



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: November 3, 2016

Staff Contact: Darren Schulz, PE Public Works Director

Agenda Title: For Possible Action: To approve a Change Order to Contract 1314-132B, Water Resource Recovery Facility Phase 1A Construction Manager at Risk (CMAR) Construction Services, to K.G. Walters Construction/Q&D Construction, a joint venture, for an amount not to exceed \$445,050.00, to be funded from the Sewer Capital - Construction Fund. (David Bruketta dbruketta@carson.org)

Staff Summary: This Change Order is to replace and install three new Archimedes Screw Pumps at the existing Headworks facility.

Agenda Action: Formal Action/Motion

Time Requested: 10 Minutes

Proposed Motion

Move to approve Change Order to Contract 1314-132B in the amount of \$445,050.00 to replace and install three new Archimedes Screw Pumps at the existing Headworks facility.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

Awarded CMAR Contract to K.G. Walter/Q&D Construction on March 3, 2016 - attached.

Background/Issues & Analysis

The existing screw pumps are approximately 30 years old and they have out lived their useful life. They have failed in the past requiring emergency repairs to the upper and lower bearings. In reviewing these screw pumps, they are beginning to delaminate and total failure is eminent.

These existing screw pumps have required regular maintenance and unexpected maintenance over the past several years. They were identified in the current project "Water Resource Recovery Improvements Phase 1A" Contract Number 1314-132B, as an alternate bid item. As the bid was close to the available funding, this item could not be included.

As we are now 45 percent complete budget wise and 40 percent complete time wise on the current project, Staff is comfortable utilizing part of the approved contingency fund of \$1.4 million. The estimated cost of this change order is \$445,050.00. We currently have used approximately \$2,000 of the \$1.4 million contingency to date.

This change order will help ensure the consistent transmission and treatment of the daily 4.5 million gallons of raw sewage being processed at the Water Resource Recovery Improvement Facility on East Fifth Street.

Applicable Statute, Code, Policy, Rule or Regulation

N/A

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: 510-3205-434-70-40, Project # 051301

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: Previously approved contingency fund of \$1.4 million will be reduced by \$445,050.00.

Alternatives

Do not approve Change Order and provide alternate direction.

Board Action Taken:

Motion: _____

1) _____

2) _____

Aye/Nay

(Vote Recorded By)

11(A)



STAFF REPORT

Report To: Board of Supervisors

Meeting Date: March 3, 2016

Staff Contact: Laura Tadman and David Bruketta

Agenda Title: For Possible Action: To approve Contract No. 1314-132B, Water Resource Recovery Facility Phase 1A Construction Manager at Risk (CMAR) Construction Services, to K. G. Walters Construction / Q & D Construction, a joint venture, for an amount not to exceed of \$29,991,581.00 to be funded from the Sewer Capital-Construction Fund as provided in fiscal years 2015/2016, 2016/2017, 2017/2018 and 2018/2019. (Laura Tadman; LTadman@carson.org and David Bruketta; DBruketta@carson.org)

Staff Summary: This contract is to provide CMAR construction services for the Water Resource Recovery Facility Phase 1A upgrades. The upgrades include a new bio-reactor to replace the existing bio-towers and aeration pond, a new secondary clarifier, a new digester mixing and heating system, two new standby generators, and major upgrades to the existing electrical and controls systems. City staff, the building department and third party special inspectors will work with the CMAR during the construction process to assist in quality control and quality assurance on the installation of new materials and equipment.

Agenda Action: Formal Action/Motion

Time Requested: 10 minutes

Proposed Motion

I move to approve Contract No. 1314-132B, Water Resource Recovery Facility Phase 1A Construction Manager at Risk (CMAR) Construction Services, to K. G. Walters Construction / Q & D Construction, a joint venture, for an amount not to exceed of \$29,991,581.00 to be funded from the Sewer Capital-Construction Fund as provided in fiscal years 2015/2016, 2016/2017, 2017/2018 and 2018/2019.

Board's Strategic Goal

Sustainable Infrastructure

Previous Action

The firm K. G. Walters Construction/ Q & D Construction, a joint venture, was selected for pre-construction services via RFP #1314-132A-Request for Wastewater Reclamation Plant Improvements.

Background/Issues & Analysis

Pursuant to NRS 332.115(1)(b): (1) Contracts which by their nature are not adapted to award by competitive bidding, including contracts for (b) Professional Services and NRS 625.530, contracts for the services of a professional engineer, professional land surveyor or registered architect; that the selection was made on the basis of the competence and qualifications of the engineer, land surveyor or architect for the type of service to be performed and not on the basis of competitive fees; and therefore not suitable for public bidding.

Applicable Statute, Code, Policy, Rule or Regulation

NRS 332.115(1)(b) and NRS 625.530.

Financial Information

Is there a fiscal impact? Yes No

If yes, account name/number: 510-3205-434.70-40

Is it currently budgeted? Yes No

Explanation of Fiscal Impact: If approved, the Sewer Capital-Construction Fund will be reduced by \$29,991,581.00 for fiscal years 2015/2016, 2016/2017, 2017/2018 and 2018/2019.

Alternatives

Not award contract and provide other direction.

Board Action Taken:

Motion: APP

- 1) BB
- 2) LB

Aye/Nay

49 / 1
d S

SM
(Vote Recorded By)

**Construction Management at Risk
Guaranteed Maximum Price Contract
Title: Water Resource and Recovery Facility- Phase 1A Improvements
Contract No. 1314-132B**

THIS CONTRACT made and entered into this 3rd day of March, 2016, by and between Carson City, a consolidated municipality, a political subdivision of the State of Nevada, hereinafter referred to as "CITY", and K. G. Walters Construction Co. Inc. /Q & D Construction a joint venture, hereinafter referred to as "CONTRACTOR".

WITNESSETH:

WHEREAS, the Purchasing and Contracts Administrator for CITY is authorized pursuant to Nevada Revised Statutes (hereinafter referred to as "NRS") 338 and Carson City Purchasing Resolution #1990-R71, to approve and accept this Contract as set forth in and by the following provisions; and

WHEREAS, this Contract involves a "public work," which pursuant to NRS 338.010(17) means any project for the new construction, repair or reconstruction of an applicable project financed in whole or in part from public money; and

WHEREAS, CONTRACTOR'S compensation under this agreement (does X) (does not) utilize in whole or in part money derived from one or more federal grant funding source(s); and

WHEREAS, it is deemed necessary that the services of CONTRACTOR for CONTRACT No. 1314-132B, titled **Water Resource and Recovery Facility-Phase 1A Improvements** (hereinafter referred to as "Contract") are both necessary and in the best interest of CITY; and

NOW, THEREFORE, in consideration of the aforesaid premises, and the following terms, conditions and other valuable consideration, the parties mutually agree as follows:

1. REQUIRED APPROVAL:

This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors.

2. SCOPE OF WORK (Incorporated Contract Documents):

2.1 The parties agree that the Scope of Work will be specifically described and hereinafter referred to as the "WORK." This Contract incorporates the following attachments, and a **CONTRACTOR'S** attachment shall not contradict or supersede any CITY specifications and/or terms or conditions without written evidence of mutual assent to such change appearing in this Contract:

2.1.1 **CONTRACTOR** agrees that the Contract Documents for Bid No.1324-132B including, but not limited to, the Notice to Contractors, Table of Contents, Project Coordination, Instructions to Bidders, Contract Award Information, General Conditions, Special Conditions, Technical Specification, Prevailing Wages, Contract Drawings, Bidder RFI List, VE Items and Addenda, if any, are intended to be complete and complementary and are intended to describe a complete WORK. These documents are incorporated herein by reference and made a part of this Contract. All of these documents can be reviewed in person at the Public Works Department 3505 Butti Way, Carson City, Nevada, 89701.

2.1.2 **CONTRACTOR** additionally agrees **CONTRACTOR'S** Bid Bond, Bid Proposal, Proposal Summary, Executed Contract, Performance Bond, Labor and Material Bond, Certificate of Eligibility, Insurance Certificates, Permits, Notice of Award, Notice to Proceed and Executed Change Orders, hereinafter all referred to as Exhibit A, are incorporated herein and made a part of this Contract.

For P&C Use Only	
CCBL expires	12/30/16
NVCL expires	4/30/18
GL expires	10/1/16
AL expires	10/1/16
WC expires	1/1/17

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3. CONTRACT TERM AND LIQUIDATED DAMAGES:

3.1 **CONTRACTOR** agrees to complete the WORK on or before the date specified in the Notice to Proceed or any executed Change Orders to the entire satisfaction of **CITY** before final payment is made, unless sooner termination by either party as specified in **Section 6** (CONTRACT TERMINATION) and the General Conditions, Section GC 3.18.

3.2 Pursuant to the provisions under Time for Completion and Liquidated Damages in the Contract Documents of said Specifications, **CONTRACTOR** will complete the WORK within the Contract time. Since **CITY** and **CONTRACTOR** agree it is difficult to ascertain the actual amount of damages incurred due to delay of the Project, it is agreed that **CITY** will be paid the liquidated damages as specified in the Contract Special Conditions for each and every calendar day of delay in the completion of the WORK, in addition to any direct charges incurred by **CITY** as a result of delay of the Project, including engineering fees and additional damages due to late construction. **CITY** also reserves the right to deduct any amounts due **CITY** from any monies earned by **CONTRACTOR** under this Contract.

3.3 That in the performance of this Contract, **CONTRACTOR** and any subcontractors, as employers, shall pay 1 ½ times an employee's regular wage rate whenever an employee who received compensation for employment at a rate less than 1 ½ time the minimum wage who works more than forty (40) hours in any scheduled work week, more than eight (8) hours in a day, unless by mutual agreement the employee works a scheduled ten (10) hours per day for four (4) calendar days within a work week. Employers should refer to NRS 608.018, NRS 338.020 and A.O. 2013-04 for further details on overtime requirements.

4. NOTICE:

4.1 Except the bid and award process where notices may be limited to postings by **CITY** on its Finance Department/Bid Opportunities website (www.carson.org), all notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail, by regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

4.2 Notice to **CONTRACTOR** shall be addressed to:

K. G. Walters Construction Co. Inc.
Walt Johnson – President
P.O. Box 4359
Santa Rosa, CA 95402-4359
707-527-9968 / Fax 707-527-0244
waltjohnson@kgwalters.com

4.3 Notice to **CITY** shall be addressed to:

Carson City Purchasing and Contracts
Laura Tadman, Purchasing and Contracts Administrator
201 North Carson Street, Suite 3
Carson City, NV 89701
775-283-7137 / FAX 775-887-2107
LTadman@carson.org

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5. COMPENSATION:

5.1 The parties agree that **CONTRACTOR** will provide the WORK specified in the Contract for the Contract Amount of Twenty Nine Million, nine hundred ninety one thousand five hundred eighty one dollars and 00/100 (\$29,991,581.00).

The CMAR's Guaranteed Maximum Price (GMP) for the entire Work on the referenced Project:

1) Cost of the Work (excluding General Conditions)	\$	22,212,663.00
2) CMAR's General Conditions	\$	2,179,743.00
3) CMAR's Fee	\$	3,735,858.00
4) Contingency	\$	1,400,000.00
5) Bonds and Insurance	\$	463,317.00
6) Total Guaranteed Maximum Price	\$	29,991,581.00

	Owner	CMAR
Percentage Split of GMP Savings	50%	50%
Percentage Split of CMAR's Contingency Savings	100%	0%

5.2 **CITY** will pay **CONTRACTOR** progress payments and the final payment computed from the actual quantities of WORK performed and accepted and the materials furnished at the Lump Sum prices shown on **CONTRACTOR'S schedule of values** as submitted and any executed Change Orders.

5.3 Contract Amount represents full and adequate compensation for the complete WORK, and includes the furnishing of all materials, all labor, equipment, tools, transportation, services, appliances, and all expenses, direct or indirect connected with the proper execution of the WORK.

5.4 **CITY** does not agree to reimburse **CONTRACTOR** for expenses unless otherwise specified.

6. CONTRACT TERMINATION:

6.1 Termination Without Cause:

6.1.1 Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

6.1.2 **CITY** reserves the right to terminate this Contract for convenience whenever it considers termination, in its sole and unfettered discretion, to be in the public interest. In the event that the Contract is terminated in this manner, payment will be made for WORK actually completed. If termination occurs under this provision, in no event shall **CONTRACTOR** be entitled to anticipated profits on items of WORK not performed as of the effective date of the termination or compensation for any other item, including but not limited to, unabsorbed overhead. **CONTRACTOR** shall require that all subcontracts which it enters related to this Contract likewise contain a termination for convenience clause which precludes the ability of any subcontractor to make claims against **CONTRACTOR** for damages due to breach of contract, lost profit on items of WORK not performed, or unabsorbed overhead, in the event of a convenience termination.

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6.2 Termination for Non-appropriation:

6.2.1 All payments and WORK provided under this Contract are contingent upon the availability of the necessary public funding, which may include various internal and external sources. In the event that Carson City does not acquire and appropriate the funding necessary to perform in accordance with the terms of the Contract, the Contract shall automatically terminate upon **CITY'S** notice to **CONTRACTOR** of such non-appropriation, and no claim or cause of action may be based upon any such non-appropriation.

6.3 Cause Termination for Default or Breach:

6.3.1 A default or breach may be declared with or without termination.

6.3.2 This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

6.3.2.1 If **CONTRACTOR** fails to provide or satisfactorily perform any of the conditions, WORK, deliverables, goods, or any services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

6.3.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or WORK or any services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

6.3.2.3 If **CONTRACTOR** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

6.3.2.4 If **CITY** materially breaches any material duty under this Contract and any such breach impairs **CONTRACTOR'S** ability to perform; or

6.3.2.5 If it is found by **CITY** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONTRACTOR**, or any agent or representative of **CONTRACTOR**, to any officer or employee of **CITY** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

6.3.2.6 If it is found by **CITY** that **CONTRACTOR** has failed to disclose any material conflict of interest relative to the performance of this Contract.

6.3.2.7 **CITY** may terminate this Contract if **CONTRACTOR**:

6.3.2.7.1 Fails to maintain bonding, Nevada State Contractors' Board License, State Industrial Insurance requirements or insurance policies for limits as defined in this Contract; or

6.3.2.7.2 Persistently or materially refuses or fails to supply properly skilled workers or proper materials; or

6.3.2.7.3 Fails to make payment to subcontractors for materials or labor in accordance with the respective agreements between **CONTRACTOR** and the subcontractors; or

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- 6.3.2.7.4 Disregards laws, ordinances, or rules, regulations or order of a public authority having jurisdiction; or
- 6.3.2.7.5 Otherwise makes a material breach of a provision of this Contract; or
- 6.3.2.7.6 **CONTRACTOR** fails to maintain safe working conditions.

6.3.3 When any of the **Subsection 6.3.2.7.1 through 6.3.2.7.6, inclusive**, cause reasons exist, and without prejudice to any other rights or remedies of **CITY**, **CITY** may terminate this Contract at any time after giving **CONTRACTOR** and **CONTRACTOR'S** Surety seven (7) calendar days written notice of default or breach and intent to terminate and **CONTRACTOR'S** subsequent failure to timely correct as provided below, and subject to any prior rights of the Surety, **CITY** may:

6.3.3.1 Take possession of the site and of all materials, equipment, tools and construction equipment and machinery thereon owned by **CONTRACTOR**;

6.3.3.2 Accept assignment of subcontractors pursuant to this Contract (Contingent Assignment of Subcontracts to Carson City if this Contract is terminated); and

6.3.3.3 Finish the WORK by whatever reasonable method **CITY** may deem expedient.

6.3.4 If **CITY** terminates this Contract for any of the cause reasons stated in **Section 6.3**:

6.3.4.1 **CONTRACTOR** shall not be entitled to receive further payment until the WORK is finished.

6.3.4.2 If the unpaid balance of the Contract Amount exceeds the cost of finishing the WORK including expenses made necessary thereby, such excess shall be paid to **CONTRACTOR**. If the costs of finishing the WORK exceed the unpaid balance, **CONTRACTOR** shall pay the difference to **CITY**. The amount to be paid to **CONTRACTOR** or **CITY**, as the case may be, shall survive termination of this Contract.

6.3.4.3 In the event of such cause termination, all monies due **CONTRACTOR** or retained under the terms of this Contract shall be held by **CITY**, however, such holdings will not release **CONTRACTOR** or its Sureties from liability for failure to fulfill this Contract. Any excess cost over and above the Contract Amount incurred by **CITY** arising from the termination of the operations of this Contract and the completion of the WORK by **CITY** as provided above shall be paid for by any available funds held by **CITY**. **CONTRACTOR** will be so credited with any surplus remaining after all just claims for such completion have been paid.

6.4 If at any time before completion of the WORK under this Contract, the WORK shall be stopped by an injunction of a court of competent jurisdiction or by order of any competent government authority, **CITY** may give immediate notice to **CONTRACTOR** to discontinue the WORK and terminate this Contract. **CONTRACTOR** shall discontinue the WORK in such manner, sequence, and at such times as **CITY** may direct. **CONTRACTOR** shall have no claim for damages for such discontinuance or termination, nor any claim for anticipated profits on the WORK thus dispensed with, nor for any claim for penalty, nor for any other claim such as unabsorbed overhead, except for the WORK actually performed up to the time of discontinuance, including any extra WORK ordered by **CITY** to be done.

6.5 Time to Correct (Declared Default or Breach):

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6.5.1 Termination upon a declared default or breach may be exercised only after providing 7 (seven) calendar days written notice of default or breach, and the subsequent failure of the defaulting or breaching party, within five (5) calendar days of providing that default or breach notice, to provide evidence satisfactory to the aggrieved party demonstrating that the declared default or breach has been corrected. Time to correct shall run concurrently with any notice of default or breach and such time to correct is not subject to any stay with respect to the nonexistence of any Notice of Termination. Untimely correction shall not void the right to termination otherwise properly noticed unless waiver of the noticed default or breach is expressly provided in writing by the aggrieved party. There shall be no time to correct with respect to any notice of termination without cause, termination for non-appropriation or termination due to court injunction or order of a competent government authority.

6.6 Winding Up Affairs Upon Termination:

6.6.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this **Subsection 6.6** survive termination:

6.6.1.1 The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination; and

6.6.1.2 **CONTRACTOR** shall satisfactorily complete WORK in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **CITY**; and

6.6.1.3 **CONTRACTOR** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **CITY**; and

6.6.1.4 **CONTRACTOR** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with **Section 21**.

6.7 Notice of Termination:

6.7.1 Unless otherwise specified in this Contract, termination shall not be effective until seven (7) calendar days after a party has provided written notice of default or breach, or notice of without cause termination. Notice of Termination may be given at the time of notice of default or breach, or notice of without cause termination. Notice of Termination may be provided separately at any time after the running of the 7-day notice period, and such termination shall be effective on the date the Notice of Termination is provided to the party unless a specific effective date is otherwise set forth therein. Any delay in providing a Notice of Termination after the 7-day notice period has run without a timely correction by the defaulting or breaching party shall not constitute any waiver of the right to terminate under the existing notice(s).

7. **DAVIS-BACON & RELATED ACTS 29 CFR PARTS 1,3,5,6,&7 AND NRS 338.070(5):**

7.1 **CONTRACTOR** shall comply with Davis-Bacon Act and NRS 338.070(5). **CONTRACTOR** and each covered contractor or subcontractor must provide a weekly statement of wages paid to each of its employees engaged in covered WORK. The statement shall be executed by **CONTRACTOR** or subcontractor or by an authorized officer or employee of **CONTRACTOR** or subcontractor who supervised the payment of wages and shall be on the "Statement of Compliance" form. **CONTRACTOR** shall submit a Statement of Compliance that is prescribed by the Nevada Labor Commissioner or contains identical wording. Per NRS 338.070(6) the records maintained pursuant to subsection 5 must be open at all reasonable hours to the inspection of the public body (the **CITY'S** representative) awarding

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the contract. The **CONTRACTOR** engaged on the public work or subcontractor engaged on the public work shall ensure that a copy of each record for each calendar month is received by the public body awarding the contract (the **City**) **no later than 15 days after the end of the month.**

7.2 In the event federal funds are used for payment of all or part of this Contract, **CONTRACTOR** shall submit a Statement of Compliance form WH347 or a form with identical wording and a Statement of Compliance prescribed by the Nevada Labor Commissioner **within 7 days after the regular pay date for the pay period.** The original Statements shall be delivered to Carson City Public Works, 3505 Butti Way, Carson City, Nevada 89703, attention Davis-Bacon/Federal Funding Compliance.

7.3 CERTIFIED PAYROLLS FOR DAVIS-BACON AND PREVAILING WAGE PROJECTS:

7.3.1 The higher of the Federal or local prevailing wage rates for **CITY**, as established by the Nevada Labor Commission and the Davis-Bacon Act, shall be paid for all classifications of labor on this project WORK. Should a classification be missing from the Davis-Bacon rates the **CONTRACTOR** shall complete a request of authorization for additional classification or rate form SF1444 in its entirety and submit it to the **CITY** for approval and submission to the U.S. Department of Labor. Also, in accordance with NRS 338, the hourly and daily wage rates for the State and Davis-Bacon must be posted at the work site by **CONTRACTOR**. **CONTRACTOR** shall ensure that a copy of **CONTRACTOR'S** and subcontractor's certified payrolls for each calendar week are received by **CITY**.

7.3.2 Per NRS 338.070(5) a **CONTRACTOR** engaged on a public work and each subcontractor engaged on the public work shall keep or cause to be kept:

(a) An accurate record showing, for each worker employed by the contractor or subcontractor in connection with the public work:

- (1) The name of the worker;
- (2) The occupation of the worker;
- (3) The gender of the worker, if the worker voluntarily agreed to specify that information pursuant to subsection 4, or an entry indicating that the worker declined to specify such information;
- (4) The ethnicity of the worker, if the worker voluntarily agreed to specify that information pursuant to subsection 4, or an entry indicating that the worker declined to specify such information;
- (5) If the worker has a driver's license or identification card, an indication of the state or other jurisdiction that issued the license or card; and
- (6) The actual per diem, wages and benefits paid to the worker; and

(b) An additional accurate record showing, for each worker employed by the contractor or subcontractor in connection with the public work who has a driver's license or identification card:

- (1) The name of the worker;
- (2) The driver's license number or identification card number of the worker; and
- (3) The state or other jurisdiction that issued the license or card.

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7.3.3 The original payroll records shall be certified and shall be submitted weekly to Carson City Public Works, 3505 Butti Way, Carson City, Nevada 89703, attention Davis-Bacon/Federal Funding Compliance. Submission of such certified payrolls shall be a condition precedent for processing the monthly progress payment. **CONTRACTOR**, as General Contractor, shall collect the wage reports from the subcontractors and ensure the receipt of a certified copy of each weekly payroll for submission to **CITY** as one complete package.

7.3.4 Pursuant to NRS 338.060 and 338.070, **CONTRACTOR** hereby agrees to forfeit, as a penalty to **CITY**, not less than Twenty Dollars (\$20) nor more than Fifty Dollars (\$50) for each calendar day or portion thereof that each worker employed on the Contract is paid less than the designated rate for any WORK done under the Contract, by **CONTRACTOR** or any subcontractor under him/her, or is not reported to **CITY** as required by NRS 338.070.

8. FAIR EMPLOYMENT PRACTICES:

8.1 Pursuant to NRS 338.125, Fair Employment Practices, the following provisions must be included in any contract between **CONTRACTOR** and a public body such as **CITY**:

8.1.1 *In connection with the performance of work under this Contract, **CONTRACTOR** agrees not to discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, sexual orientation, gender identity, or age, including, without limitation, with regard to employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including without limitation, apprenticeship.*

8.1.2 **CONTRACTOR** further agrees to insert this provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

9. PREFERENTIAL EMPLOYMENT:

9.1 Unless, and except if, this Contract is funded in whole or in part by federal grant funding (see 40 C.F.R. § 31.36(c) *Competition*), pursuant to NRS 338.130, in all cases where persons are employed in the construction of public works, preference must be given, the qualifications of the applicants being equal: (1) First: To persons who have been honorably discharged from the Army, Navy, Air Force, Marine Corps or Coast Guard of the United States, a reserve component thereof or the National Guard; and are citizens of the State of Nevada. (2) Second: To other citizens of the State of Nevada.

9.2 Unless, and except if, this Contract is funded in whole or in part by federal grant funding (see 40 CFR § 31.36(c) *Competition*), in connection with the performance of WORK under this Contract, **CONTRACTOR** agrees to comply with the provisions of NRS 338.130 requiring certain preferences to be given to which persons are employed in the construction of a public work. If **CONTRACTOR** fails to comply with the provisions of NRS 338.130, pursuant to the terms of NRS 338.130(3), this Contract is void, and any failure or refusal to comply with any of the provisions of this section renders this Contract void.

10. REMEDIES:

Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorney's fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$300 per hour. **CITY** may set off consideration against any unpaid obligation of **CONTRACTOR** to **CITY**.

11. LIMITED LIABILITY:

CITY will not waive and intends to assert available NRS Chapter 41 liability limitations in all cases. Contract

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liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise expressly provided for elsewhere in this Contract. Damages for any CITY breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONTRACTOR**, for the fiscal year budget in existence at the time of the breach. **CONTRACTOR'S** tort liability shall not be limited.

12. FORCE MAJEURE:

Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

13. INDEMNIFICATION:

13.1 To the extent permitted by law, including, but not limited to, the provisions of NRS Chapter 41, each party shall indemnify, hold harmless and defend, not excluding the other's right to participate, the other party from and against all liability, claims, actions, damages, losses, and expenses, including but not limited to reasonable attorney's fees and costs, arising out of any alleged negligent or willful acts or omissions of the indemnifying party, its officers, employees and agents. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this Section.

13.2 Except as otherwise provided in **Subsection 13.4** below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

13.2.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

13.2.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

13.3 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

13.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

14. INDEPENDENT CONTRACTOR:

14.1 **CONTRACTOR**, as an independent contractor, is a natural person, firm or corporation who agrees to perform WORK for a fixed price according to his or its own methods and without subjection to the supervision or control of the CITY, except as to the results of the WORK, and not as to the means by which the WORK are accomplished.

14.2 It is mutually agreed that **CONTRACTOR** is associated with CITY only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted WORK pursuant to this Contract. **CONTRACTOR** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

14.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any

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liability for CITY whatsoever with respect to the indebtedness, liabilities, and obligations of CONTRACTOR or any other party.

14.4 CONTRACTOR, in addition to **Section 13** (INDEMNIFICATION), shall indemnify and hold CITY harmless from, and defend CITY against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, CONTRACTOR'S obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

14.5 Neither CONTRACTOR nor its employees, agents, or representatives shall be considered employees, agents, or representatives of CITY.

15. INSURANCE REQUIREMENTS (GENERAL):

15.1 NOTICE: The following general insurance requirements shall apply unless these general requirements are altered by the specific requirements set forth in CITY'S solicitation for bid document, the adopted bid or other document incorporated into this Contract by the parties. These general insurance requirements do not include terms related to bond(s) required for this Contract, which are set forth in the CITY'S solicitation and below in this Contract following the execution pages.

15.2 CONTRACTOR, as an independent contractor and not an employee of CITY, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. CITY shall have no liability except as specifically provided in this Contract.

15.3 CONTRACTOR shall not commence work before: (1) CONTRACTOR has provided the required evidence of insurance to CITY Purchasing and Contracts, and (2) CITY has approved the insurance policies provided by CONTRACTOR.

15.4 Prior approval of the insurance policies by CITY shall be a condition precedent to any payment of consideration under this Contract and CITY'S approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of CITY to timely approve shall not constitute a waiver of the condition.

15.5 *Insurance Coverage (15.6 through 15.23):*

15.6 CONTRACTOR shall, at CONTRACTOR'S sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by CITY, the required insurance shall be in effect prior to the commencement of work by CONTRACTOR and shall continue in force as appropriate until the later of:

15.6.1 Final acceptance by CITY of the completion of this Contract; or

15.6.2 Such time as the insurance is no longer required by CITY under the terms of this Contract.

15.6.3 Any insurance or self-insurance available to CITY under its coverage(s) shall be in excess of and non-contributing with any insurance required from CONTRACTOR. CONTRACTOR'S insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by CITY, CONTRACTOR shall provide CITY with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as CONTRACTOR has knowledge of any such failure, CONTRACTOR shall immediately notify CITY and immediately replace such insurance or bond with an insurer meeting the requirements.

15.7 *General Insurance Requirements (15.8 through 15.23):*

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15.8 **Certificate Holder:** Each liability insurance policy shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 3, Carson City, NV 89701 as a certificate holder.

15.9 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONTRACTOR**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

15.10 **Waiver of Subrogation:** Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.

15.11 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

15.12 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONTRACTOR** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONTRACTOR** from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed \$5,000.00 per occurrence, unless otherwise approved by **CITY**.

15.13 **Policy Cancellation:** Except for ten (10) calendar days' notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by mail to Carson City Purchasing and Contracts, 201 N. Carson Street, Suite 3, Carson City, NV 89701.

15.14 **Approved Insurer:** Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

15.15 **Evidence of Insurance:** Prior to commencement of work, **CONTRACTOR** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street, Suite 3, Carson City, NV 89701:

15.16 **Certificate of Insurance:** The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONTRACTOR**.

15.17 **Additional Insured Endorsement:** An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per Subsection 15.9 (Additional Insured).

15.18 **Schedule of Underlying Insurance Policies:** If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

15.19 **Review and Approval:** Documents specified above must be submitted for review and approval by **CITY** Purchasing and Contracts prior to the commencement of work by **CONTRACTOR**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by **CONTRACTOR** shall relieve **CONTRACTOR** of **CONTRACTOR'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONTRACTOR** or its sub-contractors, employees or agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

15.20 **COMMERCIAL GENERAL LIABILITY INSURANCE:**

15.20.1 *Minimum Limits required:*

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- 15.20.2 Two Million Dollars (\$2,000,000.00) - General Aggregate.
- 15.20.3 Two Million Dollars (\$2,000,000.00) - Products & Completed Operations. Aggregate
- 15.20.4 One Million Dollars (\$1,000,000.00) - Each Occurrence.
- 15.20.5 Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

15.21 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

- 15.21.1 *Minimum Limit required:*
- 15.21.2 One Million Dollars (\$1,000,000.00) per occurrence for bodily injury and property damage.
- 15.21.3 Coverage shall be for "any auto", including owned, non-owned and hired vehicles. The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

15.22 PROFESSIONAL LIABILITY INSURANCE (Architects, Engineers and Land Surveyors)

- 15.22.1 *Minimum Limit required:*
- 15.22.2 One Million Dollars (\$1,000,000.00).
- 15.22.3 Retroactive date: Prior to commencement of the performance of this Contract.
- 15.22.4 Discovery period: Three (3) years after termination date of this Contract.
- 15.22.5 A certified copy of this policy may be required.

15.23 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

- 15.23.1 **CONTRACTOR** shall provide workers' compensation insurance as required by NRS Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000.00 each employee per accident for bodily injury by accident or disease.
- 15.23.2 **CONTRACTOR** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONTRACTOR** is a sole proprietor; that **CONTRACTOR** will not use the services of any employees in the performance of this Contract; that **CONTRACTOR** has elected to not be included in the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive; and that **CONTRACTOR** is otherwise in compliance with the terms, conditions, and provisions of NRS Chapters 616A-616D, inclusive.

16. BUSINESS LICENSE:

- 16.1 **CONTRACTOR** shall not commence work before **CONTRACTOR** has provided a copy of his Carson City business license to Carson City Purchasing and Contracts.
- 16.2 The Carson City business license shall continue in force until the later of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

17. COMPLIANCE WITH LEGAL OBLIGATIONS:

CONTRACTOR shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONTRACTOR** to provide the goods or WORK or any services of this Contract. **CONTRACTOR** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines,

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judgments, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONTRACTOR** in accordance with NRS Chapter 361 generally and NRS 361.157 and 361.159, specifically regarding for profit activity. **CONTRACTOR** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

18. WAIVER OF BREACH:

Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

19. SEVERABILITY:

If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the non-enforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

20. ASSIGNMENT / DELEGATION:

To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **CITY**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONTRACTOR** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **CITY**. The parties do not intend to benefit any third party beneficiary regarding their respective performance under this Contract.

21. CITY OWNERSHIP OF PROPRIETARY INFORMATION:

21.1 Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONTRACTOR** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **CITY** and all such materials shall be delivered into **CITY** possession by **CONTRACTOR** upon completion, termination, or cancellation of this Contract. **CONTRACTOR** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONTRACTOR'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.

21.2 **CITY** shall be permitted to retain copies, including reproducible copies, of **CONTRACTOR'S** drawings, specifications, and other documents for information and reference in connection with this Contract.

21.3 **CONTRACTOR'S** drawings, specifications and other documents shall not be used by **CITY** or others without expressed permission of **CONTRACTOR**.

22. PUBLIC RECORDS:

Pursuant to NRS 239.010, information or documents received from **CONTRACTOR** may be open to public inspection and copying. **CITY** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONTRACTOR** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 332.061, provided that **CONTRACTOR** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

23. CONFIDENTIALITY:

CONTRACTOR shall keep confidential all information, in whatever form, produced, prepared, observed or

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received by **CONTRACTOR** to the extent that such information is confidential by law or otherwise required by this Contract.

24. FEDERAL FUNDING:

24.1 *In the event federal grant funds are used for payment of all or part of this Contract:*

24.1.1 **CONTRACTOR** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

24.1.2 **CONTRACTOR** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

24.1.3 **CONTRACTOR** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and Executive Order 11478 (July 21, 2014) and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, sexual orientation, gender identity, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

24.1.4 If and when applicable to the particular federal funding and the Scope of Work under this Contract, **CONTRACTOR** and its subcontractors shall comply with: American Recovery and Reinvestment Act of 2009, Section 1605 – Buy American (100% Domestic Content of iron, steel and manufactured goods); Federal Highway Administration (FHWA) 23 U.S.C. § 313 – Buy America, 23 C.F.R. § 635.410 (100% Domestic Content of steel, iron and manufactured products); Federal Transit Administration (FTA) 49 U.S.C. § 5323(j), 49 C.F.R. Part 661 – Buy America Requirements (See 60% Domestic Content for buses and other Rolling Stock).

25. LOBBYING:

25.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

25.1.1 Any federal, state, county or local agency, legislature, commission, council or board;

25.1.2 Any federal, state, county or local legislator, commission member, council member, board member, or other elected official; or

25.1.3 Any officer or employee of any federal, state, county or local agency; legislature, commission, council or board.

26. GENERAL WARRANTY:

CONTRACTOR warrants that it will perform all WORK required hereunder in accordance with the prevailing standard of care by exercising the skill and care normally required of individuals performing the same or similar WORK, under the same or similar circumstances, in the State of Nevada.

27. PROPER AUTHORITY:

The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONTRACTOR** acknowledges that this Contract is effective only after approval by the Carson City Board of Supervisors and only for the period of time specified in this Contract. Any WORK performed by **CONTRACTOR** before this Contract is effective or after it ceases to be effective is performed at the sole risk of **CONTRACTOR**.

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28. ALTERNATIVE DISPUTE RESOLUTION (Public Work):

If the WORK under this Contract involves a "public work" as defined under NRS 338.010(17), then pursuant to NRS 338.150, a public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution ("ADR") before initiation of a judicial action if a dispute arising between the public body and the **CONTRACTOR** engaged on the public work cannot otherwise be settled. Therefore, unless ADR is otherwise provided for by the parties in any other incorporated attachment to this Contract, in the event that a dispute arising between **CITY** and **CONTRACTOR** regarding that public work cannot otherwise be settled, **CITY** and **CONTRACTOR** agree that, before judicial action may be initiated, **CITY** and **CONTRACTOR** will submit the dispute to non-binding mediation. **CITY** shall present **CONTRACTOR** with a list of three potential mediators. **CONTRACTOR** shall select one person to serve as the mediator from the list of potential mediators presented by **CITY**. The person selected as mediator shall determine the rules governing the mediation.

29. GOVERNING LAW / JURISDICTION:

This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONTRACTOR** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

30. ENTIRE CONTRACT AND MODIFICATION:

This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Carson City Board of Supervisors. The parties agree that each has had their respective counsel review this Contract which shall be construed as if it was jointly drafted.

31. ACKNOWLEDGMENT AND EXECUTION:

This Contract may be executed in counterparts. The parties hereto have caused this Contract to be signed and intend to be legally bound thereby as follows:

**Construction Management at Risk
Guaranteed Maximum Price Contract
Title: Water Resource and Recovery Facility- Phase 1A Improvements
Contract No. 1314-132B**

AND ALL SUPPLEMENTAL AGREEMENTS AMENDING OR EXTENDING THE WORK CONTEMPLATED.

ACKNOWLEDGMENT AND EXECUTION:


In witness whereof, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

CITY

Chief Financial Officer
Attn: Laura Tadman, Purchasing and
Contracts Administrator
201 North Carson Street, Suite 3
Carson City, Nevada 89701
Telephone: 775-283-7137
Fax: 775-887-2107
LTadman@carson.org

CITY'S LEGAL COUNSEL
Carson City District Attorney

I have reviewed this Contract and approve
as to its legal form.

By: 
Nancy Paulson, Chief Financial Officer

By: 
Deputy District Attorney

Dated 3/11/16

Dated 3/10/16

CITY'S ORIGINATING DEPARTMENT

BY: Darren Schulz, Director
Carson City Public Works Department
3505 Butti Way
Carson City, NV 89701
Telephone: 775-887-2355
Fax: 775-887-2112
DSchulz@carson.org

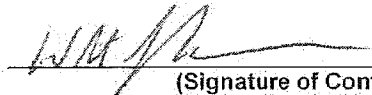
By: 

Dated: 3/4/16

**Construction Management at Risk
Guaranteed Maximum Price Contract
Title: Water Resource and Recovery Facility- Phase 1A Improvements
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Undersigned deposes and says under penalty of perjury: That he/she is **CONTRACTOR** or authorized agent of **CONTRACTOR**; that he/she has read the foregoing Contract; and that he/she understands the terms, conditions and requirements thereof.

CONTRACTOR
BY: Walt Johnson
TITLE: President
FIRM: K.G. Walters Construction Co. Inc. /Q & D Construction, A Joint Venture
CARSON CITY BUSINESS LICENSE #: 16-4129
ADDRESS: P.O. Box 4359
City: Santa Rosa State: CA Zip Code: 95402-4359
Telephone: 707-527-9968
E-mail Address: waltjohnson@kgwalters.com



(Signature of Contractor)

DATED 2/18/16

STATE OF _____)
County of _____)ss

Signed and sworn (or affirmed before me on this _____ day of _____, 20____

see attached

(Signature of Notary)

(Notary Stamp)

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

~~_____
Signature of Document Signer No. 1~~

~~_____
Signature of Document Signer No. 2 (if any)~~

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

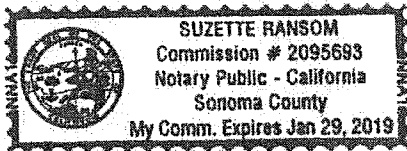
State of California
County of Sonoma

Subscribed and sworn to (or affirmed) before me
on this 18th day of February, 2016
by Walt Johnson
(1) _____

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence
to be the person(s) who appeared before me.

Signature Suzette Ransom
Signature of Notary Public



Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Carson City WRRF CMAR Contract Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

**Construction Management at Risk
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CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of March 3, 2016, approved the acceptance of the attached Contract hereinbefore identified as **CONTRACT No. 1314-132B** and titled **Water Resource Recovery Facility – Phase 1A Improvements**. Further, the Board of Supervisors authorizes the Mayor of Carson City, Nevada to set his hand to this document and record his signature for the execution of this Contract in accordance with the action taken.

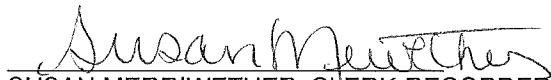
CARSON CITY, NEVADA



ROBERT L. CROWELL, MAYOR

DATED this 3rd day of March, 2016.

ATTEST:


SUSAN MERRIWETHER, CLERK-RECORDER

DATED this 3rd day of March, 2016.

**Construction Management at Risk
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Hartford Fire Insurance Company Bond #57BCSHJ9814
Western Surety Company Bond #929629113

PERFORMANCE BOND

Doc. No. 2151
(Rev. 11-17-99)

KNOW ALL MEN BY THESE PRESENTS, that I/we K.G. Walters/Q&D - A Joint Venture
as Principal, hereinafter called CONTRACTOR,
and

Hartford Fire Insurance Company and Western Surety Company
a corporation duly organized under the laws of the ** , as Surety, hereinafter called the Surety, are held
and firmly bound unto Carson City, Nevada a consolidated municipality of the State of Nevada, hereinafter called
CITY, for the sum of \$ 29,991,581.00 ----- Dollars (state sum in Words) Twenty-Nine Million Nine Hundred
Ninety-One Thousand Five Hundred Eighty-One and No/100 -----
for the payment whereof CONTRACTOR and Surety bind themselves, their heirs, executors, administrators,
successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, CONTRACTOR has by written agreement dated _____, entered into a contract with
CITY for **BID # 1314-132B** and titled **Water Resource and Recovery Facility-Phase 1A Improvements** in
accordance with drawings and specifications prepared by CITY and which contract is by reference made a part
hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if CONTRACTOR
shall promptly and faithfully perform said Contract then this obligation shall be null and void; otherwise it shall remain
in full force and effect. The Surety hereby waives notice of any alteration or extension of time made by CITY and its
obligation is not affected by any such alteration or extension provided the same is within the scope of the Contract.
Whenever CONTRACTOR shall be, and is declared by CITY to be in default under the Contract, CITY having
performed CITY'S obligations thereunder, the Surety may promptly remedy the default or shall promptly:

- 1) Complete the Contract in accordance with its terms and conditions; or
- 2) Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon
determination by CITY and the Surety jointly of the lowest responsive, responsible bidder, arrange for a
contract between such bidder and CITY, and make available as work progresses (even though there
should be a default or a succession of defaults under the contract or contracts of completion arranged
under this paragraph) sufficient funds to pay the cost of completion less the balance of the Contract price,
but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the
amount set forth in the first paragraph hereof. The term "balance of the Contract price", as used in this
paragraph, shall mean the total amount payable by CITY to CONTRACTOR under the Contract and any
amendments thereto, less the amount properly paid by CITY to CONTRACTOR. No right of action shall
accrue on this bond to or for the use of any person or corporation other than CITY or successors of CITY.

** States of Connecticut and South Dakota

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sonoma)

On March 7, 2016 before me, Suzette Ransom, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Walt Johnson
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Suzette Ransom
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Performance Bond Document Date: _____
Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney in Fact
 Trustee Guardian or Conservator
 Other: _____
Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

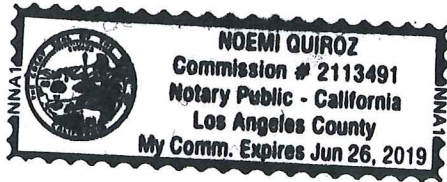
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)


On March 4, 2016, before me, Noemi Quiroz, Notary Public, personally appeared Patricia Arana, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that ~~he~~/~~she~~/~~they~~ executed the same in ~~his~~/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by ~~his~~/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

Signature: 
Noemi Quiroz, Notary Public

LABOR AND MATERIAL PAYMENT BOND

Doc. No. 2152
(Rev. 11-17-99)

KNOW ALL MEN BY THESE PRESENTS, that I/we K.G. Walters/Q&D - A Joint Venture
as Principal, hereinafter called

CONTRACTOR, and

Hartford Fire Insurance Company and Western Surety Company a
corporation duly organized under the laws of the ** , as Surety, hereinafter called the Surety, are
held and firmly bound unto Carson City, Nevada a consolidated municipality of the State of Nevada, hereinafter
called CITY, for the \$ 29,991,581.00 ----- Dollars (state sum in words) Twenty-Nine Million

Nine Hundred Ninety-One Thousand Five Hundred Eighty-One and No/100 ----- for
the payment whereof CONTRACTOR and Surety bind themselves, their heirs, executors, administrators,
successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, CONTRACTOR has by written agreement dated _____ entered into a contract with
CITY for **BID #1314-132B** and titled **Water Resource and Recovery Facility-Phase 1A Improvements** in
accordance with drawings and specifications prepared by CITY and which contract is by reference made a part
hereof, and is hereinafter referred to as the Contract.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that, if
CONTRACTOR shall promptly make payment to all claimants as hereinafter defined, for all labor and material
used or reasonably required for use in the performance of the Contract, then this obligation shall be void;
otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- 1) A claimant is defined as one having a direct contract with CONTRACTOR or with a Subcontractor of the Principal for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service, or rental of equipment directly applicable to the Contract.
- 2) The above-named Principal and Surety hereby jointly and severally agree with CITY that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date on which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for the use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due claimant, and have execution thereon. CITY shall not be liable for the payment of any costs or expenses of any such suit.
- 3) No suit or action shall be commenced hereunder by any claimant:
 - a) Unless claimant, other than one having a direct contract with CONTRACTOR, shall have given written notice to any two of the following: CONTRACTOR, CITY, or the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served or served by mailing the same by registered mail or certified mail, postage prepaid, in an envelope addressed to the Principal at any place the Principal maintains an office or conducts its business.
 - b) After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.
 - c) Other than in a court of competent jurisdiction for the county or district in which the construction Contract was to be performed.


Page: C - 21

(Guaranteed Maximum Price Contract)

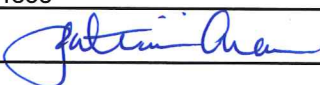
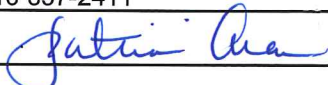
LABOR AND MATERIAL PAYMENT BOND

Continued for **BID #1314-132B** and titled **Water Resource Recovery Facility-Phase 1A Improvements**

- 4) The amount of this bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder, inclusive of the payment by Surety of mechanics' liens which may be filed of record against said improvement, whether or not claim for the amount of such lien be presented under and against this bond.

BY:  TITLE: <u>Walt Johnson, President</u> FIRM: K.G. Walters/Q&D - A Joint Venture Address: 9945 N. Virginia Street City, State, Zip: Reno, NV 89506 Phone: 707-527-9968	(signature of Principal) L.S.
Printed Name of Principal: <u>Walt Johnson</u>	
Attest by: <u>see attached</u> (signature of notary)	
Subscribed and Sworn before me this _____ day of _____ , 20 ____	

**CLAIMS UNDER THIS BOND
MAY BE ADDRESSED TO:**

Name of Surety: Hartford Fire Insurance Company	Western Surety Company
Address: 595 Market Street, 5th Floor	8880 Cal Center Dr., #410
City: San Francisco	Sacramento
State/Zip Code: CA 94105	CA 95826
Name: Pierre Le Compte	Jim Reuter
Title: Contract Underwriter	Branch Manager
Telephone: 415-836-4858	916-857-2411
Surety's Acknowledgment: 	
By: Patricia Arana, Attorney-In-Fact	Patricia Arana, Attorney-In-Fact

NOTICE:

No substitution or revision to this bond form will be accepted. Sureties must be authorized to do business in and have an agent for service of process in the State of Nevada. Certified copy of Power of Attorney must be attached.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Sonoma)

On March 7, 2016 before me, Suzette Ransom, Notary Public,
Date Here Insert Name and Title of the Officer

personally appeared Walt Johnson
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Suzette Ransom
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Labor and Material Payment Bond Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

Signer's Name: _____

- Corporate Officer — Title(s): _____
- Partner — Limited General
- Individual Attorney in Fact
- Trustee Guardian or Conservator
- Other: _____

Signer Is Representing: _____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

Civil Code § 1189

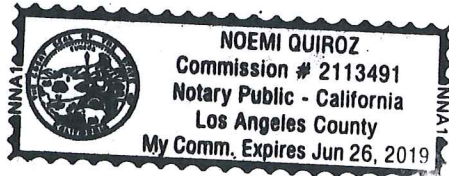
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy or validity of that document.

State of California)
) ss
County of Los Angeles)

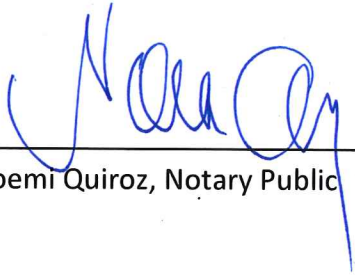
On March 4, 2016, before me, Noemi Quiroz, Notary Public, personally appeared Patricia Arana, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same in his/~~her~~/~~their~~ authorized capacity(ies), and that by his/~~her~~/~~their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



(Seal)

Signature: 
Noemi Quiroz, Notary Public

POWER OF ATTORNEY

Direct Inquiries/Claims to:

THE HARTFORD

Bond T-12

One Hartford Plaza

Hartford, Connecticut 06155

email: bond.claims@thehartford.com

call: 888-266-3488 | fax: 860-757-5835

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Agency Code: 72-256704

- Hartford Fire Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- Hartford Casualty Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- Hartford Accident and Indemnity Company**, a corporation duly organized under the laws of the State of Connecticut
- Hartford Underwriters Insurance Company**, a corporation duly organized under the laws of the State of Connecticut
- Twin City Fire Insurance Company**, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of Illinois**, a corporation duly organized under the laws of the State of Illinois
- Hartford Insurance Company of the Midwest**, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of the Southeast**, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of Unlimited** :

E. S. Albrecht Jr., Patricia Arana, C.K. Nakamura, Maria Pena, Noemi Quiroz, Jeffrey Strassner, Lisa L. Thornton, Tim M. Tomko, Natalie K. Trofimoff of LOS ANGELES, California

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on August 1, 2009, the Companies have caused these presents to be signed by its Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



John Gray, Assistant Secretary

M. Ross Fisher, Vice President

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss. Hartford

On this 12th day of July, 2012, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

Kathleen T. Maynard
Notary Public

My Commission Expires July 31, 2016

I, the undersigned, Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of March 4, 2016.

Signed and sealed at the City of Hartford.



Kevin Heckman, Assistant Vice President

Western Surety Company

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Lisa L Thornton, E S Albrecht Jr, C K Nakamura, Maria Pena, Jeffrey Strassner, Natalie K Trofimoff, Noemi Quiroz, Patricia Arana, Tim M Tomko, Individually

of Los Angeles, CA, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 23rd day of June, 2015.

WESTERN SURETY COMPANY



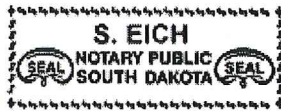
Paul T. Bruflat

Paul T. Bruflat, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 23rd day of June, 2015, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
February 12, 2021



S. Eich

S. Eich, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this 4th day of March, 2016.



WESTERN SURETY COMPANY

L. Nelson

L. Nelson, Assistant Secretary



October 20, 2016

Jim Morris

Project Manager

Carson City Water Resources Recovery Facility Improvements Phase 1A

3505 Butti Way

Carson City, NV 89701

Re: Headworks Archimedes Screw Pump Proposal

Dear Jim,

Please accept our proposal to replace the 3 existing Archimedes Screw Pumps at the Headworks Facility as originally proposed in our January 22, 2016 GMP Submission (Bid Alternate #1) with the following exceptions:

- Replacement of 2 existing Archimedes Screw Pumps with 2 new pumps
- Addition of 1 new pump in the vacant North Channel space (assume tag #1050)
- Deletion of Demolition of existing Screw Pump FRP Covers
- Deletion of New Aluminum Supports & Covers
- New Proposal from Lakeside dated 10/13/2016 (Approx. \$33,000 deduct)
- Added Electrical, Controls & SCADA for Pump #1050
- Additional Structural Concrete for Pump #1050

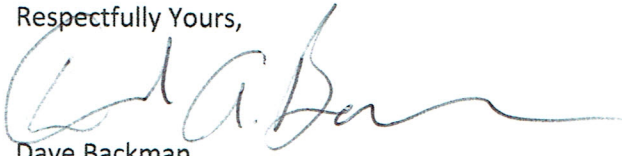
Revised Bid Alternate #1 Total.....\$445,050.00

Please note that the expected Lead Time for procurement is 16 to 19 weeks subsequent to approved submittals. It is understood that maintaining an operational headworks facility is necessary and therefore requires the installation of one pump set at a time. Anticipated outage for replacement of each existing pump set (demolition through completion of new pump) is approximately 4 weeks each. Included with our proposal is the relevant accompanying support documentation as follows:

- Lakeside Equipment Proposal dated October 13, 2016 for replacement of the 3 existing Archimedes Screw Pumps
- Headworks Screw Pump Cost Summary

As we've previously discussed; the project team has successfully preserved the project GMP contingency of \$1.4 Million to date with a project status of 50% complete. Understanding that the continued progress of the project inherently assumes a decrease of unforeseen risks for which the GMP contingency is designed to cover, a re-assignment of a proportion of the GMP seems appropriate at this time. The proposal contained herein is planned to be paid for out of the project contingency unless otherwise directed by Carson City. As always, please feel free to contact me during your review of this proposal as needed for additional clarification as we look forward to providing the additional value to our current contract with the addition of these important facilities.

Respectfully Yours,

A handwritten signature in black ink, appearing to read "Dave Backman", with a long, sweeping horizontal stroke at the end.

Dave Backman

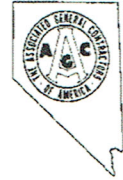
CMAR Director- KGW/Q&D Joint Venture



Carson City Water Resources Recovery Improvements Phase 1A

GMP Bid Alternate #1

Headworks Archimedes Screw Pump Proposal



KGW Direct Costs

Baffle and Dewater Channels	<u>Total</u>
Demo. Of Existing Facilities	\$6,375.00
Install Structural Concrete	\$34,550.00
Buy 3ea. Screw Pumps	\$17,820.00
Install Screw Pumps	\$209,820.00
Grout Channels	\$45,015.00
	\$21,920.00
Subtotal	\$335,500.00

Subcontractors

Paint	\$20,500.00
Electrical, Controls & SCADA	\$31,000.00
Subcontractor Total	\$51,500.00

Subtotal All	\$387,000.00
KGW Markup (overhead & profit) 15%	\$58,050.00

Total w/ Markup \$445,050.00



LAKESIDE

EQUIPMENT CORPORATION

Water Purification Since 1928

1022 E. DEVON AVE. P.O. BOX 8448 BARTLETT, IL 60103 PHONE (630) 837-5640 FAX (630) 837-5647

www.lakeside-equipment.com

October 13, 2016

To: KG Walters Construction

Project: **Carson City, Nevada**

Attn: Dave Backman

Mr. Backman:

We are pleased to offer through our representative, **Nick Chavez, of Shape Incorporated, 6600 Koll Center Pkwy., Ste. 220, Pleasanton, CA, 94566, 925-485-9720**, the following:

OPEN SCREW PUMP EQUIPMENT

For each of the three (3) 54-inch diameter Open Screw Pumps to be installed in existing channels and designed to pump 5,850 gpm @ 16.5-ft of lift (F), we propose to furnish the following:

- 1 - 54-inch diameter screw with three (3) ¼-inch thick continuous ribbon flights, 30-inch diameter center support tube with ⅜-inch wall thickness, sealed ends and flanged steel stub shaft for mounting on the lower end. Screw is set at a 38° inclination with operation at 43 rpm.
- 1 - Lower cam type, adjustable bearing housing for mounting lower stub shaft, bearing sleeve, lip seals, split bearing housing shield and automatic lubricating system located near drive assembly consisting of grease pump driven by 1/3 hp, 3 phase, 60 Hertz, 230/460 volt, TEFC gear motor with support plate and ⅜-inch stainless steel tubing to bearing. Grease pump will have a 15 lb reservoir. Grease system will be fitted with visual grease flow indicator downstream of the bearing and centrifugal switch for wiring to motor control circuit.
- 1 - Upper bearing assembly, consisting of split ductile iron housing, separate thrust and radial bearings, spacer, lip seals and bearing mounting plate mounted on a concrete slab. Minimum L10 life of 100,000 hours.
- 1 - Drive assembly complete with shaft mounted, double reduction, helical gear unit in cast iron case, with backstop not less than 1.5 service factor based on brake horsepower, drive and driven sheaves, V-belts and belt guard.
- 1 - 40 hp, 1750 rpm, 3 phase, 60 Hertz, 480 volt, TEFC horizontal, normal starting torque, continuous duty motor with gasketed conduit box and adjustable mounting plate for V-belt tightening.

1 - Stainless steel deflection plate.

1 - Set of anchor bolts, stainless steel, for the lower bearing and the upper bearing plate.

Approximate shipping weight of each unit is 9,250 lb.

We do not supply conduit, wiring, alarm bells, starters, disconnect switches, pushbutton stations, pump controls, grating over pits, wall sleeves, manhole steps, aluminum handrailing, oil, grease, grease gun, tools, or spare parts unless listed above.

SHOP PAINTING: All ferrous metal parts above and below the water level will be grit blasted and receive a shop coat of Tnemec Series 1 Omnithane Primer. Aluminum, stainless steel and galvanized steel parts will not be shop painted. Motors and reducers will receive a shop coat of machinery enamel. Field paint and finish painting by others.

SHOP DRAWINGS: We will furnish four (4) sets of drawings for the equipment without charge. One (1) set is to be returned to us with the notations or approval stamp of the Engineer. Drawings will require four (4) to six (6) weeks after receipt of an order and complete information, including plans and specifications, field dimensions or verification of field dimensions, which are to be provided at no cost to Lakeside.

SHIPMENT: Shipment can be made in sixteen (16) to nineteen (19) weeks after receipt of approved drawings by our home office. Foundation materials can be shipped within twenty (20) days after drawings are approved.

INSTRUCTION BOOKS: Four (4) sets of installation, operation, lubrication and maintenance books will be furnished before shipment of the equipment.

SERVICE: Inspection of the installed equipment can be made within ten (10) days to two (2) weeks following notice by you that you are ready for such service. The cost of six (6) days of service in three (3) trips is included in our proposal price. Additional service is available at the rate of \$1,000/day plus living and travel expenses.

PROPOSAL PRICE:

Three (3) – 54-inch Open Screw Pump **\$195,000**

+ tax 14,820

This price includes service as stated above and is F.O.B. factory with freight allowed to the job site.

Total 209,820 -

TERMS:

The terms of payment are:

- 95% Net 30 days upon shipment or when ready for shipment.
- 5% of the gross amount upon start up or beneficial use of the equipment, whichever occurs first, but in no event later than 90 days following shipment.

These terms are completely independent from, and not contingent upon, when you receive payment.

PRIME CONTRACT: Our quotation is limited to only those technical portions of the Engineer's Mechanical Specifications specifically referred to herein and to the terms and conditions of sale as outlined in our quotation. We will not be bound by any Terms and Conditions of the Prime Contract not specifically included herein.

PRICE FIRM: For sixty (60) days from proposal date.

BOND: Lakeside will require with your Purchase Order a copy of your Payment Bond to the Owner.

CONDITIONS OF SALE (GIL 91D):

ACCEPTANCE: This quotation is void at our option unless a purchase order is placed with us within sixty (60) days from date of bid opening or date of written proposal. The order will be subject to written acceptance by our company's executive office. Our quotation is limited to only those technical portions of the Engineer's Mechanical Specifications specifically referred to herein, and to the terms and conditions of sale as outlined in our quotation. We will not be bound by any Terms and Conditions of the prime Contract not specifically included herein.

TAXES & OTHER CHARGES: Unless otherwise indicated, no Sales, Use, Retailers' Occupation, Service Occupation, Service Use, or similar taxes or custom duties, import fees and similar charges, have been included in our prices. The amount of any such taxes or charges which are paid or assessed in connection with this order and which are not specifically stated as being included in the purchase price, shall be paid by you, either directly to the appropriate authorities (in which event you shall furnish us with satisfactory evidence of such payments) or to us if we have paid, or are required to pay, such taxes or charges. If you are tax exempt on this job, you will need to supply us with your exemption certificate. You agree to reimburse our company for taxes we must pay on your behalf. You are responsible for obtaining permits in connection with the sale or installation of our equipment.

WARRANTY: Lakeside Equipment Corporation ("Lakeside") warrants to Buyer that equipment sold hereunder, of its manufacture, are free from defect in material and workmanship, and are of the kind and quality designated or described herein. This warranty shall run to Buyer and, if applicable, such entity specifically identified in the Primary Contract only, but not to their employees, representatives, agents, customers, assignees, etc., and applies to those technical portions of the Engineer's Specifications only to the extent that they are referred to herein. **This warranty shall be in full force and effect at the time of shipment of such equipment for a period of one (1) year from the date of start-up but not to exceed 18 months from shipment.** Lakeside will furnish without charge, but will not install, replacements for such parts as it finds to have been defective. The obligation of Lakeside to replace such defective parts shall be the exclusive remedy hereunder. Buyer must give Lakeside notice in writing of any alleged defect covered by this warranty within thirty (30) days of the discovery of such defect during the warranty period. No claim more than thirty (30) days after the warranty period shall be valid. The warranty extends to replaced parts of Lakeside's manufacture for ninety (90) days or the remainder of the original warranty period applicable to the parts being replaced.

This warranty shall not apply to:

- A. Any equipment which has been subjected to misuse, neglect, or accident;
- B. Any equipment which has been altered, tampered with, or upon which corrective work has been done thereon without Lakeside's specific written consent;
- C. Any equipment which has been operated or maintained in a manner which in any way deviates from the maintenance schedules, specifications, and parameters set forth in Lakeside's Operator's Manual for such equipment.
- D. Fuses, lights or other standard wear items.
- E. Electrical damage due to overvoltage conditions.

No allowances will be made for any such alterations or corrective work done without the specific written consent of Lakeside. Conditions caused by improper lubrication, deterioration by chemical action, and wear caused by the

presence of abrasive materials, do not constitute defects. Equipment manufactured by others, and included in Lakeside's proposal, is not warranted in any way by Lakeside but carries only that manufacturer's warranty, if any. No representative of Lakeside's has any authority to waive, alter, vary, or add to the items hereof without prior written approval.

THE FOREGOING WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER GUARANTEES AND WARRANTIES OF QUALITY, WRITTEN, ORAL OR IMPLIED; ALL OTHER WARRANTIES, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE ARE HEREBY EXPRESSLY DISCLAIMED.

SECURITY INTEREST: Until all amounts due hereunder have been paid in full, Seller has a security interest in the equipment and has all rights of a secured party under the Uniform Commercial Code including, without limitation, the right to take possession of the equipment without legal process and the right to require Buyer to assemble the equipment and make it available to Seller at a place reasonably convenient to both parties. At Seller's request, Buyer shall execute any financing statement or statements submitted by Seller in order that Seller's security interest in the equipment may be perfected.

PROPERTY INSURANCE-RISK OF LOSS: You shall provide and maintain in responsible insurance companies, at your own expense, insurance against loss or damage to the equipment by fire or other casualty from and after the time of delivery to the carrier at point of shipment. Upon request you will provide certificates evidencing such coverage. Such coverage shall be for the amount of this contract, shall cover the equipment specified herein, and losses, if any, shall be payable to us as our interest may appear, under Union or Standard loss payable endorsements. Irrespective of such insurance coverage, you shall bear the risk of loss resulting from any and all damage or injury to the shipment from and after delivery to the carrier at point of shipment. If you should fail to provide such insurance, we may obtain the same and the cost of the premium therefore shall be added to the purchase price.

CHANGES & DELAYS: If you cause changes to be made, or delay or interrupt the progress of the work, you will reimburse us for any additional expense resulting from such cause. Any of such changes or delays which may adversely affect the operation of the equipment will nullify our warranty unless we consent in writing thereto.

Our proposal is based on present day cost of materials and furnishing our equipment in accordance to our schedule indicated above. If delays greater than 90-days are experienced for review/approval of shop drawings or if there is delay on release of equipment to go into fabrication, you will reimburse Lakeside for any additional expense that may result from such cause.

Shipment must be accepted when ready to avoid storage charges. If refused when ready, storage plus handling charges will be added to the above price. Partial shipments must be accepted when ready and paid for in accordance with terms shown above.

DELAYS: We shall not be liable for delay in delivery caused by any reason beyond our control, including but not limited to your delay in promptly submitting all information necessary for us to proceed with the work, your delay in approval of drawings, acts of God, casualty, civil disturbance, labor disputes, strikes, transportation, supply difficulties, any interruption of our facilities, or any of the governmental authorities. The time for delivery specified herein shall be extended during the continuance of such conditions and for a reasonable time thereafter.

PATENTS: We agree to indemnify you against any charge of infringement of any presently issued apparatus patent by reason of the use or resale of the equipment sold to you under this contract; provided however, that:

- A. Such charge relates exclusively to something which we designed or selected, and
- B. Such charge does not arise as a result of any modification of the equipment by you or the combination thereof of you with equipment furnished by others, and
- C. We are notified in writing immediately upon receipt of such charge, and
- D. We are given absolute control of the defense and the right to defend or settle such charge, and
- E. We are allowed to make such changes in the equipment as we deem necessary for the purpose of avoiding infringement.

CLAIMS: Claims for errors or shortages existing prior to our delivery of the equipment to the carrier will be considered only when made to us immediately after receipt of shipment. Claims shall be confirmed in writing.

Buyer shall immediately inspect the equipment upon receipt thereof. Seller is not obligated to consider any claim for shortages or nonconformance unless notified thereof by Buyer within twenty (20) days after Buyer's receipt of equipment. Modifications to the equipment furnished by Lakeside to meet OSHA or local safety codes will be by others. Seller will supply only the safety devices, if any, described in the order. LAKESIDE EQUIPMENT CORPORATION assumes no responsibility for any costs, direct or indirect, resulting from disapproval of our tender by the owner.

TRANSPORTATION EXPENSE: Unless otherwise noted, the prices shown in this proposal include freight to the destination shown, at lowest available freight rates on a common carrier of our choice. If you require us to ship another way, you will bear any additional expense. In order for our company to insure delivery, it is agreed by you and our company that you will provide us with an access road to and from the job site, which road is capable of supporting our trucks. The responsibility for the protection of equipment will be yours after it is delivered to the job site. Damage to the equipment after delivery which is caused by vandalism, the elements or otherwise, will be your responsibility and not that of our company.

LIABILITY: It is expressly understood that our liability, including that for negligence, for our products is limited to the furnishing of such replacement parts, and that we will not be liable for any other expense, injury, loss or damage, whether direct or consequential, including but not limited to loss of profits, production, increased cost of operation, or spoilage of material, arising in connection with the resale or use of, or inability to use, our equipment or products for any purpose except as herein provided.

LIQUIDATED DAMAGES: If awarded this contract, we will diligently prosecute the engineering and fabrication of the proposed equipment; however, we are unable to accept any liquidated damages or penalty clauses for failure to complete shipment as designated in this proposal.

INSTALLATION REPRESENTATIVE: At your request, and subject to our option and availability of personnel at time of requirement, we will provide the services of a competent person to advise you concerning the installation of the equipment covered by this proposal. These services are not supervisory but are advisory only, and are offered subject to the express understanding that our function and responsibility is limited to interpretation of assembly drawings and identification of materials for their proper location in the equipment or system layout. These services are offered on a "no risk" basis by Lakeside Equipment Corporation.

In payment for such services, you will reimburse us at the current rate for each normal working day, or fraction thereof, that such person is absent from our plant on your business. The normal working day shall be eight (8) hours, between 8:00 AM and 4:30 PM, Monday through Friday, exclusive of holidays. All services performed by our representative at your request in addition to a normal working day, as herein defined, shall be classified as overtime work. If circumstances dictate that our representative shall work exclusively during hours other than those of the normal working day, arrangements can be made. The day rate is subject to change to the rate in effect at the time representative is furnished. You will also reimburse us for all transportation and living expenses incurred by our representative while absent from our plant on your business.

CANCELLATION: Cancellation or suspension of a contract will be accepted only upon terms that will indemnify Lakeside Equipment Corporation against loss. You agree to reimburse our company for our costs incurred in such cancellation, including overhead and administrative costs. Our company may cancel the order prior to or at the time of receiving the final approved drawings if our company deems itself insecure, or determines that it is commercially unreasonable for us to proceed. In this event, you will be refunded any and all deposits you have made to us.

CONTRACT: We both agree that this contract contains the complete and final agreement between us and may not be modified, supplemented, explained, or waived by oral evidence, your purchase order, course of dealing, or in any other way, except where made in writing and signed by you and our company's authorized officer.

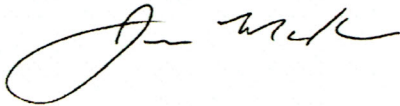
ARBITRATION: Any controversy or claim arising out of or relating to this transaction shall be settled in Chicago by arbitration in accordance with the Rules of the American Arbitration Association, and judgment upon the award rendered by the Arbitrator may be entered in any court having jurisdiction hereof.

CONFIDENTIAL INFORMATION: All information and data herein furnished to Buyer hereunder, relating to price, size, type and design is submitted with the understanding that it is for the Buyer's own confidential use and is not to be shown or otherwise made known or available to any third party at any time without Seller's written consent.

NOTE: Our representative, **Nick Chavez, of Shape Incorporated, 6600 Koll Center Pkwy., Ste. 220, Pleasanton, CA, 94566, 925-485-9720**, will be available to discuss this offering with you, furnish pricing and assist you throughout this project.

Submitted by:

LAKESIDE EQUIPMENT CORPORATION



Jim McKee
Regional Sales Manager

QUOTATION ACCEPTED BY:

Sign as Agent for Purchaser

Print Name

Title

Company

Date