

California American Water
Fitch Park ASR Wells 5 & 6 Above Ground Facilities

SUPPLEMENTARY CONDITIONS

The Supplementary Conditions amend or supplement the General Conditions (Standard General Conditions of the Contract between Owner and Design/Builder, 2002 Edition, EJCDC D-700) and other provisions of the Contract Documents as indicated below. All provisions which are not so amended or supplemented remain in full force and affect.

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Fitch Park ASR Wells 5 & 6 Above Ground Facilities**

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SUPPLEMENTARY CONDITIONS

The terms used in these Supplementary Conditions that are defined in the Standard General Conditions of the Contract between Owner and Design/Builder (EJCDC D-700, 2002 Edition) have the meanings assigned to them in the General Conditions.

SC-1.01 Definitions

Delete paragraph 1.01.A.27 of the General Conditions in its entirety and insert the following in its place:

27. Contract times will commence to run on the Effective Date of the Agreement.

Add the following definitions after General Conditions 1.01.A.48

49. Target Cost – The Target Cost for the Work shall be defined as follows:
- a. After award of the contract, the Design/Builder shall prepare and submit a preliminary budget construction cost estimate with the Design Memorandum. Section III, Scope of Design Services, Paragraph A.9. included in the RFP provides a brief description of this requirement.
 - b. Upon completion of 60% design, including incorporation of Owner's comments, the Design/Builder shall develop and present a final detailed estimate of the cost of the construction activities to the Owner. The Supplementary Conditions, SC-6.01 Design Professional Services, and SC-10.01 Cost of the Work included in the RFP provides a detailed description of this requirement.

SC-1.02 Terminology

Add the following terms after General Conditions 1.02.A.7

- 8. Whenever the term "Water Company" is used in these Contract Documents, it shall have the same meaning as Owner.
- 9. Whenever the terms CONTRACTOR or CONSULTANT (upper or lower case spellings) is used it shall have the same meaning as Design/Builder.

SC-2.02 Commencement of Contract Times; Notice to Proceed

Delete paragraph 2.02.A of the General Conditions in its entirety and insert the following in its place:

The Contract Times will commence to run on the Effective Date of the Agreement.

SC-2.05 Initial Conference

Delete paragraph 2.05 of the General Conditions in its entirety and insert the following in its place:

Within twenty-five (25) days after the Contract Times start to run, two consecutive one-day meetings will be held. The first day, a conference attended by Design/Builder, Owner, and others shall be held with the assistance of a Facilitator in order to establish a Partnering relationship amongst the parties as to the Work. At such conference, the parties shall develop common Project objectives in the form of a partnering charter and shall develop working arrangements for periodic meetings amongst the Parties, including subsequent partnering meetings, and for the rapid resolution of issues that may develop. Owner and Design/Builder shall mutually agree on the selection of the Facilitator. The cost of the Facilitator and the cost of the meeting facilities for all partnering sessions will be paid for by the Owner. Each party shall be responsible for the travel and living expenses of their employees and their subcontractors or consultants designated to attend the meeting. On the second day, Design/Builder, Owner and others shall attend another meeting to discuss the schedules referred to in paragraph 2.04 of the General Conditions, design issues, processing shop drawings, Applications for Payments and other submittals, maintaining required records and Project procedures and Community Relations. See Scope of Design Services and Section 1000 Summary of Work for additional meeting attendance requirements.

SC-3.05 Reuse of Documents

Delete paragraph 3.05.A of the General Conditions in its entirety and insert the following in its place:

Drawings, specifications, and other work products of the Design/Builder for this project, except working notes and internal documents, become the property of the Owner upon delivery thereof to Owner and payment for the services that produced said documents in accordance with this Agreement. Reuse of any of these drawings, specifications, or other work products of the Design/Builder by the Owner for other than the specific project covered in this Agreement, or modification and use by the Owner of any documents connected with this Agreement, without the written permission of the Design/Builder shall be at the Owner's risk and the Owner agrees to defend, indemnify, and hold harmless the Design/Builder from all claims, damages and expenses including attorney's fees arising out of such unauthorized reuse of the Design/Builder work product by the Owner or by others acting through the Owner. The Design/Builder shall be entitled to a reproducible copy of all material furnished to the Owner. Any uncompleted work of the Design/Builder delivered to the Owner due to cancellation of all or portions of the work or contract termination, which are utilized by the Owner in any way, shall have the Design/Builder name removed, and the Owner agrees to defend, indemnify, and hold harmless the Design/Builder from all claims, damages, and expenses including attorney's fees arising from any use by Owner of such uncompleted work.

SC-4.03 Reference Points

Amend the first sentence of paragraph 4.03.A of the General Conditions to read as follows:

Design/Builder shall be responsible for laying out the construction and shall protect and preserve the reference points established by Design/Builder and shall make no changes or relocations without the prior written approval of Owner.

SC-4.04 Hazardous Environmental Conditions at Site

Add a new paragraph immediately after paragraph 4.04.F, which is to read as follows:

G. Owner, Design/Builder and any Subcontractors will each provide or make available to the others: (a) any written hazard communication program required to be maintained with respect to the site and any material data sheet and other hazard communication required to be provided in accordance with applicable Laws and applicable Regulations, or (b) in the event that applicable Laws and Regulations do not require the provision or exchange of such hazard communications, Design/Builder and any Subcontractors shall, nevertheless, provide or make available to Owner and any other employers at the site a written hazard communication program, material safety data sheets and any other hazard communication information of the type consistent with the intent of OSHA Standard Section 29CFR-1910.12 and acceptable to Owner. Design/Builder shall be responsible for coordinating any such required exchange of documents or information between or among Owner, and any other employers at the site, or any of them. Design/Builder shall include the provisions of this paragraph SC-4.04.G in any subcontract for any part of the Work at the site.

SC-5.01 Performance, Payment and Other Bonds

Delete Paragraph 5.01 of the General Conditions in its entirety and replace with the following:

A. Design/Builder agrees to include in its subcontracts with major subcontractors a requirement for such subcontractors to furnish a Performance Bond and a Labor and Material Payment Bond, each in an amount equal to the Subcontract price and each naming the Owner and Design/Builder as co-obligees, as security for the faithful performance and payment of all such subcontractors' obligations under their respective subcontract documents. These Bonds shall remain in effect at least until one year after the date when final payment becomes due, except as otherwise provided by Laws or Regulations. All bonds furnished in compliance with the above shall be executed by sureties having a rating of "A" by the most recent Best's Key Rating Guide and as are named in the current list of "Companies Holding Certificates of Authority as Acceptable Sureties on Federal Bonds and as Acceptable Reinsuring Companies" as published in Circular 570 (amended) by the Audit Staff, Bureau of Government Financial Operations, U.S. Treasury Department. All Bonds signed by an agent must be accompanied by a certified copy of such agent's authority to act.

B. Design/Builder is not required to furnish a Performance or Labor and Material Payment Bond at the time of award. If Owner requests at a later date that such bonds be furnished, Design/Builder will provide the bonds from a surety meeting the requirements of Paragraph 5.01A above. In this case Design/Builder's Fee will be increased in an amount equal to the premium paid for the bonds requested by Owner.

SC-5.04 Design/Builder's Liability Insurance

The limits of liability for the insurance required by paragraph 5.04 of the General Conditions shall provide coverage for not less than the following amounts or greater where required by Laws and Regulations:

1. At no expense to Owner, Design/Builder and subcontractors shall (1) obtain and keep in force during the term of this Agreement, and any renewals or extensions hereof; and (2) require its subcontractors to obtain and keep in force during the terms of their respective engagements or contracts, the minimum insurance limits and coverage set forth below. The insurance coverage limits stated below are minimum coverage requirements, not limitations of liability, and shall not be construed in any way as Owner's acceptance of the responsibility of Design/Builder.

a. Commercial General Liability:

- **\$(See Appendix A)** per occurrence Combined Single Limits.
- **\$(See Appendix A)** General Aggregate.
- **\$(See Appendix A)** Products and Completed Operations Aggregate.
- **\$(See Appendix A)** Completed Operation-Products Liability

CGL ISO 1996 or later occurrence form including premises and operations coverage, products and completed operations, coverage for independent contractors, personal injury coverage and blanket contractual liability, contractors protective liability if Design/Builder subcontracts all or any portion of the work to be performed hereunder. Completed operations shall be maintained for a period of three (3) years following final completion for any construction, renovation, repair and maintenance service.

b. Workers' Compensation:

- Coverage A: Applicable federal or state requirements: statutory minimum.
- Coverage B: Employer's Liability:
- Each accident: **\$(See Appendix A).**
- Each employee – disease: **\$(See Appendix A).**
- Policy limit - disease: **\$(See Appendix A).**
- Coverage C: Voluntary workers compensation insurance coverage for all employees not subject to the applicable workers compensation act or acts.

The workers' compensation policy shall also include U.S. longshoreman and harbors workers' compensation act coverage if any work to be performed hereunder shall be done over or within one hundred (100) feet of any body of water, or otherwise at the sole discretion of Owner. Design/Builder shall provide maritime (Jones Act) coverage if a boat or vessel of any type is used.

c. Automotive Liability (including owned, hired, borrowed and non-ownership liability)

- Bodily injury and property damage **\$(See Appendix A)** each occurrence Combined Single Limits.

d. Umbrella Liability

- **\$(See Appendix A)** each occurrence and annual aggregate in excess of employer's liability, General liability and Automotive liability (no more restrictive than underlying insurance).

e. Professional Liability Insurance

- The Design/Builder shall carry Professional Liability Insurance covering Design/Builder's liabilities for loss due to error, omission, negligence, mistakes or failure to take appropriate action in the performance of business or professional duties of their employees during the life of the Contract with the limits meeting those shown in the sample Certificate of Insurance included in **Appendix A** of these Supplementary Conditions
2. The minimum liability limits required may be satisfied through the combination of the primary general liability, employers' liability, and automotive liability limits with an umbrella liability policy (with coverage no more restrictive than the underlying insurance) providing excess limits at least equal to or greater than the combined primary limits.
 3. All commercial general liability including completed operations-products liability coverage and automotive liability insurance shall designate Owner, its parent, affiliates and subsidiaries, its directors, officers and employees as an additional insured. All such insurance should be primary and non-contributory, and is required to respond and pay prior to any other insurance or self-insurance available to Owner. In addition to the liability limits available, such insurance will pay on behalf of or will indemnify Owner for defense costs. Any other coverage available to Owner applies on a contingent and excess basis. Such insurance shall include appropriate clauses pursuant to which the insurance companies shall waive its rights of subrogation against Owner.
 4. Design/Builder and any of its subcontractors shall furnish, prior to the start of work, certificates or adequate proof of the foregoing insurance including, if specifically requested by Owner, copies of the endorsements and insurance policies naming Owner as an additional insured, as provided herein. Current certificates of insurance shall be provided prior to the commencement of work and shall be maintained until termination of this Agreement. Design/Builder shall notify Owner in writing, at least thirty (30) calendar days prior to cancellation, or of a material change in any policy.
 5. The certificate holder is included as an additional insured with respect to liability arising out of the named insured's operations performed on behalf of such certificate holder. A waiver of any subrogation endorsement must accompany a certificate of insurance and must include workers' compensation policies.
 6. Carriers providing coverage will be rated by A.M. Best with at least an A-rating and a financial size category of at least Class VII. Such cancellation or material alteration shall not relieve Design/Builder of its continuing obligation to maintain insurance

coverage in accordance with this contract. Carriers shall be licensed in the state(s) where work is performed.

7. If Design/Builder shall fail to procure and maintain such insurance, Owner, upon written notice, may, but shall not be required to, procure and maintain same, but at the expense of Design/Builder. In the alternative, Owner may declare a default hereunder and, unless such default is timely cured, terminate the Agreement. Unless and until the default is cured, neither Design/Builder nor its servants, employees or agents will be allowed to enter upon the Owner's premises.

D. The policies of insurance so required by Paragraph 5.4 shall include as additional insureds the following parties:

1. **California-American Water Company**

SC-5.06 Property Insurance

Add a new paragraph immediately after paragraph 5.06.E which is to read as follows:

- F. The Design/Builder shall bear all risks of all loss or damage to the materials and works until the WORK is finally accepted by the Owner, except that the Design/Builder may claim reimbursement under the Owner's builder's risk insurance policy as herein provided and limited. Owner will carry "All Risk" Builder's Risk Insurance subject to deductibles, terms and conditions as stated in the policy and below with Design/Builder as an additional insured. It is the obligation and responsibility of the Design/Builder to make appropriate claim to the insurance company for all losses claimed under the policy. Should any loss not be covered under this policy, in whole in or parts, the Design/Builder shall bear the loss. Any questions regarding coverages, limitation, exclusion, etc. contained in the policy shall be addressed by bidders prior to submittal of bids, to **Director, Risk Management, American Water, 1025 Laurel Oak Road, Voorhees, NJ 08043, phone 856-310-5926 or email roger.hammer@amwater.com**

Such insurance shall cover the full value of the cost of replacement to the Owner, less applicable deductibles, of all completed portions of the work to be performed throughout the entire time of construction. The deductibles on each separate and unrelated loss are:

Each claim for loss or damage shall be subject to a per occurrence deductible amount of **\$100,000**, unless a specific deductible shown below applies:

Earth Movement:

(1) **\$100,000** Per Occurrence, except as follows:

(2) **5%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage, subject to a minimum of **\$250,000** any one occurrence, as respects locations in **California and Hawaii**;

(3) **3%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage, subject to a minimum of **\$100,000** any one occurrence, as respects locations in the **New Madrid Earthquake Zone Counties**;

(4) **3%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage, subject to a minimum of **\$100,000** any one occurrence, as respects locations in the **Pacific Northwest Earthquake Zone Counties**;

Flood:

(1) **3%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage, subject to a minimum of **\$500,000** any one occurrence,

(2) **5%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage, subject to a minimum of **\$1,000,000** any one occurrence, as respects locations **wholly or partially within Special Flood Hazard Areas (SFHA), areas of 100-year flooding, as defined by the Federal Emergency Management Agency (FEMA)**;

Wind & Hail:

(1) **2%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage arising out of a **Wind & Hail** (including a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression) **except in 1st Tier Counties of AL, GA, VA, MS, NC, SC, LA, TX and the entire states of Hawaii and Florida**, regardless of the number of Coverages, Locations or Perils involved (including but not limited to, all Flood, wind, wind gusts, tornados, cyclones, hail or rain) and subject to a minimum deductible of **\$250,000** any one occurrence;

(2) **5%** of Total Insurable Values at the time of the loss at each location involved in the loss or damage arising out of a **Wind & Hail** (including a storm that has been declared by the National Weather Service to be a Hurricane, Typhoon, Tropical Cyclone, Tropical Storm or Tropical Depression) in **1st Tier Counties of AL, GA, VA, MS, NC, SC, LA, TX and the entire states of Hawaii and Florida**, regardless of the number of Coverages, Locations or Perils involved (including but not limited to, all Flood, wind, wind gusts, storm surges, tornados, cyclones, hail or rain) and subject to a minimum deductible of **\$1,000,000** any one occurrence;

Equipment Breakdown:

(1) **\$100,000** Per Occurrence,

(2) 2 Days per occurrence as respects Soft Costs

If two or more deductible amounts provided in this policy apply to a single occurrence, the total to be deducted shall not exceed the largest deductible applicable unless otherwise stated in the policy.

Such insurance shall not cover (1) damage to or loss of material or equipment furnished by either party which are damaged or lost due to carelessness or negligence on the part of the

Design Builder, or (2) damage to or loss of machinery, tools, equipment, or other property furnished by the Design Builder whether or not used by the Design Builder in carrying out the terms of the Contract unless such machinery, tools, equipment or other property are specifically intended for permanent incorporation into the Contract work and are included in an approved application for payment.

SC-5.07 Waiver of Rights

Delete the last sentence of paragraph 5.07.A of the General Conditions in its entirety.

SC-6.01 Design Professional Services

Add the following to Paragraph 6.01 B after Item 7:

8. Upon completion of 60% design, including reconciliation of Owner's comments, the Design/Builder shall develop and present a detailed estimate of the Cost of the Work to the Owner. The estimate shall be prepared and presented in general conformance with the Sixteen (16) Division Format of the Construction Specifications Institute (CSI). The estimate shall identify the following costs as applicable for each area of Work.

- Direct Labor
- Permanent Materials
- Permanent Equipment
- Subcontract Work
- Allowances and Contingencies
- Temporary Construction
- Construction Equipment, Small Tools, Expenditures, etc.
- Permits, Inspections & Testing
- Utility Connections and Utility Usage
- Miscellaneous

Upon review, comment and approval by Owner, this estimate will form the basis for the Target Cost for the project. With the exception of the purchase of long lead equipment or materials as recommended by Design/Builder and approved by Owner, Design/Builder shall not proceed with construction on the project until such time that the approved Target Cost is established.

SC-6.04 Major Materials and Equipment

Design/Builder shall direct purchase the major materials and equipment for the project. Materials and equipment to be furnished by subcontractors shall be submitted by Design/Builder to Owner for review/comment prior to completion of the Preliminary Design Phase.

SC-6.06 Subcontractors, Suppliers and Others

Add the following to paragraph 6.06A:

Design/Builder shall include a provision in all Subcontracts, Procurement contracts and Purchase Orders stating that by acceptance of the Subcontract, Procurement Contract or Purchase Order the Subcontractor or Supplier provides advanced consent to the assignment of the Subcontract, Procurement Contract or Purchase Order from the Design/Builder to the Owner if desired by the Owner. Under such assignment Owner will assume all benefits, rights and responsibilities of the Design/Builder.

SC-6.08 Permits

Delete paragraph 6.08 of the General Conditions in its entirety and insert the following in its place:

A. Unless otherwise provided in the Contract Documents, Design/Builder shall directly or through one or more Subcontractors obtain all necessary permits and licenses. Owner shall pay for all necessary permits and licenses, and assist Design/Builder, when necessary, in obtaining such permits and licenses. Owner shall pay all governmental charges and inspection fees necessary for the prosecution of the Construction. Owner shall pay all charges of utility owners for connections to the Work, and Owner shall pay all charges of such utility owners for capital costs related thereto.

B. The necessary permits are to be investigated by Design/Builder and identified in the Design Memorandum.

Any fees that may be required as a result of resubmittal requirements due to incomplete permit applications prepared by the Design/Builder shall be at the cost of the Design/Builder.

SC-6.10 Taxes

Add the following language after Paragraph 6.10.A of the General Conditions which is to read as follows:

Design/Builder shall indemnify and hold harmless the Owner for any sales and use tax, which Owner is required to pay by reason of Design/Builder's failure to pay any available Sales and Use Tax.

Owner may set off against monies otherwise due Design/Builder hereunder the amount of any sales and use tax, or any other tax, which Owner is required to pay by reason of Design/Builder's failure to comply with Paragraph 6.07 of the General Conditions.

Design/Builder shall furnish evidence satisfactory to Owner that Design/Builder has paid all sales, consumer, use and other similar taxes required to be paid by Design/Builder. Owner reserves the right to audit the Design/Builder's statement prior to release of retainage and final payment.

SC-8.01 Owner's Responsibility General

Delete paragraph 8.01.A.6.e in its entirety.

Delete paragraph 8.01.A.6.h in its entirety.

SC-8.05 Resident Project Representation

Add the following after paragraph 8.05 A.

The duties, responsibilities and limitations of authority of the Resident Project Representative shall be as follows:

A. General

The Resident Project Representative (RPR) is Owner's agent at the site, will act as directed by and under the supervision of Owner.

B. Duties and Responsibilities of RPR

1. Conference and Meetings: Attend meetings with Design/Builder, such as preconstruction conferences, progress meetings, job conferences and other project-related meetings.

2. Liaison: Serve as Owner's liaison with Design/Builder working principally through Design/Builder's superintendent and assist in understanding the intent of the Contract Documents; and assist the Owner in serving as liaison with Design/Builder when Design/Builder's operations affect Owner's on-site operations.

3. Shop Drawings and Samples: Advise Owner and Design/Builder of commencement of any Work requiring a Shop Drawing or sample if the submittal has not been approved by Design/Builder's design professional or Owner.

4. Review of Work, Rejection of Defective Work, Inspections and Tests:

a. Conduct on-site observations of the Work in progress to assist Owner in determining if the Work is in general proceeding in accordance with the Contract Documents.

b. Report to Owner whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Contract Documents, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made.

c. Verify that tests, equipment and systems startup and operating and maintenance training are conducted in the presence of appropriate personnel, and that Design/Builder maintains adequate records thereof.

5. Modifications: Consider and evaluate Design/Builder's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to Owner. Transmit to Design/Builder decisions as issued.

6. Payment Requests: Review applications for payment with Design/Builder for compliance with the established procedure for their submission and forward with recommendations to Owner, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and delivered at the site but not incorporated in the Work.

7. Completion:

a. Before Owner issues a certificate of Substantial Completion, submit to Design/Builder a list of observed items requiring completion or correction.

b. Conduct final inspection in the company of Owner and Design/Builder and prepare a final list of items to be completed or corrected.

c. Observe that all items on final list have been completed or corrected and make recommendations to Owner concerning acceptance.

C. Limitations of Authority

Resident Project Representative

1. Shall not authorize any deviation from the Contract Documents or substitution of materials or equipment unless authorized by Owner.

2. Shall not exceed limitations of Owner's authority as set forth in the Agreement or the Contract Documents.

3. Shall not undertake any of the responsibilities of Design/Builder, subcontractors or Design/Builder's superintendent.

4. Shall not issue directions relative to, or assume control over, any aspect of the means, methods or techniques of construction unless such directions or control are specifically required by the Contract Documents.

SC-10.01 Cost of the Work

Add the following language immediately after paragraph 10.01.A of the General Conditions:

The Cost of the Work shall include lump sum amounts for Supervision and Superintendence of Construction (including temporary facilities), Design Professional Services for a. Preliminary Design Phase, b. Final Design Phase and c. Construction/operations phase.

The lump sum amount for Supervision and Superintendence of Construction shall include the responsibilities described in General Conditions Article 6.02 and the duties described in General Requirements, Section 1000 - Summary of Work, Paragraph 3.02; Section 1075 – Basis of Payment, Paragraph 1.03; and Section 1500 - Temporary Construction Facilities, Paragraphs 1.01 Water Supply; 1.02 Temporary Heat/Air Conditioning - to include general temporary heating/air conditioning of site office facilities and onsite storage of equipment and materials but not to include permanent heating and air conditioning of plant facilities; 1.03 Electrical Supply - to include temporary electric for site office facilities and that needed to perform construction but not to include permanent power supply and use for testing and start-up of plant facilities and equipment; 1.04 Temporary Lighting- to include temporary lighting of site offices and exterior security lighting but not to include temporary lighting of construction areas; 1.07 Parking - to include parking for supervisory personnel at the site offices but not to include parking areas for construction personnel; 1.08 Progress Cleaning; 1.09 Sanitary Facilities and 1.10 Field Offices. This lump sum shall cover all project supervisory, administrative and engineering personnel costs including salary, payroll labor burden, vehicles, relocation, travel and living expenses. Also included is field office facility complex costs including trailers, office supplies, office equipment, telephone, postage, blueprinting, utilities and miscellaneous. General site facilities furnished by Design/Builder for use by all contractors and subcontractors shall also be included in this lump sum.

The lump sum amounts for Design Professional Services shall include the work described in General Conditions 6.01. as amended by these Supplementary Conditions and work described in the Scope of Design Services including listed attachments.

Add the following language immediately before paragraph 10.01.A of the General Conditions:

Design/Builder Self Performed Work: The Design/Builder is eligible to perform Work with its own forces either through a negotiated lump sum price or through successful bidding in competition with qualified subcontractors. No later than completion of the Preliminary Design Phase, the Design/Builder shall notify Owner of specific Work they desire to perform with their own forces either through a negotiated price or as the result of competitive bidding. Design/Builder shall provide justification for Work desired to be performed through a negotiated price. If Owner agrees with the justification, Design/Builder shall provide a firm Lump Sum Proposal with a detailed cost breakdown as backup.

If Owner accepts the proposal, the agreed to price will constitute a lump sum cost to be included in the Cost of the Work. The Design/Builder is responsible for completion of the specified Work in accordance with the Contract Documents including warranty provisions for the price submitted. If Owner rejects the Design/Builder's proposal to self perform specific Work, this Work shall be competitively bid to qualified Subcontractors including the Design/Builder if desired and approved by Owner.

Add the following language at the end of paragraph 10.01.A.2:

To the fullest extent practical, the Design/Builder shall purchase all permanent materials and equipment through documented competitive bidding. Materials and equipment not purchased through competitive bidding shall have prior approval from the Owner.

Add the following language at the end of paragraph 10.01.A.3:

To the fullest extent practical, the Design/Builder shall award all subcontracts through documented competitive bidding. Subcontracts not awarded through competitive bidding shall have prior approval from the Owner.

Add the following language at the end of paragraph 10.01.A.5:

The cost of special consultants shall only be included in the Cost of the Work if they have been authorized by the Owner prior to the furnishing of service.

Add the following language at the end of paragraph 10.01.A.6

The Equipment rental rates to be paid for under a Cost of the Work basis are to be no higher than those prevailing in the locality of the project and shall not exceed 80% of the monthly rental rate determined through proper application of the Equipment Rental Rate Blue Book published by KIII Directory. Monthly operating costs shall be determined by multiplying the blue book estimated hourly operations cost by 120 hours. Prior to using construction equipment owned by Design/Builder or any subsidiary company, provide to Owner a comparison of equipment rental costs between using Design/Builder's equipment versus equipment rented from others.

SC-11 Change of Contract Price

Add the following language immediately before paragraph 11.01 of the General Conditions:

Design/Builder's Fee and provisions for adjustment are provided in the Agreement. In Article 11 of the General Conditions, delete all references to Design/Builder's fee or allowances for overhead and profit. Fee provisions of Article 11 of the General Conditions are applicable to subcontractors performing Work on a Cost of the Work basis per Paragraph 11.01.B.3.

SC-12.03 Tests and Inspections

Add the following language at the end of paragraph 12.03.A of the General Conditions:

All firms and/or inspectors employed by the Design/Builder for the purpose of inspection or testing shall be acceptable to Owner.

SC-13.03 Progress Payments

Amend the second sentence of paragraph 13.03.A.1 of the General Conditions by striking out ten days and inserting twenty days in its place.

SC-13.06 Partial Utilization

SC-13.06.B Add a new paragraph immediately after paragraph 13.06.A.2 of the General Conditions which is to read as follows:

13.06.B. Owner may at any time submit a written request to Design/Builder to permit Owner to take over operation of any such part of the Construction although it is not substantially

complete. Owner and Design/Builder shall make an inspection of that part of the Construction to determine its status of completion and will prepare a list of the items remaining to be completed or corrected thereon before final payment. If Design/Builder does not object in writing to Owner that such part of the Construction is not ready for separate operation by Owner, Owner will finalize the list of items to be completed or corrected and will deliver such list to Design/Builder together with a written division of responsibilities pending final payment between Owner and Design/Builder with respect to security, operation, safety, maintenance, utilities, insurance, warranties and guarantees for that part of the Construction which will become binding upon Owner and Design/Builder at the time when Owner takes over such operation. During such operation and prior to substantial completion of such part of the Construction, Owner shall allow Design/Builder reasonable access to complete or correct items on said list and to complete other related Construction.

SC-13.08 Final Application for Payment

Add the following language at the end of paragraph 13.08 A:

With the final payment request, Design/Builder, Subcontractor and Suppliers shall execute and deliver to the Owner their release of liens on forms supplied by Owner. Blank forms are included in Appendix B of these Supplementary Conditions.

APPENDIX A

Limits of Liability Insurance

SC-5.04 Contractor's Liability Insurance is hereby supplemented to include the following:

The limits of liability for insurance required by paragraph GC-5.04 and paragraph SC-5.04 are as follows:

Insurance Requirements.

1. **Commercial General Liability:**
 - \$1,000,000 per occurrence Combined Single Limits
 - \$1,000,000 General Aggregate
 - \$1,000,000 Products and Completed Operations Aggregate
 - \$1,000,000 Completed Operations-Product Liability
2. **Workers Compensation:**
 - Coverage A: Applicable federal or state requirements: statutory minimum
 - Coverage B: Employer's Liability:
 - Each Accident: \$1,000,000
 - Each Employee-disease: \$1,000,000
 - Policy Limit-disease: \$1,000,000
3. **Automotive Liability**
 - Bodily injury and property damage \$1,000,000 each occurrence combined single limits
4. **Umbrella Liability**
 - \$9,000,000 each occurrence and annual aggregate in excess of Employer's Liability, General Liability and Automotive Liability.
5. **Professional Liability**
 - The Design-Builder shall carry Professional Liability Insurance of \$5,000,000 each claim and in the aggregate covering Design-Builder's liabilities for loss due to error, omission, negligence, mistakes or failure to take appropriate action in the performance of business or professional duties of their employees during the life of the Contract.

ACORD		CERTIFICATE OF INSURANCE			ISSUE DATE:	
PRODUCER VENDOR'S INSURANCE BROKER AND ADDRESS <hr/> INSURED VENDOR/CONTRACTOR/TRADE I.A, I.B. Address		THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.				
		COMPANIES AFFORDING COVERAGE				
		COMPANY LETTER A. ABC INSURANCE COMPANY				
		COMPANY LETTER B. XXX INSURANCE COMPANY				
		COMPANY LETTER C. YYY INSURANCE COMPANY				
		COMPANY LETTER D.				
		COMPANY LETTER E				
COVERAGES						
THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.						
CO LTR	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS	
A.	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR. <input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT. <input checked="" type="checkbox"/> PER PROJECT AGG. <input checked="" type="checkbox"/> CGL FORM #	CGL1234	1/1/2006	1/1/2007	GENERAL AGGREGATE PRODUCTS-COMP/OP AGG. \$ 1,000,000 PERSONAL & ADV. INJURY EACH OCCURRENCE \$ 1,000,000 FIRE DAMAGE (Any one Fire) \$ 1,000,000 MED. EXPENSE (Any one person) \$ 300,000 \$ 10,000	
A.	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input type="checkbox"/> COMP DED \$500 <input checked="" type="checkbox"/> NON-OWNED AUTOS	AL5678	1/1/2006	1/1/2007	COMBINED SINGLE LIMIT \$ 1,000,000 BODILY INJURY (Per Person) \$ BODILY INJURY (Per Accident) \$ PROPERTY DAMAGE \$	
B.	EXCESS LIABILITY <input checked="" type="checkbox"/> UMBRELLA FORM <input type="checkbox"/> OTHER THAN UMBRELLA FORM	XS 9876	1/1/2006	1/1/2007	EACH OCCURRENCE AGGREGATE \$9,000,000 \$9,000,000	
A	WORKER'S COMPENSATION AND EMPLOYERS LIABILITY	WC 5432	1/1/2006	1/1/2007	<input checked="" type="checkbox"/> STATUTORY LIMITS EACH ACCIDENT \$1,000,000 DISEASE-POLICY LIMIT \$1,000,000 DISEASE-EACH EMPLOYEE \$1,000,000	
	OTHER				Personal Property: \$250,000 Deductible:	
DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS (Reference Project Location or Contract No.) Certificate holder is included as Additional Insured, except for workers compensation, with respect to liability arising out of the named insured's operations as required by written contract. Any coverage afforded to the Additional Insured shall apply as primary and not excess to any other insurance or self insurance available to Additional Insured. Waiver of Subrogation shall apply to all insurance.						
CERTIFICATE HOLDER				CANCELLATION		
_____ American Water Company Address City, State,				SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL MAIL 30 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, _____ AUTHORIZED REPRESENTATIVE		
ACORD 25-S (7/90)				ACORD CORPORATION 1990		

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Through Date:

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check:

Amount of Check: \$

Check Payable to:

Exceptions

This document does not affect any of the following:

- (1) Retentions.
 - (2) Extras for which the claimant has not received payment.
 - (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
 - Date(s) of waiver and release: _____
 - Amount(s) of unpaid progress payment(s): \$ _____
 - (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.
-

Signature

Claimant's Signature:

Claimant's Title:

Date of Signature:

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check:

Amount of Check: \$

Check Payable to:

Exceptions

This document does not affect any of the following:
Disputed claims for extras in the amount of: \$

Signature

Claimant's Signature:

Claimant's Title:

Date of Signature:

APPENDIX H

California-American Water Company Fitch Park ASR Well 5 and 6 Above Ground Facilities

DESIGN MEMORANDUM REQUIREMENTS

The outline provided below identifies the minimum information that must be included in the Design Memorandum. The Design/Builder shall add additional information to the memorandum where appropriate to sufficiently define all critical design parameters so the Owner can understand the Design/Builder's design concept and visualize the final product.

The main section of the Design Memorandum must include project design data which was utilized in the development of drawings and specifications. This would include quantities, capacities, rates, and all other pertinent design criteria for each specific section specified in the Design Scope. A comparison of the required equipment (as calculated or as specified in the Design Scope) to the equipment selected by the Design/Builder is critical such that the Owner can understand the Design/Builder's logic in sizing facilities and selecting equipment. This information must be presented in an organized, easy to read tabular or outline format.

Provide a brief description of the approach for both ASR 5 and 6 Facilities to include

- Process (piping and Instrumentation Diagram)
- Pump and Motor
- Civil/Site Development
- Utility Building/Structures
- Piping and Valves
- Chlorination Facilities

Provide a brief description of the following items for site development

- Layout of the facilities
- Site security
- Site roadways and parking
- Landscaping
- Storm water collection and drainage
- Site utilities

Provide a brief description of the following architectural items

- Structure and Arrangement
- Interior construction – to include room finishes
- Exterior construction

Provide a brief description of the following structural items

- Building structure basis for design
- Design stresses and loading criteria
- Specific geotechnical requirements

Provide a brief description of the following mechanical building systems

- Design criteria
- Plumbing system design

- Sanitary drainage, collection, and treatment systems
- Potable water systems
- Fire Protection
- Heating, ventilation and air conditioning systems

Provide a brief description of the following electrical systems

- General design criteria
- Power distribution functional requirements
- Standby Power
- Lighting requirements
- Telephone communication systems
- Fire Alarm systems
- Lightning protection

Provide a brief description of the following instrumentation and controls systems

- Control system architecture.
- Control philosophy

Along with the above information, the following shall also be included in the Design Memorandum as a minimum.

- a. A hydraulic profile
- b. A process schematic showing all unit processes, points of chemical application, and points of on-line analytical sampling as a minimum.
- c. Chemical feed system schematics
- d. Preliminary drawings showing site and building layouts, sections, and architectural treatment.
- e. Any additional drawings that may further define the facility proposed by the Design/Builder.
- f. An I/O list, functional descriptions, graphic displays, reports, alarm, and historical database definition.
- g. A listing of major equipment required for the project including the manufacturer and model number which will be used as a basis of design. If possible, at least two other alternative manufacturers shall be identified for all major equipment for inclusion in the specifications.
- h. A summary of all permits required for the project and a brief description of the requirements of each. Any permit requirements that need to be completed by the Owner should be identified.
- i. A summary of any significant issues resulting from discussions with utility companies.
- j. A detailed project schedule.