Agreement.

10.12 Counterparts

This Agreement may be executed in counterparts, all of which taken together shall constitute a single Agreement.

10.13 Limitations

This Agreement shall not be construed to create a partnership between the Parties or to authorize any Party to act as agent for any other Party or Parties except as expressly provided in this Agreement.

10.14 Dispute Resolution

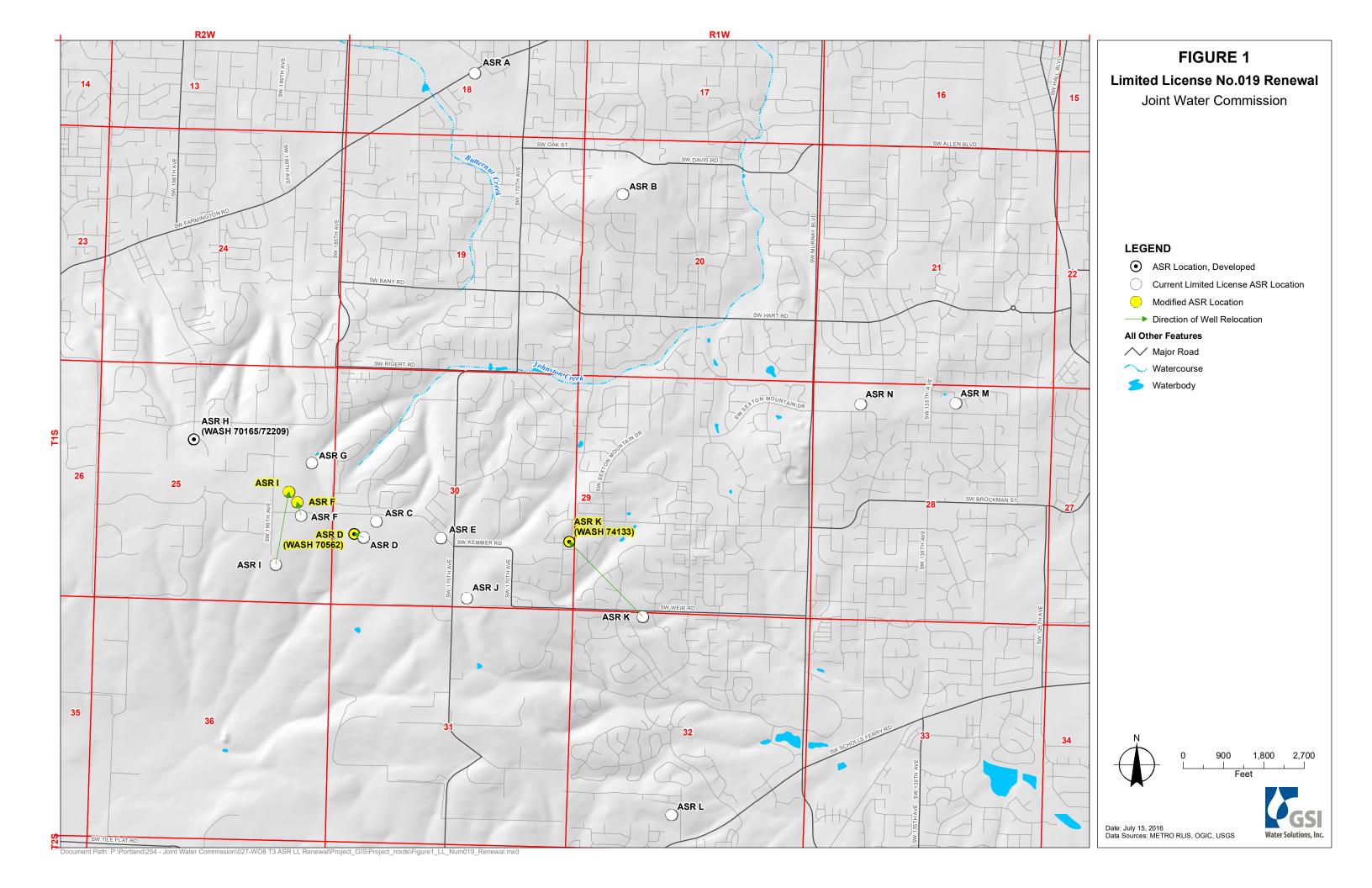
If a dispute arises between the parties regarding this Agreement, the parties shall follow the dispute resolution provisions of Article XII of the Water Service Agreement.

10.15 Entire Agreement

This Agreement, including all attached exhibits, contains the entire and final understanding of the Parties and supersedes all prior Agreements and understandings between the Parties related to the subject matter of this Agreement.

The Parties executed this Agreement as of the Effective Date.

City of B	eaverton	JOINT WATER COMMISSION
By:		
		_By:
Dennis De	oyle, Mayor	Niki Iverson, General Manager
Approved	as to Form:	
City Attor	ney's Office	
Exhibits:		
Exhibit 1	Property Map of Site 44 (ASR 7)	





STAFF REPORT

To: Joint Water Commission Executive Committee

From: Negar Niakan, Water Project Manager

Date: January 28, 2020

Re: Agenda Item 1.2 - Request for Contract Authorization for the Fern Hill Reservoir #1 Roof

Repair

Staff Recommendation:

Consider approving contract authorization to start the roof repair construction work on Fern Hill Reservoir #1. Although the contract amount of \$421,130 is within the approved budget for Fiscal Year 19-20 (\$600,000), the amount is above the signatory limits of the Joint Water Commission General Manager (\$350,000). Because of the limit, approval by the Joint Water Commission (JWC) Board or Executive Committee is required.

Authorization for approval by Executive Committee of the Fern Hill Roof Repair Contract is allowable in accordance with the Joint Water Commission Water Services Agreement, Section 3.6.

Background:

Inspection of the Fern Hill Reservoirs was conducted in November 2017, and modifications and repairs are required to improve the exterior and interior concrete. The design was completed in December 2019, and during the design period, safety improvements were added for both reservoirs to enhance the protection of staff, improve ease of access, and comply with OSHA Standards. Due to budget limitation, the safety improvements were added as alternate bids. This provided the flexibility to award the contract for the base bid with or without alternates, budget permitting. Staff received a Bid Alternate for Safety Improvements (No. 2), and will be working with the Design Consultant to confirm specifications, with the intention of bringing a contract amendment for approval to the April JWC meeting. This will allow the roof repair to begin and be completed prior to the initiation of the safety improvement work.

An Invitation to Bid (ITB) was completed on January 14, and four contractors participated. HCI Marine and Industrial Coatings submitted the lowest responsive bid. The base bid was \$299,850.00, and alternate bid No.1 was \$121,280.00, which sum to a total contract amount of \$421,130.00. Alternate bid No.1 is application of a waterproofing material to seal the exposed

parts of the roof, and it should be applied during the low-demand season as well, to allow time for cleaning and disinfection before high demand season begins.

Cost/Budget:

Allocated budget for the FY19-20 is \$600,000.00. The table below shows the cost breakdown:

HCI (Base Bid + Alternate No. 1): \$421,130

Design & Construction Support: \$125,000

JWC Staff Time: \$25,000

Contingency: \$28,870

Projected FY 19-20 Spend \$600,000

Bid results are available below:

Contractor	Base Bid	Alternate 1	Total Amount (Base bid + Alternate 1)
HCI Inc.	\$ 299,850.00	\$ 121,280.00	\$ 421,130.00
Pioneer Water Proofing Inc.	\$ 358,993.00	\$ 133,500.00	\$ 492,493.00
Stellar J	\$ 533,700.00	\$ 104,000.00	\$ 637,700.00
DN Tanks, Inc.	\$ 498,800.00	\$ 282,500.00	\$ 781,300.00

Timeline:

The concrete repairs should be completed during low-demand season in Winter-Spring to allow cleaning and disinfection of the reservoir.

CONTRACT AGREEMENT FORM

THIS AGREEMENT is by and between	Joint Water Commission hereinafter called (Owner) and
	(hereinafter called
Contractor).	.,

Owner and Contractor, in consideration of the mutual covenants hereinafter set forth, agree as follows:

ARTICLE 1 - THE PROJECT

The WORK under this Contract shall consist of, but is not limited to furnishing all labor, materials and equipment necessary for the following:

- Repairs on the bottom of the roof and interior wall
- Coating the exposed rebar on top of the roof
- Applying Topping A on portions of top of the roof
- Installing ladder access safety post
- Removing construction joint filter material on roof, cleaning the joint and applying new joint filter material
- Repair concrete spalls on top of the interior wall
- Repair exposed rebar and concrete delamination on interior ceiling
- Coating the exposed rebar on interior ceiling
- Cleaning and disinfecting the tank
- Repair concrete delamination on top of the roof
- Installing railing around perimeter and openings
- Installing stairs and landing
- Install davit arm base
- Applying Topping B on portions of top of the roof (only if awarded)
- Install non-removable traffic bollards

The WORK also includes furnishing and installing related equipment, piping, fabricated metal accessories, painting, reinforced concrete, site work, and other appurtenances necessary to complete the WORK and to provide a complete and functional system constructed in accordance with the Contract Documents (WORK).

ARTICLE 2 - WORK

2.01 Contractor shall complete all Work as specified or indicated in the Contract Documents for completion of the Project.

ARTICLE 3 - ENGINEER

3.01 The Engineer, OBEC Consulting Engineers, is to act as Owner's representative,

assume all duties and responsibilities, and have the rights and authority assigned to Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents, unless otherwise modified in the Supplementary Conditions.

ARTICLE 4 - CONTRACT TIMES

- 4.01 Time of the essence:
 - A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract.
- 4.02 Days to achieve substantial completion and final payment:
 - A. The work for Scope 1 will be substantially completed by April 1, 2020, and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions.
 - B. The work for Scope 2 will be substantially completed within 126 days after the date when the Contract Times commence to run as provided in Paragraph 2.03 of the General Conditions, and completed and ready for final payment in accordance with paragraph 14.07 of the General Conditions.
 - C. Details on the Work Scopes provided on Division 01- Part 1 Section 1.05 Work Sequence.

4.03 Liquidated damages:

- A. Contractor and Owner recognize that time is of the essence of this Agreement and delays in the Contractor's performance will cause Owner to suffer financial loss; will increase risk to, inconvenience, and interfere with the public water supply; and will increase costs to taxpayers if the Work is not completed within the times specified in this Document, plus any extensions thereof allowed in accordance with Article 12 of the General Conditions. The parties also recognize that it will be impracticable to determine actual damages which Owner will sustain in the event of or by reason of the delay. Accordingly, instead of requiring any such proof, Contractor agrees to pay to the Owner, not as a penalty but as liquidated damages, the amount(s) determined as specified below for each calendar day that expires after the specified time stated in this Agreement for substantial completion until each scope of work is substantially complete. After substantial completion of all scopes of work, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the contract time or any proper extension thereof granted by Owner, Contractor shall pay Owner \$300 for each day that expires after the time specified in this Agreement for completion and readiness for final payment until the Work is completed and ready for final payment.
- B. It is further agreed that the amount stipulated for liquidated damages per day of delay is a reasonable estimate of the damages that would be sustained by Owner, and Contractor agrees to pay such liquidated damages as provided in this Agreement. In case the liquidated damages are not paid, Contractor agrees

that Owner may deduct the amount thereof from any money due or that may become due to Contractor by progress payments or otherwise under the Agreement, or if said amount is not sufficient, recover the total amount. The liquidated damages shall constitute payment in full only of damages incurred by the Owner due to the Contractor's failure to complete the Work on time. Payment by the Contractor of liquidated damages does not release the Contractor from its obligation to fully and timely perform the Agreement according to its terms. Nor does acceptance of liquidated damages by the Owner constitute a waiver of the Owner's right to collect any additional damages it may sustain by reason of the Contractor's failure to fully perform the Agreement according to its terms. If the Agreement is terminated according to paragraph 15.02 of the General Conditions and if the Work has not been completed by other means on or before the expiration of Contract Time or adjusted Contract Time, liquidated damages will be assessed against the Contractor for the duration of time reasonably required to complete the Work.

C. Liquidated Damages for Work for Scope 1. The liquidated damages per calendar day for failure to complete the Work on time for the Work described in Work for Scope 1 will be established using the following formula:

The Liquidated Damages per Calendar Day are 25.2 percent of C divided by T as defined in this Section.

C = The Contractor's Bid amount for the Contract, or the total value of this Contract, whichever is greater.

T = The total Calendar Days between the date the Notice to Proceed was given by Owner to Contractor and the date of Substantial Completion for Work for Scope 1.

D. Liquidated Damages for Work for Scope 2. The liquidated damages per calendar day for failure to complete the Work on time for the Work described in Work for Scope 2 will be established using the following formula:

The Liquidated Damages per Calendar Day are 12.6 percent of C divided by T as defined in this Section.

C = The Contractor's Bid amount for the Contract, or the total value of this Contract, whichever is greater.

T = The total Calendar Days between the date the Notice to Proceed was given by Owner to Contractor and the date of Substantial Completion for Work for Scope 2.

ARTICLE 5 - CONTRACT PRICE

- 5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to requirements listed below:
- 5.02 The Contract Price is \$_____. The Contract Price is the total amount payable by the Owner to Contractor for the completion of the Work in its entirety under

the Contract Documents.

- 5.03 The following bid alternates are included in the Contract Total: Alternates 1 and 2
- 5.04 No allowances included in the Contract.
- 5.05 Notwithstanding any other provision of this Contract or the Contract Documents, the Contract Total includes all construction contingencies for existing site conditions other than for pre-existing Hazardous Materials. Contractor is thoroughly acquainted with and has inspected the Project site without restriction, understands the potential risks in this construction Work, and accepts the full risk of construction contingencies to complete the Work within the Contract Time and Contract Total set out in this Agreement.

ARTICLE 6 - PAYMENT PROCEDURES

- 6.01 Submittal and processing of payments:
 - A. Contractor shall submit Applications for Payment in accordance with Article 14 of the General Conditions. Applications for Payment will be processed by Engineer as provided in the General Conditions.
- 6.02 Progress payments; retainage:
 - A. Owner shall make progress payments on account of the Contract Price on the basis of Contractor's Applications for Payment on or before the 5th day of each month during performance of the Work as provided in paragraphs below. All such payments will be measured by the schedule of values established in paragraph 2.07.A of the General Conditions (and in the case of Unit Price Work based on the number of units completed) or, in the event there is no schedule of values, as provided in the General Requirements:
 - Prior to Substantial Completion, progress payments will be made in an amount equal to the percentage indicated below but, in each case, less the aggregate of payments previously made and less such amounts as Engineer may determine or Owner may withhold, in accordance with paragraph 14.02 of the General Conditions:
 - a. Subject to ORS 701.420, 701.430, ORS 279C.550 to 279C.565, et seq., 95 percent of Work completed, materials, and equipment (with the balance being retainage). Upon written application by Contractor, if the Work has been 50 percent completed as determined by Engineer, and if the character and progress of the Work have been satisfactory to Owner and Engineer, Owner, on recommendation of Engineer, may determine that as long as the character and progress of the Work remain satisfactory to them, there will be no retainage on account of Work subsequently completed, in which case the remaining progress payments prior to Substantial Completion will be in an amount equal to 100 percent

of the Work completed less the aggregate of payments previously made.

- B. In lieu of retainage, provisions may be made as provided in ORS 701.435 for depositing with Owner approved bonds, securities or other instruments of value equal to the retainage.
- C. If Contractor has executed and delivered to Owner a performance bond pursuant to ORS 701.430, no retainage will be withheld.

6.03 Final payment:

A. Upon final completion and acceptance of the Work, Owner shall pay the remainder of the Contract Price as recommended by Engineer in accordance with paragraph 14.07 of the General Conditions.

ARTICLE 7 - CONTRACTOR'S REPRESENTATIONS

- 7.01 In order to induce Owner to enter into this Agreement Contractor makes the following representations:
 - A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.
 - B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
 - C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
 - D. Contractor has considered the information known to Contractor; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site- related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on:
 - 1. The cost, progress, and performance of the Work.
 - 2. The means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Contract Documents.
 - 3. Contractor's safety precautions and programs.
 - E. Contractor does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.

- F. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- G. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- H. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.
- 7.02 Contractor shall comply with all federal, state, and local laws applicable to the Work under this Agreement, and all regulations and administrative rules established pursuant to those laws, including without limitation, the following requirements of the Oregon Public Contract Code:
 - A. ORS 279A.110 (Non-discrimination Certification): Contractor shall certify that Contractor has not discriminated and will not discriminate against a Subcontractor in the awarding of a subcontract because the Subcontractor is a minority, women, or emerging small business enterprise (certified under ORS 200.055.), or a business that is owned or controlled by, or employs a disabled veteran (as defined in ORS 408.225).
 - B. ORS 279C.380 (Performance and Payment Bonds): Unless exempted by the Owner in writing pursuant to the Owner's local public contracting rules, prior to starting work under this Agreement, Contractor or its Subcontractor shall execute and deliver to Owner a good and sufficient performance bond, in a form acceptable to Owner, in a sum equal to 100% of the construction portion of the Contract Price, and Contractor or its Subcontractor shall execute and deliver to Owner a good and sufficient payment bond, in a form acceptable to Owner, in a sum equal to 100% of the construction portion of the Contract Price, solely for the protection of claimants under ORS 279C.600.
 - C. ORS 279C.510 (Recycling/Composting): If this Contract includes demolition work, the Contractor shall salvage or recycle construction and demolition debris, if feasible and cost-effective. If this Contract includes lawn or landscape maintenance, the Contractor shall compost or mulch yard waste material at an approved site, if feasible and cost-effective.
 - D. ORS 279C.525 (Notice of Environmental Regulations): State law requires that solicitation documents for a public improvement contract make specific reference to federal, state, and local agencies that have enacted ordinances, rules, or regulations dealing with the prevention of environmental pollution or the preservation of natural resources that may affect the performance of this Contract.
 - Federal Agencies: Department of Agriculture, Forest Service, Soil and Water Conservation Service, Coast Guard, Department of Defense, Army Corps of Engineers, Department of Emergency, Federal Energy Regulatory

Commission, Environmental Protection Agency, Department of Health and Human Services, Department of Housing and Urban Development, Solar Energy and Energy Conservation Bank, Department of Interior, Bureau of Land Management, Bureau of Indian Affairs, Bureau of Mines, Bureau of Reclamation, Geological Survey, Minerals Management Service, U.S. Fish and Wildlife Service, Department of Labor, Mine Safety and Health Administration, Occupational Safety and Health Administration, Department of Transportation, Federal Highway Administration, and Water Resources Council.

- 2. State Agencies: Department of Administrative Services, Department of Agriculture, Soil and Water Conservation Commission, Columbia River Gorge Commission, Department of Energy, Department of Environmental Quality, Department of Fish and Wildlife, Department of Forestry, Department of Geology and Mineral Industries, Department of Human Resources, Department of Consumer and Business Services, Land Conservation and Development Commission, Department of Parks and Recreation, Division of State Lands, and Department of Water Resources.
- Local Agencies: City councils, county courts, county boards of commissioners, metropolitan service district councils, design commissions, historic preservation commissions, planning commissions, development review commissions, special district boards of directors, and other and special governmental agencies such as Tri-Met, urban renewal agencies, and Port districts.
- 4. Tribal Governments.
- E. ORS 279C.605 (Notice of Claim on Bond): Any person claiming a right of action under ORS 279C.600 must file a notice of claim as provided in ORS 279C.605.
- F. ORS 279C.836 (Public Works Bond Required): Contractor shall:
 - 1. File a public works bond with the Construction Contractors Board pursuant to ORS 279C.836 before starting work on the Project, unless exempt under ORS 279C.836(2), (7) or (8); and
 - 2. Include in every subcontract a provision requiring the Subcontractor to file a public works bond with the Construction Contractors Board pursuant to ORS 279C.836 before starting work on the Project, unless exempt under ORS 279C.836(2), (7) or (8).
- G. Contractor must, throughout the duration of this Agreement and any extensions, comply with all tax laws of this state and all applicable tax laws of any political subdivision of this state. Contractor (to the best of Contractor's knowledge, after due inquiry), for a period of no fewer than six calendar years preceding the date of this Contract, faithfully has complied with:
 - 1. All tax laws of this state, including but not limited to ORS 305.620 and ORS chapters 316, 317, and 318;
 - 2. Any tax provisions imposed by a political subdivision of this state that applied to Contractor, to Contractor's property, operations, receipts, or

income, or to Contractor's performance of or compensation for any work performed by Contractor.

ARTICLE 8 - PAYMENT OF LABORERS

- 8.01 The Contractor shall:
 - A. Make payment promptly, as due, to all persons supplying to such Contractor labor or material for the prosecution of the work provided for this Contract;
 - B. Pay all contributions or amounts due the Industrial Accident Fund incurred in the performance of this Contract;
 - C. Not permit any lien or claim to be filed or prosecuted against the Owner on account of any labor or material furnished; and
 - D. Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.
 - E. Demonstrate that an employee drug testing program is in place pursuant to ORS 279C.505(2).
- 8.02 If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to it by any person in connection with this Agreement as such claim becomes due, the Owner 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 such Agreement.
- 8.03 The payment of a claim in this manner shall not relieve the Contractor or the Contractor's surety from obligation with respect to any unpaid claims.

ARTICLE 9 - PAYMENT FOR MEDICAL CARE AND PROVIDING WORKERS' COMPENSATION

- 9.01 The Contractor shall promptly, as due, make payment to any person, copartnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to the employees of such Contractor, of all sums which the Contractor agrees to pay for such services and all moneys and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.
- 9.02 The Contractor, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all their subject workers.

ARTICLE 10 - PREVAILING RATE OF WAGE

10.01 Pursuant to ORS 279C.800 et seg. the hourly rate of wage to be paid by any

- contractor or subcontractor to workers upon all public works whose contract price exceeds \$50,000 shall be not less than the prevailing rate of wage for an hour's work in the same trade or occupation in the locality where such labor is performed as determined by the Commissioner of the Bureau of Labor and Industries.
- 10.02 Pursuant to ORS 279C.840, the Contractor and Subcontractor(s), if any, shall keep the prevailing wage rates for this project posted in a conspicuous and accessible place in or about the Project.
- 10.03 Pursuant to ORS 279C.825(1), the Contractor shall pay to the Oregon Bureau of Labor and Industries, a fee equal to 1/10 of 1 percent (0.1 percent) of the price of this Contract, up to the maximum statutory limit. The fee shall be paid on or before the first progress payment or 60 calendar days from the date work first began on the contract, whichever comes first.
- 10.04 Pursuant to ORS 279C.840, if the Contractor or Subcontractor also provides for or contributes to a health and welfare plan or a pension plan, or both, for its employees on the Project, it shall post notice describing such plans in a conspicuous and accessible place in or about the Project. The notice shall contain information on how and where to make claims and where to obtain further information.
- 10.05 Pursuant to ORS 279C.845, the Contractor and every Subcontractor shall file certified statements with Owner in writing in form prescribed by the Commissioner of the Bureau of Labor and Industries, certifying the hourly rate of wage paid each worker which the Contractor or the Subcontractor has employed upon such public work, and further certifying that no worker employed upon such public work has been paid less than the prevailing rate of wage or less than the minimum hourly rate of wage specified in the contract, which certificate and statement shall be verified by the oath of the Contractor or the Contractor's surety or Subcontractor or Subcontractor's surety that the Contractor or Subcontractor has read such statement and certificate and knows the contents thereof and that the same is true to the Contractor's or Subcontractor's knowledge. The certified statements shall set out accurately and completely the payroll records for the prior week including the name and address of each worker, the worker's correct classification, rate of pay, daily and weekly number of hours worked, deductions made and actual wages paid. The certified statement shall be delivered or mailed by the Contractor or Subcontractor to the Owner. A true copy of the certified statements shall also be filed at the same time with the Commissioner of the Bureau of Labor and Industries. The Contractor or Subcontractor shall preserve the certified statements for a period of three years from the date of completion of the Contract.

ARTICLE 11 - CONTRACTOR/SUBCONTRACTOR PAYMENT DISPUTES

- 11.01 Pursuant to ORS 279C.580, the Contractor is required to include in each subcontract for property or services entered into by the Contractor and a Subcontractor, including a material Supplier, for the purpose of performing this construction Contract:
 - A. A payment clause that obligates the Contractor to pay the Subcontractor for satisfactory performance under its subcontract within 10 days out of such amounts as are paid to the Contractor by the public contracting agency under such Contract; and

- B. An interest penalty clause that obligates the Contractor to pay to the Subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause included in the subcontract pursuant to paragraph above of this subsection.
 - 1. For the period beginning on the day after the required payment date and ending on the date on which payment of the amount is due made; and
 - 2. Computed at the rate specified in ORS 279C.515(2).
- 11.02 The Contractor is further required to include in each of its subcontracts, for the purpose of performance of such contract condition, a provision requiring the Subcontractor to include a payment clause and an interest penalty clause conforming to the standards of this section and require each of its Subcontractors to include such clauses in their subcontracts with each lower-tier Subcontractor or Supplier.
- 11.03 The Contractor shall not request payment of any amount withheld or retained in accordance with ORS 279C.580 *et seq.* until such time as the Contractor has determined and certified to the Owner that the Subcontractor is entitled to the payment of such amount.
- 11.04 A dispute between the Contractor and a Subcontractor relating to the amount or entitlement of a Subcontractor to a payment or a late payment interest penalty under a clause included in the subcontract pursuant to subsection (3) or (4) of ORS 279C.580 does not constitute a dispute to which the Owner is a party. The Owner shall not be included as a party in any administrative or judicial proceeding involving such a dispute.

ARTICLE 12 - HOURS OF LABOR

- 12.01 Pursuant to ORS 279C.520, no person shall be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency, or where the Owner absolutely requires it, and in such cases, except in cases of contracts for personal services as defined in ORS 279C.100, the laborer shall be paid at least time and a half pay for all overtime in excess of 8 hours a day for work performed on Saturday and on any legal holiday specified in ORS 279C.540.
- 12.02 Eight hours shall constitute a day's labor except in the case of employment by any Contractor of lead persons, security personnel and timekeepers paid on monthly rate.

ARTICLE 13 - TIME LIMITATION ON CLAIM FOR OVERTIME

- 13.01 Any worker employed by the Contractor shall be foreclosed from the right to collect for any overtime under this Contract unless a claim for payment is filed with the Contractor within 90 days from the completion of the Contract, providing the Contractor has:
 - A. Caused a circular clearly written and containing a copy of this Section to be posted in a prominent place alongside the door of the timekeeper's office or in a

- similar place which is readily available and freely visible to any or all workers employed on the Work, and
- B. Maintained such circular continuously posted from the inception to the completion of the Contract on which workers are or have been employed.

ARTICLE 14 - CONTRACT DOCUMENTS

14.01 Contents:

- A. The Contract Documents consist of the following:
 - 1. Invitation to Bid
 - 2. This Document.
 - 3. Document 00700 General Conditions.
 - 4. Specifications.
 - 5. Drawings.
 - 6. Addenda (numbers_____to____, inclusive);
 - 7. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - a. Notice to Proceed,
 - b. Work Change Directives.
 - c. Change Order(s).
- B. There are no Contract Documents other than those listed above in this Document.
- C. The Contract Documents may only be amended, modified, or supplemented as provided in paragraph 3.04 of the General Conditions.

ARTICLE 15 - MISCELLANEOUS

15.01 Terms:

A. Terms used in this Agreement will have the meanings indicated in the General Conditions.

15.02 Assignment of Contract:

A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

15.03 Successors and assigns:

A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns,

and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

15.04 Severability:

A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

15.05 Procurement contract(s):

A. Contractor assumes responsibility for the performance of the Procurement Contractor as a Subcontractor, and for the work included in the procurement contract as well as the terms and conditions of Contract Price and payment procedures. Notwithstanding this assignment and transfer, the guarantees and warranties specified in the procurement contract are intended for the benefit of Owner and Contractor, and may be enforced by either party. Owner will provide Contractor with a conformed copy of the assigned contract after assignment of the contract.

15.06 Contractor's Certifications:

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract.
 - 1. "Corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 - 2. "Fraudulent practice" means an intentional misrepresentation of facts made:
 - a. To influence the bidding process or the execution of the Contract to the detriment of Owner.
 - b. To establish Bid or Contract prices at artificial non-competitive levels.
 - c. To deprive Owner of the benefits of free and open competition;
 - 3. "Collusive practice" means a scheme or arrangement between 2 or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels.
 - 4. "Coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement. Counterparts have been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or have been identified by Owner and Contractor or on their behalf.

This Agreement will be effective on Date of the Agreement).	, 20(which is the Effective	
Owner:	Contractor:	
By:	By:	
Title:	Title:(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)	
Attest:	Attest:	
Title:	Title:	
Address for giving notices:	Address for giving notices:	
(If Owner is a corporation, attach evidence of authority	License	
to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)	No.:(Where applicable)	
Agent for serv	ice of process:	
Designated Representative:	Designated Representative:	
Name:	Name:	
Title:	Title:	
Address:	Address:	
Phone:	Phone:	

END OF DOCUMENT